

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date September 18, 1944

To Chairman Eccles

Subject: Authority of Smaller War Plants  
Corporation under Surplus Prop-  
erty Bill.

From Mr. Vest

The report of the conferees on the Surplus Property Bill, H.R. 5125, has just this afternoon become available. I have checked the provisions relating to the Smaller War Plants Corporation with the last previous draft of the bill and find that certain minor changes have been made.

The statement which you read this morning to the Advisory Council states that the Corporation is authorized to purchase surplus property for "resale or other disposition to small business". The bill as reported by the conferees provides that the Corporation is empowered to purchase surplus property for resale, but there is another provision to the effect that any Government agency authorized by the bill to dispose of property may do so by sale, exchange, lease, or transfer, on such terms and conditions as it deems proper.

The statement which you read this morning also says that the Corporation may make or guarantee loans to small business enterprises in connection with the acquisition, conversion and operation of plants and facilities. The conference report grants the authority in the same terms except it limits the words "plants and facilities" to those "which have been determined to be surplus property".

I do not think that these changes are material or that they affect the way in which the bill would probably have been interpreted without the changes. However, I mention them merely that you may have them in mind if you should read this statement to the Presidents' Conference. If you wish, I will be glad to have the mimeographed statement corrected to take care of these details.

*EBV*