BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-553

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 19, 1942.

Dear Sir:

There is enclosed for your information a copy of General Order No. 54 Revised adopted by the Maritime Commission on August 25, 1942, and received by the Board with a letter of transmittal from the Maritime Commission dated September 12, 1942, relating to the delegation of authority by the Maritime Commission to guarantee loans under Executive Order No. 9112. Your particular attention is directed to paragraphs 1) and 2) of the General Order which, of course, affect the instructions of the United States Maritime Commission to all Federal Reserve Banks dated May 7, 1942.

Very truly yours,

L. P. Bethea,
Assistant Secretary.

Enclosure

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

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UNITED STATES MARITIME COMMISSION

Washington

At a regular session of the United States Maritime Commission held in its office in Washington, D. C., on the 25th day of August, 1942

GENERAL ORDER NO. 54 REVISED

Delegation of authority to guarantee loans by the United States Maritime Commission under the provisions of Executive Order 9112

WHEREAS, the Commission, pursuant to the provisions of Section 1 of Executive Order 9112, dated March 26, 1942, is authorized, without regard to the provisions of law relating to the making, performance, amendment or modification of contracts, (a) to enter into contracts with any Federal Reserve Bank, the Reconstruction Finance Corporation or with any other financing institution guaranteeing such Reserve Bank, Reconstruction Finance Corporation or other financing institution against loss of principal or interest in connection with loans which may be made for the purpose of financing any contractor, subcontractor or other engaged in any business or operation which is deemed by the Commission to be necessary, appropriate or convenient for the prosecution of the war, and to pay out funds in accordance with the terms of any such contract so entered into, and (b) to enter into contracts to make, or to participate with any Federal Reserve Bank, the Reconstruction Finance Corporation, or other financing institution in making loans, discounts or advances, or commitments in connection therewith, for the purpose of financing any contractor, subcontractor or others engaged in any business or operation which is deemed by the Commission to be necessary, appropriate or convenient for the prosecution of the war, and to pay out funds in accordance with the terms of any such contract so entered into;

WHEREAS, pursuant to Section 2 of said Executive Order, it is provided that the authority conferred by Section 1 thereof may be exercised by the Commission or may also be exercised in its discretion and by its direction through any officer or officers of the Commission, and that in the discretion and by the direction of the Commission, power may be conferred upon any such officer or officers to make further delegations of such powers within the Commission; and

WHEREAS, in order to facilitate the exercise of the Commission's powers pursuant to Executive Order 9112, it is necessary that the Commission delegate its authority thereunder to appropriate officers of the Commission for the performance and functions of the activities authorized by said Executive Order.

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1). Authority is hereby delegated to the Director and the Assistant Directors of Finance to exercise on behalf of the Commission the powers conferred by Executive Order 9112 and to make such further and other delegations of the said authority to other officers and employees of the Commission as they shall deem necessary and proper with respect to guarantees not in excess of One Hundred Thousand Dollars ($100,000.00) for any one loan; Provided, that the approval of the Commission shall be first had and obtained as to (a) guarantees of loans in excess of Two Hundred and Fifty Thousand Dollars ($250,000.00); (b) guarantees of more than ninety percentum (90%) of the amount of any loan; and (c) purchase orders and all other contracts of whatsoever type providing for an advance payment by the Commission.

2). All acts performed by the Director of Finance or Assistant Directors of Finance in accordance with the intent and purpose of said Executive Order 9112 are hereby ratified and approved.

By Order of the
United States Maritime Commission

(Sgd.) W. C. PEET, Jr.
Secretary

August 25, 1942.

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