

seventy degrees proof may, for the sole purpose of perfecting such brandies according to commercial standards, be mixed or blended with each other, or with any such mixture or blend, by the distiller thereof in any internal revenue bonded warehouse operated by him exclusively for the storage of brandy or wine spirits, and the provisions of this section and of sections 2800 (a) (5) and 3254 (g) relating to rectification or other internal revenue laws of the United States shall not be held to apply to or prohibit such mixing or blending, and brandies so mixed or blended may be packaged, stored, transported, transferred in bond, withdrawn from bond tax-paid or tax-free, or be otherwise disposed of, in the same manner as such brandies not so mixed or blended: *Provided*, That, in addition to the tax imposed by this chapter on the production of distilled spirits, there shall be paid a tax of 30 cents as to each proof gallon (and a proportionate tax at a like rate on all fractional parts of such proof gallon) of brandy so mixed or blended (except when withdrawn tax-free and accounted for or when lost and allowance is made therefor), such tax to be paid by rectified spirits stamps affixed to the packages at the time of withdrawal. The Commissioner, under rules and regulations to be by him prescribed with the approval of the Secretary, upon the presentation of proof to his satisfaction of the loss by leakage, evaporation, theft, or otherwise of fruit brandies so blended or mixed, not occurring as the result of any negligence, connivance, collusion, or fraud on the part of the warehouseman or his agents, is hereby authorized to remit or refund the taxes assessed or paid upon such lost brandies: *Provided, however*, That such remission or refund shall be allowed only to the extent that the warehouseman is not indemnified or recompensed for such tax, and that losses of fruit brandies occurring prior to any such mixing or blending shall be allowable in accordance with section 2901. The term 'distiller' as used herein shall include any one or more distillers associated as members of any farm cooperative, or any one or more distillers affiliated within the meaning of section 17 (a) (5) of the Federal Alcohol Administration Act, as amended, or any fruit distiller for whose account, recorded with the district supervisor at the time of production, the brandy to be blended was produced. The Commissioner may, with the approval of the Secretary, make such rules or regulations as he may deem necessary to carry these provisions into effect."

Approved July 14, 1947.

[CHAPTER 248]

AN ACT

To extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Second Decontrol Act of 1947".

FINDINGS OF FACT AND DECLARATION OF POLICY

SEC. 2. (a) Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, to protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.

53 Stat. 298, 392.
26 U. S. C. §§ 2800
(a) (5), 3254 (g).

53 Stat. 340.
26 U. S. C. § 2901.
"Distiller."

49 Stat. 990.
27 U. S. C. § 211 (a)
(5).

Rules and regulations.

July 15, 1947
[H. R. 3647]
[Public Law 188]

Second Decontrol
Act of 1947.
Ante, p. 34.

Policy of the U. S.

(b) The Congress hereby declares that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate; and (4) to aid in carrying out the foreign policy of the United States.

TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

SEC. 3. To effectuate the policies set forth in section 2 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

Ante, pp. 34, 214.
Time limitation.

Ante, pp. 34, 214.

56 Stat. 176-180, 181, 186.

50 U. S. C. app. §§ 631-635, 637, 644-644b.

Ante, pp. 25, 34; *post*, p. 946.

54 Stat. 676.

50 U. S. C. app. § 1152 (a).

Priorities powers.

56 Stat. 177.

50 U. S. C. app. § 633.

Ante, pp. 25, 34; *post*, p. 946.

"SEC. 1501. (a) Except as otherwise provided by statute enacted during the Eightieth Congress (including the First Decontrol Act of 1947 and Public Law Numbered 145, approved June 30, 1947) and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense, and for other purposes', approved June 28, 1940, as amended) shall be in full force and effect as though this Act had not been enacted.

"(b) Title III of this Act and the amendments to existing law made by such title shall remain in force until February 29, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to—

"(1) the materials (and facilities suitable for the manufacture of such materials), as follows:

"(A) Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates;

"(B) Antimony;

"(C) Cinchona bark, quinine, and quinidine, when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired;

"(D) Materials for export required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for manufacture and delivery of the materials required for such export;

"(E) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control only; and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"(F) Materials (except foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for the manufacture and delivery of the materials required for such export: *Provided*, That no such priority based on a certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall have satisfied himself that the proposed action will not have an unduly adverse effect on the domestic economy of the United States; and

"(2) The use of transportation equipment and facilities by rail carriers.

"(c) Notwithstanding the extension through February 29, 1948, made by subsection (b), the Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III. Nothing in subsection (b) shall be construed to continue beyond July 15, 1947, any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense and for other purposes', approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding; and nothing contained in this section, as amended, shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947."

Restriction.

Designation of earlier termination.

56 Stat. 177.
50 U. S. C. app. § 633.
Ante, pp. 25, 34, 322; *post*, p. 946.

54 Stat. 676.
50 U. S. C. app. § 1152 (a) (1).

Ante, p. 24.

Ante, p. 35.

TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS

SEC. 4. To effectuate the policy set forth in section 2 hereof, section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended to read as follows:

"(d) The authority granted by this section shall terminate on February 29, 1948, or any prior date which the Congress by concurrent resolution or the President may designate."

56 Stat. 463.
50 U. S. C. app. § 701 (d).
Ante, p. 214; *post*, p. 946.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 5. The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under section 6 of such Act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.

Supra.
54 Stat. 714.
50 U. S. C. app. § 701.
Supra.
5 U. S. C. §§ 1001-1011.
Ante, pp. 37, 201.
60 Stat. 238, 243.
5 U. S. C. §§ 1002, 1009.

ADMINISTRATION BY SECRETARY OF COMMERCE

SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this Act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any

Supra.

Rules and regula-
tions.

Quarterly report.

56 Stat. 177.
50 U. S. C. app.
§ 633.
Ante, pp. 25, 34, 322;
post, p. 946.
Infra.

56 Stat. 176.
50 U. S. C. app.
§§ 631-645a.
Ante, pp. 25, 34, 214,
322; *post*, p. 946.
54 Stat. 714.
50 U. S. C. app.
§ 701.
Ante, pp. 214, 323;
post, p. 946.

Supra.

Supra.

Appropriations au-
thorized.
Post, p. 618.

action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

(b) The Secretary shall make a quarterly report, within thirty days after each quarter, to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such Acts, allocations and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended.

PERSONNEL

SEC. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended, and whose employment was terminated, or who were furloughed, in June or July 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this Act.

APPROPRIATIONS

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

EFFECTIVE DATE

SEC. 9. This Act shall take effect on July 16, 1947.
Approved July 15, 1947.

[CHAPTER 249]

AN ACT

July 15, 1947
[H. R. 3861]
[Public Law 189]

To allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code.

Railroad corpora-
tions.
Acquisition of cer-
tain property.
47 Stat. 1481.
11 U. S. C. § 205 (m).

47 Stat. 1474.
11 U. S. C. § 205.

56 Stat. 839.
26 U. S. C. § 113 (a)
(20).

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if a railroad corporation (as defined in section 77m of the National Bankruptcy Act, as amended) (hereinafter referred to as successor corporation) has acquired, prior to January 1, 1950, property from another such railroad corporation (hereinafter referred to as predecessor corporation) in a receivership proceeding, or in a proceeding under section 77 of the National Bankruptcy Act, as amended, and if the basis of the property so acquired is determined under section 113 (a) (20) of the Internal Revenue Code, then, for the purposes of the determination under the Internal Revenue Code of—