

[CHAPTER 36]

## AN ACT

To provide for reorganizing agencies of the Government, and for other purposes.

April 3, 1939  
[H. R. 4423]  
[Public, No. 19]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reorganization Act of 1939".*

Reorganization Act  
of 1939.  
Post, pp. 1423, 1431.

## TITLE I—REORGANIZATION

## PART I

SECTION 1. (a) The Congress hereby declares that by reason of continued national deficits beginning in 1931 it is desirable to reduce substantially Government expenditures and that such reduction may be accomplished in some measure by proceeding immediately under the provisions of this Act. The President shall investigate the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

Declaration by the Congress.

(1) To reduce expenditures to the fullest extent consistent with the efficient operation of the Government;

Investigation by President and determination of changes necessary to accomplish designated purposes.

(2) To increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

Reduction of expenditures.

(3) To group, coordinate, and consolidate agencies of the Government, as nearly as may be, according to major purposes;

Increase in efficiency.

(4) To reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies as may not be necessary for the efficient conduct of the Government; and

Grouping, etc., of agencies.

(5) To eliminate overlapping and duplication of effort.

Reduction of number of agencies.

(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding immediately under the provisions of this title, and can be accomplished more speedily thereby than by the enactment of specific legislation.

Elimination of overlapping and duplication of effort.  
Purposes declared to be in public interest.

SEC. 2. When used in this title, the term "agency" means any executive department, commission, independent establishment, corporation owned or controlled by the United States, board, bureau, division, service, office, authority, or administration, in the executive branch of the Government.

"Agency" defined.

SEC. 3. No reorganization plan under section 4 shall provide—

(a) For the abolition or transfer of an executive department or all the functions thereof or for the establishment of any new executive department;

Provisions prohibited in reorganization plans.  
Abolition or transfer of an executive department, etc.

(b) In the case of the following agencies, for the transfer, consolidation, or abolition of the whole or any part of such agency or of its head, or of all or any of the functions of such agency or of its head: Civil Service Commission, Coast Guard, Engineer Corps of the United States Army, Mississippi River Commission, Federal Communications Commission, Federal Power Commission, Federal Trade Commission, General Accounting Office, Interstate Commerce Commission, National Labor Relations Board, Securities and Exchange Commission, Board of Tax Appeals, United States Employees' Compensation Commission, United States Maritime Commission, United States Tariff Commission, Veterans' Administration, National Mediation Board, National Railroad Adjustment Board, Railroad Retirement Board, the Federal Deposit Insurance Corporation, or the Board of Governors of the Federal Reserve System; or

Transfer, abolition, etc., of designated agencies.

Changing name or title of head of any executive department.

Continuation of agency or functions beyond authorized period.

Authorization of functions not expressly authorized by law.

Findings by the President.

Preparation of reorganization plan by President; provisions.

Designation, if necessary, of name of agency, etc., affected.

Transfer, etc., of records, property, and personnel.

Transfer of appropriations.

Restriction.

Provision for winding up affairs of abolished agency.

Transmittal of plan to Congress.

Delivery to both Houses on same day while in session.

Statement of probable reduction of expenditures.

Effective dates of reorganizations.  
Post, p. 813.  
After sixty-day period; exception.

(c) For changing the name of any executive department or the title of its head, or for designating any agency as "Department" or its head as "Secretary"; or

(d) For the continuation of any agency beyond the period authorized by law for the existence of such agency; or

(e) For the continuation of any function of any agency beyond the period authorized by law for the exercise of such function; or

(f) For authorizing any agency to exercise any function which is not expressly authorized by law.

SEC. 4. Whenever the President, after investigation, finds that—

(a) the transfer of the whole or any part of any agency or the functions thereof to the jurisdiction and control of any other agency; or

(b) the consolidation of the functions vested in any agency; or

(c) the abolition of the whole or any part of any agency which agency or part (by reason of transfers under this Act or otherwise, or by reason of termination of its functions in any manner) does not have, or upon the taking effect of the reorganizations specified in the reorganization plan will not have, any functions,

is necessary to accomplish one or more of the purposes of section 1 (a), he shall—

(d) prepare a reorganization plan for the making of the transfers, consolidations, and abolitions, as to which he has made findings and which he includes in the plan. Such plan shall also—

(1) designate, in such cases as he deems necessary, the name of any agency affected by a reorganization and the title of its head;

(2) make provision for the transfer or other disposition of the records, property (including office equipment), and personnel affected by such transfer, consolidation, or abolition;

(3) make provision for the transfer of such unexpended balances of appropriations available for use in connection with the function or agency transferred or consolidated, as he deems necessary by reason of the transfer or consolidation for use in connection with the transferred or consolidated functions, or for the use of the agency to which the transfer is made, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation is originally made;

(4) make provision for winding up the affairs of the agency abolished; and

(e) transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each transfer, consolidation, or abolition referred to in paragraph (a), (b), or (c) of this section and specified in the plan, he has found that such transfer, consolidation, or abolition is necessary to accomplish one or more of the purposes of section 1 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session.

The President, in his message transmitting a reorganization plan, shall state the reduction of expenditures which it is probable will be brought about by the taking effect of the reorganizations specified in the plan.

SEC. 5. The reorganizations specified in the plan shall take effect in accordance with the plan:

(a) Upon the expiration of sixty calendar days after the date on which the plan is transmitted to the Congress, but only if during such sixty-day period there has not been passed by the two Houses a con-

current resolution stating in substance that the Congress does not favor the reorganization plan.

(b) If the Congress adjourns sine die before the expiration of the sixty-day period, a new sixty-day period shall begin on the opening day of the next succeeding regular or special session. A similar rule shall be applicable in the case of subsequent adjournments sine die before the expiration of sixty days.

Effect of sine die adjournment before expiration of period.

SEC. 6. No reorganization under this title shall have the effect—

Limitation on continuing any agency or function beyond term.

(a) of continuing any agency or function beyond the time when it would have terminated if the reorganization had not been made; or

(b) of continuing any function beyond the time when the agency in which it was vested before the reorganization would have terminated if the reorganization had not been made; or

(c) of authorizing any agency to exercise any function which is not expressly authorized by law.

Exercise of any unauthorized function.

SEC. 7. For the purposes of this title any transfer, consolidation, abolition, designation, disposition, or winding up of affairs, referred to in section 4 (d), shall be deemed a "reorganization".

"Reorganization" defined.

SEC. 8. (a) All orders, rules, regulations, permits, or other privileges made, issued, or granted by or in respect of any agency or function transferred to, or consolidated with, any other agency or function under the provisions of this title, and in effect at the time of the transfer or consolidation, shall continue in effect to the same extent as if such transfer or consolidation had not occurred, until modified, superseded, or repealed.

Continuation of rules, privileges, etc.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of any transfer of authority, power, and duties from one officer or agency of the Government to another under the provisions of this title, but the court, on motion or supplemental petition filed at any time within twelve months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the head of the agency or other officer of the United States to whom the authority, powers, and duties are transferred.

No proceeding to abate by reason of any transfer of authority, etc.

(c) All laws relating to any agency or function transferred to, or consolidated with, any other agency or function under the provisions of this title, shall, insofar as such laws are not inapplicable, remain in full force and effect.

Applicable laws to remain in force.

SEC. 9. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose, but shall be impounded and returned to the Treasury.

Unexpended appropriations, impounding and return to Treasury.

SEC. 10. (a) Whenever the employment of any person is terminated by a reduction of personnel as a result of a reorganization effected under this title, such person shall thereafter be given preference, when qualified, whenever an appointment is made in the executive branch of the Government, but such preference shall not be effective for a period longer than twelve months from the date the employment of such person is so terminated.

Separations resulting from personnel reduction; preferential status.

Duration.

(b) Any transfer of personnel under this title shall be without change in classification or compensation, except that this requirement shall not operate after the end of the fiscal year during which the transfer is made to prevent the adjustment of classification or compensation to conform to the duties to which such transferred personnel may be assigned.

Transfers without change in classification, etc.; exception.

Printing of reorganization plan in Statutes at Large and Federal Register.

SEC. 11. If the reorganizations specified in a reorganization plan take effect, the reorganization plan shall be printed in the Statutes at Large in the same volume as the public laws, and shall be printed in the Federal Register.

Time limitation for transmittal of plans.

SEC. 12. No reorganization specified in a reorganization plan shall take effect unless the plan is transmitted to the Congress before January 21, 1941.

## PART 2

Congressional rules for consideration of reorganization plans. Application.

SEC. 21. The following sections of this part are enacted by the Congress:

(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in section 22); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

Modification.

(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"Resolution" defined.

SEC. 22. As used in this part, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress does not favor the reorganization plan numbered \_\_\_\_\_ transmitted to Congress by the President on \_\_\_\_\_, 19—.", the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one reorganization plan.

Reference of resolution to committee.

SEC. 23. A resolution with respect to a reorganization plan shall be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

Procedure for discharge of committee.

SEC. 24. (a) If the committee to which has been referred a resolution with respect to a reorganization plan has not reported it before the expiration of ten calendar days after its introduction (or, in the case of a resolution received from the other House, ten calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such reorganization plan which has been referred to the committee.

Motion to discharge, privileged status, debate, etc.

(b) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

Not subject to amendment or reconsideration.

(c) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committees be made with respect to any other resolution with respect to the same reorganization plan.

Restriction on renewal after motion agreed to or disagreed to.

SEC. 25. (a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to)

Procedure for consideration of resolution.

to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(b) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

SEC. 26. (a) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a reorganization plan, and all motions to proceed to the consideration of other business, shall be decided without debate.

(b) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate.

SEC. 27. If, prior to the passage by one House of a resolution of that House with respect to a reorganization plan, such House receives from the other House a resolution with respect to the same plan, then—

(a) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of section 24 (a)) be made the subject of a motion to discharge.

(b) If a resolution of the first House with respect to such plan has been referred to committee—

(1) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

(2) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House.

## TITLE II—BUDGETARY CONTROL

SEC. 201. Section 2 of the Budget and Accounting Act, 1921 (U. S. C., 1934 edition, title 31, sec. 2), is amended by inserting after the word "including" the words "any independent regulatory commission or board and".

Budget and Accounting Act, 1921, amendment.  
Definitions.  
42 Stat. 20.  
31 U. S. C. § 2.

## TITLE III—ADMINISTRATIVE ASSISTANTS

SEC. 301. The President is authorized to appoint not to exceed six administrative assistants and to fix the compensation of each at the rate of not more than \$10,000 per annum. Each such administrative assistant shall perform such duties as the President may prescribe.

Administrative assistants to the President, appointment, compensation, etc.  
*Post*, p. 981.

Approved, April 3, 1939.

Status of motion.

Time limitation on debate.

Motions to postpone.

Appeals from decisions of the Chair.

Procedure when resolution received from other House.

If no resolution of first House has been referred to committee.

If resolution has been so referred.

## [CHAPTER 37]

## AN ACT

Relating to banking, banks, and trust companies in the District of Columbia, and for other purposes.

April 5, 1939

[S. 794]

[Public, No. 20]

District of Columbia.  
Banking, banks, and trust companies.  
Time limitation for presentation of checks and other demand instruments.

Recognition of adverse claimants to deposits.

Proviso.  
Deposit to credit of fiduciary of adverse claimant.

Liability to depositor for money paid on forged, etc., checks.

Notice to depositor.

Duty of depositor to examine returned vouchers, etc.

"Check" defined.

Forgery of an endorsement.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That where a check or other instrument payable on demand at any bank or trust company doing business in the District of Columbia is presented for payment more than one year from its date, such bank or trust company may, unless expressly instructed by the drawer or maker to pay the same, refuse payment thereof, and no liability shall thereby be incurred to the drawer or maker for dishonoring the instrument by nonpayment.

SEC. 2. Notice to any bank or trust company doing business in the District of Columbia of an adverse claim to a deposit standing on its books to the credit of any person shall not be effectual to cause said bank or trust company to recognize said adverse claimant unless said adverse claimant shall also either (1) procure a restraining order, injunction, or other appropriate process against said bank or trust company from a court of competent jurisdiction in a cause therein instituted by him wherein the person to whose credit the deposit stands is made a party and served with summons; or (2) execute to such bank or trust company, in form and with sureties acceptable to it, a bond indemnifying said bank or trust company from any and all liability, loss, damage, costs, and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank or trust company: *Provided*, That this section shall not apply to any instance where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship, together with the facts showing reasonable cause of belief on the part of the said claimant that the said fiduciary is about to misappropriate said deposit, are made to appear by the affidavit of such claimant.

SEC. 3. (a) No bank or trust company doing business in the District of Columbia, which has paid and charged to the account of a depositor any money on a forged, altered, or raised check issued in the name of said depositor shall be liable to said depositor for the amount paid thereon unless either (1) within one year after notice to said depositor that the vouchers representing payments charged to the account of said depositor for the period during which such payment was made are ready for delivery, or (2), in case no such notice has been given, within six months after the return to said depositor of the voucher representing such payment, said depositor shall notify the bank or trust company that the check so paid is forged, altered, or raised.

(b) The notice referred to in subsection (a) may be given by mail to said depositor at his last-known address with postage prepaid.

(c) This section shall not be construed to relieve a depositor from due diligence in the examination of returned vouchers or in otherwise discovering that a check has been forged, altered, or raised, or in notifying the bank or trust company of his actual discovery of a forgery or alteration.

(d) When used in this section the word "check" shall also include drafts, notes, acceptances, or other negotiable instruments payable at a bank or trust company, and the word "forged" shall also include an unauthorized signature by an agent or officer of a depositor.

(e) The provisions of this section shall not be held to apply to the forgery of an endorsement.