

1950—Subsec. (c). Act Sept. 27, 1950, §1(12), struck out “and” after “Corps” and inserted “, and the Coast Guard” before the period.

Subsec. (i). Act Sept. 27, 1950, §1(13), struck out “and” after “Naval Reserve” and “, the Coast Guard Reserve” after “foregoing” and inserted “and the Coast Guard Reserve” after “Marine Corps Reserve”.

#### TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

Coast Guard transferred to Department of Transportation, and functions, powers, and duties relating to Coast Guard of Secretary of the Treasury and of all other officers and offices of Department of the Treasury transferred to Secretary of Transportation by Pub. L. 89-670, §6(b)(1), Oct. 15, 1966, 80 Stat. 938. Section 6(b)(2) of Pub. L. 89-670, however, provided that notwithstanding such transfer of functions, Coast Guard shall operate as part of Navy in time of war or when President directs as provided in section 3 of Title 14, Coast Guard. See section 108 of Title 49, Transportation.

For transfer of functions of other officers, employees, and agencies of Department of the Treasury, with certain exceptions, to Secretary of the Treasury with power to delegate, see Reorg. Plan No. 26 of 1950, §§1, 2, eff. July 31, 1950, 15 F.R. 4935, 64 Stat. 1280, 1281, set out in the Appendix to Title 5, Government Organization and Employees. Functions of Coast Guard, and Commandant of Coast Guard, excepted from transfer when Coast Guard is operating as part of Navy under sections 1 and 3 of Title 14, Coast Guard.

Functions of Public Health Service, Surgeon General of Public Health Service, and all other officers and employees of Public Health Service, and functions of all agencies of or in Public Health Service transferred to Secretary of Health, Education, and Welfare by Reorg. Plan No. 3 of 1966, eff. June 25, 1966, 31 F.R. 8855, 80 Stat. 1610, set out in the Appendix to Title 5, Government Organization and Employees. Secretary of Health, Education, and Welfare redesignated Secretary of Health and Human Services by section 3508(b) of Title 20, Education.

#### § 467. Repeals; appropriations; termination date

(a) Except as provided in this title [sections 451 to 471a of this Appendix] all laws or any parts of laws in conflict with the provisions of the title [said sections] are repealed to the extent of such conflict.

(b) There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this title [sections 451 to 471a of this Appendix]. All funds appropriated for the administrative expenses of the National Security Training Commission shall be appropriated directly to the Commission and all funds appropriated to pay the expenses of training carried out by the military departments designated by the Commission shall be appropriated directly to the Department of Defense.

(c) Notwithstanding any other provisions of this title [sections 451 to 471a of this Appendix], no person shall be inducted for training and service in the Armed Forces after July 1, 1973, except persons now or hereafter deferred under section 6 of this title [section 456 of this Appen-

dix] after the basis for such deferment ceases to exist.

(June 24, 1948, ch. 625, title I, §17, 62 Stat. 625; June 23, 1950, ch. 351, 64 Stat. 254; June 30, 1950, ch. 445, §1, 64 Stat. 318; June 19, 1951, ch. 144, title I, §1(w), 65 Stat. 87; June 30, 1955, ch. 250, title I, §102, 69 Stat. 224; Pub. L. 86-4, §1, Mar. 23, 1959, 73 Stat. 13; Pub. L. 88-2, §1, Mar. 28, 1963, 77 Stat. 4; Pub. L. 90-40, §1(12), June 30, 1967, 81 Stat. 105; Pub. L. 92-129, title I, §101(a)(35), Sept. 28, 1971, 85 Stat. 353.)

#### AMENDMENTS

1971—Subsec. (c). Pub. L. 92-129 extended termination date from July 1, 1971, to July 1, 1973.

1967—Subsec. (c). Pub. L. 90-40 extended termination date from July 1, 1967, to July 1, 1971.

1963—Subsec. (c). Pub. L. 88-2 extended termination date from July 1, 1963, to July 1, 1967.

1959—Subsec. (c). Pub. L. 86-4 extended termination date from July 1, 1959, to July 1, 1963.

1955—Subsec. (c). Act June 30, 1955, extended termination date from July 1, 1955, to July 1, 1959.

1951—Act June 19, 1951, amended section generally to provide for repeal of all conflicting laws, to appropriate certain funds directly to the Commission, and to provide for the termination date of July 1, 1955.

1950—Subsec. (b). Acts June 23, 1950 and June 30, 1950, extended period of effectiveness for fifteen days until July 9, 1950, and again from July 9, 1950, to July 9, 1951.

#### EFFECTIVE DATE OF 1971 AMENDMENT

Pub. L. 92-129, title I, §101(a)(35), Sept. 28, 1971, 85 Stat. 353, provided in part that: “The amendment made by the preceding sentence [amending this section] shall take effect July 2, 1971.”

#### TERMINATION OF NATIONAL SECURITY TRAINING COMMISSION

National Security Training Commission expired June 30, 1957, pursuant to a Presidential letter on Mar. 25, 1957, following its own recommendation for its termination.

#### § 468. Utilization of industry

**(a) Placement of orders; Congressional action: notification of committees of certain proposed payment orders, resolution of disapproval, continuity of session, computation of period; “small business” defined**

Whenever the President after consultation with and receiving advice from the National Security Resources Board<sup>1</sup> determines that it is in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the armed forces of the United States, or for the use of the Atomic Energy Commission,<sup>1</sup> he is authorized, through the head of any Government agency, to place with any person operating a plant, mine, or other facility capable of producing such articles or materials an order for such quantity of such articles or materials as the President deems appropriate, except that no order which requires payments thereunder in excess of \$25,000,000 shall be placed with any person unless the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of such proposed order and 60 days of continuous

<sup>1</sup> See Transfer of Functions note below.

session of Congress have expired following the date on which such notice was transmitted to such Committees and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such order. For purposes of the preceding sentence, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period. Any person with whom an order is placed pursuant to the provisions of this section shall be advised that such order is placed pursuant to the provisions of this section. Under any such program of national procurement, the President shall recognize the valid claim of American small business to participate in such contracts, in such manufactures, and in such distribution of materials, and small business shall be granted a fair share of the orders placed, exclusively for the use of the armed forces or for other Federal agencies now or hereafter designated in this section. For the purposes of this section, a business enterprise shall be determined to be "small business" if (1) its position in the trade or industry of which it is a part is not dominant, (2) the number of its employees does not exceed 500, and (3) it is independently owned and operated.

**(b) Precedence of Government placed orders**

It shall be the duty of any person with whom an order is placed pursuant to the provisions of subsection (a), (1) to give such order such precedence with respect to all other orders (Government or private) theretofore or thereafter placed with such person as the President may prescribe, and (2) to fill such order within the period of time prescribed by the President or as soon thereafter as possible.

**(c) Failure to give precedence; Government possession**

In case any person with whom an order is placed pursuant to the provisions of subsection (a) of this section refuses or fails—

(1) to give such order such precedence with respect to all other orders (Government or private) theretofore or thereafter placed with such person as the President may have prescribed;

(2) to fill such order within the period of time prescribed by the President or as soon thereafter as possible as determined by the President;

(3) to produce the kind or quality of articles or materials ordered; or

(4) to furnish the quantity, kind, and quality of articles or materials ordered at such price as shall be negotiated between such person and the Government agency concerned; or in the event of failure to negotiate a price, to furnish the quantity, kind, and quality of articles or materials ordered at such price as he may subsequently be determined to be entitled to receive under subsection (d);

the President is authorized to take immediate possession of any plant, mine, or other facility of such person and to operate it, through any Government agency, for the production of such

articles or materials as may be required by the Government.

**(d) Payment of compensation by United States**

Fair and just compensation shall be paid by the United States (1) for any articles or materials furnished pursuant to an order placed under subsection (a) of this section, or (2) as rental for any plant, mine, or other facility of which possession is taken under subsection (c).

**(e) Application of Federal and State laws governing employees**

Nothing contained in this section shall be deemed to render inapplicable to any plant, mine, or facility of which possession is taken pursuant to subsection (c) any State or Federal laws concerning the health, safety, security, or employment standards of employees.

**(f) Penalties**

Any person, or any officer of any person as defined in this section, who willfully fails or refuses to carry out any duty imposed upon him by subsection (b) of this section shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not more than three years, or by a fine of not more than \$50,000, or by both such imprisonment and fine.

**(g) "Person" and "Government agency" defined**

(1) As used in this section—

(A) The term "person" means any individual, firm, company, association, corporation, or other form of business organization.

(B) The term "Government agency" means any department, agency, independent establishment, or corporation in the Executive branch of the United States Government.

(2) For the purposes of this section, a plant, mine, or other facility shall be deemed capable of producing any articles or materials if it is then producing or furnishing such articles or materials or if the President after consultation with and receiving advice from the National Security Resources Board determines that it can be readily converted to the production or furnishing of such articles or materials.

**(h) Rules and regulations governing steel industry; mandatory**

The President is empowered, through the Secretary of Defense, to require all producers of steel in the United States to make available, to individuals, firms, associations, companies, corporations, or organized manufacturing industries having orders for steel products or steel materials required by the armed forces, such percentages of the steel production of such producers, in equal proportion deemed necessary for the expeditious execution of orders for such products or materials. Compliance with such requirement shall be obligatory on all such producers of steel and such requirement shall take precedence over all orders and contracts theretofore placed with such producers. If any such producer of steel or the responsible head or heads thereof refuses to comply with such requirement, the President, through the Secretary of Defense, is authorized to take immediate possession of the plant or plants of such producer and, through the appropriate branch, bureau, or

department of the armed forces, to insure compliance with such requirement. Any such producer of steel or the responsible head or heads thereof refusing to comply with such requirement shall be deemed guilty of a felony and upon conviction thereof shall be punished by imprisonment for not more than three years and a fine not exceeding \$50,000.

(June 24, 1948, ch. 625, title I, §18, 62 Stat. 625; Pub. L. 93-155, title VIII, §807(d), Nov. 16, 1973, 87 Stat. 616; Pub. L. 101-510, div. A, title XIII, §1303(c), Nov. 5, 1990, 104 Stat. 1669.)

#### AMENDMENTS

1990—Subsec. (h). Pub. L. 101-510 struck out “(1)” before “The President is empowered” and struck out par. (2) which read as follows: “The President shall report to the Congress on the final day of each six-month period following the date of enactment of this Act the percentage figure, or if such information is not available, the approximate percentage figure, of the total steel production in the United States required to be made available during such period for the execution of orders for steel products and steel materials required by the armed forces, if such percentage figure is in excess of 10 per centum.”

1973—Subsec. (a). Pub. L. 93-155 provided for notification of Congressional Committees with respect to certain proposed payment orders, Congressional resolution of disapproval, continuity of Congressional session, and computation of period.

#### TRANSFER OF FUNCTIONS

National Security Resources Board, together with Office of Chairman, abolished by section 6 of Reorg. Plan No. 3 of 1953, eff. June 12, 1953, 18 F.R. 3375, 67 Stat. 634, set out in the Appendix to Title 5, Government Organization and Employees. Functions of Chairman of National Security Resources Board under this section, with respect to being consulted by and furnishing advice to President as required by this section, abolished by section 5(a) of Reorg. Plan No. 3 of 1953. Other functions of Chairman transferred to Office of Defense Mobilization by section 2(a) of Reorg. Plan No. 3 of 1953. For subsequent transfers to Office of Emergency Planning, Office of Emergency Preparedness, President, Federal Preparedness Agency, Federal Emergency Management Agency, and Secretary of Homeland Security, see notes set out under section 404 of Title 50, War and National Defense.

Atomic Energy Commission abolished and functions transferred by sections 5814 and 5841 of Title 42, The Public Health and Welfare. See also Transfer of Functions notes set out under those sections.

#### DELEGATION OF AUTHORITY

For delegation of President's authority under this section with respect to placing of orders for prompt delivery of articles or materials, see section 102 of Ex. Ord. No. 12742, Jan. 8, 1991, 56 F.R. 1079, set out as a note under section 82 of Title 50, War and National Defense.

#### OBLIGATIONS ENTERED INTO BEFORE NOVEMBER 16, 1973

Amendment by Pub. L. 93-155 not affecting the carrying out of any contract, loan, guarantee, commitment, or other obligation entered into prior to Nov. 16, 1973, see section 807(e) of Pub. L. 93-155, set out as a note under section 2307 of Title 10, Armed Forces.

#### § 469. Savings provision

Nothing in this title [sections 451 to 471a of this Appendix] shall be deemed to amend any provision of the National Security Act of 1947 (61 Stat. 495).

(June 24, 1948, ch. 625, title I, §19, 62 Stat. 627.)

#### REFERENCES IN TEXT

The National Security Act of 1947 (61 Stat. 495), referred to in text, is act July 26, 1947, ch. 343, 61 Stat. 495, as amended. For complete classification of this Act to the Code, see Short Title note set out under section 401 of Title 50, War and National Defense, and Tables.

#### § 470. Effective date

This title [sections 451 to 471a of this Appendix] shall become effective immediately; except that unless the President, or the Congress by concurrent resolution, declares a national emergency after the date of enactment of this Act [June 24, 1948], no person shall be inducted or ordered into active service without his consent under this title [said sections] within ninety days after the date of its enactment.

(June 24, 1948, ch. 625, title I, §20, 62 Stat. 627; Sept. 27, 1950, ch. 1059, §1(14), 64 Stat. 1074; Aug. 10, 1956, ch. 1041, §53, 70A Stat. 641.)

#### AMENDMENTS

1956—Act Aug. 10, 1956, repealed provisions requiring the Secretaries of the Army, Navy, and the Treasury to initiate and carry forward intensified voluntary enlistment campaigns for the Army, Air Force, Navy, Marine Corps, and the Coast Guard, which provisions are now covered by sections 3255 and 5531 of Title 10, Armed Forces, and section 350 of Title 14, Coast Guard.

1950—Act Sept. 27, 1950, struck out “and” after “Air Force” and inserted “and the Secretary of the Treasury, for the Coast Guard” after “Marine Corps”.

#### § 471. Authority of President to order Reserve components to active service; release from active duty; retention of unit organizations and equipment

Until July 1, 1953, and subject to the limitations imposed by section 2 of the Selective Service Act of 1948, as amended [section 452 of this Appendix], the President shall be authorized to order into the active military or naval service of the United States for a period of not to exceed twenty-four consecutive months, with or without their consent, any or all members and units of any or all Reserve components of the Armed Forces of the United States and retired personnel of the Regular Armed Forces. Unless he is sooner released under regulations prescribed by the Secretary of the military department concerned, any member of the inactive or volunteer reserve who served on active duty for a period of 12 months or more in any branch of the Armed Forces between the period December 7, 1941, and September 2, 1945, inclusive, who is now or may hereafter be ordered to active duty pursuant to this section, shall upon completion of 17 or more months of active duty since June 25, 1950, if he makes application therefor to the Secretary of the branch of service in which he is serving, be released from active duty and shall not thereafter be ordered to active duty for periods in excess of 30 days without his consent except in time of war or national emergency hereafter declared by the Congress: *Provided*, That the foregoing shall not apply to any member of the inactive or volunteer reserve ordered to active duty whose rating or specialty is found by the Secretary of the military department concerned to be critical and whose release to inactive duty prior to the period for which he was ordered to