

## Public Law 87-305

## AN ACT

## To amend the Small Business Act.

September 26, 1961  
[H. R. 8762]

Small Business  
Act Amendments of  
1961.

15 USC 631 note.

15 USC 633.  
Ante, p. 167.  
Revolving fund.

15 USC 636, 637.  
Ante, p. 167.

72 Stat. 689.  
15 USC 661 note.

72 Stat. 385.  
15 USC 634.

Safety deposit  
boxes, rentals.

Reporting re-  
quirements.

72 Stat. 393.  
15 USC 639.

Report.

*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 "Small Business Act Amendments of 1961".*

SEC. 2. As used in this Act, unless otherwise indicated, references to "the Act" are to the Small Business Act, approved July 18, 1958 (72 Stat. 384), as amended.

SEC. 3. Section 4(c) of the Act is amended to read as follows:

"(c) The Administration is authorized to obtain money from the Treasury of the United States for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of \$1,125,000,000 outstanding at any one time. For this purpose appropriations not to exceed \$1,125,000,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administration from the revolving fund when requested by the Administration. This revolving fund shall be used for the purposes enumerated subsequently in sections 7(a), 7(b), and 8(a) of this Act, and in the exercise of the functions of the Administration under the Small Business Investment Act of 1958. Not to exceed an aggregate of \$725,000,000 shall be outstanding at any one time for the purposes enumerated in sections 7(a) and 8(a) of this Act. Not to exceed an aggregate of \$150,000,000 shall be outstanding at any one time for the purposes enumerated in section 7(b). Not to exceed an aggregate of \$250,000,000 shall be outstanding at any one time for the exercise of the functions of the Administration under the Small Business Investment Act of 1958. The Administration shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the net amount of the cash disbursements from such advances at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities."

SEC. 4. Section 5 of the Act is amended by adding at the end thereof a new subsection as follows:

"(d) Section 3648 of the Revised Statutes (31 U.S.C. 529) shall not apply to prepayments of rentals made by the Administration on safety deposit boxes used by the Administration for the safeguarding of instruments held as security for loans or for the safeguarding of other documents."

SEC. 5. (a) Section 10 of the Act is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The Administration shall make a report on December 31 of each year of operations under this Act to the President, the President of the Senate, and the Speaker of the House of Representatives. Such report shall include the names of the business concerns to whom contracts are let and for whom financing is arranged by the Administration, together with the amounts involved, and such report shall include information on the progress of the Administration in liquidating the assets and winding up the affairs of the Reconstruction Finance Corporation, and such other information and such comments and recommendations as the Administration may deem appropriate. The requirement contained in this subsection with respect to the inclusion of information respecting the progress of the Administration in liquidating the assets and winding up the affairs of the Reconstruction

Finance Corporation in such report shall be in lieu of any requirement, pursuant to section 106(b) of the Reconstruction Finance Corporation Liquidation Act, and Reorganization Plan Numbered 1 of 1957, that progress reports with respect to such liquidation or winding up of affairs by the Administration be made to the Congress on a quarterly basis.”;

67 Stat. 231.  
15 USC 609 note.  
71 Stat. 647.  
15 USC 601 note.

(2) by striking out “June 30 and” from subsection (b); and

15 USC 639.

(3) by striking out subsection (c) and inserting in lieu thereof the following:

“(c) (1) The Attorney General is directed to make, or direct the Federal Trade Commission to make for him, surveys of any activity of the Government which may affect small business, for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, promote undue concentration of economic power, or otherwise injure small business.

Surveys.

“(2) The Attorney General shall submit to the Congress and the President, at such times as he deems desirable, but not less than once every year, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.”

Survey reports.

(b) The second and third sentences of subsection (e) of section 708 of the Defense Production Act of 1950 are amended to read as follows: “Such surveys shall include studies of the voluntary agreements and programs authorized by this section. The Attorney General shall submit to the Congress and the President at least once every three months reports setting forth the results of such studies of voluntary agreements and programs authorized by this section.”

69 Stat. 581.  
50 USC app.  
2158.

SEC. 6. The fifth sentence of section 2(a) of the Act is amended by inserting after “contracts”, each place the term appears, the following: “or subcontracts”.

15 USC 631.

SEC. 7. Section 8 of the Act is amended by adding at the end thereof a new subsection as follows:

15 USC 637.

“(d) (1) Within ninety days after the effective date of this subsection, the Administrator, the Secretary of Defense, and the Administrator of General Services shall cooperatively develop a small business subcontracting program which shall contain such provisions as may be appropriate to (A) enable small business concerns to be considered fairly as subcontractors and suppliers to contractors performing work or rendering services as prime contractors or subcontractors under Government procurement contracts, (B) insure that such prime contractors and subcontractors will consult through the appropriate procuring agency with the Administration when requested by the Administration, and (C) enable the Administration to obtain from any Government procurement agency such available or reasonably obtainable information and records concerning subcontracting by its prime contractors and their subcontractors as the Administration may deem necessary: *Provided*, That such program shall not authorize the Administration to (i) prescribe the extent to which any contractor or subcontractor shall subcontract, (ii) specify the business concerns to which subcontracts shall be granted, or (iii) vest in the Administration authority respecting the administration of individual prime contracts or subcontracts: *Provided further*, That such program shall provide that in evaluating bids or selecting contractors for negotiated contracts, the extensive use of subcontractors by a proposed contractor shall be considered a favorable factor. The Secretary of Defense and the Administrator of General Services each shall promulgate regulations implementing the program as developed: *Provided*, That prior to the promulgation of such regulations, or any changes therein, the concurrence of the Administration shall be obtained, and if such concurrence cannot be obtained the matter in disagreement

Small business subcontracting program.

Promulgation of regulations.

shall be submitted to the President who shall make the final determination. In addition, the Administrator of General Services and the Secretary of Defense may issue such other regulations concerning subcontracting not inconsistent with the small business subcontracting program as they each deem necessary or appropriate to effectuate their functions and responsibilities.

“(2) Every contract for property or services (including but not limited to contracts for research and development, maintenance, repair and construction, but excluding contracts to be performed entirely outside of the United States or its territories) in excess of \$1,000,000 made by a Government department or agency, which in the opinion of the procuring agency offers substantial subcontracting possibilities, shall require the contractor to conform to the small business subcontracting program promulgated under this subsection, and to insert in all subcontracts and purchase orders in excess of \$500,000 which offer substantial possibilities for further subcontracting a provision requiring the subcontractor or supplier to conform to such small business subcontracting program.

15 USC 639.

“(3) The Administration shall include in any report filed under section 10(b) of this Act information, and such recommendations as it may deem appropriate, with respect to the administration of the small business subcontracting program established under this subsection.

“(4) Nothing in this subsection shall be construed to authorize the Administrator, the Secretary of Defense, or the Administrator of General Services to secure and disseminate technical data or processes developed by any business concern at its own expense.”

15 USC 637.

SEC. 8. Section 8 of the Act is further amended by inserting after subsection (d) (as added by section 7 of this Act) a new subsection as follows:

Procurement ac-  
tions.  
Publication.

“(e) It shall be the duty of the Secretary of Commerce, and he is hereby empowered, to obtain notice of all proposed defense procurement actions of \$10,000 and above, and all civilian procurement actions of \$5,000 and above, from any Federal department, establishment, or agency engaged in procurement of supplies and services in the United States; and to publicize such notices in the daily publication ‘United States Department of Commerce Synopsis of the United States Government Proposed Procurements, Sales, and Contract Awards’, immediately after the necessity for the procurement is established; except that nothing herein shall require publication of such notices with respect to those procurements (1) which for security reasons are of a classified nature, or (2) which involve perishable subsistence supplies, or (3) which are for utility services and the procuring agency in accordance with applicable law has predetermined the utility concern to whom the award will be made, or (4) which are of such unusual and compelling emergency that the Government would be seriously injured if bids or offers were permitted to be made more than 15 days after the issuance of the invitation for bids or solicitation for proposals, or (5) which are made by an order placed under an existing contract, or (6) which are made from another Government department or agency, or a mandatory source of supply, or (7) which are for personal or professional services, or (8) which are for services from educational institutions, or (9) in which only foreign sources are to be solicited, or (10) for which it is determined in writing by the procuring agency, with the concurrence of the Administrator, that advance publicity is not appropriate or reasonable.”

15 USC 636.

SEC. 9. Section 7(d) of the Act is amended to read as follows:

Grants for stud-  
ies, research, etc.

“(d) The Administration also is empowered to make grants to any State government or any agency thereof, any State-chartered develop-

ment credit or finance corporation, any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, or to any corporation formed by two or more of the entities hereinabove described which are eligible to receive such grants, for studies, research, and counseling concerning the managing, financing, and operation of small business enterprises and technical and statistical information necessary thereto in order to carry out the purposes of section 8(b)(1) by coordinating such information with existing information facilities within the State and by making such information available to State and local agencies. The Administrator may recommend to grant applicants particular studies or research which are to be financed by such grants. The total of all grants (including amendments and modifications thereof) made under this subsection within any one State in any one year shall not exceed \$40,000. The Administration may require, as a condition to any grant (or amendment or modification thereof) made under this subsection, that an additional amount not exceeding the amount of such grant be provided from sources other than the Administration to assist in carrying out the purposes for which such grant is made: *Provided*, That if such grant or any part thereof is to be utilized for the purpose of providing counseling services to individual small business enterprises the Administration shall require that such additional amount be provided and in an amount which is equal to the amount of such grant. What constitutes such additional amount may be defined by the Administration."

Approved September 26, 1961.

## Public Law 87-306

### AN ACT

To amend section 1362 of title 18 of the United States Code so as to further protect the internal security of the United States by providing penalties for malicious damage to certain communications facilities.

September 26, 1961  
[S. 1990]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 1362 of title 18 of the United States Code is amended to read as follows:

**"§ 1362. Communication lines, stations or systems.**

"Whoever willfully or maliciously injures or destroys any of the works, property, or material of any radio, telegraph, telephone or cable, line, station, or system, or other means of communication, operated or controlled by the United States, or used or intended to be used for military or civil defense functions of the United States, whether constructed or in process of construction, or willfully or maliciously interferes in any way with the working or use of any such line, or system, or willfully or maliciously obstructs, hinders, or delays the transmission of any communication over any such line, or system, shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

"In the case of any works, property, or material, not operated or controlled by the United States, this section shall not apply to any lawful strike activity, or other lawful concerted activities for the purposes of collective bargaining or other mutual aid and protection which do not injure or destroy any line or system used or intended to be used for the military or civil defense functions of the United States."

Approved September 26, 1961.

Communications  
facilities.  
Penalties for  
malicious damage.  
62 Stat. 764.