

SEC. 4. To effectuate the policy set forth in section 2 of this Act the Secretary of Defense is hereby authorized and directed to—

- (1) determine which excess industrial properties should become a part of the national industrial reserve under the provisions of this Act;
- (2) formulate a national security clause, as defined in section 3 (c) hereof and vary or modify the same from time to time in such manner as best to attain the objectives of this Act, having due regard to securing advantageous terms to the Government in the disposal of excess industrial property;
- (3) consent to the relinquishment or waiver of all or any part of any national security clause in specific cases when necessary to permit the disposition of particular excess industrial property when it is determined that the retention of the productive capacity of any such excess industrial property is no longer essential to the national security or that the retention of a lesser interest than that originally required will adequately fulfill the purposes of this Act: *Provided*, That nothing in this subsection (3) shall require the modification or waiver of any part of any such national security clause when such clause is deemed necessary by the Secretary of Defense to effectuate the purposes of this Act; and
- (4) designate what excess industrial property shall be disposed of subject to the provisions of the national security clause.

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SEC. 7. The Secretary of Defense, with respect to property in the national industrial reserve, is authorized when he deems such action to be in the interest of national security—

- (1) to establish general policies for the care, maintenance, utilization, recording, and security of such property transferred to the Federal Works Agency pursuant to section 5 hereof; and
- (2) to direct the transfer without reimbursement by the Federal Works Agency of any of such property to other Government agencies with the consent of such agencies; and
- (3) to direct the leasing by the Federal Works Agency of any of such property to designated lessees; and
- (4) to authorize the disposition by the Federal Works Agency of any of such property by sale or otherwise when in the opinion of the Secretary of Defense such property may be disposed of subject to or free of the national security clause provided for in section 5 hereof; and
- (5) to authorize and regulate the lending of any such property by the Federal Works Agency to any nonprofit educational institution or training school when (a) the Secretary shall determine that the program proposed by such institution or school for the use of such property will contribute materially to national defense, and (b) such institution or school shall by agreement make such provision as the Secretary shall deem satisfactory for the proper maintenance of such property and for its return to the Federal Works Agency without expense to the Government.

SEC. 8. As and when directed or authorized by the Secretary of Defense pursuant to the provisions of section 7 hereof, the Federal Works Agency shall after the date upon which transfer is directed pursuant to section 5 hereof provide for the transportation, handling, care, storage, protection, maintenance, utilization, repair, restoration, renovation, leasing, and disposition of excess industrial property.

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SEC. 11. It shall be the duty of the Committee appointed under section 10 hereof to review not less often than once each year the justification for the retention of property in the national industrial reserve established hereunder and (i) to recommend to the Secretary of Defense the disposition of any such property which in the opinion of the Committee would no longer be of sufficient strategic value to warrant its further retention for the production of war material in the event of a national emergency; (ii) to recommend to the Secretary of Defense standards of maintenance for the property held in the national industrial reserve; (iii) to review and recommend to the Secretary of Defense the disposal of that property which in the opinion of the Committee could and should be devoted to commercial use in the civilian economy; and (iv) to advise the Secretary of Defense with respect to such activities under this Act as he may request.

SEC. 12. The Secretary of Defense shall submit to the Congress on April 1 of each year a report detailing the action taken by it hereunder and containing such other pertinent information on the status of the national industrial reserve as will