

Secretary of War; the Chief Constructor of the Navy and two other officers of the Navy, to be appointed by the Secretary of the Navy; and two additional civilian members. The chairman and civilian members shall be appointed by the President, by and with the advice and consent of the Senate.

Appointment of civilian members.

SEC. 3. That said board and tenure of office of the members thereof shall continue during the pleasure of the President, but not longer than six months after the present war. The civilian members of the board shall serve without compensation.

Tenure of office.

Civilians to serve without pay.

SEC. 4. That the board is hereby empowered, under the direction and control of and as authorized by the Secretary of War and the Secretary of the Navy, respectively, on behalf of the Departments of War and Navy, to supervise and direct, in accordance with the requirements prescribed or approved by the respective departments, the purchase, production, and manufacture of aircraft, engines, and all ordnance and instruments used in connection therewith, and accessories and materials therefor, including the purchase, lease, acquisition, or construction of plants for the manufacture of aircraft, engines, and accessories: *Provided*, That the board may make recommendations as to contracts and their distribution in connection with the foregoing, but every contract shall be made by the already constituted authorities of the respective departments.

Supervision of purchase, etc., of aircraft, construction plants, etc., by.

Proviso. Recommendations as to contracts by.

SEC. 5. That the board is also empowered to employ, either in the District of Columbia or elsewhere, such clerks and other employees as may be necessary to the conduct of its business, including such technical experts and advisers as may be found necessary, and to fix their salaries. Such salaries shall conform to those usually paid by the Government for similar service: *Provided*, That by unanimous approval of the board higher compensation may be paid to technical experts and advisers. The board may rent suitable offices in the District of Columbia or elsewhere, purchase necessary office equipment and supplies, including scientific publications and printing, and may incur necessary administrative and contingent expenses, and for all of the expenses enumerated in this paragraph there shall be allotted by the Chief Signal Officer of the Army for the fiscal year nineteen hundred and seventeen and nineteen hundred and eighteen the sum of \$100,000, or so much thereof as shall be necessary, from any appropriation now existing for or hereinafter made to the Signal Corps of the Army, and such appropriation is hereby made available for these purposes: *Provided further*, That except upon the joint and concurrent approval of the Secretary of War and the Secretary of the Navy there shall not be established or maintained under the board any office or organization duplicating or replacing, in whole or in part, any office or organization now existing that can be properly established or maintained by appropriations made for or available for the military or naval services: *Provided further*, That a report shall be made to Congress on the first day of each regular session of the salaries paid from this appropriation to clerks and employees by grades, and the number in each such grade.

Employees, experts, etc., authorized.

Salaries.

Provisos. Pay of experts.

Administrative and contingent expenses allowed.

Payment from Signal Service appropriations.

Duplication of present work restricted.

Report to Congress.

Approved, October 1, 1917.

CHAP. 62.—An Act To authorize exploration for and disposition of potassium.

October 2, 1917.
[S. 2156.]

[Public, No. 49.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed, under such rules and regulations as he may prescribe, to issue to any applicant who is a citizen of the United States, an association of such citizens, or a corporation organized under the laws of any State or Territory

Potassium deposits. Permits authorized to prospect for, on public lands.

Right exclusive for two years.

Exception.

Proviso.
Extent of area.

Patent to permittee if deposit discovered.

Limit.

Lease of vacant lands within permits, by competitive bidding.

Royalty conditions.

Annual rentals.

Indeterminate period for leases.

Patentees may lease.

Proviso.
Searles Lake, Cal., lands may be operated or leased.

Leases for potash deposits in Wyoming.

Use of lands for development work, etc.

thereof, a prospecting permit which shall give the exclusive right, for a period not exceeding two years, to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of potassium on public lands of the United States, except lands in and adjacent to Searles Lake, which would be described if surveyed as townships twenty-four, twenty-five, twenty-six, and twenty-seven south of ranges forty-two, forty-three, and forty-four east, Mount Diablo meridian, California: *Provided*, That the area to be included in such permit shall not exceed two thousand five hundred and sixty acres of land in reasonably compact form.

SEC. 2. That upon showing to the satisfaction of the Secretary of the Interior that valuable deposits of one or more of the substances enumerated in section one hereof have been discovered by the permittee within the area covered by his permit, the permittee shall be entitled to a patent for not to exceed one-fourth of the land embraced in the prospecting permit, to be taken in compact form and described by legal subdivisions of the public-land surveys, or if the land be not surveyed, then in tracts which shall not exceed two miles in length, by survey executed at the cost of the permittee, in accordance with rules and regulations prescribed by the Secretary of the Interior. All other lands described and embraced in such a prospecting permit from and after the exercise of the right to patent accorded to the discoverer, and not covered by leases, may be leased by the Secretary of the Interior, through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, and in such areas as he shall fix, not exceeding two thousand five hundred and sixty acres, all leases to be conditioned upon the payment by the lessee of such royalty as may be specified in the lease and which shall be fixed by the Secretary of the Interior in advance of offering the same, and which shall not be less than two per centum on the gross value of the output at the point of shipment, which royalty, on demand of the Secretary of the Interior, shall be paid in the product of such lease, and the payment in advance of a rental, which shall be not less than 25 cents per acre for the first year thereafter; not less than 50 cents per acre for the second, third, fourth, and fifth years, respectively; and not less than \$1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases shall be for indeterminate periods, upon condition that at the end of each twenty-year period succeeding the date of any lease such readjustment of terms and conditions may be made as the Secretary of the Interior may determine, unless otherwise provided by law at the time of the expiration of such periods, and a patentee under this section may also be a lessee: *Provided*, That the potash deposits in the public lands in and adjacent to Searles Lake in what would be if surveyed townships twenty-four, twenty-five, twenty-six, and twenty-seven south of ranges forty-two, forty-three, and forty-four, east, Mount Diablo meridian, California, may be operated by the United States or may be leased by the Secretary of the Interior under the terms and provisions of this Act: *Provided further*, That the Secretary of the Interior may issue leases under the provisions of this Act for deposits of potash in public lands in Sweetwater County, Wyoming, also containing deposits of coal, on condition that the coal be reserved to the United States.

SEC. 3. That in addition to areas of such mineral land to be included in prospecting permits or leases the Secretary of the Interior, in his discretion, may issue to a permittee or lessee under this Act the exclusive right to use, during the life of the permit or lease, a tract of unoccupied nonmineral public land not exceeding forty acres in area for camp sites, refining works, and other purposes connected

with and necessary to the proper development and use of the deposits covered by the permit or lease.

SEC. 4. That the Secretary of the Interior shall reserve the authority and shall insert in any preliminary permit issued under section one hereof appropriate provisions for its cancellation by him upon failure by the permittee or licensee to exercise due diligence in the prosecution of the prospecting work in accordance with the terms and conditions stated in the permit.

Cancellation of permits for want of diligence, etc.

SEC. 5. That no person shall take or hold any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease under the provisions hereof which, together with the area embraced in any direct holding of a lease under this Act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease under the provisions hereof, or otherwise, exceeds in the aggregate in any area fifty miles square an amount equivalent to the maximum number of acres allowed to any one lessee under this Act; that no person, association, or corporation holding a lease under the provisions of this Act shall hold more than a tenth interest, direct or indirect, in any other agency, corporate or otherwise, engaged in the sale or resale of the products obtained from such lease; and any violation of the provisions of this section shall be ground for the forfeiture of the lease or interest so held; and the interests held in violation of this provision shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States district court for the district in which the property or some part thereof is located, except that any such ownership or interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition.

Owning interest in other leases restricted.

Interest in sales agencies, etc., limited.

Forfeiture for violation.

Procedure.

Ownership by descent, etc., limited.

SEC. 6. That any permit, lease, occupation, or use permitted under this Act shall reserve to the Secretary of the Interior the right to permit for joint or several use such easements or rights of way upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same, or of other lands containing the deposits described in this Act, and the treatment and shipment of the products thereof by or under authority of the Government, its lessees, or permittees, and for other public purposes: *Provided*, That said Secretary, in his discretion, in making any lease under this Act may reserve to the United States the right to dispose of the surface of the lands embraced within such lease under existing law or laws hereafter enacted, in so far as said surface is not necessary for use of the lessee in extracting and removing the deposits therein: *Provided further*, That if such reservation is made it shall be so determined before the offering of such lease; that the said Secretary, during the life of the lease, is authorized to issue such permits for easements herein provided to be reserved.

Rights of way, etc., through leased lands to be reserved.

Proviso. Right to dispose of surface.

Determination before offering lease.

SEC. 7. That each lease shall contain provisions deemed necessary for the protection of the interests of the United States, and for the prevention of monopoly, and for the safeguarding of the public welfare.

Prevention of monopoly, etc.

SEC. 8. That any lease issued under the provisions of this Act may be forfeited and canceled by an appropriate proceeding in the United States district court for the district in which the property or some part thereof is located whenever the lessee fails to comply with any of the provisions of this Act, of the lease, or of the general regulations promulgated under this Act and in force at the date of the lease, and the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof.

Forfeiture proceedings.

Grounds for.

Settlement of disputes.

Provisions applicable to all reserved potassium deposits.

SEC. 9. That the provisions of this Act shall also apply to all deposits of potassium salts in the lands of the United States which may have been or may be disposed of under laws reserving to the United States the potassium deposits with the right to prospect for, drill, mine, and remove the same, subject to such conditions as to the use and occupancy of the surface as are or may hereafter be provided by law.

Royalties and rents to be paid into reclamation fund. Vol. 32, p. 388.

SEC. 10. That all moneys received from royalties and rentals under the provisions of this Act, excepting those from Alaska, shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the Act of Congress approved June seventeenth, nineteen hundred and two, known as the reclamation Act, but after use thereof in the construction of reclamation works and upon return to the reclamation fund of any such moneys in the manner provided by the reclamation Act and Acts amendatory thereof and supplemental thereto, fifty per centum of the amounts derived from such royalties and rentals, so utilized in and returned to the reclamation fund shall be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State within the boundaries of which the leased lands or deposits are or were located, said moneys to be used by such State or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools.

After used for construction, 50 per cent to go to States.

For public roads and schools.

SEC. 11. That the Secretary of the Interior is authorized to prescribe necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this Act.

Rules, etc., to be made.

Disposition of all deposits subject to this Act. Valid claims protected.

SEC. 12. That the deposits herein referred to, in lands valuable for such minerals, shall be subject to disposition only in the form and manner provided in this Act, except as to valid claims existing at date of the passage of this Act and thereafter maintained in compliance with the laws under which initiated, which claims may be perfected under such laws: *Provided*, That nothing in this Act shall be construed or held to affect the rights of the States or other local authority to exercise any rights which they may have to levy and collect taxes upon improvements, output of mines, or other rights, property, or assets of any lessee.

Proviso. State, etc., tax laws not impaired.

Right to regulate price of mineral reserved.

SEC. 13. That the Secretary of the Interior is hereby authorized and directed to incorporate in every lease issued under the provisions of this Act a provision reserving to the President the right to regulate the price of all mineral extracted and sold from the leased premises, which stipulation shall specifically provide that the price or prices fixed shall be such as to yield a fair and reasonable return to the lessee upon his investment and to secure to the consumer any of such products at the lowest price reasonable and consistent with the foregoing: *Provided*, That such lease issued under this Act shall also stipulate that the President shall have authority to so regulate the disposal of the potassium products produced under such lease as to secure its distribution and use wholly within the limits of the United States or its possessions.

Approved, October 2, 1917.

October 3, 1917. [H. R. 4280.]

[Public, No. 50.]

CHAP. 63.—An Act To provide revenue to defray war expenses, and for other purposes.

War Revenue Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

WAR INCOME TAX.

TITLE I.—WAR INCOME TAX.

Additional normal tax on incomes of citizens or residents. Vol. 39, p. 756. Post, p. 1149.

SECTION 1. That in addition to the normal tax imposed by subdivision (a) of section one of the Act entitled "An Act to increase the revenue, and for other purposes," approved September eighth, nine-