

YOUTH COUNCILS ON CIVIC AFFAIRS

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M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A VETO MESSAGE ON H.R. 3329, A BILL TO INCORPORATE THE  
YOUTH COUNCILS ON CIVIC AFFAIRS, AND FOR OTHER PURPOSES

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SEPTEMBER 14, 1965.—Referred to the Committee on the District of Columbia  
and ordered to be printed with accompanying bill

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*To the House of Representatives:*

I return herewith, without my approval, H.R. 3329, a bill to incorporate the Youth Councils on Civic Affairs, and for other purposes.

The committee reports indicate that this organization had its origin in Jacksonville, Fla., in 1962 and that it was incorporated under Florida law in March 1963. Its general purposes are to promote youth activities for the good of the community and to make youth aware of their civic responsibilities. Obviously, these worthwhile purposes are not the basis of my concern with this bill.

For some time I have been concerned with the question of whether we were granting Federal charters to private organizations on a case-by-case basis without the benefit of clearly established standards and criteria as to eligibility. Worthy civic, patriotic, and philanthropic organizations can and do incorporate their activities under State law. It seems obvious that Federal charters should be granted, if at all, only on a selective basis and that they should meet some national interest standard.

Other questions indicate the desirability of further study of this matter. For example, does the granting of Federal charters to a limited number of organizations discriminate against similar and worthy organizations and possibly stifle their growth? Should federally chartered corporations be more carefully supervised by an

agency of the Federal Government? Does Federal rather than State chartering result in differences in the legal or tax status of the corporation, and are any differences appropriate ones?

I note that last year Congress enacted Public Law 88-504, at the recommendation of the General Accounting Office, to provide common standards of auditing and reporting for federally chartered corporations covered by title 36 of the United States Code. This reflected a concern similar to mine that proper standards and criteria be established in this area.

I hope that the Judiciary Committees will find it possible to make a comprehensive study of the questions I have outlined above. I am asking the Department of Justice and the Bureau of the Budget to explore these questions also and to make appropriate recommendations to me.

In the light of these concerns and without reflection in any way on the worthy purposes of the organization which would be incorporated by this bill, I feel constrained to withhold my approval from H.R. 3329 at this time.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *September 10, 1965.*

H.R. 3329

EIGHTY-NINTH CONGRESS OF THE UNITED STATES OF AMERICA, AT THE FIRST SESSION, BEGUN AND HELD AT THE CITY OF WASHINGTON ON MONDAY, THE FOURTH DAY OF JANUARY, ONE THOUSAND NINE HUNDRED AND SIXTY-FIVE

AN ACT To incorporate the Youth Councils on Civic Affairs, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Dr. Eleanor Weiss Flick, of Philadelphia, Pennsylvania; Herbert J. Johnson, Junior, of Erie, Pennsylvania; Honorable John E. Santora, of Jacksonville, Florida; Frederic Sondern, Junior, of Cornwall Bridge, Connecticut; Frederick W. Thoben, of New York, New York; Honorable Ronald H. Tills, of Hamburg, New York; and their successors, are hereby created and declared to be a body corporate of the District of Columbia, where its legal domicile shall be, by the name of the Youth Councils on Civic Affairs (hereinafter referred to as the corporation), and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

SEC. 2. A majority of the persons named in section 1 of this Act are authorized to complete the organization of the corporation by the adoption of a constitution and bylaws, not inconsistent with this Act, and the doing of such other acts (including the selection of officers and employees in accordance with such constitution and bylaws) as may be necessary for such purpose.

SEC. 3. The purposes of the corporation shall be: To promote an interest, study, and participation in all civic matters affecting the youth of America, emphasizing the American heritage and the responsibilities of young people to their community; to offer an organization through which the youth of a community may benefit both themselves and their community through an exchange of mutual problems and programs; to initiate programs and projects to afford the youth of a community an opportunity to meet and effectively deal with the problems of school dropouts, youth employment, vocational guidance, youth offenders, and other youth problems and establish a means of communication between the youth and adults of the community; and to provide youth the opportunity to practice democracy to better prepare for the responsibilities of adult citizenship.

SEC. 4. The corporation shall have power—

- (1) to have succession by its corporate name;
- (2) to sue and be sued, complain, and defend, in any court of competent jurisdiction;
- (3) to adopt, use, and alter a corporate seal;
- (4) to choose such officers, managers, agents, and employees as the business of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to admit to membership and charter, as its constitution and bylaws may provide, local organizations whose purposes are consistent with those of the corporation;

(7) to contract and be contracted with;

(8) to take by lease, gift, purchase, grant, devise, or bequest from any private corporation, association, partnership, firm, or individual and to hold any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(9) to transfer, convey, lease, sublease, encumber, and otherwise alienate real, personal, or mixed property;

(10) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws;

(11) to publish a magazine and other publications;

(12) to do any and all acts and things necessary and proper to carry out the objects and purposes of the corporation.

SEC. 5. (a) The principal office of the corporation shall be located in Jacksonville, Florida, or in such other place as may be later determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throughout the various States, territories, and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process, notice, or demand for the corporation, and service of such process, notice, or demand required or permitted by law to be served upon the corporation may be served upon such agent. The corporation shall file with the Commissioners of the District of Columbia or their designated agent a statement designating the initial and each successor registered agent of the corporation immediately following any such designation.

SEC. 6. (a) Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall, except as provided in this chapter, be determined as the constitution and bylaws of the corporation may provide. Each member of the corporation shall have the right to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

(b) No organization which limits its membership on the basis of race or creed shall be eligible for membership in this corporation. Each organization which is a member of the corporation as provided in the constitution and bylaws thereof shall be entitled to all the benefits of incorporation under this chapter, but such benefits shall cease immediately either upon its resignation from the corporation, or in the event that its membership in the corporation is canceled or otherwise terminated by the board of directors, as provided in the constitution or bylaws of the corporation.

SEC. 7. (a) Upon the enactment of this Act, the membership of the initial board of directors of the corporation shall consist of those named in section 1 of this Act who shall serve until their successors are elected and have qualified.

(b) Thereafter the board of directors of the corporation shall consist of such number as may be prescribed in the constitution of the corporation, and the members of such board shall be selected in such manner (including the filling of vacancies), and shall serve for such terms, as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the managing body of the corporation and shall have such powers, duties, and responsibilities as may be prescribed in the constitution and bylaws of the corporation.

SEC. 8. (a) The officers of the corporation shall be a president, one or more vice presidents (as may be prescribed in the constitution and bylaws of the corporation), an executive director, a secretary, a treasurer, and such other officers or assistant officers as the board of directors may from time to time determine.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation.

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any of its members, directors, or officers as such, or be distributable to any of them

during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation and any officer who participates in the making of such loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its board of directors, and committees having any authority under the board of directors; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose at any reasonable time.

SEC. 14. (a) The accounts of the corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than six months following the close of the fiscal year for which the audit is made. The report shall set forth the scope of the audit and include such statements, together with the independent auditor's opinion of those statements, as are necessary to present fairly the corporation's assets and liabilities, surplus or deficit with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the corporation's income and expenses during the year, including (1) the results of any trading, manufacturing, publishing, or other commercial-type endeavor carried on by the corporation, and (2) a schedule of all contracts requiring payments in excess of \$10,000 and any payments of compensation, salaries, or fees at a rate in excess of \$10,000 per annum. The report shall not be printed as a public document.

SEC. 15. The corporation, and its duly authorized chapters or association of chapters, shall have the sole and exclusive right to use the name of Youth Council on Civic Affairs, and the initials "YCCA" as representing a youth organization and such seals, emblems, and badges as the corporation may lawfully adopt.

SEC. 16. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

SEC. 17. As used in this Act the word "State" includes the District of Columbia.

SEC. 18. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

JOHN W. McCORMACK,  
*Speaker of the House of Representatives.*  
HUBERT H. HUMPHREY,  
*Vice President of the United States and*  
*President of the Senate.*

[Endorsement on back of bill:]

I certify that this Act originated in the House of Representatives.

RALPH R. ROBERTS, *Clerk.*

