

Proviso.
Use of articles of
American manufact-
ure.

conditions and limitations of such Act, as amended: *Provided*, That in the expenditure of appropriations for the construction of diplomatic and consular establishments, the Secretary of State shall, unless in his discretion the interests of the Government will not permit, purchase or contract for only articles of manufacture of the United States, notwithstanding that such articles, when delivered abroad, may cost more if such excess of cost be not unreasonable.

Approved, May 25, 1938.

[CHAPTER 276]

AN ACT

To amend section 12B of the Federal Reserve Act, as amended.

May 25, 1938
[H. R. 7187]

[Public, No. 544]

Federal Reserve Act,
amendments.
49 Stat. 695.
12 U. S. C., Supp.
III, § 264 (1)(7).

Federal Deposit In-
surance Corporation,
subrogation to rights
of paid depositors
against closed national
or District bank.
Other closed insured
banks.

Right of Corpo-
ration to receive div-
idends.

Provisos.
Waiver of stock-
holders' liability in
excess of amount un-
paid on stock.

State banks, appli-
cation of State law.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (7) of subsection (1) of section 12B of the Federal Reserve Act, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 264), be amended to read as follows:

"In the case of a closed national bank or District bank, the Corporation, upon the payment of any depositor as provided in paragraph (6) of this subsection, shall be subrogated to all rights of the depositor against the closed bank to the extent of such payment. In the case of any other closed insured bank, the Corporation shall not make any payment to any depositor until the right of the Corporation to be subrogated to the rights of such depositor on the same basis as provided in the case of a closed national bank under this section shall have been recognized either by express provision of State law, by allowance of claims by the authority having supervision of such bank, by assignment of claims by depositors, or by any other effective method. In the case of any closed insured bank, such subrogation shall include the right on the part of the Corporation to receive the same dividends from the proceeds of the assets of such closed bank and recoveries on account of stockholders' liability as would have been payable to the depositor on a claim for the insured deposit, but such depositor shall retain his claim for any uninsured portion of his deposit: *Provided*, That, with respect to any bank which closes after the date this paragraph as amended takes effect, the Corporation shall waive, in favor only of any person against whom stockholders' individual liability may be asserted, any claim on account of such liability in excess of the liability, if any, to the bank or its creditors, for the amount unpaid upon his stock in such bank; but any such waiver shall be effected in such manner and on such terms and conditions as will not increase recoveries or dividends on account of claims to which the Corporation is not subrogated: *Provided further*, That the rights of depositors and other creditors of any State bank shall be determined in accordance with the applicable provisions of State law."

Approved, May 25, 1938.

[CHAPTER 277]

AN ACT

Authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American Republics and the Philippines, and for other purposes.

May 25, 1938
[H. R. 10193]

[Public, No. 545]

American Republics,
Philippine Islands,
and Liberia.
Temporary detail of
United States em-
ployees to, authorized.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be, and hereby is, authorized, whenever he finds that the public interest renders such a course advisable, upon agreement with the government of any other American Republic or the government of the Commonwealth of the Philippine Islands, or the