

“(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

“(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph.”

SEC. 5. Section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

“(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town, village, or in the unincorporated area of any county upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after ten days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town, village, or unincorporated area in such county: *Provided*, That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area.”

SEC. 6. Nothing in this Act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

SEC. 7. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 8. This Act shall become effective on the first day of the first calendar month following the month in which it is enacted.

Approved June 23, 1950.

[CHAPTER 357]

AN ACT

To extend the Rubber Act of 1948 (Public Law 469, Eightieth Congress), and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 9 of the Rubber Act of 1948 (Public Law 469, Eightieth Congress) is amended (1) by striking out “April 1, 1949” and inserting in lieu thereof “April 1, 1951”, and (2) by striking out “January 15, 1950” and inserting in lieu thereof “January 15, 1952”.

(b) Section 20 of such Act is amended by striking out “June 30, 1950” and inserting in lieu thereof “June 30, 1952”.

Approved June 24, 1950.

[CHAPTER 369]

AN ACT

To amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes.

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

63 Stat. 27.
50 U. S. C., Sup. III,
app. § 1894 (j) (3).
Post, p. 1113.

61 Stat. 196.
50 U. S. C., Sup. III,
app. § 1881 note.
Ante, p. 255.
Separability.

Effective date.

June 24, 1950
[H. R. 7579]
[Public Law 575]

62 Stat. 105.
50 U. S. C., Sup. III,
app. § 1928 (a).

62 Stat. 109.
50 U. S. C., Sup. III,
app. § 1938.

June 27, 1950
[H. R. 6743]
[Public Law 576]

Federal Home Loan
Bank Act, National
Housing Act, amend-
ments.

Home Loan Bank Act, as amended, is amended by adding the following new section after section 5 thereof:

"SEC. 5A. No member of a Federal Home Loan Bank shall make or purchase any loan at any time when its cash and obligations of the United States are not equal to such amount as the Home Loan Bank Board shall by regulations prescribe: *Provided*, That such amount shall not be less than 4 per centum or more than 8 per centum of the obligation of the member on withdrawable accounts or, in the case of any member insurance company, such other base as the Board may determine to be comparable. The Board is authorized in said regulations to prescribe from time to time different amounts, within the limitations hereinbefore specified, for different classes of member institutions, and for such purposes the Board is authorized to classify such members according to type of institution, size, location, rate of withdrawals, or such other basis or bases of differentiation as the Board may deem to be reasonably necessary or appropriate for effectuating the purposes hereof. Failure to comply with the provisions hereof shall constitute ground for removal from membership. This section shall be effective six months after the date of its enactment."

SEC. 2. Section 6 of the Federal Home Loan Bank Act, as amended, is amended by the addition of the following new subsection:

"(1) Within one year after the enactment of this subsection, each member of each Federal Home Loan Bank shall acquire and hold and thereafter maintain its stock holding in an amount equal to at least 2 per centum of the aggregate of the unpaid principal of such member's home mortgage loans, home-purchase contracts, and similar obligations, but not less than \$500. Such stock in excess of the amount hereby required may be purchased from time to time by members and may be retired from time to time as heretofore. One year after the enactment of this subsection, each Federal Home Loan Bank shall retire and pay off at par an amount of its stock held by the Secretary of the Treasury equivalent to the amount of its stock held by its members in excess of the amount required to be held by them by the first two sentences of subsection (c) of this section immediately prior to the enactment of this subsection and annually thereafter each Federal Home Loan Bank shall retire an amount of such Government stock equivalent to 50 per centum of the net increase of its stock held by members since the last previous retirement: *Provided*, That none of such Government capital shall at any time be retired so as to reduce the aggregate capital stock, reserves, surplus, and undivided profits of the Federal Home Loan Banks to less than \$200,000,000: *Provided further*, That notwithstanding any provision of this subsection, nothing in this subsection shall limit or affect the operation of subsection (g) of this section."

SEC. 3. Subsection (g) of section 11 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(g) Each Federal Home Loan Bank shall at all times have at least an amount equal to the current deposits received from its members invested in (1) obligations of the United States, (2) deposits in banks or trust companies, (3) advances with a maturity of not to exceed one year which are made to members or nonmember borrowers, upon such terms and conditions as the Board may prescribe, and (4) advances with a maturity of not to exceed one year which are made to members or nonmember borrowers whose creditor liabilities (not including advances from the Federal home loan bank) do not exceed 5 per centum of their net assets, and which may be made without the security of home mortgages or other security, upon such terms and conditions as the Board may prescribe."

47 Stat. 727.
12 U. S. C. §§ 1421-1449; Sup. III, § 1422 et seq.
Ante, p. 80; *post*, pp. 258, 259; *infra*.
Loan restrictions.

Classification of members.

Effective date.

47 Stat. 727.
12 U. S. C. § 1426.

Stock holdings of members.

Retirement of stock.

47 Stat. 734.
12 U. S. C. § 1431 (g).

Investments.

47 Stat. 733.
12 U. S. C. § 1431.
Ante, p. 257.
Purchase of obligations by Treasury, etc.

40 Stat. 288.
31 U. S. C. § 774 (2).

Audits.

59 Stat. 600.
31 U. S. C. § 857.

59 Stat. 601.
31 U. S. C. § 868 (d).

48 Stat. 1256.
12 U. S. C. § 1725;
Sup. III, § 1725.

Retirement of capital stock.

59 Stat. 597.
31 U. S. C. §§ 841-869; Sup. III, § 846 *et seq.*
Post, p. 834.
Supra.

SEC. 4. Section 11 of the Federal Home Loan Bank Act, as amended, is amended by adding at the end thereof the following new subsections:

“(i) The Secretary of the Treasury is authorized in his discretion to purchase any obligations issued pursuant to this section, as heretofore, now, or hereafter in force and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include such purchases. The Secretary of the Treasury may, at any time, sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public-debt transactions of the United States. The Secretary of the Treasury shall not at any time purchase any obligations under this subsection if such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this subsection to an amount greater than \$1,000,000,000. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of such purchase.

“(j) Notwithstanding the provisions of the first sentence of section 202 of the Government Corporation Control Act, audits by the General Accounting Office of the financial transactions of a Federal Home Loan Bank shall not be limited to periods during which Government capital has been invested therein. The provisions of the first sentence of subsection (d) of section 303 of the Government Corporation Control Act shall not apply to any Federal Home Loan Bank.”

SEC. 5. Section 402 of the National Housing Act, as amended, is amended by the addition of the following new subsection:

“(h) After the effective date of this subsection the Corporation is authorized and directed to pay off and retire annually at par an amount of its capital stock equal to 50 per centum of its net income for the fiscal year. Such payments shall be made promptly after the end of each fiscal year (beginning with the first fiscal year which begins after the date of enactment of this subsection) until the entire capital stock of \$100,000,000 is retired. In lieu of any and all unpaid dividends, whether for any present, past, or future period, on its capital stock, the Corporation shall pay to the Secretary of the Treasury, promptly after the end of each fiscal year, beginning with the fiscal year 1951, a return on the average amount, at par, of its capital stock outstanding during such fiscal year at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the sixth month of such fiscal year, and the Corporation shall also pay to the Secretary of the Treasury an amount equal to 2 per centum simple interest per annum on its capital stock of \$100,000,000 from June 27, 1934, to June 30, 1950, less any amount heretofore paid by the Corporation as dividends on such capital stock. The retirement of such capital stock shall not affect the applicability to said Corporation of the Government Corporation Control Act, as amended.”

SEC. 6. Section 402 of the National Housing Act, as amended, is amended by the addition of the following new subsection:

“(i) The Corporation is authorized to borrow from the Treasury, and the Secretary of the Treasury is authorized and directed to loan to the Corporation on such terms as may be fixed by the Corporation and the Secretary, such funds as in the judgment of the Home Loan Bank Board are from time to time required for insurance purposes, not exceeding in the aggregate \$750,000,000 outstanding at any one time, and the Corporation hereafter shall not exercise its borrowing power under the first sentence of subsection (d) of this section for the purpose of borrowing money from any other source: *Provided*, That each such loan shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of such loan: *Provided further*, That nothing in this subsection shall prevent the Corporation from issuing debentures in accordance with the provisions of subsection (b) of section 405. For the purposes of this subsection the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are hereby extended to include such loans. Any such loan shall be used by the Corporation solely in carrying out its functions with respect to such insurance. All loans and repayments under this subsection shall be treated as public-debt transactions of the United States.”

SEC. 7. Subsection (a) of section 404 of the National Housing Act, as amended, is amended by striking out “one-eighth” where it appears therein and inserting in lieu thereof “one-twelfth”.

SEC. 8. Subsection (c) of section 404 of the National Housing Act, as amended, is amended to read as follows:

“(c) If an insured institution has paid a premium (other than any premium which may be assessed under subsection (b) of this section) at a rate in excess of one-twelfth of 1 per centum of the total amount of the accounts of its insured members and its creditor obligations for any period of time after June 30, 1949, it shall receive a credit upon its future premiums in an amount equal to the excess premium so paid for the period beyond such date.”

SEC. 9. Subsection (a) of section 405 of the National Housing Act, as amended, is amended by striking out “\$5,000” and inserting in lieu thereof “\$10,000”: *Provided, however*, That this amendment shall become effective only in the event of, and at the same time as, an increase to \$10,000 in the maximum deposit insured by the Federal Deposit Insurance Corporation.

SEC. 10. The first sentence of section 20 of the Federal Home Loan Bank Act, as amended, is amended by striking out the word “twice”.

SEC. 11. Section 407 of the National Housing Act, as amended, is amended to read as follows:

“SEC. 407. Any insured institution other than a Federal savings and loan association may terminate its status as an insured institution by written notice to the Corporation, and the Corporation, for violation by an insured institution of its duty as such may, after written notice of any such alleged violation of duty and after reasonable opportunity to be heard, by written notice to such insured institution, terminate such status. In the event of the termination of such status, insurance of its accounts to the extent that they were insured on the date of such notice, less any amounts thereafter withdrawn, repurchased, or redeemed which reduce the insured accounts of an insured member below the amount insured on the date of such notice, shall continue for a period of two years, but no investments or deposits made after the

Loans for insurance.

48 Stat. 1259.
12 U. S. C. § 1728 (b).

40 Stat. 288.
31 U. S. C. § 774 (2).

48 Stat. 1259.
12 U. S. C. § 1727 (a).

49 Stat. 299.
12 U. S. C. § 1727 (c).

Credit on premiums.

48 Stat. 1259.
12 U. S. C. § 1728 (a).

Post, p. 884.

47 Stat. 738.
12 U. S. C. § 1440.

48 Stat. 1260.
12 U. S. C. § 1730.

Termination of status as insured institution.

date of the notice of termination shall be insured. The Corporation shall have the right to examine such institution from time to time during the two-year period aforesaid. Such insured institution shall be obligated to pay, within thirty days after any such notice of termination, as a final insurance premium, a sum equivalent to twice the last annual insurance premium paid by it. In the event of the termination of insurance of accounts as herein provided the institution which was the insured institution shall give prompt and reasonable notice to all of its insured members that it has ceased to be an insured institution and it may include in such notice the fact that insured accounts, to the extent not withdrawn, repurchased, or redeemed, remain insured for two years from the date of such termination, but it shall not further represent itself in any manner as an insured institution. In the event of failure to give the notice to insured members as herein provided the Corporation is authorized to give reasonable notice."

Approved June 27, 1950.

[CHAPTER 370]

AN ACT

Relating to the renewal of contracts for the carrying of mail on star routes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of the next to last paragraph of section 3951 of the Revised Statutes, as amended (U. S. C., title 39, sec. 434), is amended to read as follows:

Postal service.
Star-route contracts.

"The Postmaster General may, in his discretion and in the interest of the postal service, (1) notwithstanding the provisions of section 3949 of the Revised Statutes, as amended (U. S. C., title 39, sec. 429), by mutual agreement with the holder of any star-route contract renew such contract at the rate prevailing at the end of the contract term for additional terms of four years with such bond as may be required by the Postmaster General, or (2) in any case in which a contractor has sublet the route in accordance with law and does not indicate in writing to the Postmaster General at least ninety days before the end of the contract term that he desires to renew the contract, the Postmaster General may enter into a contract upon the same terms with such bond as may be required by the Postmaster General, without advertising the route for bids, with a subcontractor then operating the route who has performed the services required under the contract to the satisfaction of the Postmaster General for a period of at least one year."

Approved June 27, 1950.

[CHAPTER 371]

JOINT RESOLUTION

Extending the time for the release, free of estate and gift tax, of certain powers.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 403 (d) (3) and 452 (c) of the Revenue Act of 1942 (relating to release of certain powers of appointment in the case of the estate and gift taxes) are hereby amended by striking out "1950" wherever appearing therein and inserting in lieu thereof "1951".

Approved June 27, 1950.

June 27, 1950
[H. R. 8270]
[Public Law 577]

June 27, 1950
[H. J. Res. 430]
[Public Law 578]
56 Stat. 942, 952.
26 U. S. C., §§ 811
note, 1000 note; Sup.
III, § 811 note; § 1000
note.