Secretary of the Interior: *And provided further*, That all fees, costs, and expenses collected by the commissioner shall be disposed of as provided in section 11 of this Act.

Disposal of fees, etc.

SEC. 10. That all fees, costs, and expenses arising in cases under this Act and properly chargeable to the United States shall be certified, approved, and paid as are like fees, costs, and expenses in the courts of the United States.

Fees chargeable to United States, payment of.

SEC. 11. That all fines and costs imposed and collected shall be deposited by said commissioner of the United States, or the marshal of the United States collecting the same, with the clerk of the United States District Court for the Western District of Virginia.

Deposit of fines and costs.

Approved, August 19, 1937.

[CHAPTER 704]

AN ACT

August 19, 1937
[H. R. 7909]
[Public, No. 323]

To amend the Federal Farm Loan Act, to amend the Emergency Farm Mortgage Act of 1933, to amend the Farm Credit Act of 1933, to amend the Federal Farm Mortgage Corporation Act, to amend the Agricultural Marketing Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Credit Act of 1937".

Farm Credit Act of 1937.

SEC. 2. Section 4 (b) of the Federal Farm Mortgage Corporation Act (U. S. C., 1934 edition, title 12, sec. 1020d) is amended by adding at the end thereof the following new paragraph:

Federal Farm Mortgage Corporation.
48 Stat. 346.
12 U. S. C. § 1020d.

"When in the judgment of the directors conditions justify it, the corporation shall have power to extend, in whole or in part, any unpaid obligation under the terms of any mortgage, and to accept payment of any such obligation together with interest thereon, at a rate not exceeding 5 per centum per annum, during such period and in such amounts as may be agreed upon at the date of making such extension."

Extension of unpaid obligations under terms of mortgages; acceptance of payment; interest rate.

SEC. 3. Section 31 (a) of the Emergency Farm Mortgage Act of 1933 (48 Stat. 47), as amended, is amended by striking out all prior to the first proviso and inserting in lieu thereof the following:

Joint-stock land banks.
48 Stat. 47.
12 U. S. C. § 823; Supp. II, § 823.

"(a) The Federal Farm Mortgage Corporation is authorized and directed to make available to the Land Bank Commissioner until July 1, 1938, out of the funds of the Corporation, the sum of $2,000,000, to be used for the purpose of making loans to the joint-stock land banks organized and doing business under the Federal Farm Loan Act, as amended. Loans made by the Land Bank Commissioner under this section shall be made in the name and on behalf of the Corporation and shall bear interest at a rate not to exceed 4 per centum per annum. No loan shall be made under this section to any joint-stock land bank except for the purpose of obtaining, for a period of one year from the date on which the loan is made, postponement of the foreclosure of first mortgages held by such bank on account of (1) default in the payment of interest and principal due under the terms of the mortgage, and (2) unpaid delinquent taxes, excluding interest and penalties, which may be secured by the lien of said mortgage:".

Amount available for loans to, by Land Bank Commissioner.

Interest rate.

Use of money loaned.

SEC. 4. The first sentence of section 4 (b) of the Federal Farm Mortgage Corporation Act, as amended (U. S. C., 1934 edition, title 12, sec. 1020d), is amended to read as follows: "The corporation is further authorized to purchase from time to time, for cash, such consolidated farm loan bonds at such prices and upon such terms as may be approved by the board of directors of the corporation; to make loans to Federal land banks and joint stock land banks on the

Purchase of consolidated farm loan bonds; loans to Federal land banks; security.
48 Stat. 346.
12 U. S. C. § 1020d.

security of real estate mortgages, sheriff's certificates, sales contracts and real estate, upon such terms and conditions as shall be prescribed by the board of directors of the corporation: *Provided, however*, That loans outstanding to joint-stock land banks under this subsection shall not at any one time exceed in the aggregate $10,000,000; to make loans to Federal land banks on the security of consolidated farm loan bonds; and to invest its funds in mortgage loans made under section 32 of the Emergency Farm Mortgage Act of 1933, as amended."

Proviso. Limitation.

Consolidated farm loan bonds as security. Investment of funds. 48 Stat. 48.

Farm credit districts; number, boundaries, etc.

SEC. 5. (a) There shall be twelve districts in the continental United States, excluding Alaska, which shall be known as farm credit districts, and may be designated by number. The boundaries of the twelve Federal land bank districts existing as of the date of enactment of this Act shall be the boundaries of the respective farm credit districts. Such boundaries may be readjusted from time to time in the discretion of the Farm Credit Administration, provided that said districts shall be apportioned with due regard to the farm credit needs of the country and no such district shall contain a fractional part of any State. The designations "Federal land bank district" and "land bank district" wherever used in the Federal Farm Loan Act, or in any Act amendatory thereof or supplementary thereto, are changed to "farm credit district" and shall hereafter be deemed to refer to the farm credit districts provided for in this section.

Designations changed. 39 Stat. 372.

Farm credit board; selection, number.

Title to include city.

(b) There shall be in each farm credit district a farm credit board, which shall be selected as hereinafter specified and shall be composed of seven members. Each farm credit board shall include in its title the name of the city in which the Federal land bank, Federal intermediate credit bank, production credit corporation, and regional bank for cooperatives of the district are located. Three of the members of said board shall be known as elected directors of whom one shall be chosen by national farm loan associations and borrowers through agencies, one shall be chosen by production credit associations of the district, and one shall be chosen by cooperatives which are stockholders or subscribers to the guaranty fund of the regional bank for cooperatives in the district. Three of the seven members shall be known as district directors, of whom two shall be appointed by the Governor of the Farm Credit Administration and one, who shall be known as the third district director, shall be chosen as hereafter in this section provided. The seventh member of such board shall be known as director at large and shall be appointed by the Governor of the Farm Credit Administration.

Elected directors, selection.

District directors, appointment.

Present land bank directors to form farm credit board in each district.

(c) The directors of the Federal land bank of each district who are in office on the date of enactment of this Act shall constitute the farm credit board of the district and shall serve as members thereof for the remaining portions of the terms for which they were respectively elected or appointed as directors of the bank. Except as otherwise provided by this Act, the successor to each original member of the farm credit board shall be selected in the manner in which such member was selected as a director of the Federal land bank.

Selection of successors.

Third district director, selection.

(d) Each third district director shall be selected as follows: Each national farm loan association and borrower through agencies in the district shall nominate, in the manner provided herein for the nomination of candidates for elected directors, one candidate for such director, and from the three persons having the greatest number of votes as nominees the Governor of the Farm Credit Administration shall appoint such director. No third district director who is removed from office pursuant to section 17 (h) of the Federal Farm Loan Act may be nominated to succeed himself.

Removal from office, restriction on renomination. 39 Stat. 375. 12 U. S. C. § 831h.

(e) At least two months before an election of an elected director the Farm Credit Administration shall cause notice in writing to be sent to those entitled to nominate candidates for such elected director. In the case of an election of a director by national farm loan associations and borrowers through agencies, such notice shall be sent to all national farm loan associations and borrowers through agencies in the district; in the case of an election by production credit associations, such notice shall be sent to all production credit associations in the district; and in the case of an election by cooperatives which are stockholders or subscribers to the guaranty fund of the bank for cooperatives of the district, such notice shall be sent to all cooperatives which are stockholders or subscribers to the guaranty fund at the time of sending notice. After receipt of such notice those entitled to nominate the director shall forward nominations of residents of the district to the Farm Credit Administration. The Farm Credit Administration shall, from the nominations received within thirty days after the sending of such notice, prepare a list of candidates for such elected director consisting of the ten nominees receiving the highest number of votes.

Notice and procedure of nominating elected directors

(f) At least one month before the election of an elected director the Farm Credit Administration shall mail to each person or organization entitled to elect the elected director the list of the ten candidates nominated in accordance with the preceding paragraph of this section. In the case of an election of a director by national farm loan associations and borrowers through agencies, the directors of each farm loan association shall cast the vote of such association for one of the candidates on the list. In voting under this section each such association shall be entitled to cast a number of votes equal to the number of stockholders of such association and each borrower through agencies shall be entitled to cast one vote. In voting under this section each production credit association shall be entitled to cast a number of votes equal to the number of the class B stockholders of such association. In voting under this section each cooperative which is a holder of stock in, or a subscriber to the guaranty fund of, the bank for cooperatives shall be entitled to cast one vote. The votes shall be forwarded to the Farm Credit Administration and no vote shall be counted unless received by it within thirty days after the sending of such list of candidates. In case of a tie the Farm Credit Administration shall determine the choice. The nominations from which the list of candidates is prepared, and the votes of the respective voters, as counted, shall be tabulated and preserved and shall be subject to examination by any candidate for at least one year after the result of the election is announced.

Notice and procedure for election.

(g) The terms of office of all directors shall be three years. Any vacancies that may occur in the farm credit board shall be filled for the unexpired term in the manner provided herein for the original selection of such directors.

Terms of office.

(h) Members of each farm credit board shall have been, for at least two years, residents of the district for which they are appointed or elected. From and after the date of enactment of this Act, no person shall be eligible for election or appointment as a member of any district farm credit board, and no person hereafter elected or appointed as a member of any district farm credit board shall be eligible to continue to serve as such, if in either case said person is an officer or employee of any Federal land bank, Federal intermediate credit bank, production credit corporation, or bank for cooperatives. No district director, excepting any third district director selected as hereinabove specified, shall, during his continuance in office, be a director, officer, or employee of any institution, association,

Qualifications.

Limitation on engaging in business.

or partnership engaged in the business of lending money or of making or selling land mortgage loans, except an institution or association under the supervision of the Farm Credit Administration.

Disqualification for conviction of felony, etc.

(i) No person shall be eligible for appointment or election as an administrative or executive official of a Federal lank [1] bank, Federal intermediate credit bank, or of any corporation or bank organized pursuant to the Farm Credit Act of 1933, or as a member of any farm credit board, or shall continue to hold office as such member, if such person has been finally adjudged guilty of a felony, or finally adjudged liable in damages in any civil proceeding for fraud, in any State or Federal court.

48 Stat. 257.

Compensation.

(j) Subject to the approval of the Farm Credit Administration members of each farm credit board shall receive such compensation as may be authorized by the board, including a reasonable allowance for necessary expenses in attending meetings of said board and directors' meetings. Such compensation shall be paid by the Federal land bank of the district, and such bank shall be reimbursed therefor by the Federal intermediate credit bank, production credit corporation and bank for cooperatives of the district in such proportion and in such manner as may be fixed by the farm credit board subject to the approval of the Farm Credit Administration. Except with the approval of the Farm Credit Administration, no member of any farm credit board shall receive compensation or allowances for any services rendered such institutions, in his capacity as director or otherwise, for more than thirty days in any one calendar year, exclusive of the period for which compensation is paid for attendance at meetings of said board and at directors' meetings.

Limitation.

Land banks; branches.
12 U. S. C. § 672.

(k) Nothing contained in this section shall be construed to abrogate or repeal the second paragraph of section 4 of the Federal Farm Loan Act, as amended, or to affect the applicability of any other Act of Congress under which agricultural credit laws of the United States may be made applicable to territories or insular possessions of the United States.

Applicability of agricultural credit laws to territories, etc.

Farm credit boards, powers.

SEC. 6. Each farm credit board provided for in this Act shall have power, subject to the approval of the Farm Credit Administration—

Employment of joint officers and employees for Federal land banks, etc.

(a) To employ joint officers and employees for the Federal land bank, Federal intermediate credit bank, production credit corporation, and regional bank for cooperatives in its district. The salaries or other compensation of all such joint officers and employees shall be fixed by the district farm credit board and shall be paid by the Federal land bank of the district. Such bank shall be reimbursed therefor by the other three institutions in the district, in such amounts and upon such conditions as the board shall determine. Officers and employees appointed by the district farm credit board shall be officers and employees of the district institutions served by them.

Acquisition and disposal of property.

(b) To authorize the acquisition and disposal of such property, real or personal, as may be necessary or convenient for the transaction of the business of the Federal land bank, the Federal intermediate credit bank, the bank for cooperatives, and the production credit corporation, located in its district, upon such terms and conditions as it shall fix, and to prorate among such institutions the cost of purchases, rentals, construction, repairs, alterations, maintenance, and operation, in such amounts and in such manner as it shall determine. Any lease, or any contract for the purchase or sale of property, or any deed or conveyance of property, or any contract for the construction, repair, or alteration of buildings, authorized by a district farm credit board under this subsection shall be

Execution of leases, contracts, etc.

[1] So in original.

executed by the officers of the institution or institutions concerned pursuant to the direction of such board. No provision of law relative to the acquisition or disposal of property, real or personal, by or for the United States, or relative to the making of contracts or leases by or for the United States, including the provisions set out in title 40 and title 41 of the United States Code, 1934 edition, and the Supplements thereto, and including provisions applicable to corporations wholly owned by the United States, shall be deemed or held applicable to any lease, purchase, sale, deed, conveyance, or contract authorized or made by a district farm credit board, Federal land bank, Federal intermediate credit bank, production credit corporation, or bank for cooperatives under this subsection.

Exceptions.

(c) No corporation under the supervision of the Farm Credit Administration, of which corporation any member of the board of directors is elected or appointed by private interests, shall be subject to the provisions of the Acts of Congress approved March 14, 1936 (49 Stat. 1161, 1162) (U. S. C., title 5, secs. 29a, 30b–30m, 31a).

Federal vacation and sick leave provisions inapplicable to boards selected by private interests.
49 Stat. 1161, 1162.
5 U. S. C., Supp. II, §§ 29a, 30b–30m, 31a.

SEC. 7. (a) The first paragraph of section 4 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 671), is repealed.

Land bank districts; provisions repealed.
39 Stat. 362.
12 U. S. C. § 671.

(b) Section 4 of the Federal Farm Loan Act, as amended, is further amended by striking out paragraphs nine to seventeen thereof (U. S. C., 1934 edition, title 12, secs. 678 to 683), both inclusive, and inserting in lieu thereof the following:

Section superseded.
12 U. S. C. §§ 678–683.

"The members of the farm credit board of each farm credit district provided for in the Farm Credit Act of 1937 shall be ex officio the directors of the Federal land bank located in that district. Any compensation that may be provided by the board of directors of any Federal land bank for officers or employees shall be subject to the approval of the Farm Credit Administration."

Farm credit board members ex officio directors of land bank in district.
Approval of compensation.

(c) Section 23 of the Farm Credit Act of 1935 (U. S. C., 1934 edition, Supp. II, title 12, sec. 682a) is repealed.

Persons disqualified; section repealed.
49 Stat. 320.
12 U. S. C., Supp. II, § 682a.

SEC. 8. The ninth paragraph of section 7 of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 719) is amended by adding at the end thereof the following sentence: "The boundaries of the territory designated in the charter of any national farm loan association may be readjusted from time to time to meet the farm loan needs of the locality, as determined by the Farm Credit Administration."

Readjustment of boundaries of territory.
12 U. S. C. § 719.

SEC. 9. Section 17 (h) of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 831) is amended to read as follows:

12 U. S. C. § 831h.

"(h) To suspend or to remove for cause any district director or director at large, or any registrar, appraiser, examiner, or other official appointed by the Farm Credit Administration under authority of section 3 of this Act, as amended, the cause of such suspension or removal to be communicated forthwith in writing by said Administration to the person suspended or removed, and in case of a district director or director at large to the proper Federal land bank, Federal intermediate credit bank, production credit corporation and regional bank for cooperatives."

Suspension or removal of directors, etc.

SEC. 10. Section 201 (b) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1022), is amended to read as follows:

12 U. S. C. § 1022.

"(b) One such institution shall be established in each farm credit district in the same city as the Federal land bank of the district. The members of the several farm credit boards of the farm credit districts provided for in the Farm Credit Act of 1937 shall be ex officio the directors of the several Federal intermediate credit banks herein provided for and shall have power, subject to the approval of the Farm Credit Administration, to employ and fix the com-

Federal intermediate credit banks, location.
Members of credit boards to be ex officio directors.
Personal services.

pensation of such officers and employees of such Federal intermediate credit banks as may be necessary to carry on the business authorized by this title."

Production Credit Corporations, etc.
48 Stat. 257.
12 U. S. C. §§ 1131, 1134.
Location.

SEC. 11. The second and third sentences of section 2 of the Farm Credit Act of 1933 (U. S. C., 1934 edition, title 12, sec. 1134) are amended to read as follows: "One such corporation and one such bank shall be established in each farm credit district in the city in which there is located a Federal land bank. The members of the several farm credit boards of the farm credit districts provided for in the Farm Credit Act of 1937 shall be ex officio the directors of the respective production credit corporations and banks for cooperatives."

Members of credit boards to be ex officio directors.

Land bank loans.
12 U. S. C. § 771.
Liquidation of debts incurred prior to January 1, 1937.

SEC. 12. Paragraph "Fourth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 771), is further amended by striking out "incurred prior to January 1, 1933" from subparagraph (d) thereof, and by inserting in lieu thereof the following: "incurred prior to January 1, 1937".

Loans by Land Bank Commissioner.
49 Stat. 313.
12 U. S. C., Supp. II, § 1016 (e).

SEC. 13. Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1016), is further amended by striking out so much of the sixth sentence thereof as follows the colon after the word "other", and by inserting in lieu thereof the following: "Refinancing, in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan".

Refinancing indebtedness incurred for nonagricultural purposes.

Deferment of principal payments, first three years, if not in default.

SEC. 14. The fourth sentence of section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1016), is further amended by striking out the proviso at the end thereof and by inserting in lieu thereof the following: "*Provided*, That when in the judgment of the Land Bank Commissioner conditions justify it, any mortgage made under this section may provide that during the first three years the loan is in effect payments of interest only may be required if the borrower shall not be in default with respect to any other condition or covenant of his mortgage."

Purchase, etc., of bonds.
39 Stat. 372.
12 U. S. C. § 781.

SEC. 15. (a) Paragraph "Eighth" of section 13 of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 781) is amended to read as follows:

"Eighth. To buy and sell United States bonds and Federal Farm Mortgage Corporation bonds."

Federal Farm Mortgage Corporation bonds.

Purchase at or below par.
48 Stat. 347.
12 U. S. C. § 781.

(b) Paragraph "Fifteenth" of section 13 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 781), is further amended by striking out, after the word "value" in said paragraph, the comma and the words "and to purchase Federal Farm Mortgage Corporation bonds at or below par".

12 U. S. C. § 897.

(c) Section 22 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 897), is further amended by inserting under the heading "In the case of a joint-stock land bank" at the end thereof the following:

Purchase of Federal Farm Mortgage Corporation bonds.

"(e) To purchase Federal Farm Mortgage Corporation bonds."

12 U. S. C. § 781.
Enumerated powers.

SEC. 16. Section 13 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 781), is further amended by adding at the end thereof the following paragraph:

"Seventeenth. To make loans to other Federal land banks upon such terms and conditions as may be approved by the Farm Credit Administration."

Loans to other Federal land banks.

12 U. S. C. § 781.

SEC. 17. Section 13 of the Federal Farm Loan Act as amended (U. S. C., 1934 edition, title 12, sec. 781), is further amended by adding at the end thereof the following new paragraph:

"Eighteenth. To accept conditional payments from borrowers for subsequent credit upon their indebtedness to the land bank; and to allow interest on such payments. All conditional payments so accepted shall be subject to such terms and conditions, not inconsistent with the provisions of this paragraph and with any rules or regulations prescribed for its efficient execution by the Farm Credit Administration, as may be agreed upon at the time of their acceptance. If a conditional payment is accepted for subsequent credit upon a first mortgage which is at the time or is thereafter pledged as collateral security for an issue of farm-loan bonds, all requirements, conditions, and limitations set forth in the seventh, eighth, and ninth paragraphs of section 22 of this Act, as amended, shall apply to such payment the same as though it were a present payment on the principal of the mortgage pledged as collateral security, and the land bank shall forthwith notify the farm loan registrar of its receipt of such payment and account to him therefor. Every conditional payment accepted by a land bank for subsequent credit upon indebtedness of a borrower shall be credited upon such indebtedness as the borrower may from time to time direct in accordance with the terms and conditions upon which the payment has been accepted, and at the option of the bank may in any event be credited upon such indebtedness as and when it matures if it is not otherwise paid by the borrower at or before maturity. If at any time after five years from the date on which a borrower's loan was made, the aggregate of the borrower's conditional payments accepted on account of his indebtedness under such loan and not yet credited thereon equals or exceeds his total indebtedness under the loan, all unmatured indebtedness under such loan shall become due and payable at once, and the payments so accepted shall forthwith be credited upon the borrower's indebtedness under the loan so far as may be necessary to pay it in full. Any balances of conditional payments remaining uncredited when the indebtedness on account of which they have been accepted has been paid in full shall be refunded to the borrower by the land bank."

Acceptance of conditional payments from borrowers.

Acceptance for subsequent credit.

Application to payment.

Credit allowed.

Refund of balances.

SEC. 18. The seventeenth paragraph of section 21 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 883), is further amended by adding at the end thereof the following: "The bond committee may appoint from among their number a subcommittee consisting of three members, to hold office for a period of one year or until their successors have been appointed, may from among their number fill any vacancies on the subcommittee and may dismiss at pleasure the members of the subcommittee or any of them. The subcommittee, if appointed, shall have such authority to exercise the powers and to perform the functions of the bond committee as the bond committee may authorize and shall be subject to all provisions of law relating to the duties and expenses of the bond committee. The committee shall select one of the members of the subcommittee to be chairman and one of the members of the subcommittee to be secretary of the subcommittee."

Land bank bond committee; subcommittee authorized.
12 U. S. C. § 883.

Authority, etc.

SEC. 19. Paragraph "Tenth" of section 13 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 781), is further amended by striking out in the fourth sentence thereof the following: "made prior to the expiration of five years from May 12, 1933", and adding at the end of said paragraph the following: "The unexpended balances of the funds appropriated by the Fourth Deficiency Act, fiscal year 1933, approved June 16, 1933 (48 Stat. 279), the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1060), the Second Deficiency Appropriation Act, fiscal year 1935, approved August 12, 1935 (49 Stat. 592), the First Deficiency Appropriation Act, fiscal year 1936, approved June 22,

12 U. S. C. § 781.

Unexpended balances of designated funds, repayments, etc., to constitute revolving fund; use of.
48 Stat. 279, 1060; 49 Stat. 592, 1635, 1828.

Ante, p. 138.

1936, the Treasury Department Appropriation Act, 1937, approved June 23, 1936, and the Treasury Department Appropriation Act, 1938, approved May 14, 1937, for the purpose of enabling the Secretary of the Treasury to make subscriptions to the paid-in surplus of the Federal land banks, as provided for in this paragraph, and the proceeds of all repayments on account of such paid-in surplus, shall be held in the Treasury of the United States as a revolving fund and shall be available for subscriptions to paid-in surplus made pursuant to this paragraph, as amended."

Land bank examiners; designation changed.
12 U. S. C. § 656.

SEC. 20. Examiners appointed pursuant to the provisions of section 3 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 656), shall hereafter be designated and known as farm credit examiners.

National farm loan association directors; terms of office modified.
12 U. S. C. § 712.

SEC. 21. The second paragraph of section 7 of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 712) is amended by striking out the first sentence and inserting in lieu thereof the following: "The board of directors of every national farm loan association shall consist of not less than five nor more than seven members, who shall be elected by the shareholders of the association. Elections of such directors shall be held once each year at an annual meeting of the shareholders. Every national farm loan association shall at the first annual meeting of its shareholders subsequent to the enactment of the Farm Credit Act of 1937 elect two directors for a term of three years, two directors for a term of two years, and the remainder of its board of directors for a term of one year. Thereafter directors shall be chosen to serve for terms of three years, and the shareholders of each association shall annually elect as many directors as may be necessary to fill the places of those directors whose terms expire during the year. Any vacancy that may occur in the board of directors through death, resignation or other cause shall be filled at the next annual meeting of shareholders by the election of a director to serve out the unexpired portion of the term, or a special meeting of shareholders may be called for this purpose. Until such election the remaining directors shall have power to fill the vacancy for the time being by appointing a temporary director to serve until the next meeting of shareholders. All directors shall hold office until their successors are elected and have qualified."

Vacancies.

12 U. S. C. § 723 (c).
Borrowers from land banks may transfer, etc., to Farm Mortgage Corporation.

SEC. 22. The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended, (12 U. S. C., 1934 edition, title 12, sec. 723 (c)) is further amended by adding at the end thereof: "Any borrower's interest in such stock may be transferred or hypothecated, by him or by operation of law, to the Federal Farm Mortgage Corporation."

12 U. S. C. § 732.
Farm loan association.

SEC. 23. Effective thirty days after the date of the enactment of this Act, the second paragraph of section 8 of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 732) is amended to read as follows:

Voting in shareholders' meetings.

"Every shareholder shall be entitled to one vote, and no more, at all elections of directors and in deciding all questions at meetings of shareholders."

49 Stat. 319.
12 U. S. C., Supp. II, § 745.
Election of prospective borrower.

SEC. 24. Effective thirty days after the date of the enactment of this Act, the first sentence of the fifth paragraph of section 9 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 745), is further amended by striking out the word "two-thirds" and inserting in lieu thereof the word "majority".

12 U. S. C. §§ 741–745.

SEC. 25. (a) Section 9 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, secs. 741 to 745), is further amended by adding at the end thereof the following new paragraphs:

Common board of directors between two or more associations.

"Any other provisions of law to the contrary notwithstanding, two or more national farm loan associations may with the approval of

the Farm Credit Administration, and by an agreement not inconsistent with any rules and regulations prescribed by the said Administration, provide for a common board of directors to be elected by the shareholders of the associations that are parties to the agreement: *Provided, however*, That each member of any such board shall be a shareholder in an association that is a party to the agreement and shall be a bona fide resident of the territory within which such association is authorized to do business: *And provided further*, That no such agreement shall provide for a term of office in excess of three years for any member of such board. The number of members of the common board of directors shall be specified in the agreement and shall be five or more. The agreement may provide that any director may be elected by the shareholders of one or more of the associations which are parties to the agreement; that in the balloting for any director an association may vote at a separate meeting of its shareholders or at a joint meeting with the shareholders of any other association or associations participating in the election of the director; and that the candidate receiving the highest aggregate number of votes at such meeting or meetings shall be declared elected. Whenever two or more national farm loan associations have entered into such an agreement, the members of the common board of directors provided for in the agreement shall be ex officio the members of the board of directors of each association that is a party to the agreement, any provisions of this Act to the contrary notwithstanding.

Provisos.
Board members to be shareholders and residents of territory.

Term of office, restriction.

Number.

Balloting.

Members of common board to be ex officio directors of each association.

"Whenever a national farm loan association has entered into such an agreement, the power of approving applications for loans through the association and the power of admitting persons to membership in the association shall be vested in the loan committee of the association in lieu of being vested in its board of directors. The loan committee of any such association shall be elected annually by the shareholders of the association, instead of by its board of directors, and the shareholders shall in addition annually elect two alternates to serve as members of the loan committee at such times as regular members may be absent or disqualified."

Power to approve loans, admitting persons to membership vested in loan committee.

Annual elections.

(b) Whenever it shall appear that the capital stock of a national farm loan association is impaired, the Farm Credit Administration may authorize the Federal land bank of the district in which such association is located to make loans to applicants through such association subject to the requirements and conditions specified for direct loans in paragraphs 12 to 16, both inclusive, of section 7 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 723), except as herein otherwise specifically provided, and may authorize such association to elect to membership borrowers having loans made pursuant to said paragraphs on lands situated within the chartered territory of the association. Borrowers admitted to membership in the association pursuant hereto shall be entitled to vote and hold office in the association and the rate of interest on their loans shall be one-fourth of 1 per centum per annum less than the rate of interest provided at such time for direct loans. The association shall endorse all such mortgage loans but it shall not become liable therefor except as hereinafter provided.

Loans where stock of farm loan association is impaired.

12 U. S. C. § 723.

New borrowers as members; voting privileges, etc.

Endorsement of mortgage loans; liability.

When there are ten or more borrowers admitted to membership in an association pursuant hereto whose loans are in good standing, as defined by the Farm Credit Administration, and aggregate not less than $20,000:

Admission to association membership of ten or more borrowers.

First. The association shall become liable for the payment of said loans: *Provided, however*, That, any other provisions of law to the contrary notwithstanding, the shareholders who have become members pursuant to this subsection shall not be held responsible, through the amount paid in and represented by

Liability for paying loans.
Proviso.
Individual responsibility of shareholders.

their shares or otherwise, for any contracts, debts, or engagements of the association entered into before the date on which the first member was admitted to the association pursuant to this subsection and the shareholders of such association who were members prior to said date shall not be held responsible, through the amount paid in and represented by their shares or otherwise, for any mortgages endorsed by such association on or after said date, but this provision shall not be construed to relieve any other liability with respect to stock held by shareholders who were members prior to said date.

Reduction of interest rate.

Second. The interest rate paid by each such borrower on each such loan shall, beginning with the next regular installment date, be reduced one-fourth of 1 per centum per annum.

Exchange of stock.

12 U. S. C. § 723 (d).

Third. The stock in the Federal land bank held by each of said borrowers shall be exchanged for association stock in the manner provided for in paragraph 15 of section 7 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 723, subsec. (d)).

Admission of new members, etc.

Fourth. The association may thereafter admit new members, endorse their loans, and become liable for the payment of such loans as provided in paragraph "First" of this subsection.

Election of loan committee from stockholders.

Fifth. At the next annual meeting of stockholders, and thereafter, the loan committee of such association may be elected by the members who become stockholders pursuant to this subsection and any loan committee so elected shall have the powers specified for loan committees elected as provided in subsection (a) of this section: *Provided, however*, That in the event such stockholders fail to elect the loan committee, new members shall be admitted to the association as otherwise provided in the Federal Farm Loan Act, as amended.

Proviso.
Admission, where stockholders fail to elect loan committee.

Segregation of records, accounts, etc.

Sixth. In accordance with rules and regulations prescribed by the Farm Credit Administration, the association shall maintain separate capital-stock records; shall keep all capital losses or gains, reserves (including legal reserves), and dividends received from the Federal land bank on stock owned by the association in connection with loans for which it becomes liable as provided in this subsection separate and apart from capital losses or gains, reserves (including legal reserves), and dividends received from the Federal land bank on stock owned by the association in connection with other loans of the association; and shall segregate any undivided profits of the association resulting from its business operations in like manner when so required by rules and regulations of the Farm Credit Administration. Subject to the other provisions of the Federal Farm Loan Act with respect to the declaration of dividends, dividends may be declared exclusively on association stock owned by borrowers with loans for which the association becomes liable as provided in this subsection or exclusively on association stock owned by borrowers with other loans through the association.

Special provisions.

If the loan of any borrower who was admitted to membership pursuant hereto is not in good standing at the time when there are ten or more borrowers with loans aggregating not less than $20,000 which are in good standing, the provisions of paragraphs "First", "Second", and "Third" of this subsection shall be applicable to his loan at such time as it shall be placed in good standing.

If and when all impairment is removed in the stock owned by shareholders with loans which were made prior to the date on which the first member was admitted to the association pursuant to this sub-

section, the holders of such stock and the holders of stock issued on and after said date may, pursuant to rules and regulations of the Farm Credit Administration and consistent with the provisions of the Federal Farm Loan Act, as amended, agree as to the rights, powers, privileges, duties, and liabilities which shall thenceforth attach to their respective shares of stock and otherwise agree as to the future applicability, if any, of the special provisions contained in this subsection.

(c) Section 11 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 761), is amended by adding a paragraph at the end thereof reading as follows:

12 U. S. C. § 761.

"Fifth. Whenever a Federal land bank shall have empowered any national farm loan association of its district to collect and pay over to said bank the dues, interest, amortization installments, and other sums payable under the terms, conditions, and covenants of the mortgages taken from its shareholders, such association may, with the approval of said bank, enter into an agreement with another association operating in the same or adjacent territory to make such collections, for and on behalf of the association thus empowered to do so, on any or all of said loans, and immediately pay the amounts so collected to said land bank. Such agreements shall be made upon such terms and conditions and for such consideration as may be approved by the Farm Credit Administration."

Servicing loans; agreement between local associations.

Terms and conditions.

(d) Section 29 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, secs. 961–966), is further amended by adding at the end thereof the following new paragraphs:

12 U. S. C. §§ 961–966.

"Upon receiving satisfactory evidence that any national farm loan association has failed to meet its outstanding obligations of any description, and that it will be to the best interests of its creditors and stockholders for the association to continue in business, the Farm Credit Administration may, in its discretion, in lieu of appointing a receiver as hereinabove in this section provided, appoint a conservator for such association and require of him such bond and security as the Administration may deem proper. The person so appointed shall be a land bank appraiser appointed under the authority of section 3 of this Act: *Provided, however*, That the Farm Credit Administration may, in its discretion, appoint some other qualified person. Any land bank appraiser appointed as a conservator shall serve without any additional compensation. Any other person appointed as a conservator shall receive such compensation as the Farm Credit Administration may authorize. Such compensation and all necessary and proper expenses of any such conservatorship shall be paid out of the assets of such association and shall be a lien thereon which shall be prior to any other lien.

Failure of national farm loan association to meet obligations.

Conservator; appointment, qualifications, etc.

Ante, p. 703.

Proviso. Appointment, other than appraiser.

Compensation.

"The conservator, under the direction of the Farm Credit Administration, may, when directed so to do, take possession of the books, records, and assets of every description of such association, and take such action as may be necessary to conserve such assets pending final determination of the financial condition of the association and the conditions under which it may be permitted to continue in business. Such conservator shall at the earliest practicable date make such investigations as shall be necessary to enable him to prepare an accurate report on the financial condition of such association. In preparing such report he shall value the association's assets and determine its indebtedness: *Provided*, That in determining said indebtedness contingent liabilities incurred by the association under the provisions of this Act on endorsed mortgages shall be estimated and included as a debt. On the basis of said evaluation of the associa-

Authority of conservator.

Investigations and report.

Proviso. Contingent liabilities to be included.

tion's assets and indebtedness, the conservator shall determine the fair book value of the outstanding stock of said association and the claims of any retired shareholders based on their previous stock ownership. Upon its completion said report shall be submitted to the Federal land bank of the district and said bank shall thereupon indicate its approval thereof or note any exceptions thereto and submit such report together with its exceptions, if any, to the Farm Credit Administration for consideration.

Submission of report to district Federal land bank.

Decision as to settlement.

"If said report is approved, in whole or in part, by the Farm Credit Administration, upon recommendation of the Federal land bank of the district said Administration shall then decide whether such association shall be permitted to pay off and retire its capital stock at its fair book value, upon full payment of the mortgage loans in connection with which such stock was issued originally, and to settle on the same basis the claims of any of its stockholders who have previously paid their loans in full, but have not received credit for, or the proceeds of their stock in such association. At the same time the Farm Credit Administration shall also decide whether it will permit said association to admit new members pursuant to section 25 (b) of the Farm Credit Act of 1937. If the decision of said Administration is in the affirmative, it may terminate the conservatorship and turn the affairs of the association back to its board of directors. If said report is not approved or the decision of said Administration is in the negative, it may, in its discretion, terminate the conservatorship and permit such association to resume the transaction of its business subject to such terms, conditions, restrictions, and limitations as it may prescribe for the protection of the rights of creditors and stockholders, or said Administration may appoint a receiver for the association as elsewhere provided in this section.

New members.

Ante, p. 711.

Termination of conservatorship if in the affirmative.

Procedure, if decision in the negative.

Condition of settlement.

"Any settlement made with a retiring or retired shareholder on the basis of the fair book value of the stock of the association pursuant to this section shall be made only on condition that said shareholder agrees to accept such settlement as payment in full. If any shareholder or former shareholder does not desire to settle on such basis, he may, in lieu thereof, be given a participation certificate which will entitle him to share pro rata, on the basis of the number of shares of stock which he owned in the association, in the distribution of any assets of the association which is made after all of its indebtedness to creditors has been satisfied. The Federal land bank of the district may pay to the association from the proceeds of bank stock retired in connection with the payment in full of loans endorsed by such association an amount sufficient to permit the association to make the settlements provided for in this section and any balance of such proceeds shall be retained by the bank and applied as a credit on the indebtedness of the association to it.

Payments from retired stock.

Procedure where fair book value of stock below par.

"After any determination by the Farm Credit Administration as herein provided, that the fair book value of the stock of a national farm loan association is less than the par value thereof, periodically thereafter any increase in the fair book value of said stock resulting from earnings of the association and actual recoveries in excess of the valuations used by the Farm Credit Administration in determining the fair book value of the stock of such association, as herein provided, shall, under rules and regulations of the Farm Credit Administration, be apportioned ratably on a per-share basis to all outstanding stock or participation certificates having a fair book value less than par until the fair book value of all such stock or participation certificates is equal to the par value thereof.

"In the event that the indebtedness, as determined by the conservator, of an association which has been under conservatorship pursuant to this section increases in excess of the earnings of such association, the Farm Credit Administration may, in its discretion, again appoint a conservator for the association, or it may appoint a receiver as elsewhere provided in this section."

Action where indebtedness increases in excess of earnings.

SEC. 26. Section 201 (c) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1023), is amended by adding to the end thereof the following paragraph:

Federal intermediate credit banks. 42 Stat. 1454. 12 U. S. C. § 1023.

"Each Federal intermediate credit bank shall have power to acquire and dispose of such property, real or personal, as may be necessary or convenient for the transaction of its business, which, however, may be leased to others for revenue purposes."

Acquisition and disposal of property.

SEC. 27. Section 203 (a) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1041), is further amended by striking out the comma after the word "banks" and the following: "when chartered and established,"; and by inserting after the comma which follows the word "cash," the following: "United States Government bonds, Federal Farm Mortgage Corporation bonds,".

42 Stat. 1456. 12 U. S. C., Supp. II, § 1041. Collateral security for debentures.

SEC. 28. Section 203 (b) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1042), is amended to read as follows:

42 Stat. 1456. 12 U. S. C. § 1042.

"(b) The provisions of title I of this Act relating to the preparation and issue of farm loan bonds shall, so far as applicable, govern the preparation and issue of debentures or other such obligations issued under the preceding section; but the Farm Credit Administration shall prescribe rules and regulations governing the receipt, custody, substitution, and release of the cash, obligations of the United States Government, and notes or other obligations securing such debentures, the right of substitution being hereby granted, and in the event such notes or other obligations are secured by warehouse receipts, shipping documents, or other similar credit instruments, may permit the substitution of trust receipts therefor in such manner and subject to such conditions as may be approved by the said Administration. Rates of interest upon debentures and other such obligations issued under the preceding section shall, subject to the approval of the Farm Credit Administration, be fixed by the Federal intermediate credit bank making the issue, not exceeding 6 per centum per annum."

Debentures, etc., preparation and issue; regulations governing collateral.

Interest rates.

SEC. 29. Section 204 (c) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1053), is amended to read as follows:

42 Stat. 1456. 12 U. S. C. § 1053.

"(c) Subject to the approval of the Farm Credit Administration, a Federal intermediate credit bank may buy for its own account any debentures or similar obligations issued by or for the benefit and account of such bank or other Federal intermediate credit bank or banks, and (1) hold until maturity any such debentures or similar obligations or (2) retire before maturity any such debentures or similar obligations issued by it or for its benefit and account."

Purchase, for own account.

SEC. 30. Section 206 (b) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1072) is further amended to read as follows:

42 Stat. 1457. 12 U. S. C. § 1072.

"(b) Subject only to review and approval by the Farm Credit Administration, each Federal intermediate credit bank, at the end of its fiscal year, after all its necessary expenses and costs of operation for such fiscal year have been paid or provided for, shall apply its net earnings then remaining, first, to making up any losses in

Disposition of annual earnings.

Elimination of impairment; creation of reserves.

Amount as franchise tax; surplus account.

Use of franchise tax payments.

Liquidation, etc.; disposition of surplus.

excess of its reserves against unforeseen losses and assets of doubtful value; second, to the elimination of any impairment of its paid-in capital and paid-in surplus; third, to the creation and maintenance of reserves against unforeseen losses and assets of doubtful value in such amount as its board of directors may prescribe; fourth, to the payment of 25 per centum of the amount then remaining to the United States as a franchise tax; and, fifth, to the payment of the remaining net earnings into its surplus account. The amounts paid as franchise taxes to the United States by Federal intermediate credit banks shall, in the discretion of the Secretary of the Treasury, be used to supplement the gold reserve held against outstanding United States notes, or shall be applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by the Secretary of the Treasury. Should a Federal intermediate credit bank be dissolved or go into liquidation, after the payment of all debts and other obligations as hereinbefore provided, any surplus remaining shall be paid to and become the property of the United States and shall be similarly applied."

49 Stat. 316.
12 U. S. C., Supp. II, § 1095.

SEC. 31. Section 208 (e) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1095), is amended to read as follows:

Reports on condition of institutions receiving loans, etc.

"(e) The executive departments, boards, commissions, and independent establishments of the Government, the Reconstruction Finance Corporation, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Reserve banks are severally authorized under such conditions as they may prescribe, upon the request of the Farm Credit Administration to make available to the Farm Credit Administration or any district bank or district corporation operating under its supervision, in confidence, all reports, records or other information they may have relating to the condition of any institution to which the Administration, such district bank, or corporation has made or contemplates making loans or for which it has discounted or contemplates discounting paper, or which it is using or contemplates using as a custodian of securities or other credit instruments, or as a depositary."

Regional agricultural credit corporations.
Powers, etc., conferred.
47 Stat. 711.
12 U. S. C. § 1148.

SEC. 32. Each regional agricultural credit corporation, created under the authority of section 201 (e) of the Emergency Relief and Construction Act of 1932 (U. S. C., 1934 edition, title 12, sec. 1148), in addition to the powers heretofore granted, shall have and, upon order or approval of the Farm Credit Administration, shall exercise the following rights, powers, and authority:

Transaction of business in any State, etc.

(a) To conduct, transact, and operate its business in any State in the continental United States, in the District of Columbia, and in Puerto Rico.

Borrowing of money; security.

(b) To borrow money (other than by way of discount) from any other regional agricultural credit corporation, the Reconstruction Finance Corporation, or any Federal intermediate credit bank, and to give security therefor.

Loans.

(c) To lend any of its available funds to any other regional agricultural credit corporation at such rates of interest and upon such terms and conditions as may be approved by the Farm Credit Administration.

Assets, sale and purchase of; liabilities.

(d) To sell to or purchase from any other regional agricultural credit corporation or any corporation formed by consolidation or merger as provided in section 33 of this Act, any part of or all the assets of any such corporation, upon such terms and conditions as may be approved by the Farm Credit Administration, including the assumption of the liabilities of any such corporation, in whole or in part.

SEC. 33. (a) The Farm Credit Administration shall have the power and authority to order and effect the consolidation or merger of two or more regional agricultural credit corporations, on such terms and conditions as it shall direct.

Consolidation or merger of regional agricultural credit corporations.

(b) The Farm Credit Administration is authorized to grant charters to, prescribe bylaws for, and fix the capital of, regional agricultural credit corporations which may be formed by the consolidation of two or more regional agricultural credit corporations, and to approve or prescribe such amendments to the charter and bylaws of any regional agricultural credit corporation as it may from time to time deem necessary. Corporations formed by the consolidation of two or more regional agricultural credit corporations, as herein provided, shall have all the rights, powers, authority, and exemptions; shall be subject to the same supervision and control; and shall have their expenses paid in the same manner as provided by law in respect to regional agricultural credit corporations organized under section 201 (e) of the Emergency Relief and Construction Act of 1932.

Authority to grant charters, fix capital, etc.

Rights, powers, etc., of consolidated corporations.

47 Stat. 711.
12 U. S. C. § 1148.

SEC. 34. Nothing contained in sections 32 and 33 of this Act shall be construed as limiting the rights, powers, and authority heretofore granted to the regional agricultural credit corporations, the Farm Credit Administration, or the Governor thereof by any Acts of Congress or Executive orders.

Rights of regional corporations not curtailed.

SEC. 35. Section 34 of the Farm Credit Act of 1933, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1134j), is further amended to read as follows:

49 Stat. 317.
12 U. S. C., Supp. II, § 1134j.

"SEC. 34. Subject to such terms and conditions as may be prescribed by the chairman of its board of directors, the Central Bank is authorized: (a) to make loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for any of the purposes and subject to the conditions and limitations set forth in such Act, as amended; (b) to make loans (by way of discount or otherwise) to banks for cooperatives organized under section 2 of this Act; (c) to buy from, and sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of exchange, debenture, or other obligation, or any interest therein; and (d) to borrow from, and discount or rediscount paper with, any and all such banks and commercial banks."

Central Bank for Cooperatives.
Lending powers, etc.

Security transactions authorized.

Borrowing, etc., powers.

SEC. 36. Section 41 of the Farm Credit Act of 1933, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1134c), is further amended to read as follows:

49 Stat. 316.
12 U. S. C., Supp. II, § 1134c.

"SEC. 41. Subject to such terms and conditions as may be prescribed by the Farm Credit Administration, the banks for cooperatives are authorized (a) to make loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for any of the purposes and subject to the conditions and limitations set forth in such Act, as amended; (b) to make loans (by way of discount or otherwise) to any bank organized under this Act; (c) to buy from, and sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of exchange, debenture, or other obligation, or any interest therein; and (d) to borrow from, and discount or rediscount paper with, any and all such banks and commercial banks."

Banks for cooperatives, loans by, to cooperative associations, etc.

Security transactions authorized.

Borrowing, etc., powers.

SEC. 37. Section 4 of the Agricultural Marketing Act, as amended (U. S. C., 1934 edition, title 12, sec. 1141b), is further amended by adding at the end thereof the following new subsection:

46 Stat. 13.
12 U. S. C. § 1141b.

"(7) may sell at public or private sale to the highest responsible bidder, upon such terms and after such public advertisement as the Farm Credit Administration may deem in the public interest, any property, real or personal, or any interest therein, acquired by the

Farm Credit Administration.
Sale of property acquired on account of loans.

United States on account of or as a result of any loans made from the revolving fund authorized by section 6 of this Act, as amended; may lease any such property, pending its sale, on such terms and for such period, not in excess of five years, as the Farm Credit Administration may deem in the public interest; and may incur and pay, from the said revolving fund, obligations and expenses for the operation, upkeep, maintenance, repair, disposition, insurance, and protection of any such property: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any purchase or service on account of such property."

Lease, pending sale.

Proviso. Purchases, etc. R. S. § 3709. 41 U. S. C. § 5.

46 Stat. 14. 12 U. S. C. § 1141d.

SEC. 38. Section 6 of the Agricultural Marketing Act, as amended (U. S. C., 1934 edition, title 12, sec. 1141d), is further amended by adding at the end thereof the following: "Any and all funds derived from the sale, lease, operation, or other disposition of any property, real or personal, acquired by the United States on account of or as a result of any loan made pursuant to the provisions of this Act, shall be covered into and become a part of said revolving fund."

Revolving fund, designated funds covered into.

SEC. 39. The terms "debenture" and "debentures", when used in any Act of Congress, whenever enacted, except the Federal Farm Loan Act, relating to the purchase, sale, or use as security, of debentures issued by or for the benefit and account of any Federal intermediate credit bank or banks, shall be deemed to mean debentures issued by any such bank individually and consolidated debentures issued by such banks acting together.

"Debenture" and "debentures" defined.

SEC. 40. (a) If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

Separability provision.

(b) The right to alter, amend, or repeal this Act is hereby expressly reserved.

Right to amend, etc.

Approved, August 19, 1937.

[CHAPTER 705]

AN ACT

August 19, 1937
[H. R. 7953]
[Public, No. 324]

To provide for studies and plans for the development of reclamation projects on the Cimarron River in Cimarron County, Oklahoma; the Washita River in Oklahoma, and the North Canadian River in Oklahoma.

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 (a) to conduct surveys and investigations in order to determine the feasibility and economic usefulness of the development of reclamation projects embracing certain lands in the Washita River Basin in Oklahoma, and certain lands in the North Canadian River Basin in Oklahoma, and certain lands in the Cimarron River Basin, Cimarron County, Oklahoma, and (b) if such development is determined to be feasible and economically useful, to prepare cost of estimates and designs for the construction of dams at such sites and such additional or incidental facilities as are necessary to carry out such development.

Reclamation projects, Oklahoma. Surveys authorized for development of.

Washita River Basin. North Canadian River Basin. Cimarron River Basin.

Dams.

SEC. 2. That any funds appropriated providing for surveys under the Reclamation Act may be used to carry out the provisions of this Act.

Funds available.

Approved, August 19, 1937.