

[CHAPTER 8.]

AN ACT

To provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes.

January 22, 1932.
[H. R. 7360.]
[Public, No. 2.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there be, and is hereby, created a body corporate with the name "Reconstruction Finance Corporation" (herein called the corporation). That the principal office of the corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the board of directors. This Act may be cited as the "Reconstruction Finance Corporation Act."

Reconstruction Finance Corporation created.

Principal office and branches.

Citation of Act.

Capital stock.

SEC. 2. The corporation shall have capital stock of \$500,000,000, subscribed by the United States of America, payment for which shall be subject to call in whole or in part by the board of directors of the corporation.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$500,000,000, for the purpose of making payments upon such subscription when called: *Provided*, That \$50,000,000 of the amount so subscribed, and the expansion of same through the notes, debentures, bonds, or other obligations as set out in section 9 shall be allocated and made available to the Secretary of Agriculture, which sum, or so much thereof as may be necessary, shall be expended by the Secretary of Agriculture for the purpose of making loans or advances to farmers in the several States of the United States in cases where he finds that an emergency exists as a result of which farmers are unable to obtain loans for crop production during the year 1932: *Provided further*, That the Secretary of Agriculture shall give preference in making such loans or advances to farmers who suffered from crop failures in 1931. Such advances or loans shall be made upon such terms and conditions and subject to such regulations as the Secretary of Agriculture shall prescribe. A first lien on all crops growing, or to be planted and grown, shall, in the discretion of the Secretary of Agriculture, be deemed sufficient security for such loan or advance. All such loans or advances shall be made through such agencies as the Secretary of Agriculture may designate, and in such amounts as such agencies, with the approval of the Secretary of Agriculture, may determine. Any person who shall knowingly make any material false representation for the purpose of obtaining an advance or loan, or in assisting in obtaining such advance or loan under this section shall, upon conviction thereof, be punished by a fine of not exceeding \$1,000 or by imprisonment not exceeding six months, or both.

Appropriation authorized.
Post, p. 14.

Provisos.
Sum allocated for loans, etc., to farmers.

Post, pp. 9, 795.

Preference where emergency due to crop failures.

Terms, etc., to be prescribed.

Lien on crops.

Loans, made through agencies.

Punishment for false representation.

Receipts for payments by the United States of America for or on account of such stock shall be issued by the corporation to the Secretary of the Treasury and shall be evidence of the stock ownership of the United States of America.

Receipts for stock payments.

SEC. 3. The management of the corporation shall be vested in a board of directors consisting of the Secretary of the Treasury, or, in his absence, the Under Secretary of the Treasury, the governor of the Federal Reserve Board, and the Farm Loan Commissioner, who shall be members *ex officio*, and four other persons appointed by the President of the United States, by and with the advice and consent of the Senate. Of the seven members of the board of directors not more than four shall be members of any one political party and not more than one shall be appointed from any one Federal reserve district. Each director shall devote his time not otherwise required by the business of the United States principally to the busi-

Management of corporation.
Members *ex officio*.
Post, p. 715.

Appointments by President, etc.

Political affiliations.

Restriction on private business activities.

Oath of office.	ness of the corporation. Before entering upon his duties each of the directors so appointed and each officer of the corporation shall take an oath faithfully to discharge the duties of his office. Nothing contained in this or in any other Act shall be construed to prevent the appointment and compensation as an employee of the corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof.
Employment by corporation of officers, etc., in Federal boards, commissions, etc.	The terms of the directors appointed by the President of the United States shall be two years and run from the date of the enactment hereof and until their successors are appointed and qualified. Whenever a vacancy shall occur among the directors so appointed, the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the director whose place he is selected to fill. The directors of the corporation appointed as hereinbefore provided shall receive salaries at the rate of \$10,000 per annum each. No director, officer, attorney, agent, or employee of the corporation shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.
Terms of directors appointed by President. When appointed to fill unexpired term.	
Salaries.	
Restriction upon director, etc., in determination of question affecting personal interest.	
Corporate rights and powers.	<p>SEC. 4. The corporation shall have succession for a period of ten years from the date of the enactment hereof, unless it is sooner dissolved by an Act of Congress. It shall have power to adopt, alter, and use a corporate seal; to make contracts; to lease such real estate as may be necessary for the transaction of its business; to sue and be sued, to complain and to defend, in any court of competent jurisdiction, State or Federal; to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the corporation, without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States; to define their authority and duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and to prescribe, amend, and repeal, by its board of directors, by-laws, rules, and regulations governing the manner in which its general business may be conducted and the powers granted to it by law may be exercised and enjoyed, including the selection of its chairman and vice chairman, together with provision for such committees and the functions thereof as the board of directors may deem necessary for facilitating its business under this Act. The board of directors of the corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act.</p>
Loans and advances by corporation. <i>Post</i> , p. 715.	<p>SEC. 5. To aid in financing agriculture, commerce, and industry, including facilitating the exportation of agricultural and other products the corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this Act as it may determine, to any bank, savings bank, trust company, building and loan association, insurance company, mortgage loan company, credit union, Federal land bank, joint-stock land bank, Federal intermediate credit bank, agricultural credit corporation, livestock credit corporation, organized under the laws of any State</p>
Terms and conditions.	

or of the United States, including loans secured by the assets of any bank that is closed, or in process of liquidation to aid in the reorganization or liquidation of such banks, upon application of the receiver or liquidating agent of such bank and any receiver of any national bank is hereby authorized to contract for such loans and to pledge any assets of the bank for securing the same: *Provided*, That not more than \$200,000,000 shall be used for the relief of banks that are closed or in the process of liquidation.

All loans made under the foregoing provisions shall be fully and adequately secured. The corporation, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loans. Such loans may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the corporation may approve: *Provided*, That no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. In no case shall the aggregate amount of advances made under this section to any one corporation and its subsidiary or affiliated organizations exceed at any one time 5 per centum of (1) the authorized capital stock of the Reconstruction Finance Corporation plus (2) the aggregate amount of bonds of the corporation authorized to be outstanding when the capital stock is fully subscribed.

Each such loan may be made for a period not exceeding three years, and the corporation may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond five years from the date upon which such loan was made originally. Except as provided in section 5a hereof, no loan or advancement shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to the adoption of this Act: *Provided*, That the foregoing limitation shall not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations. The corporation may make loans under this section at any time prior to the expiration of one year from the date of the enactment hereof; and the President may from time to time postpone such date of expiration for such additional period or periods as he may deem necessary, not to exceed two years from the date of the enactment hereof. Within the foregoing limitations of this section, the corporation may also, upon the approval of the Interstate Commerce Commission, make loans to aid in the temporary financing of railroads and railways engaged in interstate commerce, to railroads and railways in process of construction, and to receivers of such railroads and railways, when in the opinion of the board of directors of the corporation such railroads or railways are unable to obtain funds upon reasonable terms through banking channels or from the general public and the corporation will be adequately secured: *Provided*, That no fee or commission shall be paid by any applicant for a loan under the provisions hereof in connection with any such application or any loan made or to be made hereunder, and the agreement to pay or payment of any such fee or commission shall be unlawful. Any such railroad may obligate itself in such form as shall be prescribed and otherwise comply with the requirements of the Interstate Commerce Commission and

When secured by assets of closed, etc., banks.

Contracts for.

Proviso.
Restriction on total amount to closed, etc., banks.

Security required.

Administration, etc., of collateral accepted as.

Proviso.
Foreign security or acceptances as collateral barred.

Aggregate amount of advances to a corporation, etc., limited.
Post, p. 714.

Period of loan.

Limited renewals authorized.

Restriction on loans to any enterprise not heretofore initiated.
Post, p. 714.

Provisos.
Exceptions.

Time within which loans may be made.

Extension by President authorized.

Loans to railroads upon approval of Interstate Commerce Commission.

Payment of fee, etc., for loan prohibited.

Agreement to pay, unlawful.

Deposit of security, etc., by railroad.

Notification.	the corporation with respect to the deposit or assignment of security hereunder, without the authorization or approval of any authority, State or Federal, and without compliance with any requirement, State or Federal, as to notification, other than such as may be imposed by the Interstate Commerce Commission and the corporation under the provisions of this section.
Authorization to accept drafts when involving exportation of products sold abroad.	SEC. 5a. The corporation is authorized and empowered to accept drafts and bills of exchange drawn upon it which grow out of transactions involving the exportation of agricultural or other products actually sold or transported for sale subsequent to the enactment hereof and in process of shipment to buyers in foreign countries:
<i>Provisos.</i> Sale or shipment of munitions of war, etc., excluded.	<i>Provided,</i> That the corporation shall not make any such acceptances growing out of transactions involving the sale or shipment of armaments, munitions, or other war materials, or the sale or shipment into countries which are at war of any merchandise or commodities except food and supplies for the actual use of noncombatants. No bill of exchange or draft shall be eligible for acceptance if such bill shall have at time of acceptance a maturity of more than twelve months. All drafts and bills of exchange accepted under this section shall be in terms payable in the United States, in currency of the United States, and in addition to the draft or bill of exchange shall at all times be fully secured by American securities deposited as collateral or shall be guaranteed by a bank or trust company of undoubted solvency organized under the laws of the United States or any State, Territory, or insular possession thereof: <i>Provided,</i> That such securities shall not include goods stored or in process of shipment in foreign countries or the obligation of any foreign government, corporation, firm, or person.
Maturity date of acceptable drafts, etc.	
Terms of drafts, etc.	
To be fully secured by American securities.	
Foreign stored, etc., goods as security.	
Vol. 41, p. 297. R. S., sec. 5202, p. 1006, amended. U. S. C., p. 264.	SEC. 6. Section 5202 of the Revised Statutes of the United States, as amended, is hereby amended by striking out the words "War Finance Corporation Act" and inserting in lieu thereof the words "Reconstruction Finance Corporation Act."
Deposit of corporate moneys.	SEC. 7. All moneys of the corporation not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the corporation or in any Federal reserve bank, or may, by authorization of the board of directors of the corporation, be used in the purchase for redemption and retirement of any notes, debentures, bonds, or other obligations issued by the corporation, and the corporation may reimburse such Federal reserve bank for their services in the manner as may be agreed upon. The Federal reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Reconstruction Finance Corporation in the the ¹ general performance of its powers conferred by this Act.
Redemption of notes, etc., authorized.	
Federal reserve banks to act as depositaries, etc.	
Reports, records, etc., available to corporation. <i>Post,</i> p. 714.	SEC. 8. In order to enable the corporation to carry out the provisions of this Act, the Treasury Department, the Federal Farm Loan Board, the Comptroller of the Currency, the Federal Reserve Board, the Federal reserve banks, and the Interstate Commerce Commission are hereby authorized, under such conditions as they may prescribe, to make available to the corporation, in confidence, such reports, records, or other information as they may have available relating to the condition of financial institutions and railroads or railways with respect to which the corporation has had or contemplates having transactions under this Act, or relating to individuals, associations, partnerships, or corporations whose obligations are offered to or held by the corporation as security for loans to financial institutions or railroads or railways under this Act, and to make through their examiners or other employees for the confidential use of the corporation, examinations of such financial institutions or railroads and
Examinations of financial institutions, etc.	

¹So in original.

railways. Every applicant for a loan under this Act shall, as a condition precedent thereto, consent to such examinations as the corporation may require for the purposes of this Act and that reports of examinations by constituted authorities may be furnished by such authorities to the corporation upon request therefor.

SEC. 9. The corporation is authorized and empowered, with the approval of the Secretary of the Treasury, to issue, and to have outstanding at any one time in an amount aggregating not more than three times its subscribed capital, its notes, debentures, bonds, or other such obligations; such obligations to mature not more than five years from their respective dates of issue, to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations, and to bear such rate or rates of interest as may be determined by the corporation: *Provided*, That the corporation, with the approval of the Secretary of the Treasury, may sell on a discount basis short-term obligations payable at maturity without interest. The notes, debentures, bonds, and other obligations of the corporation may be secured by assets of the corporation in such manner as shall be prescribed by its board of directors: *Provided*, That the aggregate of all obligations issued under this section shall not exceed three times the amount of the subscribed capital stock. Such obligations may be issued in payment of any loan authorized by this Act or may be offered for sale at such price or prices as the corporation may determine with the approval of the Secretary of the Treasury. The said obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof. In the event that the corporation shall be unable to pay upon demand, when due, the principal of or interest on notes, debentures, bonds, or other such obligations issued by it, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes, debentures, bonds, or other obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the corporation to be issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the corporation's obligations hereunder. The Secretary of the Treasury may, at any time, sell any of the obligations of the corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the corporation shall be treated as public-debt transactions of the United States. Such obligations shall not be eligible for discount or purchase by any Federal reserve bank.

SEC. 10. Any and all notes, debentures, bonds, or other such obligations issued by the corporation shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing

As condition precedent to loan.

Power of corporation to issue obligations.

Maturity date and redemption thereof.

Interest rate.

Provisos.
Sale of short-term obligations.

Security for obligations, etc., of corporation.

Restriction on aggregate amount of obligations.

Basis for issue of obligations.

To be unconditionally guaranteed by United States.

Payment by Secretary of the Treasury if corporation unable to meet due obligations.

Appropriation authorized.

Purchase of obligations by Secretary of the Treasury.

Use of proceeds from sale of securities issued under Second Liberty Bond Act, authorized. Vol. 40, p. 288. U. S. C., p. 1026.

Sale of acquired corporation obligations.

Obligations treated as public-debt transactions.

Not eligible for discount, etc.

Exemption of obligations from taxation.

Exception.

Exemption of corporation, including franchises, etc.

Real property ex-
cepted.

Preparation of debenture, bond, and note forms.

Custody of engraved plates, etc.

Reimbursement for expenses.

Corporation as depository of public money.

As financial agent.

Corporate obligations as investments.

Liquidation of assets by Directors upon expiration of loan period or extensions.

Deposit of funds for payment of obligations.

Deposit of excess funds.

Retirement of corporate capital stock.

Balance paid into Treasury as miscellaneous receipts.

Dissolution of corporation and retirement of residue of capital stock.

Duty of liquidation transferred to Secretary of the Treasury after expiration of corporate succession period.

authority; except that any real property of the corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

SEC. 11. In order that the corporation may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this Act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the corporation, to be held in the Treasury subject to delivery, upon order of the corporation. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody and delivery of such notes, debentures, bonds, or other obligations.

SEC. 12. When designated for that purpose by the Secretary of the Treasury, the corporation shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties, as depository of public money and financial agent of the Government, as may be required of it. Obligations of the corporation shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

SEC. 13. Upon the expiration of the period of one year within which the corporation may make loans, or of any extension thereof by the President under the authority of this Act, the board of directors of the corporation shall, except as otherwise herein specifically authorized, proceed to liquidate its assets and wind up its affairs. It may with the approval of the Secretary of the Treasury deposit with the Treasurer of the United States as a special fund any money belonging to the corporation or from time to time received by it in the course of liquidation or otherwise, for the payment of principal and interest of its outstanding obligations or for the purpose of redemption of such obligations in accordance with the terms thereof, which fund may be drawn upon or paid out for no other purpose. The corporation may also at any time pay to the Treasurer of the United States as miscellaneous receipts any money belonging to the corporation or from time to time received by it in the course of liquidation or otherwise in excess of reasonable amounts reserved to meet its requirements during liquidations. Upon such deposit being made, such amount of the capital stock of the corporation as may be specified by the corporation with the approval of the Secretary of the Treasury but not exceeding in par value the amount so paid in shall be canceled and retired. Any balance remaining after the liquidation of all the corporation's assets and after provision has been made for payment of all legal obligations of any kind and character shall be paid into the Treasury of the United States as miscellaneous receipts. Thereupon the corporation shall be dissolved and the residue, if any, of its capital stock shall be canceled and retired.

SEC. 14. If at the expiration of the ten years for which the corporation has succession hereunder its board of directors shall not have completed the liquidation of its assets and the winding up of its affairs, the duty of completing such liquidation and winding up of its affairs shall be transferred to the Secretary of the Treasury, who for such purpose shall succeed to all the powers and duties of the board of directors of the corporation under this Act. In such

event he may assign to any officer or officers of the United States in the Treasury Department the exercise and performance, under his general supervision and direction, of any such powers and duties; and nothing herein shall be construed to affect any right or privilege accrued, any penalty or liability incurred, any criminal or civil proceeding commenced, or any authority conferred hereunder, except as herein provided in connection with the liquidation of the remaining assets and the winding up of the affairs of the corporation, until the Secretary of the Treasury shall find that such liquidation will no longer be advantageous to the United States and that all of its legal obligations have been provided for, whereupon he shall retire any capital stock then outstanding, pay into the Treasury as miscellaneous receipts the unused balance of the moneys belonging to the corporation, and make the final report of the corporation to the Congress. Thereupon the corporation shall be deemed to be dissolved.

SEC. 15. The corporation shall make and publish a report quarterly of its operations to the Congress stating the aggregate loans made to each of the classes of borrowers provided for and the number of borrowers by States in each class. The statement shall show the assets and liabilities of the corporation, and the first report shall be made on April 1, 1932, and quarterly thereafter. It shall also show the names and compensation of all persons employed by the corporation whose compensation exceeds \$400 a month.

SEC. 16. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the corporation, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(b) Whoever (1) falsely makes, forges, or counterfeits any note, debenture, bond, or other obligation, or coupon, in imitation of or purporting to be a note, debenture, bond, or other obligation, or coupon, issued by the corporation, or (2) passes, utters or publishes, or attempts to pass, utter or publish, any false, forged or counterfeited note, debenture, bond, or other obligation, or coupon, purporting to have been issued by the corporation, knowing the same to be false, forged or counterfeited, or (3) falsely alters any note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the corporation, or (4) passes, utters or publishes, or attempts to pass, utter or publish, as true any falsely altered or spurious note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the corporation, knowing the same to be falsely altered or spurious, or any person who willfully violates any other provision of this Act, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(c) Whoever, being connected in any capacity with the corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it, or (2) with intent to defraud the corporation or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the corporation, makes any false entry in any book, report, or statement of or to the corporation, or, without being duly authorized, draws any order or issues, puts forth or assigns any note, debenture, bond,

Assignment of powers and duties.

Accrued rights, liabilities incurred not affected.

Retirement of outstanding stock when liquidation no longer advantageous.

Payment of unused balance into Treasury.

Report to Congress.
Final dissolution.

Quarterly report to Congress.

Statement therein.

Personnel salary report.

Penalty provisions.

False statements, overvaluation of security.

Counterfeiting corporate notes, etc.

Passing or attempting to pass, etc., counterfeits.

Altering corporate notes, etc.

Passing or attempting to pass, etc., altered notes, etc.

Embezzling corporate funds, etc.

Making false book, etc., entry with intent to defraud.

or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property or benefit through any transaction, loan, commission, contract, or any other act of the corporation, or (4) gives any unauthorized information concerning any future action or plan of the corporation which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company, bank, or corporation receiving loans or other assistance from the corporation, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(d) No individual, association, partnership, or corporation shall use the words "Reconstruction Finance Corporation" or a combination of these three words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding \$1,000 or imprisonment not exceeding one year, or both.

(e) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, ch. 5, secs. 202 to 207, inclusive) in so far as applicable, are extended to apply to contracts or agreements with the corporation under this Act, which for the purposes hereof shall be held to include loans, advances, discounts, and rediscounts; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

SEC. 17. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any clause, sentence, paragraph, or part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Approved, January 22, 1932.

[CHAPTER 9.]

AN ACT

January 23, 1932.
[H. R. 6172.]
[Public, No. 3.]

To amend the Federal Farm Loan Act, as amended, to provide for additional capital for Federal land banks, and for other purposes.

Federal Farm Loan Act, amendment.
Vol. 39, p. 365.
U. S. C., p. 302.

Retirement of original stock by subscriptions.

Vol. 39, p. 365.
U. S. C., p. 302.
Post, p. 36.

Subscription for capital stock by United States.

Call provision.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Federal Farm Loan Act, as amended (U. S. C., title 12, ch. 7, secs. 691-697), is amended by inserting after the word "subscribed" in the sixth paragraph thereof the words "by national farm loan associations, by borrowers through agencies, and by borrowers through branch banks".

SEC. 2. Section 5 of the Federal Farm Loan Act, as amended (U. S. C., title 12, ch. 7, secs. 691-697), is further amended by adding at the end thereof a new paragraph as follows:

"It shall be the duty of the Secretary of the Treasury on behalf of the United States, upon the request of the board of directors of any Federal land bank made with the approval of the Federal Farm Loan Board, to subscribe from time to time for capital stock of such bank in an amount or amounts specified in such approval or approvals, such subscriptions to be subject to call in whole or in part by the board of directors of said bank upon thirty days' notice with