

	tary of the Treasury shall suspend such license until he is notified by the clerk of the court of last appeal as to the final disposition of the case.
Dealers' records.	(d) Licensed dealers shall maintain such permanent records of importation, shipment, and other disposal of firearms and ammunition as the Secretary of the Treasury shall prescribe.
Exemptions.	SEC. 4. The provisions of this Act shall not apply with respect to the transportation, shipment, receipt, or importation of any firearm, or ammunition, sold or shipped to, or issued for the use of, (1) the United States or any department, independent establishment, or agency thereof; (2) any State, Territory, or possession, or the District of Columbia, or any department, independent establishment, agency, or any political subdivision thereof; (3) any duly commissioned officer or agent of the United States, a State, Territory, or possession, or the District of Columbia, or any political subdivision thereof; (4) or to any bank, public carrier, express, or armored-truck company organized and operating in good faith for the transportation of money and valuables; (5) or to any research laboratory designated by the Secretary of the Treasury: <i>Provided</i> , That such bank, public carriers, express, and armored-truck companies are granted exemption by the Secretary of the Treasury; nor to the transportation, shipment, or receipt of any antique or unserviceable firearms, or ammunition, possessed and held as curios or museum pieces: <i>Provided</i> , That nothing herein contained shall be construed to prevent shipments of firearms and ammunition to institutions, organizations, or persons to whom such firearms and ammunition may be lawfully delivered by the Secretary of War, nor to prevent the transportation of such firearms and ammunition so delivered by their lawful possessors while they are engaged in military training or in competitions.
Federal, State governments, agencies, etc.	
Banks, carriers, etc.	
Research laboratories.	
<i>Provisos.</i> Exemptions granted by Secretary of Treasury. Antiques, curios, etc.	
Shipments to designated institutions or persons.	
Military training, etc.	
Penalty provisions.	SEC. 5. Any person violating any of the provisions of this Act or any rules and regulations promulgated hereunder, or who makes any statement in applying for the license or exemption provided for in this Act, knowing such statement to be false, shall, upon conviction thereof, be fined not more than \$2,000, or imprisoned for not more than five years, or both.
Effective date.	SEC. 6. This Act shall take effect thirty days after its enactment.
Rules and regulations.	SEC. 7. The Secretary of the Treasury may prescribe such rules and regulations as he deems necessary to carry out the provisions of this Act.
Separability of provisions.	SEC. 8. Should any section or subsection of this Act be declared unconstitutional, the remaining portion of the Act shall remain in full force and effect.
Short title.	SEC. 9. This Act may be cited as the Federal Firearms Act. Approved, June 30, 1938.

## [CHAPTER 851]

## AN ACT

June 30, 1938  
[S. 1131]  
[Public, No. 786]

To amend the part of the Act entitled "An Act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes", approved June 4, 1920, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves.

Naval petroleum reserves.  
41 Stat. 813.  
34 U. S. C. § 524.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the part of the Act entitled "An Act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes", approved June 4, 1920 (41 Stat. 813), relating to the conservation, care, custody, protection, and operation of the naval petroleum and

oil-shale reserves, contained in the paragraph entitled "Investigation of Fuel Oil and Other Fuel", and embodied in the United States Code, title 34, section 524, be amended so as to read as follows:

"The Secretary of the Navy is directed to take possession of all properties within the naval petroleum reserves as are or may become subject to the control and use by the United States for naval purposes; to conserve, develop, use, and operate the same in his discretion, subject to approval by the President, directly or by contract, lease, or otherwise, such use and operation to be for the protection of the aforesaid reserves or for carrying out the provisions of this Act; and to use, store, exchange, or sell the oil and gas products thereof, and those from all royalty oil and gas from lands in the naval reserves, for the benefit of the United States, subject to the applicable limitations and restrictions of this Act; and to exercise exclusive jurisdiction and control over those lands within the borders of naval petroleum reserves numbered 1 and 2 which are embraced by leases granted pursuant to the provisions of the Act of Congress approved February 25, 1920, entitled 'An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain' (41 Stat. 437).

"In order to consolidate and protect the oil lands owned by the Government the Secretary of the Navy is authorized to contract with owners and lessees of land within or adjoining such reserves for conservation in the ground of oil and gas and for compensation for estimated drainage in lieu of drilling or operating offset wells, and to exchange Government land in naval petroleum reserve numbered 1, the right to royalty production from any of the naval petroleum reserves, and the right to any moneys due to the Government as a result of the wrongful extraction of petroleum products from lands within naval petroleum reserve numbered 1, for privately owned land or leases within naval petroleum reserve numbered 1: *Provided*, That no lease of any portion of the naval petroleum reserves, no contract to alienate the use, control, or possession thereof from the United States, no contract to sell the oil and gas products thereof, other than royalty oil and gas products, no contract for conservation or for compensation for estimated drainage, and no exchange of any land, any right to royalty production or any right to any moneys as hereinabove authorized shall become effective until approved by the President: *Provided further*, That the Secretary of the Navy shall report annually to the Congress all agreements entered into under the authority herein granted.

"In the event of the inability of the Secretary of the Navy to make satisfactory exchanges of land or agreements for the conservation of naval petroleum with the private owners of lands or leases within or adjoining naval petroleum reserve numbered 1, as provided for in this Act, he is hereby authorized, with the approval of the President, to acquire such privately owned lands or leases in naval petroleum reserve numbered 1 by purchase or condemnation. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Such sums shall be expended under the direction of the President, who shall submit to the Congress estimates therefor in the manner prescribed by law: *Provided*, That the Secretary of the Navy shall report annually to the Congress all purchase and condemnation proceedings entered into under the authority herein granted.

"Leases of lands of the United States within the naval petroleum reserves, in existence prior to July 1, 1936, excepting those leases which have become a part of an approved unit or cooperative plan and agreement, shall terminate at the expiration of their initial

Possession of properties within, by Secretary of the Navy; conservation, operation, etc.

Disposal of products.

Jurisdiction.

41 Stat. 437.  
30 U. S. C. § 181;  
Supp. III, ch. 3.

Contracts for conservation purposes.

Exchange of lands in reserve numbered 1 for privately owned lands or leases therein.

*Provisos.*  
Approval by the President.

Annual report to Congress.

Acquisition by purchase or condemnation.

Appropriation authorized.

*Proviso.*  
Annual report to Congress.

Termination of leases existing prior to July 1, 1936, at expiration of initial periods; exception.

Re-leasing; terms and conditions.

*Proviso.*  
Authority to modify rate of prospecting, quantity and rate of production.

Certain foreign interests restricted.

41 Stat. 437.  
30 U. S. C. § 181;  
Supp. III, ch. 3.

Rules and regulations.

Sworn statements, etc.

Accrued revenues, disposition.

41 Stat. 437.  
30 U. S. C. § 181;  
Supp. III, ch. 3.

Payment of royalties.

Cancellation provisions.

*Proviso.*  
Naval oil-shale reserves.

Construction of Act.

twenty-year periods, and the lands covered by such terminated leases may be re-leased upon such reasonable terms and conditions as the Secretary of the Navy may prescribe, with the preferential right in the former lessees to leases of the same if and when the lands are re-leased: *Provided*, That every unit or cooperative plan of development and operation entered into after July 1, 1937, and every lease entered into subsequently to July 1, 1937, with respect to lands owned by the United States within the naval petroleum reserves, shall contain a provision whereby authority limited as provided in such plan or lease is vested in the Secretary of the Navy, subject to approval by the President, to alter or modify from time to time in his discretion the rate of prospecting and development on, and the quantity and rate of production from, such lands of the United States under said plan or lease, any law to the contrary notwithstanding.

"Citizens of another country, or corporations controlled by citizens of another country, the laws, customs, or regulations of which deny the privilege of leasing their public lands to citizens or corporations of this country, shall not by contract made subsequently to July 1, 1937, or by stock ownership, holding, or control, acquire or own any interest in or right to any benefit from any lease of land in the naval petroleum or other naval fuel reserves at any time made under the provisions of the Mineral Leasing Act of February 25, 1920, or of this Act, and in the event of any violation of any of these provisions, the Secretary of the Navy shall have the right to cancel such lease forthwith.

"The Secretary of the Navy, subject to approval by the President, is hereby authorized to prescribe necessary rules and regulations and to do any and all things necessary or proper to accomplish the purposes of this Act. All statements, reports, and representations required thereby shall be under oath, unless otherwise specified, and in such form as the Secretary of the Navy may require.

"Except as otherwise provided in this Act, all moneys which may accrue to the United States under the provisions of this Act, or of the said Act of February 25, 1920 (41 Stat. 437), from lands within the naval petroleum reserves or other naval fuel reserves on account of the petroleum products extracted therefrom shall be deposited in the Treasury of the United States as miscellaneous receipts; and any or all oil, gas, gasoline, or other hydrocarbon substances accruing to the United States as royalties from leases of lands within the naval petroleum reserves or other naval fuel reserves under authority of this Act shall be paid for in money or be paid in kind as the Secretary of the Navy may elect.

"Any lease issued under the provisions of this Act may be forfeited and canceled by an appropriate proceeding in the United States district court for the district in which the property, or some part thereof, is located, whenever the lessee fails to comply with any of the provisions of this Act, of the lease, or of the regulations promulgated under this Act and in force at the date of the lease; and the lease may provide for resort to appropriate methods for the settlement of disputes and for remedies for breach of specified conditions thereof: *Provided*, That nothing herein contained shall be construed to permit the development, or operation of the naval oil-shale reserves."

SEC. 2. Nothing herein contained shall be construed as validating, acquiescing in, or giving color to any claim of any person, natural, governmental, or corporate, other than the United States, to any right, title, or interest in any lands or interests therein claimed, or which may be claimed, by the United States, or as preventing or

interfering with the accrual of any right to damages or cause of action in favor of the United States against any person whomsoever.

SEC. 3. All Acts or parts thereof in conflict with the provisions of this Act are hereby repealed.

Approved, June 30, 1938.

Inconsistent Acts,  
etc., repealed.

[CHAPTER 852]

AN ACT

To authorize the appropriation of funds for the development of rotary-wing and other aircraft.

June 30, 1938  
[H. R. 10605]  
[Public, No. 787]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in the interest of adequate national defense and the further interest of the needs of other governmental activities and of American commercial and civil aeronautics for rotary-wing and other aircraft development there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of \$2,000,000 to remain available until expended for the purpose of rotary-wing and other aircraft research, development, procurement, experimentation, and operation for service testing.

Rotary - wing and  
other aircraft.  
Appropriation au-  
thorized for develop-  
ment of.

The Secretary of War is authorized and directed to proceed immediately with said research, development, procurement, experimentation, and operation for service testing and further to allot such sums from this fund to other Federal departments or agencies as he, in his judgment and discretion and within the limits herein prescribed, may deem advisable for the furtherance of these purposes.

Research, experi-  
mentation, etc.

The following agencies of the Federal Government are hereby authorized and directed to submit to the Secretary of War plans for research, development, procurement, experimentation, and operation for service testing of rotary-wing and other aircraft. Upon presentation of plans, together with estimates of requirements, the Secretary of War will approve, apportion, and allot the necessary funds which in his discretion may appear proper for each respectively.

Plans for research,  
development, etc.;  
submission by certain  
agencies.

The agencies referred to are:

Agencies designated.

(a) In the United States Army, the Office of the Chief of Cavalry, the Office of the Chief of Field Artillery, the Office of the Chief of Coast Artillery, the Office of the Chief of Infantry, the Office of the Chief Signal Officer, the Office of the Chief of Air Corps, the Office of the Chief of Medical Corps, the Office of the Quartermaster General, and the National Guard Bureau.

(b) In the Department of Agriculture, the Bureau of Entomology and Plant Quarantine, the Bureau of Biological Survey, and the Forest Service.

(c) In the Department of the Interior, the National Park Service.

(d) In the Treasury Department, the Coast Guard.

(e) In the Department of Commerce, the Bureau of Air Commerce.

(f) In the Department of the Navy, the Office of the Chief of Naval Operations, the Bureau of Aeronautics, and the Office of the Chief of Marine Corps.

(g) The National Advisory Committee for Aeronautics.

(h) In the Post Office Department, the Postmaster General.

Such of these agencies as are approved by the Secretary of War for the purpose of carrying out the provisions of this Act and to whom the Secretary of War in accordance with the provisions of this Act shall allocate funds are hereby directed to report at the end of each fiscal year or at such times as the Secretary of War may direct, showing the progress of the work in hand, future pro-

Reports of agencies  
to Secretary of War  
as to progress, future  
programs, recommen-  
dations, etc.