

An Act To provide additional credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal Farm Loan Act; to amend the Federal Reserve Act; and for other purposes."

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

TITLE I.—FEDERAL INTERMEDIATE CREDIT BANKS.

SECTION 1. That section 1 of the Federal Farm Loan Act is amended to read as follows:

"TITLE I.—FEDERAL FARM LOANS.

"SECTION 1. That this Act may be cited as the 'Federal Farm Loan Act.' Its administration shall be under the direction and control of the Federal Farm Loan Board hereinafter created."

SEC. 2. That the Federal Farm Loan Act is amended by adding at the end thereof a new title, to read as follows:

"TITLE II.—FEDERAL INTERMEDIATE CREDIT BANKS.

"ORGANIZATION.

"SEC. 201. (a) That the Federal Farm Loan Board shall have power to grant charters for 12 institutions to be known and styled as 'Federal Intermediate Credit Banks.'

"(b) Such institutions shall be established in the same cities as the 12 Federal Land Banks. The officers and directors of the several Federal Land Banks shall be ex officio officers and directors of the several Federal Intermediate Credit Banks hereby provided for and shall have power to employ and pay all clerks, bookkeepers, accountants and other help necessary to carry on the business authorized by this title.

"(c) Each Federal Intermediate Credit Bank shall have all the usual powers of corporations, and shall have power to sue and be sued both in law and equity, and for purposes of jurisdiction shall be deemed a citizen of the State where it is located.

"(d) Federal Intermediate Credit Banks, when designated for that purpose by the Secretary of the Treasury, shall act as fiscal agents of the United States Government and perform such duties as shall be prescribed by the Secretary of the Treasury.

"(e) Upon default of any obligation any Federal Intermediate Credit Bank may be declared insolvent and placed in the hands of a receiver by the Federal Farm Loan Board, and proceedings shall thereupon be had in accordance with the provisions of section 29 of this Act regarding National Farm Loan Associations.

"(f) The charters to such Federal Intermediate Credit Banks shall be granted upon application of the directors of the Federal

Land Banks which application shall be in such form as the Federal Farm Loan Board shall prescribe.

DISCOUNTS AND LOANS.

"SEC. 202. (a) That Federal Intermediate Credit Banks, when chartered and established, shall have power, subject solely to such restrictions, limitations, and conditions as may be imposed by the Federal Farm Loan Board not inconsistent with the provisions of this Act,—

(1) To discount for, or purchase from, any national bank, and/or any State bank, trust company, agricultural credit corporation, incorporated live-stock loan company, savings institution, cooperative bank, cooperative credit or marketing association of agricultural producers, organized under the laws of any State, and/or any other Federal Intermediate Credit Bank, with its indorsement, any note, draft, bill of exchange, debenture, or other such obligation the proceeds of which have been advanced or used in the first instance for any agricultural purpose or for the raising, breeding, fattening, or marketing of live stock;

(2) To buy or sell, with or without recourse, debentures issued by any other Federal Intermediate Credit Bank; and

(3) To make loans or advances direct to any cooperative association organized under the laws of any State and composed of persons engaged in producing, or producing and marketing, staple agricultural products, or live stock, if the notes or other such obligations representing such loans are secured by warehouse receipts, and/or shipping documents covering such products, and/or mortgages on live stock: *Provided*, That no such loan or advance shall exceed 75 per centum of the market value of the products covered by said warehouse receipts and/or shipping documents, or of the live stock covered by said mortgages.

"(b) No paper shall be purchased from or discounted for any national bank, State bank, trust company, or savings institution under this section, if the amount of such paper added to the aggregate liabilities of such national bank, State bank, trust company or savings institution, whether direct or contingent (other than bona fide deposit liabilities), exceeds the amount of such liability permitted under the laws of the jurisdiction creating the same; or exceeds twice the paid in and unimpaired capital and surplus of such national bank, State bank, trust company, or savings institution. No paper shall under this section be purchased from or discounted for any other corporation engaged in making loans for agricultural purposes or for the raising, breeding, fattening, or marketing of live stock, if the amount of such paper added to the aggregate liabilities of such corporation exceeds the amount of such liabilities permitted under the laws of the jurisdiction creating the same; or exceeds ten times the paid in and unimpaired capital and surplus of such corporation. It shall be unlawful for any national bank which is indebted to any Federal Intermediate Credit Bank upon paper discounted or purchased under this section, to incur any additional indebtedness, if by virtue of such additional indebtedness its aggregate liabilities, direct or contingent, will exceed the limitations herein contained."

(c) Loans, advances, or discounts made under this section shall have a maturity at the time they are made or discounted by the Federal Intermediate Credit Bank of not less than six months nor more than three years. Any Federal Intermediate Credit Bank may in its discretion sell loans or discounts made under this section, with or without its indorsement.

(d) Rates of interest or discount charged by the Federal Intermediate Credit banks upon such loans and discounts shall be subject to the approval of the Federal Farm Loan Board. On the majority vote of the members of the Federal Farm Loan Board any Federal Intermediate Credit Bank shall be required to rediscount the discounted paper of any other Federal Intermediate Credit Bank at rates of interest to be fixed by the Federal Farm Loan Board.

ISSUE OF DEBENTURES.

"SEC. 203. (a) That Federal Intermediate Credit Banks, when chartered and established, shall have power, subject to the approval of the Federal Farm Loan Board, to borrow money and to issue and to sell collateral trust debentures or other similar obligations with a maturity at the time of issue of not more than five years, which shall be secured by at least a like face amount of cash, or notes or other such obligations discounted or purchased or representing loans made under section 202: *Provided*, That no Federal Intermediate Credit Bank shall have power to issue or obligate itself for debentures or other obligations under the provisions of this section in excess of ten times the amount of the paid-up capital and surplus of such bank.

(b) The provisions of Title I 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 this section; but the Federal Farm Loan Board shall prescribe rules and regulations governing the receipt, custody, substitution, and release of collateral instruments securing such debentures or other obligations, the right of substitution being hereby granted. Rates of interest upon debentures and other such obligations issued under this section shall, subject to the approval of the Federal Farm Loan Board, be fixed by the Federal Intermediate Credit Bank making the issue, not exceeding 6 per centum per annum.

"(c) The United States Government shall assume no liability, direct or indirect, for any debentures or other obligations issued under this section, and all such debentures and other obligations shall contain conspicuous and appropriate language, to be prescribed in form and substance by the Federal Farm Loan Board and approved by the Secretary of the Treasury, clearly indicating that no such liability is assumed.

DISCOUNT RATES.

"SEC. 204. (a) That before making any discounts under the provisions of this title, each Federal Intermediate Credit Bank shall establish and promulgate a rate of discount to be approved by the Federal Farm Loan Board. Any Federal Intermediate Credit Bank which has made an issue of debentures under the provision of this title may thereafter establish, with the approval of the Federal Farm Loan Board, a rate of discount not exceeding by more than 1 per

centum per annum the rate borne by its last preceding issue of debentures.

“(b) No organization entitled to the privileges of this title, shall, without the approval of the Federal Farm Loan Board, be allowed to discount with any Federal Intermediate Credit Bank any note or other obligation, upon which the original borrower has been charged a rate of interest exceeding by more than $1\frac{1}{2}$ per centum per annum the discount rate of the Federal Intermediate Credit Bank at the time such loan was made.

“(c) A Federal Intermediate Credit Bank may, subject to the approval of the Federal Farm Loan Board, buy in the open market at or below par for its own account and retire at or before maturity any such debentures or obligations issued by it.

CAPITAL STOCK.

“SEC. 205. That for the purpose of exercising the powers conferred by this title, each Federal Intermediate Credit Bank shall have a subscribed capital stock of \$5,000,000. Capital stock of such amount shall be divided into shares of \$5 each and shall be subscribed, held, and paid by the Government of the United States. It shall be the duty of the Secretary of the Treasury to subscribe to such capital stock on behalf of the United States, such subscription to be subject to call in whole or in part by directors of the said banks upon 30 days' notice to the Secretary of the Treasury and with the approval of the Federal Farm Loan Board. The Secretary of the Treasury is authorized and directed to take out shares as called and to pay for the same out of any money in the Treasury not otherwise appropriated.

APPLICATION OF EARNINGS.

“SEC. 206. (a) That the Federal Farm Loan Board shall equitably apportion the joint expenses incurred in behalf of Federal Land Banks, Joint Stock Land Banks, and Federal Intermediate Credit Banks, and shall assess against each Federal Intermediate Credit Bank its proportionate share of the expenses of any additional personnel in the Federal Farm Loan Bureau made necessary in connection with the operation of this provision.

“(b) After all necessary expenses of a Federal Intermediate Credit Bank have been paid or provided for, the net earnings shall be divided into equal parts and one-half thereof shall be paid to the United States and the balance shall be paid into a surplus fund until it shall amount to 100 per centum of the subscribed capital stock of such bank and that thereafter 10 per centum of such earnings shall be paid into the surplus. After the aforesaid requirements have been fully met, the then net earnings shall be paid to the United States as a franchise tax. The net earnings derived by the United States from 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.

LIABILITY ON DEBENTURES.

“Sec. 207. That any Federal Intermediate Credit Bank issuing debentures or other such obligations under this title shall be primarily liable therefor, and shall also be liable, upon presentation of the coupons for interest payments due upon any such debentures or obligations issued by any other Federal Intermediate Credit Bank and remaining unpaid in consequence of the default of the other Federal Intermediate Credit Bank. Any Federal Intermediate Credit Bank shall likewise be liable for such portion of the principal of debentures or obligations so issued as are not paid after the assets of such other Federal Intermediate Credit Bank have been liquidated and distributed. Such losses, if any, either of interest or of principal, shall be assessed by the Federal Farm Loan Board against solvent Federal Intermediate Credit Banks liable therefor in proportion to the amount of capital stock, surplus, and debentures or other such obligations which each may have outstanding at the time of such assessment. Every Federal Intermediate Credit Bank shall, by appropriate action of its board of directors duly recorded in its minutes, obligate itself to become liable on debentures and other such obligations as provided in this section.

EXAMINATIONS AND REPORTS.

“Sec. 208. (a) That in order to enable each Federal Intermediate Credit Bank to carry out the purpose of this title, the Comptroller of the Currency is hereby authorized and directed, upon the request of any Federal Intermediate Credit Bank, (1) to furnish for the confidential use of such bank such reports, records, and other information, as he may have available, relating to the financial condition of national banks through or for which the Federal Intermediate Credit Bank has made or contemplates making discounts, and (2) to make through his examiners, for the confidential use of the Federal Intermediate Credit Bank, examinations of organizations through or for which the Federal Intermediate Credit Bank has made or contemplates making discounts or loans: *Provided*, That no such examination shall be made without the consent of such organization except where such examination is required by law: *Provided*, That any organization, except State banks, trust companies and savings associations, shall, as a condition precedent to securing rediscount privileges with the Federal Intermediate Credit Bank of its district, file with such bank its written consent to its examination as may be directed by the Federal Farm Loan Board by land bank examiners; and State banks, trust companies and savings associations may be in like manner required to file their written consent that reports of their examination by constituted authorities may be furnished by such authorities upon request to the Federal Intermediate Credit Bank of their district. Each Federal Intermediate Credit Bank shall be examined and audited at least once each year by the Federal Farm Loan

Board, and the results of such examination and audit shall be made public by the board.

(b) Every Federal Intermediate Credit Bank shall make to the Federal Farm Loan Board not less than three reports during each year as requested by the board and according to the form which may be prescribed by the board, verified by the oath or affirmation of the president, or secretary, or treasurer, of each Federal Intermediate Credit Bank and attested by the signature of at least three of the directors. Each report shall exhibit, in detail and under appropriate heads, the resources and liabilities of the Federal Intermediate Credit Bank at the close of business on any past day specified by the Federal Farm Loan Board within five days from the receipt of a request or requisition therefor from the board, and in the same form in which it is made to the Federal Farm Loan Board shall be published in a newspaper published in the place where such Federal Intermediate Credit Bank is established, or if there is no newspaper in the place, then in the one published nearest thereto, in the same county, at the expense of the bank; and such proof of publication shall be furnished as may be required by the Federal Farm Loan Board. The Federal Farm Loan Board shall also have power to call for special reports from any particular Federal Intermediate Credit Bank whenever in its judgment the same are necessary for a full and complete knowledge of its condition.

(c) Land bank appraisers are authorized, upon the request of any Federal Intermediate Credit Bank and with the approval of the Federal Farm Loan Board, to investigate and make a written report upon the products covered by warehouse receipts or shipping documents, and the live stock covered by mortgages, which are security for notes or other such obligations representing any loan to any organization, under this title. Land bank examiners are authorized, upon the request of any Federal Intermediate Credit Bank and with the approval of the Federal Farm Loan Board, to examine and make a written report upon the condition of any organization, except national banks, to which the Federal Intermediate Credit Bank contemplates making any such loan.

"(d) The Federal Farm Loan Board shall assess the cost of all examinations made by the examiners of the board under the provisions of this title, upon the bank, trust company, savings institution, or organization investigated, in accordance with the regulations to be prescribed by the board.

RULES AND REGULATIONS.

"SEC. 209. That the Federal Farm Loan Board is authorized to make such rules and regulations, not inconsistent with law, as it deems necessary for the efficient execution of the provisions of this title.

TAX EXEMPTION.

"SEC. 210. That the privileges of tax exemption accorded under section 26 of this Act shall apply also to each Federal Intermediate Credit Bank, including its capital, reserve, or surplus, and the income derived therefrom, and the debentures issued under this title

shall be deemed and held to be instrumentalities of the Government and shall enjoy the same tax-exemptions as are accorded farm loan bonds in said section.

“PENALTY PROVISIONS.

“SEC. 211. (a) That any officer, director, agent, or employee of a Federal Intermediate Credit Bank who embezzles, abstracts, purloins, or willfully misapplies any of the moneys, funds, or credits of such bank, or who, without authority from such bank, draws any order or bill of exchange, makes any acceptance, issues, puts forth, or assigns any note, debenture, bond, draft, bill of exchange, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such bank with intent in any case to injure or defraud such bank or any other company or person, or to deceive any officer of such bank or the Federal Farm Loan Board, or any agent or examiner appointed to examine the affairs of such bank; and every receiver of such bank who with like intent to defraud or injure embezzles, abstracts, purloins, or willfully misapplies any of the moneys, funds, or assets of such bank, and every person who with like intent aids or abets any officer, director, agent, employee, or receiver in any violation of this section, shall be deemed guilty of a misdemeanor, and upon conviction thereof in any district court of the United States, shall be fined not more than \$5,000, or shall be imprisoned for not more than five years, or both, at the discretion of the court.

“(b) Whoever makes any statement, knowing it to be false, for the purpose of obtaining for himself or for any other person, firm, corporation, or association any advance, or extension or renewal of an advance, or any release or substitution of security from such bank, or for the purpose of influencing in any other way the action of such bank, 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 willfully overvalues any property offered as security for any such advance shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

“(d) Any examiner appointed under this Act who shall accept a loan or gratuity from any organization examined by him, or from any person connected with any such organization in any capacity, or who shall disclose the names of borrowers to other than the proper officers of such organization, without first having obtained express permission in writing from the Farm Loan Commissioner or from the board of directors of such organization, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States or of either House thereof, or any committee of Congress or of either House duly authorized, shall be punished by a fine of not exceeding \$5,000 or by imprisonment of not exceeding one year, or both, and may be fined a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as an examiner under the provisions of this Act. No examiner while holding such office shall perform any other service for compensation for any bank or banking or loan association or for any person connected therewith in any capacity.

“(e) Whoever, being an officer, director, employee, agent or attorney of a Federal Intermediate Credit Bank, stipulates for or receives or consents or agrees to receive any fee, commission, gift, or thing of value, from any person, firm, or corporation for procuring or endeavoring to procure for such person, firm, or corporation, or for any other person, firm, or corporation any loan from any such corporation or extension or renewal of loan or substitution of security, or the purchase or discount or acceptance of any paper, note, draft, check, or bill of exchange by any such corporation, shall be deemed guilty of a misdemeanor and shall upon conviction thereof be imprisoned for not more than one year and fined not more than \$5,000, or both.

“(f) Any person who shall falsely make, forge, or counterfeit or cause or procure to be falsely made, forged, or counterfeited or willingly aid or assist in falsely making, forging, or counterfeiting any debenture, coupon, or other obligation in imitation of or purporting to be in imitation of the debenture, coupon, or other obligation issued by any Federal Intermediate Credit Bank, or any person who shall pass, utter, or publish or attempt to pass, utter, or publish any false, forged, or counterfeited, debenture, coupon, or other obligation purporting to be issued by any such bank knowing the same to be falsely made, forged, or counterfeited, or any person who shall falsely alter or cause or procure to be falsely altered or shall willingly aid or assist in falsely altering any such debenture, coupon, or other obligation or who shall pass, utter, or publish as true any falsely altered or spurious debenture, coupon, or other obligation issued or purporting to have been issued by any such bank knowing the same to be falsely altered or spurious, shall be punished by a fine of not exceeding \$5,000 or by imprisonment not to exceed five years, or both.

“(g) Any person who shall deceive, defraud, or impose upon or who shall attempt to deceive, defraud, or impose upon any person, partnership, corporation, or association by making any false pretense or representation concerning the character, issue, security, contents, conditions, or terms of any debenture, coupon, or other obligation issued under the terms of this title, shall upon conviction be fined not exceeding \$500, or imprisoned not to exceed one year, or both.

“(h) All corporations not organized under the provisions of this title are prohibited from using the words ‘Federal Intermediate Credit Bank’ as part of their corporate name, and any violation of this prohibition shall subject the party charged therewith to a civil penalty of \$50 for each day during which the violation continues.

“SEC. 212. That no Federal Intermediate Credit Bank shall charge or receive any fee, commission, bonus, gift, or other consideration not herein specifically authorized.”

TITLE II.—NATIONAL AGRICULTURAL CREDIT CORPORATIONS.

FORMATION.

SEC. 201. That corporations for the purpose of providing credit facilities for the agricultural and live-stock industries of the United

States, to be known as National Agricultural Credit Corporations, may be formed by any number of natural persons not less in any case than five. Such persons shall enter into articles of association which shall specify the object for which the corporation is formed. Such articles of association shall be signed by the persons intending to participate in the organization of the corporation and be forwarded to the Comptroller of the Currency to be filed and preserved in his office.

REQUISITES OF ARTICLES AND CERTIFICATE.

SEC. 202. (a) That persons signing such articles of association shall make an organization certificate which shall specifically state the name of the corporation to be organized, the place where its office is to be located, the State or States in which its operations are to be carried on, the amount of its capital stock, and the number of shares into which the same shall be divided, and that the certificate is made to enable the subscribers to avail themselves of the advantages of this title.

(b) The name of each corporation organized under this title shall include the words "National Agricultural Credit Corporation."

(c) The organization certificate and articles of association shall be acknowledged before some judge of a court of record or notary public and shall, together with the acknowledgment thereof duly authenticated by the seal of such court or notary, be transmitted to the Comptroller of the Currency, who shall file, record, and carefully preserve the same in his office.

(d) Upon making and filing the articles of association and organization certificate with the Comptroller of the Currency, and when the Comptroller of the Currency has approved the same and issued a written permit to begin business, the corporation shall be and become a body corporate, and shall have power—

(1) To adopt and use a corporate seal.

(2) To have succession for a period of 50 years unless sooner dissolved by the act of shareholders owning two-thirds of its stock or by Act of Congress or unless its charter shall be forfeited for violation of law.

(3) To make contracts.

(4) To sue and be sued, complain and defend in any court of law or equity, and for purposes of jurisdiction shall be deemed a citizen of the State where it is located.

(5) To elect or appoint directors and by its board of directors to appoint such officers and employees as may be deemed proper; to define their authority and duties; to fix their salaries; in its discretion to require bonds of any of them and to fix the penalty thereof; and to dismiss at pleasure any of such officers or employees.

(6) To prescribe by its board of directors by-laws not inconsistent with law or the regulations of the Comptroller of the Currency defining the manner in which its general business may be conducted, its shares of stock be transferred, its directors and officers be elected or appointed, its property transferred, and the privileges granted to it by law be exercised and enjoyed.

(7) To exercise by its board of directors or duly authorized officers or agents all powers specifically granted by the provisions

of this title, and such incidental powers as shall be necessary to carry on the business for which it is incorporated, within the limitations prescribed by this title, but such corporation shall transact no business except such as is incidental and necessarily preliminary to its organization until authorized in writing by the Comptroller of the Currency to commence business under the provisions of this title.

(8) The affairs of each National Agricultural Credit Corporation shall be managed by not less than five directors, who shall be elected by the stockholders at a meeting to be held at any time before the corporation is authorized by the Comptroller of the Currency to commence business, and afterwards at meetings to be held on such day in January of each year as may be provided in the articles of association. The directors so elected shall hold office for one year, and until their successors are elected and have qualified. Every director and other officer of the corporation shall, before entering upon the duties of his office, take and subscribe an oath before a notary public or other official having a seal and authorized to administer oaths, conditioned for the faithful performance of the duties of his office. Such oath shall be in such form as may be prescribed by the Comptroller of the Currency, and shall be filed in the office of the Comptroller of the Currency. Any vacancy in the board shall be filled by appointment by the remaining directors, and any director so appointed shall hold his place until the next election.

SEC. 203. (a) That each National Agricultural Credit Corporation shall have power, under such rules and regulation as the Comptroller of the Currency may prescribe—

(1) To make advances upon, to discount, rediscount, or purchase, and to sell or negotiate, with or without its indorsement or guaranty, notes, drafts, or bills of exchange, and to accept drafts or bills of exchange, which—

(A) Are issued or drawn for an agricultural purpose, or the proceeds of which have been or are to be used for an agricultural purpose;

(B) Have a maturity, at the time of discount, purchase, or acceptance, not exceeding nine months; and

(C) Are secured at the time of discount, purchase, or acceptance by warehouse receipts or other like documents conveying or securing title to nonperishable and readily marketable agricultural products, or by chattel mortgages or other like instruments conferring a first and paramount lien upon live stock which is being fattened for market.

(2) To make advances upon or to discount, rediscount, or purchase, and to sell or negotiate with or without its indorsement or guaranty, notes secured by chattel mortgages conferring a first and paramount lien upon maturing or breeding live stock or dairy herds, and having a maturity at the time of discount, rediscount, or purchase not exceeding three years.

(3) To subscribe for, acquire, own, buy, sell, and otherwise deal in Treasury certificates of indebtedness, bonds or other obligations of the United States to such extent as its board of directors may determine.

(4) To act, when requested by the Secretary of the Treasury, as fiscal agent of the United States, and to perform such services

as the Secretary of the Treasury may require in connection with the issue, sale, redemption or repurchase of bonds, notes, Treasury certificates of indebtedness, or other obligations of the United States.

(5) To purchase, hold, acquire, and dispose of shares of the capital stock of any corporation organized under the provisions of section 207, of this title, in an amount not to exceed at any time 20 per centum of its paid in and unimpaired capital and surplus.

(6) To purchase, hold, and convey real estate for the following purposes, and for no others:

(A) Such as shall be necessary for its accommodation in the transaction of its business.

(B) Such as shall be mortgaged to it in good faith by way of security for debts previously contracted.

(C) Such as shall be conveyed to it in satisfaction of loans or advances made or debts previously contracted in the course of its dealings.

(D) Such as it shall purchase at sales under judgments, decrees, or mortgages held by the corporation or shall purchase to secure debts due to it.

(7) To act as custodian, trustee, or agent for holders of notes, drafts, or bills of exchange sold or negotiated under paragraphs (1) and (2) of subdivision (a) of this section or under section 207.

(8) To issue, subject to such regulations as the Comptroller of the Currency may prescribe, collateral trust notes or debentures, with a maturity not exceeding three years, and to pledge as security for such notes or debentures any notes, drafts, bills of exchange, or other securities held by the corporation under the terms of this title. The regulations of the Comptroller of the Currency may prescribe the form of notes or debentures, and of notes, drafts, bills of exchange, warehouse receipts, chattel mortgages, or other instruments which may be pledged as security therefor, the provisions which may be made with regard to release, substitution, or exchange of such securities, and with regard to protection, supervision, inspection, and reinspection of the agricultural commodities or live stock pledged or mortgaged as security therefor.

(b) The United States Government shall assume no liability, direct or indirect, for any debentures or other obligations issued under this title, and all such debentures and other obligations shall contain conspicuous and appropriate language, to be prescribed in form and substance by the Comptroller of the Currency and approved by the Secretary of the Treasury, clearly indicating that no such liability is assumed.

(c) Any obligation referred to in paragraphs (1) or (2) of subdivision (a) of this section, which is secured by chattel mortgage upon live stock of an estimated market value at least equal to the face amount of such obligation, may be additionally secured by mortgage or deed of trust upon real estate or by other securities, under such regulations as may be made by the Comptroller of the Currency.

LIMITATIONS.

SEC. 204. Except as hereinafter provided in section 207 of this title, no National Agricultural Credit Corporation shall incur lia-

bilities, whether direct or contingent, in excess of ten times its paid in and unimpaired capital and surplus; nor shall any such corporation make advances to or hold notes or other direct obligations of any person or corporation, or have outstanding acceptances for any person or corporation, in an amount exceeding 20 per centum of the paid in and unimpaired capital and surplus of such corporation, unless such advances, notes, acceptances, or other obligations are adequately secured by warehouse receipts representing readily marketable and nonperishable agricultural commodities, in which event the amount of such advances to, or notes or other direct obligations of, or acceptances for, such one person, association, or corporation shall not exceed 50 per centum of such paid in and unimpaired capital and surplus. No such corporation shall purchase, own, or deal in any live stock except live stock taken in the course of liquidation of obligations held by it.

INTEREST RATES.

SEC. 205. (a) Any National Agricultural Credit Corporation may charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at the rate allowed by the laws of the State in which such corporation is located.

(b) The taking, receiving, reserving, or charging a rate of interest greater than is allowed by subdivision (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid, or his legal representative, may recover back in an action in the nature of an action for debt twice the amount of the interest thus paid from the corporation taking or receiving the same, provided such action is commenced within two years from the time the usurious interest was collected.

CAPITAL STOCK.

SEC. 206. (a) That no National Agricultural Credit Corporation shall be permitted to commence business with a paid-in capital of less than \$250,000; and no permit to begin business shall be issued to any such corporation by the Comptroller of the Currency until there shall have been filed with him a certificate signed by the president or treasurer and by individuals comprising a majority of the board of directors of such corporation showing that at least 50 per centum of the authorized capital stock of such corporation has been paid in in cash; and the remainder of the capital stock of such corporation shall be paid in installments of at least 10 per centum each on the whole amount of the capital, and the entire authorized capital stock shall be paid in within six months from the date upon which such corporation shall be authorized by the Comptroller of the Currency to commence business. The payment of each installment shall be certified to the Comptroller of the Currency under oath by the president or cashier of such corporation.

(b) The capital stock of any such corporation may be increased at any time with the approval of the Comptroller of the Currency by a vote of two-thirds of the holders of its issued and outstanding

capital stock, or by written consent of all of its shareholders without a meeting and without a formal vote; and may be reduced in like manner: *Provided*, That in no event shall such capital stock be reduced to an amount less than one-tenth of its then outstanding indebtedness, direct or contingent, or to an amount less than \$250,000, nor without at the same time reducing proportionately outstanding liabilities. No National Agricultural Credit Corporation, except as herein provided, shall withdraw or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its paid-in capital, and section 5204 of the Revised Statutes, prohibiting the payment of unearned dividends or the withdrawal of capital of national banks, shall be held to apply to National Agricultural Credit Corporations.

(c) The provisions and limitations contained in section 5139 of the Revised Statutes, relative to transfer of the shares of the capital stock of national banks, shall apply to National Agricultural Credit Corporations.

(d) Whenever any shareholder or his assign fails, upon demand of the Comptroller of the Currency, to pay his subscription or any part thereof on stock of any National Agricultural Credit Corporation subscribed to by him, the directors of the corporation, after 15 days' notice, shall proceed in the manner prescribed by section 5141 of the Revised Statutes for the collection of unpaid subscriptions to stock of national banks.

(e) Section 5144 of the Revised Statutes, which relates to the right of shareholders of national banks to vote by proxy, shall be held to apply to shareholders of National Agricultural Credit Corporations.

REDISCOUNT CORPORATIONS.

Sec. 207. (a) That National Agricultural Credit Corporations having an authorized capital stock of \$1,000,000 or over may be organized under the provisions of this title, to exercise all the powers enumerated in section 203, except that in lieu of the powers conferred in paragraphs (1) and (2) of subdivision (a) of such section, such corporations shall have powers,—

(1) Upon the indorsement of any National Agricultural Credit Corporation, or of any bank or trust company which is a member of the Federal Reserve System, to rediscount for such corporation, bank, or trust company, notes, drafts, bills of exchange, and acceptances, which conform to the requirements of paragraphs (1) and (2) of subdivision (a) of section 203. Such indorsement shall be deemed to be a waiver of demand notice and protest by such corporation as to its own indorsement exclusively.

(2) To discount or purchase notes, drafts, or bills of exchange issued or drawn by cooperative associations of producers of agricultural products, provided such notes, drafts, or bills of exchange are secured at the time of discount or purchase by warehouse receipts or other like documents conveying or securing title to nonperishable and readily marketable agricultural products, and have a maturity at the time of discount or purchase not exceeding nine months.

(3) To sell or negotiate with or without recourse any note, draft, or bill of exchange discounted or purchased hereunder.

(b) National Agricultural Credit Corporations organized under the provisions of this section, shall not be subject to the limitations contained in section 204, but the Comptroller of the Currency may, by general regulations, from time to time prescribe the amount of indebtedness, direct or contingent, which such corporations may incur, and the aggregate amount of paper of different types which such corporations may rediscount for any one corporation.

(c) Corporations with powers limited, as provided in this section, shall not be subject to the requirements as to deposit of bonds or other obligations of the United States, as provided in section 208 of this title.

PERMIT TO BEGIN BUSINESS.

SEC. 208. (a) That no National Agricultural Credit Corporation, except corporations with powers limited as provided in section 207, shall commence business until it has deposited with the Federal reserve bank of the district wherein it has its place of business, bonds or other obligations of the United States in an aggregate face amount at least 25 per centum of its paid-in capital stock. Each such corporation shall at all times keep on deposit with such Federal reserve bank an amount of such bonds or other obligations of the United States at least equal in face value to $7\frac{1}{2}$ per centum of the aggregate indebtedness of such corporation, direct or contingent, said amount to include the 25 per centum deposited as hereinbefore by this section provided. Except as hereinafter provided, such bonds or other obligations shall be held by such Federal reserve bank, subject to the direction and control of the Comptroller of the Currency, in trust for the equal and pro rata protection and benefit of all holders of notes, debentures, drafts, bills of exchange, or acceptances upon which such corporation may be directly or contingently liable. Upon receipt of proper evidence that the amount of such bonds or other obligations of the United States so deposited exceeds $7\frac{1}{2}$ per centum of such aggregate indebtedness, the Comptroller of the Currency may release such excess, provided that the amount remaining on deposit shall in no event be reduced below 25 per centum of the paid-in capital stock of such corporation. Under such regulations as the Comptroller of the Currency may prescribe, a Federal reserve bank may, upon request of the corporation which deposited the same, sell any such bonds or obligations for account of such corporation, and permit such corporation to use the proceeds thereof for the protection or preservation of any property pledged or mortgaged as security for obligations owned or indorsed by the corporation. If by reason of such sale the face amount of such bonds or other obligations of the United States remaining on deposit with such Federal reserve bank shall be less than $7\frac{1}{2}$ per centum of such aggregate indebtedness of the corporation, no further advances shall be made, or notes, drafts, or bills of exchange discounted, rediscounted, accepted, or purchased, by such corporation until sufficient additional bonds or other obligations of the United States have been deposited to make good the deficiency.

(b) In determining whether to grant permission to do business to any National Agricultural Credit Corporation, the Comptroller of the Currency shall take into account the extent to which the laws

of the State or States in which the corporation will do business afford adequate protection to advances made upon the security of warehouse receipts covering agricultural commodities or chattel mortgages upon live stock with respect to (1) bonding, licensing, and inspection of warehouses; (2) recordation of chattel mortgages or deeds of trust on live stock; (3) recordation of brands or other identifying marks on live stock; (4) reporting and recording of interstate shipments and slaughter of live stock; and (5) right of mortgagee to release a portion of the mortgaged property without prejudice to the priority of lien as against junior lienors or other creditors of the mortgagor.

MISCELLANEOUS ADMINISTRATIVE PROVISIONS.

SEC. 209. (a) That all National Agricultural Credit Corporations shall be under the supervision of the Comptroller of the Currency, who shall be charged with the execution of all laws of the United States relating to the organization, regulation, and control of such corporations. The Comptroller of the Currency shall exercise the same general power of supervision over such corporations as he now exercises over national banks organized under the laws of the United States.

(b) In addition to the two Deputy Comptrollers of the Currency now provided for by law, there shall be in the Bureau of the Comptroller of the Currency a third Deputy Comptroller of the Currency who shall be appointed in the same manner and shall take a like oath of office and give a like bond as the Deputy Comptrollers now provided for by law. Under the direction of the Comptroller of the Currency, such additional Deputy Comptroller shall have charge of the administration of the provisions of this title relating to the organization and operation of National Agricultural Credit Corporations and shall perform such other duties as shall be assigned to him by the Comptroller of the Currency. The Comptroller of the Currency is hereby authorized to employ such additional examiners, clerks, and other employees as he deems necessary to carry out the provisions of this title and to assign to duty in the office of his bureau in Washington such examiners and assistant examiners as he shall deem necessary to assist in the performance of the work of that bureau. The salaries of the Deputy Comptrollers of the Currency and of such additional examiners, assistant examiners, clerks, and other employees shall be fixed in advance by the Comptroller of the Currency. The salaries of the two Deputy Comptrollers now provided for by law and of all national bank examiners and assistant examiners assigned to duty in the office of the bureau in Washington in connection with the supervision of national banks shall be considered part of the expenses of the examinations provided for by section 5240 of the Revised Statutes, as amended; and the salaries of such additional Deputy Comptroller and of all examiners, assistant examiners, clerks, and other employees appointed under the terms of this title and assigned to duty in connection with the administration of this title shall be considered part of the expenses of the administration of this title: *Provided, however,* That the salary of the additional Deputy Comptroller provided for by this subdivision shall be considered partly an ex-

pense of the administration of this title in proportions to be determined from time to time by the Comptroller of the Currency with a view to a fair apportionment of such expense, until such time as it shall be necessary for such additional Deputy Comptroller to give his full time to the administration of this title. The Comptroller of the Currency shall have power to levy semi-annually upon the National Agricultural Credit Corporations operating under the provisions of this title, in proportion to their total assets, an assessment sufficient to pay the expenses of the administration of this title for the ensuing half year, together with any deficit carried forward from the preceding half year. Each such corporation shall pay the amount so assessed against it to the Treasurer of the United States subject to the order of the Comptroller of the Currency to be disbursed by the Comptroller in payment of expenses incurred in the administration of this title.

(c) The Comptroller of the Currency shall have power to appoint and fix the compensation of examiners to examine National Agricultural Credit Corporations or to use national bank examiners for this purpose. All examiners appointed by him shall be subject to existing provisions of law relating to national bank examiners and to the provisions of the Federal Reserve Act which prohibit national bank examiners from performing any service for compensation for any bank or officer and from disclosing the names of borrowers or the collateral for loans without obtaining the written consent of the Comptroller of the Currency, and such provisions shall be held to apply to examiners appointed to examine corporations organized under the provisions of this title.

(d) The expense of all of the examinations of National Agricultural Credit Corporations shall be assessed by the Comptroller of the Currency upon the corporations examined in proportion to assets or resources held by the corporations upon the dates of examination of the various corporations: *Provided*, That a minimum charge of \$50 shall be made for each such examination.

(e) The provisions of the Federal Reserve Act which prohibit any member bank from making loans or granting a gratuity to any national bank examiner shall be applicable to National Agricultural Credit Corporations.

(f) National Agricultural Credit Corporations shall be required to make reports to the Comptroller of the Currency at the time and in the manner required by sections 5211 and 5212 of the Revised Statutes, and shall be subject to the provisions, so far as the same may be held by said Comptroller to be applicable, of section 5213 of the Revised Statutes.

(g) The Secretary of Agriculture may issue a license to any person, upon presentation to him of satisfactory evidence that such person is competent to inspect live stock as a basis for loans. The Secretary of Agriculture may suspend or revoke any license issued by him under this subdivision whenever, after opportunity for hearing has been given to the licensee, the Secretary shall determine that such licensee is incompetent, or has knowingly or carelessly made false or erroneous inspection reports with respect to any live stock, or has accepted any money or other consideration, directly or indirectly, for any neglect or improper performance of duty, or has in any other manner shown himself to be unfit to act as a live-stock

inspector. Pending investigation, the Secretary of Agriculture, whenever he deems it necessary, may suspend a license temporarily without a hearing. It shall be unlawful for any person other than a holder of a license duly issued under this subdivision, or any person whose license has been suspended or revoked under the terms of this subdivision, to represent that he is a Federally licensed live-stock inspector, and any violation of this provision shall be punishable by a fine of not more than \$1,000, or by imprisonment for not more than one year, or both.

(h) Any inspector licensed under the provisions of subdivisions (g) who makes any statement in any inspection report or to any person for the purpose of obtaining for himself, or any other person, any advance on the security of the live stock inspected, knowing the same to be false, or who willfully overvalues any security by which an advance is secured, shall be punishable by a fine of not more than \$5,000, or by imprisonment for not more than five years, or both.

(i) The Comptroller of the Currency shall allot to the Department of Agriculture from time to time such sums as may be estimated to be necessary for the administration of the functions vested in that department by this title, and may ratably assess the same from time to time against National Agricultural Credit Corporations.

BANKS MEMBERS OF THE FEDERAL RESERVE SYSTEM MAY BECOME STOCK HOLDERS.

Sec. 210. That any member bank of the Federal reserve system may file application with the Comptroller of the Currency for permission to invest an amount not exceeding in the aggregate 10 per centum of its paid in capital stock and surplus in the stock of one or more of the National Agricultural Credit Corporations, and upon approval of such application may purchase such stock. The Comptroller of the Currency shall have discretion to approve or reject such application in whole or in part.

TAXATION.

Sec. 211. That taxation by a State of the shares in National Agricultural Credit Corporations, or of dividends derived therefrom, or of the income of said corporations, or real estate owned by them, shall be such only as is or may be authorized by law in the case of national banking associations; and taxation by a State of the debentures or other obligations of such corporations shall not be at a higher rate than the rate applicable to other moneyed capital in the hands of individual citizens thereof.

DEPOSITS.

Sec. 212. That the moneys of National Agricultural Credit Corporations may be kept on deposit subject to check in any member bank of the Federal reserve system.

CONVERSION OF CORPORATIONS.

Sec. 213. (a) That any agricultural or live-stock financing corporation incorporated by special law of any State or organized under

the general laws of any State and having an unimpaired capital sufficient to entitle it to become a National Agricultural Credit Corporation may, by the vote of the shareholders owning not less than 51 per centum of the capital stock of such corporation, with the approval of the Comptroller of the Currency, be converted into a National Agricultural Credit Corporation under this title, with any name approved by the Comptroller of the Currency: *Provided*, That the said conversion shall not be in contravention of the State law.

(b) In such case the articles of association and organization certificate may be executed by a majority of the directors of the corporation, and the certificate shall declare that the owners of 51 per centum of the capital stock have authorized the directors to make such certificate and to change or convert the corporation into a National Agricultural Credit Corporation. A majority of the directors, after executing the articles of association and the organization certificate, shall have power to execute all other papers and to do whatever may be required to make its organization perfect and complete as a National Agricultural Credit Corporation. The shares of any such corporation may continue to be for the same amount each as they were before the conversion, and the directors may continue to be directors of the corporation until others are elected or appointed.

(c) When the Comptroller of the Currency has given to such corporation a certificate that the provisions of this title have been complied with, such corporation, and all its stockholders, owners, and employees, shall have the same powers and privileges and shall be subject to the same duties, liabilities, and regulations, in all respects, as shall have been prescribed by this title for corporations originally organized as National Agricultural Credit Corporations.

CONSOLIDATION OF CORPORATIONS.

SEC. 214. (a) That any two or more National Agricultural Credit Corporations, with the approval of the Comptroller of the Currency, may consolidate into one corporation under the charter of either or any of the existing corporations on such terms and conditions as may be lawfully agreed upon by a majority of the board of directors of each corporation proposing to consolidate, such agreement to be ratified and confirmed by the affirmative vote of the shareholders of each of such corporations owning at least two-thirds of its capital stock outstanding, at a meeting to be held on the call of the directors after publishing notice of the time, place, and object of the meeting for four consecutive weeks in some newspaper published in the place where the said corporation is located, and if no newspaper is published in the place then in a paper published nearest thereto, and after sending such notice to each shareholder of record by registered mail at least ten days prior to said meeting: *Provided*, That the capital stock of such consolidated corporation shall not be less than \$250,000 paid in if the corporations consolidated are organized to exercise the powers covered by section 203, or less than \$1,000,000 paid in if the corporations consolidated are those organized under section 207.

(b) When such consolidation shall have been effected and approved by the Comptroller of the Currency any shareholder of either

of the corporations so consolidated who has not voted for such consolidation may give notice to the board of directors of the corporation in which he is interested, within 20 days from the date of the certificate of approval of the Comptroller of the Currency, that he dissents from the plan of consolidation as adopted and approved, whereupon he shall be entitled to receive the value of the shares so held by him, to be ascertained by an appraisal made by a committee of three persons, one to be selected by the shareholder, one by the directors, and the third by the two so chosen; and in case the value so affixed shall not be satisfactory to the shareholder, he may within five days after being notified of the appraisal appeal to the Comptroller of the Currency, who shall cause a reappraisal to be made, which shall be final and binding; and if said reappraisal shall exceed the value affixed by said committee, the corporation shall pay the expense of the reappraisal, otherwise the appellant shall pay said expense; and the value so ascertained and determined shall be deemed to be a debt due and be forthwith paid to said shareholder by said corporation, and the shares so paid shall be surrendered and after due notice sold at public auction within 30 days after the final appraisement provided for by this title.

(c) Where corporations consolidate under the provisions of this title, all of the rights, franchises, and interest of said corporations shall be consolidated in and to every species of property, personal and mixed, and choses in action thereto belonging, and shall be deemed to be transferred to and vested in the corporation into which it is consolidated without any deed or other transfer, and the said consolidated corporation shall hold and enjoy the same and all rights of property, franchises, and interest, in the same manner and to the same extent as they were held and enjoyed by the corporations so consolidated therewith.

INSOLVENCY, RECEIVERSHIP, AND LIQUIDATION.

SEC. 215. (a) That whenever any National Agricultural Credit Corporation shall be dissolved and its rights, privileges, and franchises declared forfeited as prescribed in the preceding section, or whenever any creditor of any such corporation shall have obtained a judgment against it in any court of record and made application accompanied by a certificate from the clerk of the court, stating that such judgment has been rendered and has remained unpaid for the space of 30 days or whenever the Comptroller of the Currency shall become satisfied of the insolvency of such corporation, he may, after due examination of its affairs in either case, appoint a receiver who shall proceed to wind up the affairs of such corporation. The receiver so appointed shall exercise the powers and be subject to the restrictions of receivers of national banks; and the Comptroller of the Currency shall have the same powers and duties in connection with the administration of such receivership as he has in reference to the receivership of national banks.

(b) Shareholders' agents for shareholders of National Agricultural Credit Corporations may be appointed in the manner prescribed by section 3 of the Act of June 30, 1876, as amended, and shall have the same general powers and duties and be subject to the same restrictions as shareholders' agents of a national bank.

(c) Any National Agricultural Credit Corporation may go into liquidation and be closed by the vote of its shareholders owning two-thirds of its stock. Whenever a vote is taken to go into liquidation it shall be the duty of the board of directors to cause notice of this fact to be certified under the seal of the corporation by its president or cashier to the Comptroller of the Currency and publication thereof to be made for a period of two months in a newspaper published in the city or town in which the corporation is located, or if no newspaper is there published, in the newspaper published nearest thereto, that the corporation is closing up its affairs and notifying the creditors to present their claims against the corporation for payment. All such claims shall be presented to and approved by a liquidating agent to be appointed by the board of directors of such corporation, with the approval of the Comptroller of the Currency, and the affairs of such corporation shall be liquidated by such agent and under the supervision of the Comptroller of the Currency.

PENALTY PROVISIONS.

SEC. 216. (a) That any officer, director, agent, or employee of a National Agricultural Credit Corporation who embezzles, abstracts, purloins, or willfully misapplies any of the moneys, funds, or credits of such corporation, or who, without authority from the directors, draws any order or bill of exchange, makes any acceptance, issues, puts forth, or assigns any note, debenture, bond, draft, bill of exchange, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such corporation with intent in any case to injure or defraud such corporation or any other company or person, or to deceive any officer of such corporation or the Comptroller of the Currency, or any agent or examiner appointed to examine the affairs of such corporation; and every receiver of such corporation who with like intent to defraud or injure embezzles, abstracts, purloins, or willfully misapplies any of the moneys, funds, or assets of the corporation, and every person who with like intent aids or abets any officer, director, agent, employee, or receiver in any violation of this section shall be deemed guilty of a misdemeanor, and upon conviction in any district court of the United States, shall be fined not more than \$5,000, or shall be imprisoned for not more than five years, or both, at the discretion of the court.

(b) Whoever makes any statement, knowing it to be false, for the purpose of obtaining for himself or for any other person, firm, corporation, or association any advance, or extension or renewal of an advance, or any release or substitution of security, from a National Agricultural Credit Corporation, or for the purpose of influencing in any other way the action of such corporation, 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 willfully overvalues any property offered as security for any such advance shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

(d) Any examiner appointed under this title who shall accept a loan or gratuity from any organization examined by him, or from any person connected with any such organization in any capacity, or who shall disclose the names of borrowers to other than the proper

officers of such organization, without first having obtained expressed permission in writing from the Comptroller of the Currency or from the board of directors of such organization, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States or of either House thereof, or any committee of Congress or of either House duly authorized, shall be punished by a fine of not exceeding \$5,000 or by imprisonment of not exceeding one year, or both, and may be fined a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as an examiner under the provisions of this title. No examiner while holding such office shall perform any other service for compensation for any bank or banking or loan association or for any person connected therewith in any capacity.

(e) Whoever, being an officer, director, employee, agent or attorney of a National Agricultural Credit Corporation stipulates for or receives or consents or agrees to receive any fee, commission, gift, or thing of value from any person, firm, or corporation for procuring or endeavoring to procure for such person, firm, or corporation, or for any other person, firm, or corporation any loan from any such corporation or extension or renewal of loan or substitution of security, or the purchase or discount or acceptance of any paper, note, draft, check, or bill of exchange by any such corporation, shall be deemed guilty of a misdemeanor and upon conviction shall be imprisoned for not more than one year or fined not more than \$5,000, or both.

(f) Any person who shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any debentures, coupons, or other obligations in imitation of or purporting to be an imitation of the debentures, coupons, or other obligations issued by any National Agricultural Credit Corporation, and any person who shall pass, utter, or publish or attempt to pass, utter, or publish any false, forged, or counterfeited debenture, coupon, and other obligation purporting to be issued by any such corporation knowing the same to be falsely made, forged, or counterfeited, and any person who shall falsely alter or cause or procure to be falsely altered, or shall willingly aid or assist in falsely altering any such debenture, coupon, or other obligation, or who shall pass, utter, or publish as true any falsely altered or spurious debenture, coupon, or other obligation issued or purporting to have been issued by any such corporation knowing the same to be falsely altered or spurious shall be punished by a fine of not exceeding \$5,000 or by imprisonment not to exceed five years, or both.

(g) Any person who shall deceive, defraud, or impose upon or who shall attempt to deceive, defraud, or impose upon any person, partnership, corporation, or association by making any false pretense or representation concerning the character, issue, security, contents, conditions, or terms of any debenture, coupon, or other obligation issued under the terms of this title, shall be fined not exceeding \$500, or imprisoned not to exceed one year, or both.

(h) All corporations not organized under the provisions of this title are prohibited from using the words "National Agricultural Credit Corporation" as part of their corporate name, and any vio-

lation of this prohibition shall subject the party charged therewith to a civil penalty of \$50 for each day during which the violation continues.

RESERVATION OF RIGHT TO AMEND.

SEC. 217. That the right to amend, alter, or repeal the provisions of this title is hereby expressly reserved.

TITLE III.—AMENDMENTS TO FEDERAL FARM LOAN ACT.

SEC. 301. That the second paragraph of section 3 of the Federal Farm Loan Act is amended to read as follows:

“Said Federal Farm Loan Board shall consist of seven members, including the Secretary of the Treasury, who shall be a member and chairman ex officio, and six members to be appointed by the President of the United States, by and with the advice and consent of the Senate. Of the six members to be appointed by the President, not more than three shall be appointed from one political party, and all six of said members shall be citizens of the United States and shall devote their entire time to the business of the Federal Farm Loan Board; they shall receive an annual salary of \$10,000 payable monthly, together with actual necessary traveling expenses. One of the additional members of the Federal Farm Loan Board, hereby provided for, shall be appointed for a term expiring August 6, 1929, and one for a term expiring August 6, 1931, and thereafter the terms of all members of the Federal Farm Loan Board shall be as in this section otherwise provided for.”

SEC. 302. That the eighth paragraph of section 3 of the Federal Farm Loan Act is amended and divided into three paragraphs to read as follows:

“The salaries and expenses of the Federal Farm Loan Board and farm loan registrars and examiners authorized under this section shall, after June 30, 1923, be paid by the Federal and joint-stock land banks in proportion to their gross assets, as follows:

“The Federal Farm Loan Board shall, prior to June 30, 1923, and each six months thereafter, estimate the expenses and salaries of the Federal Farm Loan Board, its officers and employees, farm loan registrars, deputy registrars, the examiners and reviewing appraisers, and apportion the same among the Federal and joint-stock land banks in proportion to their gross assets at the time of such apportionment and make an assessment upon each of such banks pursuant to such apportionment, payable on the 1st of July or January next ensuing. The funds collected pursuant to such assessments shall be deposited with the Treasurer of the United States to be disbursed in payment of such salaries and expenses on appropriations duly made by Congress for such purpose.

“If any deficiency shall occur in such fund during the half-year period for which it was estimated, the Federal Farm Loan Board shall have authority to make immediate assessment covering such deficiency against the Federal and joint-stock land banks upon the same basis as the original assessment. If at the end of the six months' period there shall remain a surplus in such fund, it shall be

deducted from the estimated expenses of the next ensuing six months' period when assessment is made for such period. Land bank appraisers shall receive such compensation as the Federal Farm Loan Board shall fix and shall be paid by the Federal land banks and the joint-stock land banks which they serve in such proportion and in such manner as the Federal Farm Loan Board shall order."

SEC. 303. That the second paragraph of section 4 of the Federal Farm Loan Act is amended to read as follows:

"The Federal Farm Loan Board shall establish in each Federal land bank district a Federal land bank, with its principal office located in such city within the district as said board shall designate. Each Federal land bank shall include in its title the name of the city in which it is located. Subject to the approval of the Federal Farm Loan Board, any Federal land bank may establish branches within the land bank district. Subject to the approval of the Federal Farm Loan Board and under such conditions as it may prescribe, the provisions of this Act are extended to the island of Porto Rico and the Territory of Alaska; and the Federal Farm Loan Board shall designate a Federal land bank which is hereby authorized to establish a branch bank in Porto Rico, and a Federal land bank which is hereby authorized to establish a branch bank in the Territory of Alaska. Loans made by each such branch bank shall not exceed the sum of \$10,000 to any one borrower and shall be subject to the restrictions and provisions of this Act, except that each such branch bank may loan direct to borrowers, and subject to such regulations as the Federal Farm Loan Board may prescribe, the rate charged borrowers may be $1\frac{1}{2}$ per centum in excess of the rate borne by the last preceding issue of farm loan bonds of the Federal land bank with which such branch bank is connected: *Provided*, That no loan shall be made in Porto Rico or Alaska by such branch bank for a longer term than 20 years."

SEC. 304. That the twentieth to twenty-fifth paragraphs, inclusive, of section 4 of the Federal Farm Loan Act are amended to read as follows:

"The board of directors of every Federal land bank shall be selected as hereinafter specified and shall consist of seven members. Three of said directors shall be known as local directors and shall be chosen by and be representative of national farm-loan associations, and borrowers through agencies; three shall be known as district directors and shall be appointed by the Federal Farm Loan Board and represent the public interest. The term of office of local and district directors shall be three years.

"Within 30 days from the date of passage of the Agricultural Credits Act of 1923 and thereafter, at least two months before each election, the Federal Farm Loan Board shall divide each land bank district into three divisions, as nearly equal as possible, according to number of borrowers and the voting strength of national farm-loan associations and borrowers through agencies, and the Farm Loan Commissioner shall thereupon notify each association and agency in writing that an election is to be held for one local director from each of said divisions and requesting each association and agency to nominate one candidate for each division. Within ten days of receipt of such notice each national farm-loan association and borrower through agencies shall forward nominations of resi-

dents of their respective divisions for one director for such division to said Farm Loan Commissioner. The Farm Loan Commissioner shall then prepare a list of candidates for local directors, consisting of the ten persons receiving the highest number of votes from national farm-loan associations and borrowers through agencies for each division.

"At least one month before said election the Farm Loan Commissioner shall mail to each national farm-loan association and to each borrower through agencies the list of candidates for their respective divisions. The directors of each national farm-loan association shall cast the vote of said association for one of the candidates on said list and shall forward said vote to the said Farm Loan Commissioner within ten days after said list of candidates is received. In voting under this section each association shall be entitled to cast a number of votes equal to the total voting strength of the stockholders in association meetings, and each borrower through agencies shall be entitled to cast one vote for each share of stock held by him in the Federal land bank not exceeding twenty shares, and shall forward said vote to the said Farm Loan Commissioner within ten days after said list of candidates is received. The candidate receiving the highest number of votes in his division shall be declared elected as local director of the Federal land bank district from his division. In case of a tie, the Farm Loan Commissioner shall determine the choice. The nominations from which the list of candidates is prepared, and the votes of the respective associations and borrowers through agencies for such candidates, as counted, shall be tabulated and preserved, subject to examination by any candidate, for at least one year after the result of the election is announced.

"The Federal Farm Loan Board shall designate one of the district directors to serve until December 31, 1924, one to serve till December 31, 1925, and one to serve till December 31, 1926. After their first appointment each district director shall be appointed for a term of three years. At the first regular meeting of the board of directors of each Federal land bank the local directors shall designate one of their members to serve till December 31, 1924, one to serve till December 31, 1925, and one to serve till December 31, 1926. Thereafter each local director shall be chosen as hereinbefore provided and shall hold office for a term of three years. Any vacancies that may occur in the board of directors shall be filled for the unexpired term in the manner provided herein for the original selection of such directors. At the same time that the associations and borrowers through agencies nominate the candidates for the local directors, each association and each borrower through agencies shall also nominate one candidate for director at large for the entire district, and from the three persons having the greatest number of votes for nominee for director at large, the Federal Farm Loan Board shall select a director at large, whose term of office shall terminate on the 31st day of December, 1925, and every three years thereafter. Such seventh director may be removed by the Federal Farm Loan Board for neglect of duty, incapacity for the work, or malfeasance in office, after charges duly preferred and a hearing had thereon, and in such cases the associations of the district shall in like manner nominate candidates for another director at large, to fill the vacancy, for whom the Federal Farm Loan Board shall in

same manner select a successor, but any person who is removed can not be nominated to succeed himself. The board of directors thus selected shall, upon qualification, immediately take over the management of each bank.

"Directors of Federal land banks shall have been, for at least two years, residents of the district for which they are appointed or elected, and a local director shall be a resident of his division when elected. No district director of a Federal land bank shall, during his continuance in office, act as an officer, director, or employee of any other institution, association, or partnership engaged in banking or in the business of making or selling land-mortgage loans.

"Directors of the Federal land bank shall receive, in addition to any compensation otherwise provided, a reasonable allowance for necessary expenses in attending meetings of their boards, to be paid by the respective Federal land banks. Any compensation that may be provided by boards of directors of the Federal land banks for directors, officers, or employees shall be subject to the approval of the Federal Farm Loan Board."

SEC. 305. That the fourth paragraph of section 7 of the Federal Farm Loan Act is amended by adding thereto the following: "No such secretary-treasurer shall engage in the making of land mortgage loans eligible at a Federal land bank through or for any other land mortgage company or agency, and the making of any such loan by any secretary-treasurer shall forthwith work a forfeiture of his office."

SEC. 306. That subdivision (d) of paragraph "Fourth" of section 12 of the Federal Farm Loan Act is amended to read as follows:

"(d) To liquidate indebtedness of the owner of the land mortgaged incurred for agricultural purposes, or incurred prior to January 1, 1922."

SEC. 307. That paragraph "Seventh" of section 12 of the Federal Farm Loan Act is amended to read as follows:

"Seventh. The amount of loans to any one borrower shall in no case exceed a maximum of \$25,000, nor shall any one loan be for a less sum than \$100, but preference shall be given to applications for loans of \$10,000 and under.

SEC. 308. That section 21 of the Federal Farm Loan Act is amended by adding at the end thereof twelve new paragraphs to read as follows:

"Whenever it shall appear desirable to issue consolidated bonds of the twelve Federal land banks and to sell them through a common selling agency, and the Federal land banks shall, by resolution, consent to the same, the banks may issue and sell said bonds as hereinafter provided.

"Every bond so issued shall be signed by the Farm Loan Commissioner and attested by the secretary of the Federal Farm Loan Board, and their signatures may be either written or engraved thereon and shall recite in the face of the bond the fact that it is the joint and several obligation of the twelve Federal land banks, and shall in all respects be governed by the provisions of the Federal Farm Loan Act not inconsistent herewith.

"The consolidated bonds issued under this provision shall be made payable at any Federal land bank, and may be made payable at any Federal reserve bank or banks designated in the face of the bond.

"Each Federal land bank on whose behalf consolidated bonds shall be issued under this provision shall in all respects be bound by the act of the Farm Loan Commissioner and the secretary of the Federal reserve bank or banks designated in the face of the bond.

"Every Federal land bank, before participation in a consolidated issue, as herein provided, shall by appropriate action of its board of directors, duly recorded in its minutes, obligate itself to become liable on Federal farm loan bonds as provided in this section, and be bound by the action of the Farm Loan Commissioner and the secretary of the Federal Farm Loan Board in executing the same.

"Every farm loan bond issued hereunder shall contain on the face thereof a certificate signed by the Farm Loan Commissioner to the effect that it is issued under the authority of Title I of the Federal Farm Loan Act, has the approval in form and issue of the Federal Farm Loan Board, and is legal and regular in all respects; that it is not taxable by National, State, municipal, or local authority; that it is issued against collateral security consisting of obligations of the United States Government, or indorsed first mortgages on farm lands, at least equal in amount to the bonds issued; and that all Federal land banks are liable for the payment of each bond.

"When any Federal land bank shall desire to participate in a consolidated issue of farm loan bonds it shall make application to the Federal Farm Loan Board for the approval on its behalf of such issue and tender to the registrar approved farm mortgages, or obligations of the United States Government, as security therefor, and no banks shall participate in such consolidated issue until such application has been approved by the Federal Farm Loan Board. Each bank shall pay when due, without notice, all bonds and coupons issued on its behalf hereunder.

"If any Federal land bank shall fail to pay its proportion of interest or principal as herein prescribed, the Federal Farm Loan Board shall immediately call upon the other Federal land banks for the amount necessary to make said payment, the assessments to be made in proportion to the capital stock of each, which assessments shall be forthwith paid by said banks.

"The presidents of the twelve Federal land banks shall constitute the bond committee of the Federal land banks and shall select a chairman from among their number. The vice president may act in place of the president on the president's request or in case he fails to act.

"When an issue of consolidated bonds is contemplated, the bond committee shall determine the amount of such issue, the rate of interest which it is to bear, and the participation of the several banks therein, and submit their recommendations to the Federal Farm Loan Board for approval. When approved by the Federal Farm Loan Board the bonds shall be executed by the Farm Loan Commissioner and the secretary of the Federal Farm Loan Board, as herein provided.

"The expenses of the bond committee and of the sale of bonds shall be charged against the several land banks in proportion to their participation in the proceeds.

"The presidents of the Federal land banks shall receive no additional compensation for their services as members of the bond committee, but shall be paid necessary traveling expenses."

SEC. 309. That subdivisions (a) and (b) of the eighth paragraph of section 22 of the Federal Farm Loan Act are amended to read as follows:

“(a) To pay off farm loan bonds issued by or in behalf of said bank as they mature.

“(b) To purchase at or below par Federal farm loan bonds.”

SEC. 310. That section 25 of the Federal Farm Loan Act is amended to read as follows:

“SEC. 25. That if there shall be default under the terms of any indorsed first mortgage held by a Federal land bank under the provisions of this title, the National Farm Loan Association through which said mortgage was received by said Federal land bank shall be notified of said default. Said association may thereupon be required, within 30 days after such notice, to make good such default, either by payment of the amount unpaid thereon in cash or by the substitution of an equal amount of Federal farm loan bonds, with all unmatured coupons attached.”

SEC. 311. That section 29 of the Federal Farm Loan Act is amended by adding at the end thereof a new paragraph to read as follows:

“Upon liquidation of any national farm loan association, the stock in the Federal land bank held by such association shall be canceled and the Federal land bank shall thereupon issue to the borrowers through such association an amount of stock in the Federal land bank equal to the amount of stock held by such borrowers in the liquidated association, such stock to be held by the bank as collateral to the loans of such borrowers and to be paid off and retired at par in the same manner as stock held by borrowers in farm loan associations, and the Federal land bank shall pay to the borrowers holding such stock the same dividends as are paid to national farm loan associations by such bank. The personal liability of the stockholders in such liquidated association to the association shall survive such liquidation and shall be vested in the bank in that district, which may enforce the same as fully as the association could if in existence.”

TITLE IV.—AMENDMENTS TO THE FEDERAL RESERVE ACT.

SEC. 401. That the ninth paragraph of section 9 of the Federal Reserve Act is amended to read as follows:

“No applying bank shall be admitted to membership in a Federal reserve bank unless (a) it possesses a paid-up, unimpaired capital sufficient to entitle it to become a national banking association in the place where it is situated under the provisions of the National Bank Act, or (b) it possesses a paid-up, unimpaired capital of at least 60 per centum of the amount sufficient to entitle it to become a national banking association in the place where it is situated under the provisions of the National Bank Act and, under penalty of loss of membership complies with rules and regulations which the Federal Reserve Board shall prescribe fixing the time within which and the method by which the unimpaired capital of such bank shall be increased out of net income to equal the capital which would have been required if such bank had been admitted to membership under the

provisions of clause (a) of this paragraph: *Provided*, That every such rule or regulation shall require the applying bank to set aside annually not less than 20 per centum of its net income of the preceding year as a fund exclusively applicable to such capital increase."

SEC. 402. That the second paragraph of section 13 of the Federal Reserve Act is amended and divided into two paragraphs to read as follows:

"Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice and protest by such bank as to its own indorsement exclusively, any Federal reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this Act. Nothing in this Act contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount, and the notes, drafts, and bills of exchange of factors issued as such making advances exclusively to producers of staple agricultural products in their raw state shall be eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days, exclusive of grace.

"Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, and subject to regulations and limitations to be prescribed by the Federal Reserve Board, any Federal reserve bank may discount or purchase bills of exchange payable at sight or on demand which are drawn to finance the domestic shipment of nonperishable, readily marketable staple agricultural products and are secured by bills of lading or other shipping documents conveying or securing title to such staples: *Provided*, That all such bills of exchange shall be forwarded promptly for collection, and demand for payment shall be made with reasonable promptness after the arrival of such staples at their destination: *Provided further*, That no such bill shall in any event be held by or for the account of a Federal reserve bank for a period in excess of 90 days. In discounting such bills Federal reserve banks may compute the interest to be deducted on the basis of the estimated life of each bill and adjust the discount after payment of such bills to conform to the actual life thereof."

SEC. 403. That the fourth paragraph of section 13 of the Federal Reserve Act is amended to read as follows:

"Any Federal reserve bank may discount acceptances of the kinds hereinafter described, which have a maturity at the time of discount of not more than 90 days' sight, exclusive of days of grace, and

which are indorsed by at least one member bank: *Provided*, That such acceptances if drawn for an agricultural purpose and secured at the time of acceptance by warehouse receipts or other such documents conveying or securing title covering readily marketable staples may be discounted with a maturity at the time of discount of not more than six months' sight exclusive of days of grace."

SEC. 404. That the Federal Reserve Act is amended by adding at the end of section 13 a new section to read as follows:

"Sec. 13a. Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, any Federal reserve bank may, subject to regulations and limitations to be prescribed by the Federal Reserve Board, discount notes, drafts, and bills of exchange issued or drawn for an agricultural purpose, or based upon live stock, and having a maturity, at the time of discount, exclusive of days of grace, not exceeding nine months, and such notes, drafts, and bills of exchange may be offered as collateral security for the issuance of Federal reserve notes under the provisions of section 16 of this Act: *Provided*, That notes, drafts, and bills of exchange with maturities in excess of six months shall not be eligible as a basis for the issuance of Federal reserve notes unless secured by warehouse receipts or other such negotiable documents conveying or securing title to readily marketable staple agricultural products or by chattel mortgage upon live stock which is being fattened for market.

"That any Federal reserve bank may, subject to regulations and limitations to be prescribed by the Federal Reserve Board, rediscount such notes, drafts, and bills for any Federal Intermediate Credit Bank, except that no Federal reserve bank shall rediscount for a Federal Intermediate Credit Bank any such note or obligation which bears the indorsement of a nonmember State bank or trust company which is eligible for membership in the Federal reserve system, in accordance with section 9 of this Act.

"Any Federal reserve bank may also buy and sell debentures and other such obligations issued by a Federal Intermediate Credit Bank or by a National Agricultural Credit Corporation, but only to the same extent as and subject to the same limitations as those upon which it may buy and sell bonds issued under Title I of the Federal Farm Loan Act.

"Notes, drafts, bills of exchange or acceptances issued or drawn by cooperative marketing associations composed of producers of agricultural products shall be deemed to have been issued or drawn for an agricultural purpose, within the meaning of this section, if the proceeds thereof have been or are to be advanced by such association to any members thereof for an agricultural purpose, or have been or are to be used by such association in making payments to any members thereof on account of agricultural products delivered by such members to the association, or if such proceeds have been or are to be used by such association to meet expenditures incurred or to be incurred by the association in connection with the grading, processing, packing, preparation for market, or marketing of any agricultural product handled by such association for any of its members: *Provided*, That the express enumeration in this paragraph of certain classes of paper of cooperative marketing associations as eligible for redis-

count shall not be construed as rendering ineligible any other class of paper of such associations which is now eligible for rediscount.

"The Federal Reserve Board may, by regulation, limit to a percentage of the assets of a Federal reserve bank the amount of notes, drafts, acceptances, or bills having a maturity in excess of three months, but not exceeding six months, exclusive of days of grace, which may be discounted by such bank, and the amount of notes, drafts, bills, or acceptances having a maturity in excess of six months, but not exceeding nine months, which may be rediscounted by such bank."

SEC. 405. That section 14 of the Federal Reserve Act is amended by adding at the end thereof a new paragraph to read as follows:

"(f) To purchase and sell in the open market, either from or to domestic banks, firms, corporations, or individuals, acceptances of Federal Intermediate Credit Banks and of National Agricultural Credit Corporations, whenever the Federal Reserve Board shall declare that the public interest so requires."

SEC. 406. That section 15 of the Federal Reserve Act is amended by adding at the end thereof a new paragraph to read as follows:

"The Federal reserve banks are hereby authorized to act as depositories for and fiscal agents of any National Agricultural Credit Corporation or Federal Intermediate Credit Bank."

SEC. 407. That the Act entitled "An act to amend the act approved December 23, 1913, known as the Federal reserve act," approved April 13, 1920, is repealed.

TITLE V.—MISCELLANEOUS PROVISIONS.

AMENDMENTS TO WAR FINANCE CORPORATION ACT.

SEC. 501. That the time during which the War Finance Corporation may make advances and purchase notes, drafts, bills of exchange, or other securities under the terms of sections 21, 22, 23, and 24 of the War Finance Corporation Act, as amended, is further extended up to and including February 29, 1924: *Provided*, That if any application for an advance or for the purchase by the War Finance Corporation of notes, drafts, bills of exchange, or other securities is received at the office of the corporation in the District of Columbia on or before February 29, 1924, such application may be acted upon and approved, and the advance may be made or the notes, drafts, or other securities purchased, at any time prior to March 31, 1924.

SEC. 502. That the second paragraph of section 12 of Title I of the War Finance Corporation Act, as amended, is further amended to read as follows:

"The power of the corporation to issue notes or bonds may be exercised at any time prior to January 31, 1927, but no such bonds or notes shall mature later than June 30, 1927."

SEC. 503 (a) That the third paragraph of section 15 of Title I of such Act, as amended, is amended by striking out at the beginning of such paragraph the words "beginning July 1, 1923," and inserting in lieu thereof the words "beginning April 1, 1924."

(b) The fourth paragraph of such section, as amended, is amended by striking out at the beginning of such paragraph the words "After

July 1, 1923," and inserting in lieu thereof the words "After April 1, 1924."

INDEBTEDNESS OF NATIONAL BANKS.

SEC. 504. That section 502 of the Revised Statutes, as amended, is amended by adding at the end thereof a new paragraph to read as follows:

"Eighth. Liabilities incurred under the provisions of section 202 of the Federal Farm Loan Act, approved July 17, 1916, as amended.

JOINT CONGRESSIONAL COMMITTEE.

SEC. 506. (a) That a joint committee be appointed, to consist of three Members of the Banking and Currency Committee of the Senate, to be appointed by the President thereof, and five Members of the Banking and Currency Committee of the House of Representatives, to be appointed by the Speaker thereof. Vacancies occurring in the membership of the committee shall be filled in the same manner as the original appointments.

(b) The joint committee is authorized to inquire into the effect of the present limited membership of State banks and trust companies in the Federal reserve system upon financial conditions in the agricultural sections of the United States; the reasons which actuate eligible State banks and trust companies in failing to become members of the Federal reserve system; what administrative measures have been taken and are being taken to increase such membership; and whether or not any change should be made in existing law, or in rules and regulations of the Federal Reserve Board, or in methods of administration, to bring about in the agricultural districts a larger membership of such banks or trust companies in the Federal reserve system.

(c) The committee is authorized to sit at any time during the sessions or recesses of the Congress, to conduct its hearings at Washington or at any other place in the United States, to send for persons, books and papers, to take testimony, to administer oaths, and to employ experts deemed necessary by such committee, a clerk, and a stenographer to report such hearings as may be had in connection with any subject which may be before said committee, such stenographer's services to be rendered at a cost not exceeding \$1.25 per printed page. The expenses of such committee shall be paid out of the contingent funds of the Senate and House of Representatives in proportion to the membership of such committee from each House.

(d) The committee shall from time to time report to both the Senate and the House of Representatives the results of its inquiries, together with its recommendations, and may prepare and submit bills or resolutions embodying such recommendations, and the final report of said committee shall be submitted not later than January 31, 1924.

SEPARABILITY PROVISION.

SEC. 507. That 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 is rendered.

DEFINITIONS.

SEC. 508. That when used in this Act, the term "Federal Farm Loan Act" means the Federal Farm Loan Act approved July 17, 1916, as amended, and the term "Federal Reserve Act" means the Federal Reserve Act approved December 23, 1913, as amended.

SHORT TITLE.

SEC. 509. That this Act may be cited as the "Agricultural Credits Act of 1923."

And the Senate agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

Approved, March 4, 1923.