

# **NATIONAL GRASSLANDS MANAGEMENT**

## **A PRIMER**

### **Appendix G**



[PUBLIC—No. 210—75<sup>th</sup> CONGRESS]<sup>1</sup>  
[CHAPTER 517—1<sup>ST</sup> SESSION]  
[H. R. 7562]

**AN ACT**

To create the Farmers' Home Corporation, to promote secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as “The Bankhead-Jones Farm Tenant Act”.

**TITLE I--FARM TENANT PROVISIONS**

**POWER OF SECRETARY**

SECTION 1. (a) The Secretary of Agriculture (hereinafter referred to as the “Secretary”) is authorized to make loans in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico to persons eligible to receive the benefits of this title to enable such persons to acquire farms.

(b) Only farm tenants, farm laborers, share croppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible to receive the benefits of this title. In making available the benefits of this title, the Secretary shall give preference to persons who are married, or who have dependent families, or wherever practicable, to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations. No person shall be eligible who is not a citizen of the United States.

(c) No loan shall be made for the acquisition of any farm unless it is of such size as the Secretary determines to be sufficient to constitute an efficient farm-management unit and to enable a diligent farm family to carry on successful farming of a type which the Secretary deems can be successfully carried on in the locality in which the farm is situated.

**COUNTY COMMITTEES AND LOANS**

SEC. 2 (a) The County Committee established under section 42 shall—

(1) Examine applications (filed with the county agent in the county or with such other person as the Secretary may designate) of persons desiring to finance the acquisition of farms in the county by means of a loan from the Secretary under this title.

(2) Examine and appraise farms in the county with respect to which an application for a loan is made.

(b) If the committee finds that an applicant is eligible to receive the benefits of this title, that by reason of his character, ability, and experience he is likely successfully to carry out

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<sup>1</sup> Transcribed from The Bankhead-Jones Farm Tenant Act, P.L. 75-210, 50 Stat. 522 1937.

undertakings required of him under a loan which may be made under this title, and that the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of a loan with respect thereto will carry out the purposes of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the reasonable value of the farm.

(c) No certification under this section shall be made with respect to any farm in which any member of the committee or any person related to such member within the third degree of consanguinity or affinity has any property interest, direct or indirect, or in which they or either of them have had such interest within one year prior to the date of certification.

(d) No loan shall be made to any person or with respect to any farm unless certification as required under this section has been made with respect to such person and such farm by the committee.

### TERMS OF LOANS

SEC. 3 (a) Loans made under this title shall be in such amount (not in excess of the amount certified by the County Committee to be the value of the farm) as may be necessary to enable the borrower to acquire the farm and for necessary repairs and improvements thereon, and shall be secured by a first mortgage or deed of trust on the farm.

(b) The instruments under which the loan is made and security given therefor shall—

(1) Provide for the repayment of the loan within an agreed period of not more than forty years from the making of the loan.

(2) Provide for the payment of interest on the unpaid balance of the loan at the rate of 3 per centum per annum.

(3) Provide for the repayment of the unpaid balance of the loan, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary.

(4) Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented, and that such proper farming practices as the Secretary shall prescribe will be carried out.

(5) Provide that the borrower shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on farm buildings.

(6) Provide that upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon default in the performance of, or upon any failure to comply with, any covenant or condition contained in such instruments, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable, and that, without the consent of the Secretary, no final payment shall be accepted, or release of the Secretary's interest be made, less than five years after the making of the loan.

(c) Except as provided in paragraph (6) of subsection (b), no instrument provided for in this section shall prohibit the prepayment of any sum due under it.

(d) No provision of section 75, as amended, of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898 (U. S. C., 1934, ed. title 11, sec. 203; Supp. II, title 11, sec. 203), otherwise applicable in

respect of any indebtedness incurred under this title by any beneficiary thereof, shall be applicable in respect of such indebtedness until such beneficiary has repaid at least 15 per centum thereof.

### EQUITABLE DISTRIBUTION OF LOANS

SEC. 4. In making loans under this title, the amount which is devoted to such purpose during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

### AVOIDANCE OF PRODUCTION EXPANSION

SEC. 5. In carrying out this title, the Secretary shall give due consideration to the desirability of avoiding the expansion of production for market of basic commodities where such expansion would defeat the policy of Congress as set forth in section 7 (a) (5) of the Soil Conservation and Domestic Allotment Act, as amended, and shall so far as practicable, assist beneficiaries of the program under this title to become established upon lands now in cultivation.

### APPROPRIATION

SEC. 6. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, not to exceed \$25,000,000 for the fiscal year ending June 30, 1939, and not to exceed \$50,000,000 for each fiscal year thereafter. Not more than 5 per centum of the sums appropriated for any fiscal year in pursuance of this section shall be available for administrative expenses in carrying out this title during such fiscal year.

## TITLE II—REHABILITATION LOANS

### BORROWERS AND TERMS

SEC. 21. (a) Out of the funds made available under section 23, the Secretary shall have power to make loans to eligible individuals for the purchase of livestock, farm equipment, supplies, and for other farm needs (including minor improvements and minor repairs to real property), and for the refinancing of indebtedness, and for family subsistence.

(b) Loans made under this section shall bear interest at a rate not in excess of 3 per centum per annum, and shall have maturities not in excess of five years, and may be renewed. Such loans shall be payable in such installments as the Secretary may provide in the loan agreement. All loans made under this title shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

(c) Only farm owners, farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations, and who cannot obtain credit on reasonable terms from any federally incorporated lending institution, shall be eligible for loans under this section.

## DEBT ADJUSTMENT

SEC. 22. The Secretary shall have power to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors and may cooperate with and pay the whole or part of the expenses of State, Territorial, and local agencies and committees engaged in such debt adjustment. He is also authorized to continue and carry out undertakings with respect to farm debt adjustment uncompleted at the time when appropriations for the purpose of this section are first available. Services furnished by the Secretary under the section shall be without charge to the debtor or creditor.

## APPROPRIATION

SEC. 23 (a) For the fiscal year ending June 30, 1938, the balances of funds available to the Secretary for loans and relief to farmers, pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, which are unexpended on June 30, 1937, are authorized to be appropriated to carry out the provisions of this title.

(b) The President is authorized to allot to the Secretary, out of appropriations made for relief or work relief for any fiscal year ending prior to July 1, 1939, such sums as he determines to be necessary to carry out the provisions of this title and to enable the Secretary to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment.

## **TITLE III—RETIREMENT OF SUBMARGINAL LAND**

### PROGRAM

SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

### POWERS UNDER LAND PROGRAM

SEC. 32. To effectuate the program provided for in section 31, the Secretary is authorized—

(a) To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title.

(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use.

(c) To sell, exchange, lease or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes. The Secretary may recommend to the President other Federal, State or Territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purpose of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

(d) With respect to any land, or any interest therein, acquired by, or transferred to, the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable.

(e) To cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities.

(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of this title. Any violation of such rules and regulations shall be punished as prescribed in section 5388 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 18, sec. 104).

#### PAYMENTS TO COUNTIES

SEC. 33. As soon as practicable after the end of each calendar year, the Secretary shall pay to the county in which any land is held by the Secretary under this title, 25 per centum of the net revenues received by the Secretary from the use of the land during such year. In case the land is situated in more than one county, the amount to be paid shall be divided equitably among the respective counties. Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both. This section shall not be construed to apply to amounts received from the sale of land.

#### APPROPRIATION

SEC. 34. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, and not to exceed \$20,000,000 for each of the two fiscal years thereafter.

### TITLE IV—GENERAL PROVISIONS

#### FARMERS' HOME CORPORATION

SEC. 40 (a) There is hereby created as an agency, of and within the Department of Agriculture, a body corporate with the name "Farmers' Home Corporation" (in this Act called the Corporation). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices elsewhere in the United States under rules and regulations prescribed by the Board of Directors.

(b) The Secretary shall have power to delegate to the Corporation such powers and duties conferred upon him under title I or title II, or both, and such powers under title IV as relate to the exercise of the powers and duties so delegated, as he deems may be necessary to the efficient carrying out of the purposes of such titles and may be executed by the Corporation, and to transfer to the corporation such funds available for such purposes as he deems necessary. In connection with and in the exercise of such powers and duties so delegated, all provisions of this Act relating to the powers and duties of, and limitations upon, the Secretary shall apply to the Corporation in the same manner as to the Secretary, and the term "Secretary" shall be construed to include "Corporation".

(c) The Corporation shall have a nominal capital stock in an amount determined and subscribed for by the Secretary. Receipts for payments for or on account of such stock shall be issued by the Corporation to the Secretary and shall be evidence of the stock ownership of the United States.

(d) The management of the Corporation shall be vested in a board of directors (in this Act called the Board) subject to the general supervision of the Secretary. The Board shall consist of three persons employed in the Department of Agriculture who shall be designated by the Secretary. Vacancies in the Board, so long as there are two members in office, shall not impair the powers of the Board to execute its functions and two of the members in office shall constitute a quorum for the transaction of business. The directors, appointed as hereinbefore provided, shall receive no additional compensation for their services as such directors but may be allowed travel and subsistence expenses when engaged in business of the Corporation outside of the District of Columbia.

(e) The Board may select, subject to the approval of the Secretary, an administrator, who shall be the executive officer of the Corporation, with such power and authority as may be conferred upon him by the Board.

(f) The Corporation—

(1) Shall have succession in its corporate name;

(2) May adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) May sue and be sued in its corporate name in any court of competent jurisdiction, State or Federal: *Provided*, That the prosecution and defense of all litigation to which the Corporation may be a party shall be conducted under the supervision of the Attorney General, and the Corporation shall be represented by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General: *And provided further*, That no attachment, injunction, garnishment, or other similar process, mense or final, shall be issued against the Corporation or its property;

(4) May adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised and enjoyed;

(5) Shall be entitled to the free use of the United States mails in the same manner as other executive agencies of the Government;

(6) Shall have such powers as may be necessary or appropriate for the exercise of the powers vested in the Corporation (including, but subject to the limitations of this Act, the power to make contracts, and to purchase or lease, and to hold or dispose of, such real and personal property as it deems necessary) and all such incidental powers as are customary in corporations generally. The Board shall define the authority and duties of

the officers and employees of the Corporation, delegate to them such of the powers vested in the Corporation as it may determine, and require bonds of such of them as it may designate and fix the penalties and pay the premiums of such bonds.

(g) Insofar as applicable, the benefits of the Act entitled “An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,” approved September 7, 1916, as amended, shall extend to employees of the Corporation.

(h) All money of the Corporation not otherwise employed may be deposited with the Treasurer of the United States or in any bank approved by the Secretary of the Treasury, subject to withdrawal by the Corporation at any time, or with the approval of the Secretary of the Treasury may be invested in obligations of the United States. Subject to the approval of the Secretary of the Treasury, the Federal Reserve banks are hereby authorized and directed to act as depositories, custodians, and fiscal agents for the Corporation in the performance of its powers.

(i) The Corporation, including its franchises, its capital, reserves, and surplus and its income and property shall, except as otherwise provided in section 50 (a), be exempt from all taxation now or hereafter, imposed by the United States or any State, Territory, District, dependency, or political subdivision.

(j) The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary a complete report as to the business of the Corporation.

#### ADMINISTRATIVE POWERS OF SECRETARY AND CORPORATION

SEC. 41. For the purposes of this Act, the Secretary shall have power to—

(a) Appoint (without regard to the civil-service laws and regulations) and fix the compensation of such officers and employees as may be necessary. No person (except as to positions requiring technical training and experience for which no one possessing the requisite technical training and experience is available within the area) shall be appointed or transferred under this Act to any position in an office in a State or Territory the operations of which are confined to such State or Territory or a portion thereof, or in a regional office outside the District of Columbia the operations of which extend to more than one, or portions of more than one, State or Territory, unless such person has been an actual and bona-fide resident of the State or Territory, or region, as the case may be, in which such office is located, for a period of not less than one year next preceding the appointment or transfer to such position (disregarding periods of residence outside such State or Territory, or region, as the case may be, while in the Federal Government service). If the operations of the office are confined to a portion of a single State or Territory, the Secretary in making appointments or transfers to such office shall, except in the classes of cases exempted from the preceding sentence, appoint or transfer only persons who are residents of such portion of the State or Territory: *Provided*, That hereafter, whenever practicable, all appointments of persons to the Federal service for employment within the District of Columbia, under the provisions of this Act, whether such appointments be within the classified civil service or otherwise, shall be apportioned among the several States and the District of Columbia upon the basis of population as ascertained at the last preceding census.

(b) Accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision.

(c) Within the limits of appropriations made therefore, make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, newspapers, and press clippings; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this Act.

(d) Make contracts for services and purchases of supplies without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) when the aggregate amount involved is less than \$300.

(e) Make payments prior to audit and settlement by the General Accounting Office.

(f) Acquire land and interests therein without regard to section 355 of the Revised Statutes, as amended. This subsection shall not apply with respect to the acquisition of land or interests in land under title III.

(g) Compromise claims and obligations arising under, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into pursuant to, this Act, as circumstances may require.

(h) Collect all claims and obligations arising under this Act, or under any mortgage, lease, contract, or agreement entered into pursuant to this Act, and if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this Act shall be conducted under the supervision of the Attorney General, and the legal representation shall be by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General.

(i) Make such rules and regulations as he deems necessary to carry out this Act.

#### COUNTY COMMITTEE

SEC. 42 (a) The Secretary is authorized and directed to appoint in each county in which activities are carried on under title I a county committee composed of three farmers residing in the county.

(b) Each member of the committee shall be allowed compensation at the rate of \$3 per day while engaged in the performance of duties under this Act but such compensation shall not be allowed with respect to more than five days a month. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses.

(c) The committee shall meet on the call of the county agent in the county, or on the call of such other person as the Secretary may designate. Two members of the committee shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistants as he deems may be required by any committee.

(d) Committees established under this Act shall, in addition to the duties specifically imposed under this Act, perform such other duties under this Act as the Secretary may require of them.

## RESETTLEMENT PROJECTS

SEC. 43. The Secretary is authorized to continue to perform such of the functions vested in him pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, and pursuant to Public Act Numbered 845, approved June 29, 1936 (49 Stat. 2035), as shall be necessary only for the completion and administration of those resettlement projects, rural rehabilitation projects for resettlement purposes, and land development and land utilization projects, for which lands have been allotted by the President, and the balances of funds available to the Secretary for said purposes which are unexpended on June 30, 1937, are authorized to be appropriated to carry out said purposes: *Provided*, That any land held by the United States under the supervision of the Secretary pursuant to said Executive orders may where suitable be utilized for the purposes of title I of this Act, and the Secretary may sell said land and make loans for the necessary improvement thereof to such individuals and upon such terms as shall be in accordance with the provisions of said title.

## GENERAL PROVISIONS APPLICABLE TO SALE

SEC. 44. The sale or other disposition of any real property acquired by the Secretary pursuant to the provisions of this Act, or any interest therein, shall be subject to the reservation of the Secretary, on behalf of the United States of not less than an undivided three-fourths of the interest of the United States in all coal, oil, gas, and other minerals in or under such property.

## TRANSFER OF AVAILABLE LANDS

SEC. 45. The President may at any time in his discretion transfer to the Secretary or the Corporation any right, interest, or title held by the United States, and under the supervision of the Secretary, in any land which the President shall find suitable for the purposes of this Act, and the Secretary or the Corporation, as the case may be, may use and dispose of such land in such manner, and subject to such terms and conditions, as the President determines will best carry out the objectives of this Act.

## TRANSACTIONS WITH CORPORATIONS

SEC. 46. Nothing in this Act shall be construed to authorize the making of any loan, or the sale or other disposition of real property or any interest therein, to any private corporation, for farming purposes.

## SURVEYS AND RESEARCH

SEC. 47. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this Act, and may publish and disseminate information pertinent to the various aspects of his activities.

## VARIABLE PAYMENTS

SEC. 48. The Secretary may provide for the payment of any obligation or indebtedness to him under this Act under a system of variable payments under which a surplus above the required payment will be collected in periods of above-normal production or prices and employed to reduce payments below the required payment in periods of subnormal production or prices.

## SET-OFF

SEC. 49. No set-off shall be made against any payment to be made by the Secretary to any person under the provisions of this Act, by reason of any indebtedness of such person to the United States, and no debt due to the Secretary under the provisions of this Act shall be set off against any payments owing by the United States, unless the Secretary shall find that such set-off will not adversely affect the objectives of this Act.

## TAXATION

SEC. 50. (a) All property which is being utilized to carry out the purposes of title I or title II of this Act (other than property used solely for administrative purposes) shall, notwithstanding that legal title to such property remains in the Secretary or the Corporation, be subject to taxation by the State, Territory, District, dependency, and political subdivision concerned, in the same manner and to the same extent as other similar property is taxed.

(b) All property to which subsection (a) of this section is inapplicable which is held by the Secretary or the Corporation pursuant to this Act shall be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, District, dependency, or political subdivision, but nothing in this subsection shall be construed as affecting the authority or duty of the Secretary under any other law to make payments in respect of any such property in lieu of taxes.

## BID AT FORECLOSURE

SEC. 51. The Secretary is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire property pledged or mortgaged to secure any loan or other indebtedness owing under this Act; to accept title to any property so purchased or acquired; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein; and to sell or otherwise dispose of such property so purchased or acquired upon such terms and for such considerations as the Secretary shall determine to be reasonable, but subject to the reservation of the rights provided for in section 44.

## PENALTIES

SEC. 52. (a) Whoever makes any material representation, knowing it to be false, for the purpose of influencing in any way the action of the Corporation upon any application, advance, discount, purchase, or repurchase agreement, contract of sale, lease, or loan, or any change or extension of any of the same by renewal, deferment of action or otherwise, or the acceptance,

release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(b) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities or other things of value, whether belonging to the Corporation or pledged or otherwise entrusted to it; or (2) with intent to defraud the Corporation, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of, or to, the Corporation, or draws any order, or issues, puts forth, or assigns any note or other obligation or draft, mortgage, judgment, or decree thereof; or (3) with intent to defraud the Corporation, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission contract, or any other act of the Corporation, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(c) Whoever willfully shall conceal, remove, dispose of, or convert to his own use or to that of another, any property mortgaged or pledged to, or held by the Corporation, as security for any obligation, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(d) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 202-207, inclusive), insofar as applicable, are extended to apply to contracts or agreements of the Corporation, which for the purposes hereof shall be held to include advances, loans, discounts, purchase and repurchase agreements, contracts of sale, and leases; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

(e) Whoever conspires with another to accomplish any of the acts made unlawful by the preceding provisions of this section shall, on conviction thereof, be subject to the same fine or imprisonment, or both, as is applicable in the case of conviction for doing such unlawful act.

#### FEES AND COMMISSIONS PROHIBITED

SEC. 53. No Federal officer, attorney, or employee shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this Act other than such salary, fee, or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee established under the section 42 shall knowingly make or join in making any certification prohibited by section 2 (c). Any person violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than \$1,000, or imprisonment for not more than one year, or both.

#### EXTENSION OF TERRITORIES

SEC. 54. The provisions of this Act shall extend to the Territories of Alaska and Hawaii and to Puerto Rico. In the case of Alaska and Puerto Rico the term "country" as used in this Act shall be deemed synonymous with the Territory, or any subdivision thereof as may be designated by the Secretary and payments under section 33 of this Act shall be made to the Governor of the Territory or to the fiscal agent of such subdivision.

### SEPARABILITY

SEC. 55. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

Approved, July 22, 1937.