nor until his physical, mental, and moral qualifications have been established to the satisfaction of the Secretary of the Navy.

Sec. 20. The following Acts and parts of Acts are hereby repealed:
(a) Section 2 of the Act of May 6, 1932 (47 Stat. 149).
(b) Subsection (a) of section 14 of the Act of June 23, 1938 (52 Stat. 951).
(c) Section 207 of the Act of June 25, 1938 (52 Stat. 1182).
(d) Sections 2 and 3 of the Act of January 30, 1941 (55 Stat. 4).
(e) Section 8 of the Act of February 28, 1925 (43 Stat. 1082).
(f) Section 1379 of the Revised Statutes.

Approved August 13, 1946.

[CHAPTER 963]
AN ACT

To fix the rate of postage on domestic air mail, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the rate of postage on domestic air mail shall be 5 cents for each ounce or fraction thereof.

Sec. 2. As used in this Act, "domestic air mail" shall embrace all mailable matter being transported as mail by air within the continental United States, within any Territory or possession of the United States, within any geographical area which is a protectorate of the United States, or between any of the aforesaid: Provided, That with respect to mail transported under authority of section 1 of the Act of October 14, 1940 (54 Stat. 1175; 39 U. S. C., 1940 edition, 488a), the postage rate of 5 cents for each ounce or fraction of an ounce shall be applicable only to mail of the first class, and for all other classes the rates shall be as prescribed by that Act.

Sec. 3. This Act shall take effect on the first day of the second month following the month of enactment.

Approved August 14, 1946.

[CHAPTER 964]
AN ACT

To simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by defining the lending powers of the Secretary of Agriculture, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes.

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

SHORT TITLE

Section 1. This Act may be cited as the "Farmers’ Home Administration Act of 1946."

DISPOSITION OF CERTAIN AGENCIES AND THEIR ASSETS AND PERSONNEL

Sec. 2. (a) The following agencies, functions, powers, and duties are hereby abolished and the following laws relating thereto repealed:
(1) The Farm Security Administration and all of its functions, powers, and duties.
(2) All functions, powers, and duties of the Governor of the Farm Credit Administration which relate to the making, administration, and
liquidation of (a) all loans to farmers under the Act entitled "An Act to provide for loans to farmers for crop production and harvesting during the year 1937, and for other purposes", approved January 29, 1937 (U. S. C., 1940 edition, title 12, secs. 10201-10206); (b) all loans identified or referred to in sections 5 (b), 5 (c), and 5 (d) of Executive Order Numbered 6084, dated March 27, 1933, and (c) all other emergency crop production, feed, seed, drought, and rehabilitation loans administered by the Farm Credit Administration on the effective date of this Act. The said Act approved January 29, 1937, is hereby repealed.

(3) All functions, powers, and duties of the National Housing Agency with respect to property, funds, and other assets which were formerly under the administration or supervision of the Farm Security Administration and were transferred to or consolidated with the National Housing Agency by Executive Order Numbered 9070 of February 24, 1942, except housing projects and except such other properties and assets as are now in the process of liquidation.

(b) All assets, contracts, property, and records and all liabilities of the agencies abolished by this Act and all assets, contracts, property, and records which the Secretary of Agriculture, the Governor of the Farm Credit Administration, and the National Housing Administrator have been using or have acquired primarily in the administration of any function, power, or duty so abolished and all liabilities chargeable thereto shall be collected or liquidated, as the case may be, by the Secretary of Agriculture, in accordance with this Act and the Bankhead-Jones Farm Tenant Act, as amended. The Secretary shall promptly transmit to the Treasurer of the United States for appropriate credits all collections or proceeds realized from the assets, contracts, property, and property which are authorized to be administered, collected or liquidated by this Act, except that (1) the Secretary may retain so much of the personal property, such as office furniture, equipment, machines, automobiles, stationery, and office supplies, as he finds will be necessary in carrying out his duties under this Act and the Bankhead-Jones Farm Tenant Act, as amended; (2) until the loans obtained by the Secretary of Agriculture or the War Food Administrator from the Reconstruction Finance Corporation for carrying on the Farm Security programs have been paid, the Secretary shall pay to the Reconstruction Finance Corporation, as collected, in accordance with the terms of the applicable loan agreements, the proceeds of all assets transferred to him for administration and liquidation which are pledged as security for such loans; and (3) the proceeds from collections on farmers' crop production and harvesting loans (U. S. C., 1940 edition, title 12, secs. 10201-10206, 1020b) made available by the paragraph entitled "Farmers' crop production and harvesting loans" under the item "Farm Credit Administration" in the Department of Agriculture Appropriation Act, 1947, shall be available to the Secretary of Agriculture for the fiscal year 1947 for making loans under title II of the Bankhead-Jones Farm Tenant Act, as amended.

(c) The funds appropriated, authorized to be borrowed, and made available under the items "Farmers' crop production and harvesting loans" (under the heading "Farm Credit Administration"), "Loans, Grants, and Rural Rehabilitation" and "Farm Tenancy" in the Department of Agriculture Appropriation Act, 1947, shall be available for the making and servicing of loans under this Act, for servicing and collecting loans made under prior authority, liquidation of rural rehabilitation projects, and for administrative expenses in connection therewith, and to the extent that such funds are validly obligated and committed on June 30, 1947, shall be available for use.
by the Secretary in fulfilling such obligations and commitments subject to the limitations set forth in the Acts appropriating or authorizing such funds.

(d) All labor supply centers, labor homes, labor camps, and facilities formerly under the supervision or administration of the Farm Security Administration and originally transferred or made available to the War Food Administrator for use in the farm labor supply program pursuant to Public Law 45, Seventy-eighth Congress, approved April 29, 1943 (57 Stat. 70), and all similar labor centers, homes, camps, and facilities constructed or acquired by the War Food Administrator or the Department of Agriculture pursuant to subsequent similar laws or otherwise, shall be liquidated as provided in this Act and the proceeds paid to the Treasurer of the United States as each such center, home, camp, or facility is no longer needed in the farm labor supply program originally initiated pursuant to Public Law 45, or until six months after the termination of the present hostilities as determined by concurrent resolution of the Congress, or by the President, whichever is the earlier.

(e) Any of the personnel that is being utilized on the effective date of this Act for the performance of functions, powers, or duties abolished or transferred by this Act, including, but not limited to those related to emergency crop and feed loans, shall be utilized by the Secretary of Agriculture in the performance of his duties and functions under this Act and the Bankhead-Jones Farm Tenant Act, as amended, to the extent that he determines that such personnel are qualified and necessary therefor.

(f) The Secretary of Agriculture shall liquidate, as expeditiously as possible, trusts under the transfer agreements with the various State Rural Rehabilitation Corporations and is authorized and directed to negotiate with responsible officials to that end.

(g) With the approval of the Secretary of Agriculture, the consummation of the transfer of any function, power, duty, asset, or liability transferred by this Act may be delayed not in excess of ninety days after the effective date of this Act, during which time such function, power, or duty, and any function, power, or duty abolished by this Act, may be administered by such agency as the Secretary may designate and in accordance with such rules and regulations as the Secretary may prescribe. Such rules and regulations shall, however, conform as nearly as may be practicable to the provisions of this Act, the several appropriation Acts which are involved, or the Bankhead-Jones Farm Tenant Act, as amended, whichever is appropriate.

AMENDMENT TO TITLE IV OF THE BANKHEAD-JONES FARM TENANT ACT

Sec. 3. The following sections of title IV of the Bankhead-Jones Farm Tenant Act, as amended, except insofar as they affect title III of the Bankhead-Jones Farm Tenant Act, as amended, are hereby amended to read as follows:

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

"(a) Appoint (without regard to the civil-service laws or the Classification Act of 1923, as amended) such experts as may be necessary in carrying out the provisions of this Act: Provided, That the Administrator of the Farmers' Home Administration shall be appointed by the President, by and with the advice and consent of the Senate. The salary of none of such experts or the Administrator shall exceed $10,000 per annum. The Secretary shall also have the power to appoint, subject to the provisions of the civil-service laws, such other officers and employees as may be necessary and fix their com-
penetration in accordance with the Classification Act of 1923, as amended, except that for a period of not to exceed nine months from the effective date of this provision, the Secretary may make appointments and continue employees of the Farm Security Administration and the non-civil-service employees of the Emergency Crop and Feed Loan Division, utilized in the performance of the functions of the Farmers' Home Administration under this Act, without regard to the civil-service laws or regulations.

"(b) The Secretary may administer his powers and duties under this Act through such area finance, State, and local offices in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico as he determines to be necessary: Provided, That existing regional offices shall be liquidated on or before June 30, 1947. The Secretary may authorize one office to serve the area composed of two or more States (Territories or Puerto Rico) if he determines that the volume of business in the area is not sufficient to justify separate State offices.

"(c) 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.

"(d) Within the limits of appropriations made therefor, 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.

"(e) 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.

"(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 or adjust claims and adjust and modify the terms of mortgages, leases, contracts and agreements entered into or administered pursuant to this Act as circumstances may require, in the following manner:

"(1) Compromise of claims of $10,000 or more must be effected by reference to the Secretary of the Treasury or to the Attorney General, pursuant to the provisions of section 3469 of the Revised Statutes (U. S. C. 1940 edition, title 31, sec. 194); 

"(2) Claims of less than $10,000 may be compromised or may be adjusted or reduced on the basis of a reasonable determination by the Secretary of the debtor's ability to pay and the value of the security and with or without the payment of any consideration at the time of such adjustment; releases from personal liability may also be made with or without the payment of any consideration at the time of adjustment of—

"(A) borrowers who have transferred their farms to other approved applicants under agreements assuming the outstanding indebtedness to the Secretary under this title; and 

"(B) Borrowers who have transferred their farms to other
approved applicants under agreements assuming that portion of their outstanding indebtedness to the Secretary which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the county committees certify and the Secretary determines that the borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

"(C) No compromise or adjustment shall be made upon terms more favorable than recommended by the appropriate County Committee established pursuant to section 42 of this Act;

"(3) Any claim of $100 or less, which has been due and payable for three years or more, and where the debtor has no assets from which the claim could be collected or is deceased and has left no estate, or has been absent from his last known address for a period of at least two years and his whereabouts cannot be ascertained without undue expense, may be charged off or released by the Secretary upon a report and favorable recommendation of the employee of the Administration having charge of the claim: Provided, That claims of $10 or less may be canceled and released whenever it appears to the Secretary that further collection efforts would be ineffectual or likely to prove uneconomical; and

"(4) At the end of each fiscal year the Secretary shall report to Congress the names of all persons against whom claims in excess of $1,000 have been compromised, the address of such person, the nature of the claim, the amount of the compromise, and the reason therefor.

"(h) Collect all claims and obligations arising or administered under this Act, or under any mortgage, lease, contract, or agreement entered into or administered pursuant to this Act and, if in his judgment necessary and advisable, pursue the same to final collection in any court having jurisdiction. All legal work arising out of such claims and obligations, including, but not limited to, the prosecution and defense of all litigation, is authorized to be performed, as determined by the Solicitor of the Department of Agriculture, through the Department of Justice, by attorneys of the Office of the Solicitor of the Department of Agriculture, or by local counsel approved by the Solicitor of the Department of Agriculture, whose fees, upon approval by the Solicitor, shall be paid by the Secretary; and

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

"COUNTY COMMITTEES

"SEC. 42. (a) The Secretary is authorized and directed to appoint in each county in which activities are carried on under this Act a county committee composed of three individuals residing in the county, at least two of whom shall be farmers residing on a farm and deriving the principal part of their income from farming. In making the first appointments pursuant to the amendments made by Farmers' Home Administration Act of 1946, the Secretary shall designate one member of each committee to serve for a period of one year, one member to serve for a period of two years, and one member to serve for a period of three years. All subsequent appointments shall be for a three-year period. The Secretary may appoint an alternate for each member of each committee who shall have the same qualifications and be appointed for the same term as such member. The members of
each committee shall elect one member to serve as chairman. Members of the committees and their alternates shall be removable for cause by the Secretary.

"(b) Each member of the committee shall be allowed compensation at the rate of not to exceed $5 per day while engaged in the performance of duties under this Act. The number of days per month that each member may be paid shall be determined and approved by the Secretary. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. The compensation and expenses of the committee members and their alternates shall be paid by the Secretary.

"(c) The committee shall meet on the call of the committee chairman, 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, or as may be delegated to them by the Secretary.

"RESETTLEMENT PROJECTS

"SEC. 43. (a) The Secretary shall do all things necessary to complete the liquidation as expeditiously as possible of all resettlement projects and rural rehabilitation projects for resettlement purposes including, but not limited to, defense relocation corporations, land-leasing and land-purchasing associations, all properties retransferred from the National Housing Agency by section 2 (a) (3) of the Farmers' Home Administration Act of 1946, and all other corporations or associations organized for similar purposes and financed, in whole or in part, with funds made available to the Secretary, the War Food Administrator, the Farm Security Administration, the Resettlement Administration, or the Federal Emergency Relief Administration.

"(b) Within six months after the effective date of the Farmers' Home Administration Act of 1946, the Secretary shall determine which of the lands comprising the projects described in (a) hereof are suitable for use, either with or without subdivision, as farms of sufficient size to constitute efficient farm management units and to enable diligent farm families to carry on farming of a type which the Secretary deems can be carried on successfully in the localities in which the lands are situated. The Secretary shall file with the Congress, promptly after making such determination, a complete report of the determination, with full information as to the location of all lands comprising such projects, and of the facts taken into account by the Secretary in making the determination. All lands which the Secretary determines are suitable for farming and all personal property incident to or comprising such projects and usable in farming operations shall, wherever practicable, be sold by the Secretary as expeditiously as possible to individuals eligible to receive the benefits of title I of this Act and in a manner consistent with the provisions of such title. The Secretary, if appropriations are made therefor by Congress, may make loans to such purchasers to enable them to improve such lands or repair such property, which loans shall be made only after certification of the county committees and otherwise in a manner consistent with the provisions of title I: Provided, That all sales of project lands in economic units shall be in accordance with the terms, conditions, and limitations of S. 704, Seventy-ninth Congress, second session.
Grants, etc., of public facilities.
Disposition of surplus real and personal property.
Sales on credit.

50 Stat. 522.
Post, p. 1072.

Sales on credit.

(c) Public facilities, such as electric light, water and sewage systems, buildings and lands for schools and churches, and land for public roads, streets, and alleys, may be granted or dedicated to public or semipublic institutions or granted to public or private organizations where (1) such facilities or lands cannot be sold at reasonable prices, (2) similar facilities or land are not available at reasonable rates and terms to the inhabitants of the particular area and (3) the recipients of such facilities will agree to operate and maintain them and shall relieve the Government of all responsibility in connection therewith. In making grants or dedications of such facilities, the Secretary shall give due consideration to all applications for such grants or dedications and shall award the facilities to the organization or institution found by the Secretary to be most capable of maintaining and operating such properties. In all sales, grants, or dedications of such facilities, the Secretary shall take reasonable precautions to provide that they will not be used in competition with companies or organizations in the area furnishing adequate services to the inhabitants upon reasonable rates and terms.

(d) Real and personal property comprising such projects which is not determined by the Secretary to be suitable for sale as family-size farms as provided in (b) hereof, or which is not granted or dedicated as provided in (c) hereof, shall, within eighteen months after the effective date of the Farmers' Home Administration Act of 1946, either be transferred by the Secretary to appropriate agencies of the United States for disposition as surplus property of the United States or be sold by the Secretary at public or private sale to any individual or corporation at the best price obtainable, after public notice, for cash or on secured credit, without regard to the laws governing the disposition of surplus real or personal property of the United States: Provided, however, That in the case of all sales on credit under this subparagraph (d) the Secretary shall obtain an initial cash payment of at least 20 per centum of the sales price and the remainder shall be paid in equal annual installments within a term not in excess of five years: Provided further, That whenever it is found by the Secretary that it is not practicable to dispose of lands reserved for sale pursuant to subparagraph (b) hereof under the provisions of title I of this Act, such lands may be sold by the Secretary under the authority of this subparagraph (d).

(e) The Secretary shall cause the defense relocation corporations, land-leasing and land-purchasing associations, and other similar corporations or associations to sell properties to which they hold title in accordance with the limitations and procedures prescribed in this section.

(f) The provisions of this section shall apply to all labor supply centers, labor homes, labor camps, and facilities upon their transfer to the Secretary as provided in section 2 (d) of this Act.

SPECIAL CONDITIONS AND LIMITATIONS ON LOANS

SEC. 44. The Secretary, under this Act—

(a) Shall make no loan—

(1) to any corporation or cooperative association;

(2) unless the appropriate county committee certifies in writing that the applicant is eligible to obtain such loan and that, in the opinion of such committee, he will honestly endeavor to carry out undertakings and obligations required of him under a loan which may be made by the Secretary;

(3) to any person, unless the applicant represents in writing, and it is administratively determined by the Secretary, after a certification to such effect by the appropriate county committee,
that credit sufficient in amount to finance the actual needs of the applicant is not available to him at the rates (but not exceeding the rate of 5 per centum per annum) and terms prevailing in the community in or near which the applicant resides for loans of similar size and character from commercial banks, cooperative lending agencies, or from any other responsible source;

"(4) for the carrying on of any land-purchase or land-leasing program, or for the purpose of carrying on any operations in collective farming, or cooperative farming, or for the organization, promotion, or management of homestead associations, land-leasing associations, land-purchasing associations, or cooperative land-purchasing for colonies of rehabilitants and tenant purchasers, except for the liquidation as expeditiously as possible of any such projects heretofore initiated.

"(b) Shall, except as otherwise specifically provided by the Congress, make all loans at the interest rate of 5 per centum per annum evidenced by notes requiring full liability of the maker and upon such security and such other terms and conditions as the Secretary may prescribe, including such provisions for the supervision of the borrower as the Secretary shall deem necessary to protect his interests.

"(c) Shall, in the case of every loan, require in the loan and security instruments that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, Federal land bank, or other responsible cooperative or private credit source at rates (but not exceeding the rate of 5 per centum per annum) and terms for loans for similar periods of time and purposes prevailing in the area in which the loan is to be made, the borrower shall, upon request of the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary and to pay for any stock necessary to be purchased in the cooperative lending agency in connection with the loan.

"TRANSFER OF LANDS TO SECRETARY

"SEC. 45. The President may at any time in his discretion transfer to the Secretary any right, interest or title held by the United States in any lands acquired in the program of national defense and no longer needed therefor, which the President shall find suitable for the purposes of this Act, and the Secretary shall dispose of such lands in the manner and subject to the terms and conditions of this Act.

"TRANSACTIONS WITH CORPORATIONS

"SEC. 46. Nothing in this Act shall authorize the making of any loan or the sale or other disposition of real property or any interest therein, other than interests in coal, oil, gas, or other minerals, to any private corporation, except in furtherance of liquidation pursuant to section 43, or the leasing of mineral interests to corporations or individuals from time to time in accordance with policies established by the Secretary of Agriculture.

"SURVEYS AND INVESTIGATIONS

"SEC. 47. The Secretary is authorized to conduct surveys and investigations relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this Act, and may, when funds are specifically appropriated therefor by the Congress, publish and disseminate information pertinent to the various aspects of its activities.
VARIABLE PAYMENTS

"Sec. 48. The Secretary shall require annual payments in installments sufficient to pay any obligations or indebtedness to him under this Act within the term of such obligation or indebtedness. The Secretary shall provide a method whereby a borrower may pay any obligation or indebtedness by a system of variable payments under which a surplus above the required installment for any year may be paid in periods of above-normal income and employed to reduce payments below the required annual payment in subsequent periods of subnormal income. Any advance payments to the Secretary shall not affect the obligation to pay the required annual installment during periods of normal or above-normal income.

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 of this Act (other than property used solely for administrative purposes) shall, notwithstanding that legal title to such property remains in the Secretary, 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 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 the Secretary shall 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 or conveyed to secure any loan or other indebtedness owing to or acquired by the Secretary under this Act; to accept title to any property so purchased or acquired; to operate for a period not in excess of one year from the date of acquisition, or lease such property for such period as may be deemed necessary to protect the investment therein; and to sell or otherwise dispose of such property in a manner consistent with the provisions of section 43 of this Act.

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 Secretary upon any application, discount, purchase, or repurchase agreement, contract of sale, lease or loan, or any change or extension of any of the same by renewal, compromise, adjustment, deferral of action or otherwise, or the acceptance, release or substitution of security therefor, shall, upon conviction thereof, be punished by a
fine of not more than $2,000 or by imprisonment for not more than
two years, or both.

"(b) Whoever, being employed in any capacity by the Secretary,
(1) embezzles, abstracts, purloins or willfully misapplies any moneys,
funds, securities or other things of value, whether belonging to the
Secretary or pledged or otherwise entrusted to him; or (2) with intent
to defraud the Secretary, or any body politic or other corporation, or
any individual, or to deceive any officer, auditor or examiner of the
Secretary, makes any false entry in any book, report or statement of,
or to, the Secretary, 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 Secretary, 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 Secretary shall, upon conviction thereof, be pun-
ished by a fine of not more than $5,000 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 that of another, any property mortgaged or pledged
to, or held by, the Secretary as security for any obligation, shall, upon
conviction thereof, be punished by a fine of not more than $2,000 or by
imprisonment for not more than two years, or both.

"(d) Whoever conspires with another to accomplish any of the
acts made unlawful by the preceding provisions of this section shall,
upon 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 officer, attorney, or other employee of the Secretary
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 sec-
tion 42 shall knowingly make or join in making any certification pro-
hibited 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 $2,000 or imprisonment for not more than two years, 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 `county' as used in this Act shall be deemed
synonymous with 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 provision to other persons or circum-
stances, shall not be affected thereby.

Sec. 4. Title II of the Bankhead-Jones Farm Tenant Act, as
amended, is hereby amended to read as follows:
"TITLE II—PRODUCTION AND SUBSISTENCE LOANS"

"BORROWERS AND TERMS"

"Sec. 21. Out of the funds made available under section 23, the Secretary may make loans to farmers and stockmen who are citizens of the United States for the purchase of livestock, seed, feed, fertilizer, farm equipment and supplies, other farm needs, the refinancing of indebtedness and family subsistence: Provided, That no loan shall be made under this section for the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program: Provided further, That, under this section, (1) the initial loan to any one borrower shall not exceed $3,500 and no further loan may be made by the Secretary under this title to a borrower so long as the total amount outstanding to that borrower, including interest and taxes or other liens and obligations which have accrued and are properly chargeable to the account of the borrower, exceeds $5,000; (2) the term of any such loan, including renewals and extensions, shall not exceed five years from the date the original loan was made; and (3) no person who has failed to liquidate his indebtedness under this section for five consecutive years shall be eligible for further loans hereunder until he has paid such indebtedness in full, except that indebtedness to the Farm Security Administration or the Emergency Crop and Feed Loan Offices heretofore created shall not be included until five years from the effective date of the Farmers' Home Administration Act of 1946, in determining the amounts of loans, terms of loans, and five-year period for eligibility set forth in this section.

"DEBT ADJUSTMENT"

"Sec. 22. The Secretary may assist in the voluntary adjustment of indebtedness between farm debtors and their creditors and may cooperate with State, Territorial, and local agencies and committees engaged in such debt adjustment. Services furnished by the Secretary under this section may be without charge to the debtor or creditor.

"APPROPRIATION"

"Sec. 23. There is authorized to be appropriated to the Secretary such sums as the Congress may from time to time determine to be necessary to enable the Secretary to carry out the purposes of this title."

AMENDMENT TO TITLE I OF THE BANKHEAD-JONES FARM TENANT ACT

"Sec. 5. Title I of the Bankhead-Jones Farm Tenant Act, as amended, is hereby amended to read as follows:

"TITLE I—TENANT PURCHASE LOANS AND MORTGAGE INSURANCE"

"POWER OF SECRETARY"

"Section 1. (a) The Secretary of Agriculture (hereinafter referred to as the 'Secretary') is authorized to make loans and to insure mortgages 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, repair or improve family-size farms, or to refinance indebtedness against undersized or underimproved units when loans are being made or insured by the Secretary to enlarge or improve such units. Loans may also be made to assist
borrowers under this title in making the improvements needed to adjust their farming operations to changing conditions.

"(b) (1) Except with respect to veterans qualified under subsection (b) (2) of this section, only farm tenants, farm laborers, sharecroppers, and other individuals (including owners of inadequate or under-improved farm units) 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, and, 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.

"(2) Any veteran (defined herein as a person who served in the land or naval forces of the United States during any war between the United States and any other nation, and who shall have been discharged or released therefrom under conditions other than dishonorable) who intends to engage in farming as a principal occupation, and who meets the requirements of rules and regulations prescribed by the Secretary as to industry, experience, character, and other assurances of success as farmers, shall be eligible for the benefits of this title and their applications shall be entitled to preference over those of non-veterans.

"(c) No loan shall be made, or mortgage insured, for the acquisition, improvement, or enlargement of any farm unless it is of such size and type as the Secretary determines to be sufficient to constitute an efficient family-type farm-management unit and to enable a diligent farm family to carry on successful farming of a type which the Secretary deems can be carried on successfully in the locality in which the farm is situated: Provided, That loans may be made to veterans, or mortgages insured for veterans, as defined in section 1 (b) (2) hereof, who have pensionable disabilities, to enable such veterans to acquire, enlarge, repair, or improve farm units of sufficient size to meet the farming capabilities of such veterans and afford them income which, together with their pensions, will enable them to meet living and operating expenses and the amounts due on their loans.

"FUNCTIONS OF COUNTY COMMITTEES

"Sec. 2. (a) The county committees established under section 42 shall—

"(1) examine applications (filed with the chairman of the county committee, or with such other person as the Secretary may designate) of persons desiring to obtain the assistance of the Secretary in financing the acquisition of farms or farming operations in the county as provided in this Act; and

"(2) examine and appraise farms in the county with respect to which applications are made.

"(b) If the committee finds that an applicant is eligible to receive the benefits of this Act, that, in the opinion of the committee, by reason of his character, ability, industry, and experience, he will successfully carry out undertakings required of him under a loan which may be made or insured under this Act, that credit sufficient in amount to finance the actual needs of the applicant, specified in the application, is not available to him at the rates (but not exceeding the rate of 5 per centum per annum) and terms prevailing in the community in or near which the applicant resides for loans of similar size and character from commercial banks, cooperative lending agencies, or from any

Persons eligible for benefits.
Veterans.
Size and type of farm.
Loans to veterans with pensionable disabilities.
Examination of applications.
Appraisal of farms.
Certification.
Availability of appraisal.

Nonparticipation of member in certification.

Certification for loan, etc.

Amounts.

Provisions of instruments.

other responsible source; 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 or insuring of the 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 fair and reasonable value of the farm based upon its normal earning capacity. The farm shall be appraised by competent employees of the Secretary thoroughly trained in appraisal techniques and the appraisal shall be made available to the county committee and the Secretary for their guidance in determining the value of the farm as specified above.

"(c) No member of the committee shall participate in any certification under his section with respect to any application or farm in which such member, or any person related to such member within the third degree of consanguinity or affinity has any pecuniary interest, direct or indirect, or in which any of them had such interest within one year prior to the date of certification.

"(d) No loan shall be made for any purpose under this Act and no mortgage shall be insured under this Act, unless certification by the committee, as required under this section, has been made with respect to the applicant applying for the loan and with respect to the farm which is to be taken as security either for an insured or an uninsured mortgage.

"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. Loans may not be made for the acquisition or enlargement of farms which have a value, as acquired, enlarged, or improved, in excess of the average value of efficient family-type farm-management units, as determined by the Secretary, in the county, parish, or locality where the farm is located.

"(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 1/2 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 conservation 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; and

"(7) contain the provisions for refinancing specified in section 44 (c).

"(e) 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. 1940 ed., title 11, sec. 203), otherwise applicable in respect to 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 AND MORTGAGE INSURANCE

"Sec. 4. In making loans and insuring mortgages under this title, the amount which is devoted to such purposes 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: Provided, That there may be distributed to each State such amounts as are necessary to insure mortgages or finance loans pursuant to all bona fide applications from veterans qualified under section 1 hereof: Provided further, That there may be disbursed in any fiscal year to each State or Territory such amount not in excess of $100,000 as is determined by the Secretary to be necessary to finance loans in such State or Territory under this title.

"APPROPRIATION

"Sec. 5. To carry out the provisions of this title with respect to tenant-purchase loans, there is authorized to be appropriated not to exceed $50,000,000 for each fiscal year beginning with the fiscal year ending June 30, 1947, and such further sums as may be necessary in carrying out the provisions of this title during such fiscal year, with respect to tenant purchase loans and insured mortgages.

"FARM TENANT MORTGAGE INSURANCE FUND

"Sec. 11. (a) There is hereby created a fund, to be known as the 'farm tenant-mortgage insurance fund' (hereinafter in this title referred to as the 'fund'), which shall be used by the Secretary as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under section 12 and to mortgages accepted for the account of the fund under section 13. There is authorized to be appropriated to the Secretary the sum of $25,000,000 to constitute such fund.

"(b) Moneys in the fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed as to principal and interest by the United States. The Secretary may purchase, with money in the fund, any notes issued by the Secretary to the Secretary of the Treasury to obtain money for the fund.

"(c) All amounts deposited in or credited to the fund and the proceeds of investments of amounts in the fund shall be used only for purposes to which the fund is specifically authorized to be devoted under this title and shall not be diverted to any other use.
"(d) The Secretary shall include in his annual report a complete statement with respect to the status of the fund.

**INSURANCE OF MORTGAGES**

"Sec. 12. (a) The Secretary is authorized, upon application of a prospective mortgagor or mortgagee under a first mortgage eligible for insurance under this title, to insure such mortgage and to make commitments for the insurance of any such mortgage prior to the date of its execution.

"(b) The aggregate amount of principal obligations on all mortgages insured under this title, on all mortgages with respect to which commitments to insure have been made, and on all mortgages accepted for the account of the fund and not disposed of under section 14 shall not exceed $100,000,000 in any one fiscal year. With respect to any fiscal year, the amount available for insurance, commitment and acceptance of mortgages under this title shall be distributed among the several States and Territories on the basis provided in section 4 and preferences shall be given to mortgages executed by veterans qualified under section 1.

"(c) In order for a mortgage to be eligible under this title-

"(1) the person obligated to pay thereunder shall be a person who would be eligible under section 1 for a loan under title I;

"(2) the farm mortgaged shall be one with respect to which, under section 1 (e), a loan could be made under title 1;

"(3) there shall be an appropriate certification by the county committee as required by section 2 of this Act;

"(4) the mortgage instruments shall comply with section 3 (b), except that the base rate of interest shall be 2\(\frac{1}{2}\) per centum per annum;

"(5) the principal obligation (and fees and other charges chargeable under subsection (d) of this section) shall not exceed 90 per centum of the reasonable value of the farm and necessary repairs and improvements thereon, as such values are certified by the county committee pursuant to section 2 (b);

"(6) the mortgage instruments shall contain a covenant to pay to the Secretary the initial and annual charges provided for in subsections (d) and (e) of this section, and a covenant to pay to the Secretary, as collection agent for the mortgagee, the amounts payable by the mortgagor to the mortgagee under the mortgage; and

"(7) the mortgage instruments shall contain a stipulation (not binding upon the Secretary) that the holder of the mortgage will accept the benefits provided by section 13 in lieu of any right of foreclosure which he may have against the property and any right to a deficiency judgment against the mortgagor on account of the mortgage.

"(d) The Secretary shall require the payment by the mortgagor or mortgagee of such initial fees for inspection, appraisal, and other charges as it finds necessary and such amounts may be included in the principal obligation of the mortgage, and the payment of such delinquency charges and default reserves as it finds necessary. The proceeds of such fees shall be deposited in the Treasury for use for administrative expense as provided in subparagraph (e) (2) hereof.

"(e) (1) The Secretary shall collect from the mortgagor, upon insurance of the mortgage, an initial charge of 1 per centum of the principal obligation of the mortgage and annually thereafter when payment of an installment of principal and interest is due, a charge of 1 per centum of the principal obligation remaining unpaid after
such installment is paid, without taking into account delinquent payments or prepayments. If the principal obligation of the mortgage is paid in full in less than five years after the time when the mortgage was entered into, the Secretary may require payment by the mortgagor of a charge equal to the amount of the last annual charge required of the mortgagor.

(2) One-half of the amount paid as charges in pursuance of this subsection shall be the premium for insurance and shall be deposited in the fund and may be used only for purposes to which the fund may be devoted. The other half of the amounts so paid shall be deposited in the Treasury to the credit of the Secretary and shall be available only for administrative expenses to carry out the provisions of this title, relating to mortgage insurance.

(f)(1) The Secretary shall promptly remit to the mortgagee under any mortgage insured under this title any sums collected by it as agent for the mortgagee. The Secretary shall promptly advise any such mortgagor of any default by the mortgagor.

(2) If within thirty days after the due date of any installment the mortgagor under an insured mortgage has failed to pay to the Secretary the amount due, the Secretary shall notwithstanding the amount paid is less than the interest and principal due, pay the amount of such principal and interest to the mortgagee, less the amount of any previous prepayments.

(3) Payments to mortgagees under paragraph (2) shall be advanced out of the fund for the account of the mortgagor. Such advances shall be repaid to the fund out of the first available collections received from the mortgagor, with interest thereon at the rate fixed in the insured mortgage, and shall be added to subsequent installments.

(g) Any contract of insurance executed by the Secretary under this section shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of any holder thereof from the date of the execution of such contract, except for fraud or misrepresentation of which such holder has actual knowledge.

(h) The Secretary may, at any time, for good cause shown and under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instruments secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.

(i) The holder of any mortgage insured under this title may, upon notice to the Secretary, assign such mortgage together with the accompanying note and contract of insurance and the assignee thereof shall thereupon become entitled to all the benefits of such contract of insurance: Provided, That no such assignment shall be binding upon the Secretary until notice thereof has been given the Secretary and the Secretary has acknowledged receipt of such notice.

"Payment of Insurance"

Sec. 13. (a) In any case in which the mortgagor under a mortgage insured under section 12 is in default for more than twelve months, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon assignment to the Secretary of (1) all the mortgagee's rights and interests arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction; (3) all policies of title or other insurance and all surety bonds and other guaranties and any and all claims thereunder relating to the mortgage or the mortgaged
property; (4) any balance of the mortgage loan not advanced to the mortgagee; and (5) any cash or property held by the mortgagee, or to which he is entitled, as deposit made for the account of the mortgagor and which has not been applied in reduction of the principal of the mortgage indebtedness; and upon transfer to the Secretary of such originals or copies of records, documents, books, papers and accounts relating to the mortgage transaction, as the Secretary prescribes. Upon such assignment and transfer, the Secretary shall pay to the mortgagee, in cash, an amount equal to the value of the mortgage and the note and mortgage shall thereupon become a part of the fund. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Secretary, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount of all unpaid interest and the amount of all payments which have been made by the mortgagee for taxes, special assessments, water rates, and other payments in discharge of liens which are prior to the mortgage, and insurance on the property mortgaged, and by deducting from such total amount any amount received on account of the mortgage indebtedness after such default.

"(b) If there should not be sufficient cash in the fund to enable the Secretary to make payments to mortgagees as provided in subsection (a) of this section, the Secretary may make and issue notes to the Secretary of the Treasury to obtain funds to make such payments. Such notes shall be signed by the Secretary or by his duly authorized representatives and shall be negotiable. Such notes shall bear interest, payable semiannually, at a rate equal to the average rate of interest, computed to the end of the calendar month next preceding the date of issue, borne by all interest bearing obligations of the United States then forming a part of the public debt, and shall have such maturities as the Secretary may determine with the approval of the Secretary of the Treasury.

"(c) The Secretary of the Treasury is authorized to purchase any notes issued by the Secretary pursuant to this section and any renewals thereof and for such purchases may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are hereby extended to include any such purchases. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"(d) In any case in which the mortgagor violates any covenant or condition of his mortgage, the Secretary may require the mortgagee to assign such mortgage, together with the incidents thereto, upon payment of the value of the mortgage determined in accordance with this section.

"PROCEDURE WITH RESPECT TO MORTGAGES IN DEFAULT"

"Sec. 14. (a) Upon accepting the assignment of any insured mortgage, the Secretary shall ascertain whether or not the mortgagor (which term as used in this section shall include the mortgagor or his heirs or assigns) desires to remain in possession of the mortgaged property. If the mortgagor does not desire to remain in possession of the mortgaged property or if the Secretary is unable to make the findings prescribed by the next sentence, the Secretary may proceed to foreclose the mortgage. If the mortgagor desires to remain in possession of the mortgaged property and if the Secretary finds that the mortgagor (1) has made reasonable efforts to meet all defaulted payments and to comply with the other covenants and conditions of
his mortgage and (2) will probably be able to meet such defaulted payments within five years after the maturity date or dates of the defaulted payments, the Secretary may enter into an agreement with the mortgagor providing for the payment of such defaulted payments together with interest thereon, at such times not later than five years after the maturity date or dates as the Secretary may deem to be within the probable future means of the mortgagor. Should any mortgagor with whom the Secretary has entered into such agreement thereafter fail to meet any payments, the Secretary may proceed to foreclose the mortgage.

"(b) Amounts realized under section 51 on account of property which was subject to an insured mortgage shall be deposited in the fund. Amounts payable by the Secretary under section 50 (a) as taxes, with respect to such property, shall be paid out of the fund.

"INSURED MORTGAGES ELIGIBLE AS INVESTMENTS"

"Sec. 15. (a) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (U. S. C., 1940 ed., title 12, sec. 371) (relating to loans on farm lands by member banks), is hereby amended by inserting after the words 'National Housing Act', the following: 'or which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act'."

"(b) Section 35 of chapter III of the Act entitled 'An Act to regulate the business of life insurance in the District of Columbia', approved June 19, 1934 (D. C. Code, 1940 edition, title 35, sec. 535), is amended by inserting in paragraph (3a) after the words 'Federal Housing Administrator' the following: 'or by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act'."

"ACCOUNTS AND CLAIMS OF DEFENSE RELOCATION CORPORATIONS"

"Sec. 6. (a) The Comptroller General of the United States is authorized and directed to allow credit in the accounts of disbursing and certifying officers for advances made in good faith on behalf of the Department of Agriculture to defense relocation corporations and land purchasing associations.

"CONSOLIDATION OF AGRICULTURAL CREDIT AND SERVICE OFFICES"

"Sec. 7. The Secretary of Agriculture and the Governor of the Farm Credit Administration are hereby directed, wherever practicable, to make suitable arrangements whereby all field offices under their supervision or direction extending agricultural credit or furnishing agricultural services to farmers to utilize the same or adjacent offices to the end that eligible farmers in each locality will be enabled to obtain their agricultural credit and services at one central point.

"CONTINGENT PROVISIONS FOR TRANSFERRING POWERS TO AGRICULTURAL CREDIT AGENCY"

"Sec. 8. (a) In the event the Agricultural Credit Act (H. R. 4873), Seventy-ninth Congress, first session, passed by the House of Representatives on March 20, 1946, becomes law prior to the effective date of this Act:

(1) The functions, powers, and duties vested in the Secretary of Agriculture by this Act and by the Bankhead-Jones Farm Tenant Act, as amended, except insofar as such functions, powers, or duties involve or are necessary to the administration of title III of the Bankhead-Jones Farm Tenant Act, shall be vested in the Agricultural Credit Agency;"
The functions, powers, and duties of the Secretary of Agriculture transferred under (1) above and the property and assets acquired by the Secretary of Agriculture primarily in the administration of such functions, powers, and duties, shall be administered within the Division of the Agricultural Credit Agency created for the purpose of supervising and administering direct lending to farmers, subject to the supervision, direction, and authority of the Agricultural Credit Board, the Agricultural Credit Administrator, and the Deputy Administrator in charge of that Division, to the same extent as other units of a division of the Agricultural Credit Agency;

(3) The functions, powers, and duties vested in the Solicitor of the Department of Agriculture and attorneys of his office by this Act and the Bankhead-Jones Farm Tenant Act shall be vested in the general counsel and attorneys of the Agricultural Credit Agency, respectively.

Sec. 9. Any conveyance of real estate by the Government or any Government agency under this Act shall include all mineral rights.

Approved August 14, 1946.

CHAPTER 965

AN ACT

To amend the Act of March 10, 1934, entitled "An Act to promote the conservation of wildlife, fish, and game, and for other purposes".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of March 10, 1934 (48 Stat. 401), is hereby amended to read as follows:

"In order to promote effectual planning, development, maintenance, and coordination of wildlife conservation and rehabilitation in the United States, its Territories and possessions, the Secretary of the Interior, through the Fish and Wildlife Service, is authorized (a) to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organizations in the development, protection, rearing, and stocking of all species of wildlife, resources thereof, and their habitat, in controlling losses of the same from disease or other causes, in minimizing damages from overabundant species, in providing public shooting areas, and in carrying out other measures necessary to effectuate the purposes of this Act; and (b) to make surveys and investigations of the wildlife of the public domain, including lands and waters or interests therein acquired or controlled by any agency of the United States.

"Sec. 2. Whenever the waters of any stream or other body of water are authorized to be impounded, diverted, or otherwise controlled for any purpose whatever by any department or agency of the United States, or by any public or private agency under Federal permit, such department or agency first shall consult with the Fish and Wildlife Service and the head of the agency exercising administration over the wildlife resources of the State wherein the impoundment, diversion, or other control facility is to be constructed with a view to preventing loss of and damage to wildlife resources, and the reports and recommendations of the Secretary of the Interior and of the head of the agency exercising administration over the wildlife resources of the State, based on surveys and investigations conducted by the Fish and Wildlife Service and by the said head of the agency exercising administration over the wildlife resources of the State, for the purpose of determining the possible damage to wildlife resources and of the means and measures that should be adopted to prevent loss of and damage to wildlife resources, shall be made an integral part of any report submitted by any agency of the Federal Government responsible for engineering surveys and construction of such projects.