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### **An Act To Authorize the Reconstruction Finance Corporation to subscribe for preferred stock and purchase the capital notes of insurance companies, and for other purposes**

U.S. Congress

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## [CHAPTER 53.]

## AN ACT

Amending section 1 of the Act entitled "An Act to provide for stock-raising homesteads, and for other purposes", approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454).

June 9, 1933.  
[S. 604.]  
[Public, No. 34.]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 1 of the Act entitled "An Act to provide for stock-raising homesteads, and for other purposes", approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454), be amended to read as follows:

Public lands.  
Stockraising home-  
stead entries.  
Vol. 39, p. 862;  
Vol. 46, p. 1454.  
U.S.C., p. 1348; Supp.  
VI, p. 778.

"From and after December 29, 1916, it shall be lawful for any person qualified to make entry under the homestead laws of the United States to make a stock-raising homestead entry for not exceeding six hundred and forty acres of unappropriated unreserved public lands in reasonably compact form: *Provided, however,* That the land so entered shall theretofore have been designated by the Secretary of the Interior as 'stock-raising lands': *Provided further,* That for the purposes of this section lands withdrawn or reserved solely as valuable for oil or gas shall not be deemed to be appropriated or reserved: *Provided further,* That the provisions of this section shall not apply to naval petroleum reserves and naval oil-shale reserves: *And provided further,* That should said lands be within the limits of the geological structure of a producing oil or gas field entry can only be allowed, in the discretion of the Secretary of the Interior, in the absence of objection after due notice by the lessee or permittee, and any patent therefor shall contain a reservation to the United States of all minerals in said lands and the right to prospect for, mine, and remove the same."

Entry on unappropriated, etc., lands.

Area.

*Provisos.*  
Classification of lands.  
Oil and gas lands available.

Naval petroleum reserves, etc., excluded.

Lands within geological structure.

Approved, June 9, 1933.

## [CHAPTER 55.]

## AN ACT

To authorize the Reconstruction Finance Corporation to subscribe for preferred stock and purchase the capital notes of insurance companies, and for other purposes.

June 10, 1933.  
[S. 1094.]  
[Public, No. 35.]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That during the continuance of the existing emergency heretofore recognized by Public No. 1 of the 73d Congress or until this Act shall be declared no longer operative by proclamation of the President, and notwithstanding any other provision of any other law, if, in the opinion of the Secretary of the Treasury, any insurance company of any State of the United States is in need of funds for capital purposes either in connection with the organization of such company or otherwise, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock of any class, exempt from assessment or additional liability, in such insurance company, or to make loans secured by such stock as collateral, and the Reconstruction Finance Corporation may comply with such request. The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury and under such rules and regulations as he may prescribe, sell in the open market the whole or any part of the preferred stock of any such insurance company acquired by the corporation pursuant to this section. The total face amount of loans outstanding, preferred stock subscribed for, and capital notes purchased and held by the Reconstruction

Insurance companies.  
Reconstruction Finance Corporation may subscribe to non-assessable preferred stock of; make loans to.  
*Ante*, p. 1.

Approval of President required.

Subsequent resale authorized.

Restriction on total face value of Corporation's holdings.

Amount of obligations authorized to issue, increased.  
Vol. 47, p. 9.

Purchase of notes, when State laws prohibit preferred stock issues, etc.

*Post*, p. 1111.

Conditions of purchase or loans by Corporation.  
Company must show unimpaired capital stock.  
New capital may be furnished.

*Proviso*.  
Loans upon preferred stock or capital notes.

Compensation of Company officers, etc., limited.

Agreements required of Company.

"Compensation", construed.

Renewals of loans by Corporation; when shall be denied.

If compensation of officer, etc., excessive.

Agreement not to increase, required.

Emergency Relief and Construction Act of 1932, amendment.  
*Ante*, pp. 20, 99.  
*Post*, p. 283.

Finance Corporation, under the provisions of this section and section 2, shall not exceed at any one time \$50,000,000, and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section and section 2.

SEC. 2. In the event that any such insurance company shall be incorporated under the laws of any State which does not permit it to issue preferred stock, exempt from assessment or additional liability, or if such laws permit such issue of preferred stock only by unanimous consent of stockholders, or upon notice of more than twenty days, the Reconstruction Finance Corporation is authorized for the purposes of this Act to purchase the legally issued capital notes of such insurance company or to make loans secured by such notes as collateral, which may be subordinated in whole or in part or to any degree to claims of other creditors.

SEC. 3. The Reconstruction Finance Corporation shall not subscribe for or purchase any preferred stock or capital notes of any applicant insurance company, (1) until the applicant shows to the satisfaction of the Corporation that it has unimpaired capital stock, or that it will furnish new capital which will be subordinate to the preferred stock or capital notes to be subscribed for or purchased by the Corporation, equal to the amount of said preferred stock or capital notes so subscribed for or purchased by the Corporation: *Provided*, That the Corporation may make loans upon said preferred stock or capital notes, if, in its opinion, such loans will be adequately secured by said stock or capital notes, and/or such other forms of security as the Corporation may require; (2) if at the time of such subscription, purchase, or loan any officer, director, or employee of the applicant is receiving total compensation in a sum in excess of \$17,500 per annum from the applicant and/or any of its affiliates, and (3) unless at such time the applicant agrees to the satisfaction of the Corporation not to increase the compensation of any of its officers, directors, or employees, and not to retire any of its stock, notes, bonds, or debentures issued for capital purposes, while any part of the preferred stock, notes, bonds, or debentures of such company is held by the Corporation. For the purposes of this section, the term "compensation" includes any salary, fee, bonus, commission, or other payment, direct or indirect, in money or otherwise, for personal services.

SEC. 4. The Reconstruction Finance Corporation shall not make, renew, or extend any loan under the Reconstruction Finance Corporation Act, as amended, or under the Emergency Relief and Construction Act of 1932, (1) if at the time of making, renewing, or extending such loan any officer, director, or employee of the applicant is receiving compensation at a rate in excess of what appears reasonable to the Reconstruction Finance Corporation, and (2) unless at such time the applicant agrees to the satisfaction of the Corporation not to increase the compensation of any of its officers, directors, or employees to any amount in excess of what appears reasonable to the Reconstruction Finance Corporation while such loan is outstanding and unpaid. For the purposes of this section the term "compensation" includes any salary, fee, bonus, commission, or other payment, direct or indirect, in money or otherwise for personal services.

SEC. 5. That the second and third sentences of paragraph (6) of section 201 (a) of the Emergency Relief and Construction Act of 1932, as amended, are hereby amended to read as follows: "Obliga-

tions accepted hereunder shall be collateralized (a) in the case of loans for the repair or reconstruction of private property, by the obligations of the owner of such property secured by a paramount lien except as to taxes and special assessments on the property repaired or reconstructed, or on other property of the borrower, and (b) in the case of municipalities or political subdivisions of States or their public agencies, including public-school boards and public-school districts, by an obligation of such municipality, political subdivision, public agency, public-school board, or public-school district. The Corporation shall not deny an otherwise acceptable application for loans for repair or construction of the buildings of municipalities, political subdivisions, public agencies, public-school boards, or public-school districts because of constitutional or other legal inhibitions affecting the collateral."

SEC. 6. The fourth sentence of paragraph (6) of section 201 (a) of such Act, as amended, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof the following: "in case of loans made under clause (a) of this paragraph, and not exceeding twenty years in case of loans made under clause (b)."

SEC. 7. The fifth sentence of paragraph (6) of section 201 (a) of such Act, as amended, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and, in case of loans made under clause (b), shall be deemed to be so secured if, in the opinion of the Reconstruction Finance Corporation, such loans will be repaid from any source, including taxation, within a reasonable period, not exceeding twenty years."

SEC. 8. The seventh sentence of paragraph (6) of section 201 (a) of such Act, as amended, is hereby amended to read as follows: "The aggregate of loans made under clause (a) shall not exceed \$5,000,000, and the aggregate of loans made under clause (b) shall not exceed \$12,000,000."

SEC. 9. The first sentence in section 201 (a) of such Act, as amended, which follows paragraph (6) thereof is hereby amended by striking out the period at the end of such sentence and inserting in lieu thereof a comma and the following: "except that for the purposes of clause (b) of paragraph (6) of this subsection a project shall be deemed to be self-liquidating if the construction cost thereof will be returned by any means, including taxation, within a reasonable period, not exceeding twenty years."

SEC. 10. That an Act entitled "An Act to provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes", approved January 22, 1932, and amended by an Act approved July 21, 1932, be further amended by adding at the end of section 5 thereof the following: "Provided further, That the Corporation may make said loans to trustees of railroads which proceed to reorganize under section 77 of the Bankruptcy Act of March 3, 1933."

SEC. 11. As used in this Act the term "insurance company" shall include any corporation engaged in the business of insurance or in the writing of annuity contracts, irrespective of the nature thereof, and operating under the supervision of a State superintendent or department of insurance in any of the States of the United States.

SEC. 12. Section 5 of the Reconstruction Finance Corporation Act, as amended, is amended by adding at the end thereof the following new paragraph:

"The Reconstruction Finance Corporation is further authorized and empowered to make loans if adequately secured to any State insurance fund established or created by the laws of any State for the

Loans for repair of earthquake damages, 1933.

Private property. Other property of borrower as collateral.

Municipalities, etc.

Public school boards and districts.

Application for, not denied by constitutional, etc., prohibitions affecting collateral.

Maturities of collateral obligations. *Ante*, pp. 20, 99, 120. *Post*, p. 283.

Security; loans to municipalities, etc.

When deemed fully secured.

*Ante*, pp. 20, 99, 120. *Post*, p. 283. Aggregate of loans. Amount increased.

Vol. 47, p. 712. Self-liquidating projects.

Municipalities, etc.

Reconstruction Finance Corporation Act amendment. Vol. 47, pp. 8, 709.

Railroad reorganization. Vol. 47, p. 1474. Loans to trustees authorized.

"Insurance company", construed.

Vol. 47, p. 8.

Loans to State insurance fund.

purpose of paying or insuring payment of compensation to injured workmen and those disabled as a result of disease contracted in the course of their employment, or to their dependents. As used in this paragraph, the term 'State' includes the several States and Alaska, Hawaii, and Puerto Rico."

"State", construed.  
Vol. 47, p. 8.

Loans to fund created to insure repayment of public money of State, etc.

Time of loans; terms and conditions.

Assignment of rights accruing on liquidation, etc., of depository.

"State", construed.

Amendment. Separability of provisions.

SEC. 13. Section 5 of the Reconstruction Finance Corporation Act, as amended, is amended by adding at the end thereof the following new paragraph:

"The Reconstruction Finance Corporation is further authorized and empowered to make loans if adequately secured to any fund created by any State for the purpose of insuring the repayment of deposits of public moneys of such State or any of its political subdivisions in banks or depositories qualified under the law of such State to receive such deposits. Such loans may be made at any time prior to January 23, 1934, and upon such terms and conditions as the corporation may prescribe; except that any fund which receives a loan under this paragraph shall be required to assign to the corporation, to the extent of such loan, all amounts which may be received by such fund as dividends or otherwise from the liquidation of any such bank or depository in which deposits of such public moneys were made. As used in this paragraph, the term 'State' includes the several States and Alaska, Hawaii, and Puerto Rico."

SEC. 14. The right to alter or amend or repeal this Act is hereby expressly reserved. If any provision of this Act, or the application thereof to any person, firm, association, or corporation, is held invalid, the remainder of the Act, and the application of such provision to any other person, firm, association, or corporation, shall not be affected thereby.

Approved, June 10, 1933.

## [CHAPTER 56.]

## AN ACT

June 10, 1933.  
[S. 1502.]  
[Public, No. 36.]

Granting the consent of Congress to the Levy Court of Sussex County, Delaware, to reconstruct, maintain, and operate a free highway bridge across the Deeps Creek at Cherry Tree Landing, Sussex County, Delaware.

Deeps Creek, Del. Sussex County may bridge, at Cherry Tree Landing.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the consent of Congress is hereby granted to the Levy Court of Sussex County, Delaware, its successors and assigns, to reconstruct, maintain, and operate a free highway bridge and approaches thereunto across the Deeps Creek, being a part of a navigable river from Concord, Delaware, to the Chesapeake Bay, at a point suitable to the interests of navigation, at or near Cherry Tree Landing, in the county of Sussex, State of Delaware, in accordance with the provisions of an Act entitled "An Act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

Construction.  
Vol. 31, p. 84.

Amendment.

SEC. 2. The right to alter, amend, or repeal this Act is expressly reserved.

Approved, June 10, 1933.

## [CHAPTER 57.]

## AN ACT

June 10, 1933.  
[H.R. 4220.]  
[Public, No. 37.]

For the protection of Government records.

Government records. Penalty for publication of certain, without authorization.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That whoever, by virtue of his employment by the United States, shall obtain from another or shall have custody of or access to, or shall have had custody