Public Law 809 CHAPTER 741

AN ACT

July 26, 1956
[H. R. 10285]

To merge production credit corporations in Federal intermediate credit banks; to provide for retirement of Government capital in Federal intermediate credit banks; to provide for supervision of production credit associations; 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 "Farm Credit Act of 1956".

Farm Credit Act of 1956.

DECLARATION OF POLICY

SEC. 2. It is declared to be the policy of the Congress to continue to provide agriculture with a sound, dependable, and effective source of credit; to promote the efficiency of the farm credit system by merging production credit corporations in Federal intermediate credit banks and to facilitate increased farmer participation in the management, control, and ownership of the merged banks and retirement of Government capital therein; to encourage and promote the continued growth and development of the production credit associations as self-supporting cooperative lending institutions operating on a sound credit basis with maximum local authority to determine credit needs and loan policies consistent with the maintenance of a national production credit system; and to continue to provide other financing institutions making loans to farmers and ranchers with the right to borrow from and rediscount with such merged banks on a basis comparable with the production credit associations regardless of the ownership of such banks. The provisions of this Act shall be construed in keeping with this declaration of policy.

TITLE I—PRODUCTION CREDIT SYSTEM

SEC. 101. MERGER OF PRODUCTION CREDIT CORPORATIONS IN FEDERAL INTERMEDIATE CREDIT BANKS—(a) TRANSFER OF ASSETS.—The production credit corporation in each farm credit district is hereby merged in the Federal intermediate credit bank of the district and all assets, funds, contracts, property, and records belonging to such corporation, except stock in production credit associations, are hereby transferred to and vested in such bank. All obligations and liabilities of the production credit corporation shall be assumed by the Federal intermediate credit bank of the district. Stock held by each production credit corporation in production credit associations is transferred to the Governor of the Farm Credit Administration and the Governor shall cancel an equal par amount of stock of the corporation.

(b) SERVICES TO AND SUPERVISION OF PRODUCTION CREDIT ASSOCIATIONS.—In order to carry out the declared policy of this Act with respect to the production credit associations, the Farm Credit Administration shall, by appropriate provisions in the charter and bylaws, or otherwise, provide for such organization and assignment of functions within the Federal intermediate credit banks as will assure proper supervision of and assistance to the production credit associations in a manner which will enable them to make sound credit available to farmers and ranchers. The income derived from the surplus transferred from the production credit corporation to the Federal intermediate credit bank of the district shall be used to pay expenses of the bank in providing such supervision and assistance, and expenses in excess of such income may be paid out of other resources of the bank.

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(c) OFFICERS AND EMPLOYEES.—Notwithstanding any other provision of law, the employment of the officers and employees of each Federal intermediate credit bank and each production credit corporation is terminated on the effective date of this Act and the board of directors of the Federal intermediate credit bank shall, not later than sixty days prior to the effective date of this Act, take all necessary action to reemploy as of such effective date such of the officers and employees so terminated in such capacities as the board determines they are qualified and needed to carry out the functions, powers, and duties of the Federal intermediate credit bank. Such reemployment shall be subject to the approval of the Farm Credit Administration.

42 Stat. 1457.
12 USC 1061.

SEC. 102. Section 205 of the Federal Farm Loan Act, as amended, is amended to read as follows:

"CAPITAL STOCK

"SEC. 205. (a) CLASSES OF STOCK; OWNERSHIP; DIVIDENDS; AND RETIREMENT OF STOCK.—Each Federal intermediate credit bank is authorized to issue class A and class B stock as follows:

"(1) Class A stock shall have a par value of $100 per share and shall be issued to and held by the Governor of the Farm Credit Administration on behalf of the United States. Stock of each Federal intermediate credit bank held by the Secretary of the Treasury shall be transferred to the Governor who shall exchange such stock for an equal amount of class A stock of such bank. The Governor is authorized thereupon to reallocate the investment of the United States in such banks in such manner as he determines necessary to meet the needs of the respective banks. Any transfers of capital funds required as a result of such reallocation shall be made in four equal installments, the first of which shall be made on January 1, 1957, and one of which shall be made on the first day of each of the next succeeding three calendar years. Upon each such transfer of capital funds the Governor shall require an appropriate adjustment in the class A stock of each such bank. Stock of each production credit corporation held by the Governor (less the amount canceled pursuant to section 101 of the Farm Credit Act of 1956) shall be exchanged for an equal par amount of class A stock of the Federal intermediate credit bank in which such corporation is merged pursuant to section 101 of such Act. No dividends shall be paid on class A stock. Annually at the end of its fiscal year each such bank shall determine the amount of its class A stock which shall be retired. Whenever the total of the capital stock, participation certificates, surplus, and reserves of the bank is more than one-sixth of the highest month-end balance of debentures and other obligations issued by or for the bank, outstanding during the immediately preceding five years, the minimum amount of class A stock to be retired shall be the total amount of class B stock and participation certificates issued for that year. All class A stock shall be retired at par. The proceeds of such class A stock retirements of each bank shall be paid into the Treasury as miscellaneous receipts until there is so paid a sum equal to $30,000,000 plus the amount of class A stock of the bank issued in exchange for stock of the production credit corporation. The proceeds of any further such stock retirements shall be paid into the revolving fund established by section 5 (e) of the Farm Credit Act of 1933, as amended. The Governor of the Farm Credit Administration is authorized to purchase from time to time class A stock in any bank in such amount as he determines is needed to meet the credit needs of the bank and such revolving fund shall continue to be available for such purchases as provided in said section 5 (e). The Governor may at any time require the bank to retire such

48 Stat. 348.
12 USC 1131l.

class A stock if, in his judgment, the bank has resources available therefor, and the proceeds of such retirements shall be returned to such revolving fund.

"(2) Class B stock shall have a par value of $5 per share and may be issued only to production credit associations in series and amounts approved by the Farm Credit Administration. Such stock shall be issued only at par and may be transferred to another production credit association with the approval of the issuing bank. Whenever a bank has no class A stock outstanding it may pay like dividends on class B stock and participation certificates in an amount not to exceed 5 per centum in any year if declared by the board of directors. Dividends on class B stock and participation certificates shall not be cumulative. Within sixty days after the effective date of the Farm Credit Act of 1956, the production credit associations shall subscribe to class B stock in the banks in an aggregate amount equal to 15 per centum of the total amount of class A stock in all banks. Such required amount of subscriptions shall be allotted among the several districts in the proportion that the average amount of the bank's loans to and discounts for the production credit associations of the district, outstanding during the immediately preceding five fiscal years, is of the average of such loans and discounts of all banks outstanding during such five-year period. The amount so allotted to each district shall be further allotted to each production credit association on the basis of the proportion that its average indebtedness (loans and discounts) to the bank during the immediately preceding five fiscal years is of the average of such indebtedness of all production credit associations to the bank during such five-year period. Each production credit association shall subscribe to class B stock in the bank of the district in the amount so allotted to it. One-third of the purchase price of such stock subscription shall be paid at the time of such subscription, one-third shall be paid within one year after the effective date of said Act, and the balance shall be paid within two years after such effective date. Such class B stock shall be issued as payments therefor are made. Any production credit association chartered after the effective date of the Farm Credit Act of 1956 shall thereupon purchase class B stock in the bank in the amount of $5,000, and such amount shall be adjusted at the end of five years thereafter to an amount determined by applying to its average indebtedness to the bank during such five-year period the same percentage as the percentage which the initial subscriptions of other production credit associations was of their indebtedness, as provided in this subsection: *Provided*, That this provision shall not apply to any association owning stock in the bank in such required amount as a result of merger, consolidation, or reorganization of one or more associations. After all class A stock has been retired, the bank may retire class B stock at par and participation certificates at a face amount under policies established by the Farm Credit Administration. Class B stock and participation certificates shall be retired without preference and in such manner that the oldest outstanding stock or certificates at any given time will be retired first. In case of liquidation or dissolution of any production credit association or other financing institution, the stock or participation certificates of the bank owned by such association or institution may be retired by the bank at the fair book value thereof, not exceeding par or face amount, as the case may be.

"(b) LIEN ON STOCK AND PARTICIPATION CERTIFICATES.—Each Federal intermediate credit bank shall have a first lien on all stock in the bank owned by each production credit association and on all participation certificates owned by other financing institutions as additional collateral for any indebtedness of the holders thereof to the bank:

Provided, That the bank shall make no loan or advance on the security of its own stock or participation certificates. In any case where the debt of a production credit association or other financing institution is in default, the bank may retire and cancel all or a part of the stock of the bank held by the association or of the participation certificates held by the other financing institution at the fair book value thereof, not exceeding par or face amount, as the case may be, in total or partial liquidation of the debt."

42 Stat. 1457. 12 USC 1062, 1072.

SEC. 103. Section 206 of the Federal Farm Loan Act, as amended, is hereby amended to read as follows:

"APPLICATION OF EARNINGS

"SEC. 206. (a) ANNUAL APPLICATION.—At the end of its fiscal year, each Federal intermediate credit bank shall determine the amount of its net earnings after paying or providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves) and shall apply such net earnings as follows: (1) To the restoration of the amount of the impairment, if any, of capital stock and participation certificates, as determined by its board of directors; (2) to the restoration of the amount of the impairment, if any, of the surplus account established by this subsection, as determined by its board of directors; (3) 25 per centum of any remaining earnings shall be used to create and maintain a reserve account equal to 25 per centum of the outstanding capital stock and participation certificates of the bank; (4) if said bank shall have outstanding capital stock held by the United States during the whole or any part of its fiscal year, it shall next pay to the United States as a franchise tax, a sum equal to 25 per centum of its earnings then remaining, not exceeding, however, a rate of return on such Government capital calculated at a rate equal to the computed average annual rate of interest on all public issues of public debt obligations of the United States issued during the fiscal year of the United States Treasury ending next before such tax is due, as certified to the Farm Credit Administration by the Secretary of the Treasury; (5) dividends on class B stock and participation certificates may be declared as provided in section 205 (a) of this Act; and (6) any remaining net earnings shall be distributed as patronage refunds as provided in subsection (b) of this section. Notwithstanding the provisions of item (3) of this subsection, if at the end of any fiscal year the sum of the surplus and the reserve account of any bank is less than its outstanding capital stock and participation certificates, the bank shall continue to apply such 25 per centum of its net earnings to the reserve account until the sum of the surplus and the reserve account is equal to its outstanding capital stock and participation certificates. Each bank shall, on the effective date of the Farm Credit Act of 1956, establish a surplus account consisting of its earned surplus account, its reserve for contingencies, and the surplus of the production credit corporation transferred to the bank. No part of such surplus of any bank shall be distributed as patronage refunds or as dividends. In the event of a net loss in any fiscal year after providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves), such loss shall be absorbed by: first, charges to the reserve account; second, charges to surplus other than that transferred from the production credit corporation of the district; third, charges to surplus transferred from the production credit corporation of the district; fourth, the impairment of class B stock and participation certificates; and fifth, the impairment of class A stock.

"(b) PATRONAGE REFUNDS.—Whenever at the end of its fiscal year a Federal intermediate credit bank has class A stock outstanding, patronage refunds declared for that year shall be paid in class B stock to production credit associations and in participation certificates to other financing institutions borrowing from or rediscounting with the bank during the fiscal year for which such refunds are declared. The recipients of such patronage refunds shall not be subject to Federal income taxes thereon. Whenever at the end of its fiscal year a Federal intermediate credit bank has no class A stock outstanding, patronage refunds declared for that year may be paid in such class B stock and participation certificates or in cash as determined by the bank. All patronage refunds shall be paid in the proportion that the amount of interest earned by the bank on its loans to and discounts for each production credit association or other financing institution bears to the total interest earned by the bank on all such loans and discounts outstanding during the fiscal year. Each participation certificate issued in payment of patronage refunds shall be in multiples of $5 and shall state on its face the rights, privileges, and conditions applicable thereto. Patronage refunds shall not be paid to any other Federal intermediate credit bank, or to any Federal land bank or bank for cooperatives.

"(c) DISTRIBUTION OF ASSETS ON LIQUIDATION OR DISSOLUTION.—In the case of liquidation or dissolution of any Federal intermediate credit bank, after payment or retirement, as the case may be, first, of all liabilities; second, of all class A stock at par; third, of all class B stock at par and all participation certificates at face amount; any remaining assets of the bank shall be distributed as provided in this subsection. Any of the surplus established pursuant to subsection (a) of this section (excluding that transferred from the production credit corporation of the district) which the Farm Credit Administration determines was contributed by financing institutions, other than the production credit associations, rediscounting with or borrowing from the bank on the effective date of the Farm Credit Act of 1956 shall be paid to such institutions, or their successors in interest as determined by the Farm Credit Administration, and the remaining portion of such surplus (including that transferred from the production credit corporation of the district) shall be paid to the holders of class A and class B stock pro rata. The contribution of each such financing institution under the preceding sentence shall be computed on the basis of the ratio of its patronage to the total patronage of the bank from the date of organization of the bank to the effective date of the Farm Credit Act of 1956. Any assets of the bank then remaining shall be distributed to the holders of class B stock and the holders of participation certificates pro rata."

Fed. intermediate credit banks. 42 Stat. 1454. 12 USC 1022. Bylaws.

SEC. 104. (a) Section 201 (b) of the Federal Farm Loan Act, as amended, is hereby amended by adding at the end thereof the following sentence: "The directors shall have power, subject to the approval of the Farm Credit Administration, to adopt such bylaws as may be necessary for the conduct of the business of the banks."

12 USC 1031.

(b) Section 202 (a) of the Federal Farm Loan Act, as amended, is hereby amended to read as follows:

Powers.

"SEC. 202. (a) The Federal intermediate credit banks, when chartered and established, shall have power, subject solely to the restrictions, limitations, and conditions contained in this Act or as may be prescribed by the Farm Credit Administration not inconsistent with the provisions of this Act—

"(1) to discount for, or purchase from, any production credit association organized under the Farm Credit Act of 1933, as amended, with its endorsement, any note, draft, or other such

obligation presented by such association; and to make loans and advances to any such association secured by such collateral as may be approved by the Governor of the Farm Credit Administration;

"(2) to discount for, or purchase from, any national bank, State bank, trust company, agricultural credit corporation, incorporated livestock loan company, savings institution, credit union, and any association of agricultural producers engaged in the making of loans to farmers and ranchers, with its endorsement, any note, draft, or other such obligation the proceeds of which have been advanced or used in the first instance for any agricultural purpose, including the breeding, raising, fattening, or marketing of livestock; and to make loans and advances to any such financing institution secured by such collateral as may be approved by the Governor of the Farm Credit Administration: *Provided*, That no such loan or advance shall be made upon the security of collateral other than notes or other such obligations of farmers and ranchers eligible for discount or purchase under the provisions of this section, unless such loan or advance is made to enable the financing institution to make or carry loans for any agricultural purpose; and

"(3) to make loans to and discount paper for any other Federal intermediate credit bank, any Federal land bank, or any bank for cooperatives organized under the Farm Credit Act of 1933, as amended, all upon terms and at rates of interest or discount approved by the Farm Credit Administration."

48 Stat. 257. 12 USC 1131 note.

(c) Section 202 (c) of the Federal Farm Loan Act, as amended, is amended by changing the word "three" to the word "five".

46 Stat. 816. 12 USC 1033.

(d) Section 204 (a) of the Federal Farm Loan Act, as amended, is amended to read as follows:

42 Stat. 1456. 12 USC 1051.

Interest or discount rates.

"SEC. 204. (a) Loans and discounts by any Federal intermediate credit bank shall bear such rates of interest or discount as the board of directors of the bank shall from time to time determine with the approval of the Farm Credit Administration, but the rates charged financing institutions other than production credit associations shall be the same as those charged production credit associations."

(e) Section 13 of the Federal Farm Loan Act, as amended, is hereby amended by inserting in paragraph "Seventeenth", after the words "Federal land banks", a comma and the words "to Federal intermediate credit banks, or to banks for cooperatives organized under the Farm Credit Act of 1933, as amended,".

50 Stat. 708. 12 USC 781.

12 USC 1131 note.

(f) Section 203 of the Federal Farm Loan Act, as amended, is amended (i) by inserting in subsection (a) thereof, after the words "outstanding consolidated debentures" the words "or other similar obligations"; and (ii) by inserting in subsections (d) and (e) thereof, after the word "debentures" wherever used therein, except in the last sentence of subsection (d), the words "or other similar obligations".

49 Stat. 315. 12 USC 1041.

12 USC 1044, 1045.

SEC. 105. (a) Section 2 of the Farm Credit Act of 1933, as amended, is amended to read as follows:

48 Stat. 257. 12 USC 1131, 1134.

"Banks for cooperatives."

"SEC. 2. The Governor of the Farm Credit Administration, hereinafter in this Act referred to as the 'Governor', is authorized and directed to organize and charter twelve banks to be known as 'banks for cooperatives'. One such bank shall be established in each city in which there is located a Federal land bank. The members of the several farm credit boards of the farm credit districts provided for in section 5 of the Farm Credit Act of 1937, as amended, shall be ex officio the directors of the respective banks for cooperatives. Such directors shall have power, subject to the approval of the Governor, to employ and fix the compensation of such officers and employees of

50 Stat. 704. 12 USC 640a.

such banks as may be necessary to carry out the powers and duties conferred upon such banks under this Act."

(b) Section 3 of the Farm Credit Act of 1933 is amended by striking from the first sentence the words "the production credit corporations and" and by striking from the second sentence the words "corporations and". 48 Stat. 257. 12 USC 1131a, 1134a.

(c) Section 4 of the Farm Credit Act of 1933 is hereby repealed. 12 USC 1131b.

(d) Section 5 of the Farm Credit Act of 1933, as amended, is amended (1) by changing "$120,000,000" in subsection (a) thereof to "$60,000,000"; (2) by striking from subsection (b) thereof the words "the production credit corporations and"; (3) by changing "$40,000,000" in subsection (e) thereof to "$70,000,000"; and (4) by striking from subsection (e) thereof the words "and/or paid-in surplus". Revolving fund. 48 Stat. 258, 348. 12 USC 1131i.

(e) Section 6 of the Farm Credit Act of 1933, as amended, is amended to read as follows: 48 Stat. 259. 12 USC 1131c.

"INVESTMENT BY GOVERNOR IN STOCK OF PRODUCTION CREDIT ASSOCIATIONS

"SEC. 6. The Governor may purchase class A stock of any production credit association in such amounts as he determines are required to meet the credit needs of farmers in the area served by such association. Payments for such stock purchased by the Governor shall be made out of the revolving fund authorized by section 5 (a) of this Act. The Governor may at any time require any production credit association to retire and cancel any class A stock held by him in such association if, in his judgment, the association has resources available therefor, and the proceeds of such stock retirements shall be paid into such revolving fund." *Supra.*

(f) Section 20 of the Farm Credit Act of 1933 is amended by changing the fourth sentence to read as follows: "Such articles shall be signed by the individuals uniting to form the association and a copy thereof shall be furnished to the Governor." 48 Stat. 260. 12 USC 1131d.

(g) Section 21 of the Farm Credit Act of 1933, as amended, is amended (1) by striking from the first sentence the words "production credit corporations" and substituting in lieu thereof the words "the Governor"; and (2) by deleting the last sentence thereof. 48 Stat. 260. 12 USC 1131e.

(h) Section 22 of the Farm Credit Act of 1933, as amended, is amended by striking out the words "production credit corporation", wherever they appear therein, and substituting in lieu thereof "Federal intermediate credit bank". 48 Stat. 261. 12 USC 1131f.

(i) Section 23 of the Farm Credit Act of 1933, as amended, is amended (1) by changing the first sentence to read as follows: "Each production credit association shall, under such rules and regulations as may be prescribed by the farm credit board of the district with the approval of the Farm Credit Administration, invest its funds and make loans to farmers for general agricultural purposes and other requirements of the borrowers."; (2) by deleting the second sentence; and (3) by striking from the third sentence the word "corporation" and inserting in lieu thereof the words "Federal intermediate credit bank". 48 Stat. 261. 12 USC 1131g.

(j) Section 34 of the Farm Credit Act of 1933, as amended, is hereby amended by adding before the semicolon at the end of "(b)" the words "or to Federal land banks or Federal intermediate credit banks". 49 Stat. 317. 12 USC 1134j.

(k) Section 41 of the Farm Credit Act of 1933, as amended, is hereby amended by adding before the semicolon at the end of "(b)" the words "or to Federal land banks or Federal intermediate credit banks". 49 Stat. 317. 12 USC 1134c.

48 Stat. 266.
12 USC 1138.

(l) Section 60 of the Farm Credit Act of 1933, as amended, is amended (1) by striking from the first sentence the words "the production credit corporations,"; (2) by striking from the second sentence the words "association, or corporation" and substituting in lieu thereof the words "or association"; and (3) by striking from the third sentence the words "production credit corporation or", "or corporation", and "corporation or", wherever they appear therein.

48 Stat. 267.
12 USC 1138a.

(m) Section 61 of the Farm Credit Act of 1933 is amended (1) by striking from the first sentence the words "production credit corporation,"; and (2) by striking from the second and third sentences the words "association, or corporation", wherever they appear therein, and substituting in lieu thereof the words "or association".

48 Stat. 267.
12 USC 1138b.

(n) Section 62 of the Farm Credit Act of 1933, as amended, is amended by striking out the words "production credit corporations,".

48 Stat. 267.
12 USC 1138c.

(o) Section 63 of the Farm Credit Act of 1933, as amended, is amended (1) by striking from the first sentence the words "the production credit corporations,"; (2) by striking from the first and second sentences the words "associations, or corporations" and "associations, and corporations," and substituting in lieu thereof, the words "or associations" and "and associations,", respectively; and (3) by changing the last sentence to read as follows: "The exemption provided herein shall not apply with respect to any production credit association or its property or income after the class A stock held in it by the Governor has been retired, or with respect to any bank for cooperatives or its property or income after the stock held in it by the United States has been retired."

48 Stat. 269.
12 USC 1138e.

(p) Section 65 of the Farm Credit Act of 1933, as amended, is amended (1) by striking out the words "production credit corporation,"; and (2) by striking out the words "association or corporation", wherever they appear therein, and substituting in lieu thereof the words "or association".

48 Stat. 1263.
12 USC 1131g-1.

(q) Section 86a of the Farm Credit Act of 1933 is hereby repealed.

67 Stat. 397.
12 USC 640d.

SEC. 106. (a) Section 5 of the Farm Credit Act of 1937, as amended, is amended (1) by striking from subsection (d) (2) (B) the words "production credit corporation of the district" and substituting in lieu thereof the words "Governor of the Farm Credit Administration"; and (2) by striking from subsection (h) the words "production credit corporation,".

50 Stat. 705.
12 USC 640h.

50 Stat. 706.
12 USC 640l.

(b) Section 6 of the Farm Credit Act of 1937 is amended (1) by striking from the first sentence of subsection (a) the words "production credit corporation,"; (2) by striking from the third sentence of subsection (a) the word "three"; (3) by striking from the first sentence of subsection (b) the words "the bank for cooperatives, and the production credit corporation" and substituting in lieu thereof the words "and the bank for cooperatives"; and (4) by striking from the last sentence of subsection (b) the words "production credit corporation,".

67 Stat. 394.
12 USC 636g.

SEC. 107. (a) Section 8 of the Farm Credit Act of 1953 is amended by striking out the words "production credit corporation", wherever they appear therein, and substituting in lieu thereof the words "Federal intermediate credit bank".

67 Stat. 399.
12 USC 1131e-1.

(b) Subsection (a) of section 16 of the Farm Credit Act of 1953 is amended to read as follows:

"(a) Any other provisions of law to the contrary notwithstanding, after the effective date of this Act any production credit association may, with the approval of the Farm Credit Administration, issue nonvoting preferred stock, to be known as class C stock, which may be purchased and held by the Governor of the Farm Credit Administration and by investors: *Provided*, That the issuance of such stock shall

be authorized by vote of not less than two-thirds of the outstanding shares of class A stock of the association (other than shares held by the Governor of the Farm Credit Administration) by the holders thereof in person or by proxy and by vote of not less than two-thirds of the outstanding shares of class B stock of the association by the holders thereof in person or by proxy; and for this purpose holders of class A stock (other than the Governor of the Farm Credit Administration) and holders of class B stock shall be entitled to one vote for each share of stock held by them. Payments for such stock purchased by the Governor shall be made out of the revolving fund created by section 5 (a) of the Farm Credit Act of 1933, as amended, and the proceeds from the retirement of any such stock shall be paid into such revolving fund."

SEC. 108. Section 601 of the Department of Agriculture Organic Act of 1944, as amended, is hereby amended (1) by striking from subsection (a) the words "production credit corporations,", wherever they appear therein, and the word "corporations,"; (2) by striking from subsection (b) the words "the Federal intermediate credit banks, and the production credit corporations" and substituting in lieu thereof the words "and the Federal intermediate credit banks"; and (3) by striking from subsections (b) and (c) the words "and corporation", "and corporations", and "corporation,", wherever they appear therein. 58 Stat. 740. 12 USC 832.

SEC. 109. Sections 658 and 1014 of title 18, United States Code, are hereby amended by striking from each such section the words "or in which a production credit corporation holds stock". 62 Stat. 729, 752.

TITLE II—MISCELLANEOUS PROVISIONS

SEC. 201. (a) The Government Corporation Control Act, as amended, is amended (1) by striking from section 101 the words "Federal Intermediate Credit Banks; Production Credit Corporations;"; (2) by inserting in section 201 immediately following "(3)" the words "Federal Intermediate Credit Banks, (4)"; (3) by changing "(4)" in section 201 to "(5)"; and (4) by striking from sections 302 and 303 the words "production credit corporations,". 59 Stat. 597, 600, 601. 31 USC 846, 856, 867, 868.

(b) After the effective date of this subsection, the Federal intermediate credit banks may utilize their funds for administrative expenses without regard to the limitations contained in any other Act of Congress governing the expenditure of appropriated funds.

(c) Paragraph Seventh of section 5136 of the Revised Statutes as amended, is amended (1) by inserting in next to the last sentence immediately before the words "Federal Home Loan Banks", the words "thirteen banks for cooperatives or any of them or the"; and (2) by changing the last sentence to read as follows: "The limitations and restrictions herein contained as to dealing in and underwriting investment securities shall not apply to obligations issued by the International Bank for Reconstruction and Development which are at the time eligible for purchase by a national bank for its own account: *Provided*, That no association shall hold obligations issued by said bank as a result of underwriting, dealing, or purchasing for its own account (and for this purpose obligations as to which it is under commitment shall be deemed to be held by it) in a total amount exceeding at any one time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund." 12 USC 24.

SEC. 202. (a) This Act shall become effective on January 1, 1957, except subsections (a) and (b) of section 201, which shall become effective January 1, 1959. Effective dates.

(b) For purposes of applying the amendment in section 103 of this Act, that part of the fiscal year 1957 preceding the effective date of this Act shall be deemed to be a separate fiscal year.

Separability.

SEC. 203. (a) If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

(b) The right to alter, amend, or repeal this Act is hereby expressly reserved.

Approved July 26, 1956.

Public Law 810 CHAPTER 742

July 26, 1956
[H. R. 9742]

AN ACT

To provide for the protection of the Okefenokee National Wildlife Refuge, Georgia, against damage from fire and drought.

Okefenokee National Wildlife Refuge, Ga.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for the purpose of protecting the natural features and the very substantial public values represented in the Okefenokee National Wildlife Refuge, Georgia, from disastrous fires such as those which swept over 80 per centum of the area between October 1954 and June 1955, and for the purpose of safeguarding the forest resources on more than four hundred thousand acres of adjoining lands recently damaged by wildfires originating in or sustained by the desiccated peat deposits in the Okefenokee Swamp, the Secretary of the Interior shall construct a continuous perimeter road around the Okefenokee National Wildlife Refuge with additional fire access roads (leading from such perimeter road) in and around such refuge; and for the purpose of protecting such refuge against damage from drought he shall construct a sill and dike in the Suwanee River near the point where the river leaves the refuge together with additional sills in the Old Saint Marys River Canal and at such other points within the refuge as he may determine to be necessary to prevent drainage of the Okefenokee Swamp during periods of drought such as those which occurred in 1953–1955 and other years.

Surveys for roads, etc.

(b) The Secretary of the Interior is authorized and directed to conduct such surveys as he deems necessary to provide more adequate protection for the Okefenokee National Wildlife Refuge, through the development and construction of perimeter and fire access roads and the installation of water controls as described in subsection (a), against the damaging effects of fire and drought.

(c) The Secretary of the Interior is authorized and directed to cooperate with State and local authorities in protecting public and private lands from wildfires originating in or sustained by the Okefenokee National Wildlife Refuge by integrating the perimeter road and fire access roads with existing woods roads in such manner as he determines will best carry out the purpose of this Act.

Appropriations.

SEC. 2. There are hereby authorized to be appropriated to carry out this Act (1) the sum of $453,500 for the construction of a continuous perimeter road around the Okefenokee National Wildlife Refuge and approximately one hundred and sixty-two miles of fire access roads, together with necessary bridges and culverts, in and around such refuge, and (2) the sum of $275,000 for the construction of a sill and dike in the Suwanee River and sills at other appropriate points in the Okefenokee National Wildlife Refuge.

Approved July 26, 1956.