

[CHAPTER 441]

AN ACT

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

June 29, 1940
[H. R. 8450]
[Public, No. 672]

Federal Farm Loan Act, amendment.
48 Stat. 43.
12 U. S. C. § 771; Supp. V, § 771.
Reduced rate of interest, time extension.

Interest on "purchase money mortgages."

Time limit for final payments.

Emergency Farm Mortgage Act, amendment.
50 Stat. 521.
12 U. S. C., Supp. V, § 1016 (i).

Limitation on rates of interest.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended (relating to the 3½ per centum interest rate on Federal land bank loans), is amended by striking out "occurring within a period of five years, commencing July 1, 1935" and inserting in lieu thereof "occurring within a period of 7 years commencing July 1, 1935". The provisions of such paragraph "Twelfth" of section 12 of such Act shall be applicable to interest on so-called "purchase money mortgages" in the case of interest payable on installment dates occurring after the date of the enactment of this Act.

(b) The fourth sentence of such paragraph "Twelfth" (relating to the 1940 time limit on payments made by the United States to land banks on account of such interest reduction) is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1942."

SEC. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows:

"Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1942."

Approved, June 29, 1940.

[CHAPTER 442]

JOINT RESOLUTION

To make emergency provision for the maintenance of essential vessels affected by the Neutrality Act of 1939, and for adjustment of obligations with respect to such vessels.

June 29, 1940
[S. J. Res. 260]
[Pub. Res., No. 89]

Vessels affected by Neutrality Act of 1939. "Essential vessel" defined.

49 Stat. 1985.
46 U. S. C., Supp. V, ch. 27.

Restricted operation of essential vessels.

Ante, p. 4.
22 U. S. C., Supp. V, §§ 245j-245j-19.

Adjustments of obligations; maintenance.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) when used in this joint resolution the term "essential vessel" means any vessel (1) which is (A) security for any mortgage indebtedness to the United States or (B) constructed under the Merchant Marine Act, 1936, or required by the terms of a contract under such Act to be operated on a certain essential foreign trade route, and (2) which it is necessary in the interests of commerce and national defense to maintain in condition for prompt use.

(b) For the purposes of preserving in the national interest the full availability and usefulness of essential vessels, which, under the provisions of the Neutrality Act of 1939 (or any proclamation issued thereunder), or compatibly with the national interest, cannot be operated in the service, route, or line to which such vessels are assigned pursuant to the Merchant Marine Act, 1936, or in which they would otherwise be operated, the United States Maritime Commission is authorized to make adjustments of obligations in respect of such vessels and to make arrangements for the maintenance of such vessels, subject to the provisions of this joint resolution and to such rules and regulations as the Commission shall prescribe as necessary