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**GOVERNMENT
CORPORATIONS AND
STATE LAW**

BY

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**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY
IN THE
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To

MY MOTHER AND FATHER

ACKNOWLEDGMENTS

It is only appropriate at this time to express my indebtedness to Professor Arthur W. Macmahon of Columbia University for having first interested me in the field of government corporate development, and for having given so lavishly of his time and guidance during the past two years. I am also indebted to Professors Noel T. Dowling, Schuyler C. Wallace, and Lindsay Rogers, all of Columbia University, for reading the manuscript and offering valuable suggestions. To Professor Herman Finer of the London School of Economics, I owe a debt of gratitude for his aid in the analysis of the problems of the Tennessee Valley Authority. Limitations of space make it impossible to express my appreciation to each one of the many officials of government corporations and to the state agencies who have cooperated in this study. Mr. Philip Glick of the Department of Agriculture of the United States, must be mentioned separately, however, for his kindness in reading and criticizing the manuscript. Mr. Nathan D. Sobel, Counsel to the Governor of New York State should also be mentioned individually, for his generous aid. I also wish to thank the Staff of the Columbia University Law Library, for their able assistance and unflinching courtesy.

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APPENDIX I

Legal/NRM :A
Langston Project
729281 s/18/38

March 3, 1938

My dear Commissioner Hazen :

Allow me to refer to your letter of February 17 addressed to the Federal Emergency Administrator of Public Works in which you request that a payment in lieu of taxes with respect to the Langston project be made to the District of Columbia under the provisions of section 2 of an act approved June 29, 1936, Public No. 837, 74th Congress.

Pursuant to the provisions of the United States Housing Act of 1937, the President, by Executive Order No. 7732, effective November 1, 1937, transferred all of the projects, assets and activities of the Housing Division of the Federal Emergency Administration of Public Works to this Authority. The Langston project in the District of Columbia was included in such transfer.

Section 2(12) of the United States Housing Act of 1937 provides: "The term 'State' includes the States of the Union, the District of Columbia, and the Territories, dependencies, and possessions of the United States." Section 5(e) of the said Act provides that all property of this Authority shall be exempt from all taxes now or hereafter imposed by the United States or by any State, county, municipality or other local taxing authority. Section 13 (c) provides that this Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority.

Representatives of this Authority have conferred with you, Colonel Daniel I. Sultan and other representatives of the Board of Commissioners in regard to a payment in lieu of taxes by this Authority to the District of Columbia for services rendered by the District of Columbia to the Langston project and its tenants. As a result of such conferences, the following agreement has been reached:

1. The District of Columbia will supply to the Langston project and to the inhabitants thereof all of the services which are

rendered to other property owners or inhabitants of the District of Columbia, the cost of which is ordinarily defrayed by ad valorem real estate taxation, including but not limited to the following: fire and police protection, educational facilities, street lighting, street cleaning and garbage and trash removal to the extent authorized by law.

2. This Authority shall pay to the District of Columbia a sum in lieu of any ad valorem taxation to be assessed or levied against the real estate included in the Langston project to be computed at the rate of Two Thousand Nine Hundred Twenty-Five Dollars (\$2,925) per annum.

3. This payment in lieu of taxes shall commence to accrue from the date the first tenant moves into the Langston project and shall be made during the month of March of each calendar year, the first payment shall be prorated to March 1, 1939 and shall be made during the month of March, 1939.

4. The payment of this sum in lieu of taxes shall be made only from the income derived by this Authority from the operation of the Langston project.

Please indicate the acceptance of this agreement on behalf of the Board of Commissioners of the District of Columbia by signing the three enclosed counterparts of this letter in the place designated and return them to this office.

The cooperation of you and your associates in the negotiation of this agreement is very much appreciated.

Faithfully yours,

NATHAN STRAUS,
Administrator

Mr. Melvin C. Hazen,
President,
Board of Commissioners of the
District of Columbia
Washington, D.C.

Accepted:

Melvin C. Hazen, President, Board of
Commissioners of the District of Columbia

APPENDIX II
TENNESSEE VALLEY AUTHORITY
and

**CONTRACT FOR A PROGRAM OF COOPERATIVE
HEALTH WORK FOR THE PROTECTION OF
THE HEALTH OF EMPLOYEES OF THE
AUTHORITY AND OF LOCAL COMMU-
NITIES FROM HEALTH HAZARDS
CREATED BY OPERATIONS
OF THE AUTHORITY**

THIS CONTRACT, made and entered into this _____ day of _____, 1937, by and between the **TENNESSEE VALLEY AUTHORITY**, a corporation created by the Act of Congress known as the Tennessee Valley Authority Act of 1933, hereinafter referred to as "Authority," and **THE STATE HEALTH DEPARTMENT OF THE STATE OF _____**, hereinafter referred to as "Department,"

WITNESSETH :

WHEREAS, the Authority is now, and during the term of this agreement will be, engaged in extensive activities and operations within _____

_____ in the State of _____ : and

WHEREAS, the carrying on of such activities results in the movement of large units of population into said county or counties, and thereby increases the intensity of health hazards among the employees of the Authority, as well as generally within the communities affected; and

WHEREAS, the creation of reservoirs by the Authority and the impounding of waters therein, seriously intensifies within the communities affected the problem of malaria control and may adversely affect conditions of water supply, sewage and other waste disposal systems within such communities; and

WHEREAS, the Authority is under the obligation to provide reasonably adequate health service to its employees residing within the above named counties, and is also under an obligation to adopt reasonable measures to protect the residents of said counties from the effects of adverse environmental conditions created by the Authority; and

WHEREAS, to attempt to discharge such obligations directly within said counties by personnel employed by the Authority would be uneconomical and inefficient, and would tend to result in conflicts of jurisdiction and authority; and

WHEREAS, both the Authority and the Department are desirous of entering into an agreement that will enable the Department to perform these necessary services for and on behalf of the Authority without imposing any additional financial burden upon the Department;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants of the parties hereinafter contained, the parties hereto covenant and agree as follows:

1. The Department agrees that it will establish such programs of public health service in the counties named in this contract as may be necessary for the control of unusual health hazards resulting from the operations of the Authority, and that it will perform on behalf of the Authority such other services as may be jointly agreed upon by the Department and the Director of Health of the Authority. The counties included in this contract are as follows:

2. The Department agrees to employ for the performance of services contemplated by this contract only such persons as are jointly approved by the Department and the Director of Health of the Authority.

3. The Department further agrees that it will adopt a budget to be agreed upon by the Department and the Director of Health of the Authority for the services included in this contract during the period of the contract, and that said budget when adopted will become a part of this contract.

4. The Department further agrees that it will submit to the Director of Health of the Authority such progress and financial

reports as may be jointly agreed upon by the Department and the Director of Health of the Authority.

5. The Authority agrees that during the term of this contract it will contribute at the rate of _____ dollars per annum to the budget included within the terms of this contract, said contribution to be payable in monthly installments to the Department at the close of each calendar month upon receipt of properly certified invoice in triplicate, reciting that the services to be performed by the Department under the terms of this contract have been duly performed during said month; that payment therefor has not been received, and that the amount of the invoice is just and correct.

6. The term of this contract shall be for the fiscal year ending June 30, 1938, and thereafter from year to year until terminated by notice in writing by either party to the other thirty (30) days before the end of any fiscal year.

7. The Department agrees to submit at the end of the fiscal year to the Director of Health of the Authority, a financial statement certifying the expenditures made according to the terms of the budget included as a part of this contract, and to return to the Authority any unexpended balance which may have accrued to the commitments of the Authority.

8. It is expressly understood and agreed that in the event the Department fails to perform any of the covenants, or comply with any of the terms and conditions of this contract, the Authority shall, from the date of such failure of performance or breach of covenant, be relieved of all liabilities and obligations imposed upon it under the terms of this agreement.

9. This agreement may be terminated and cancelled by either party upon giving ninety (90) days' notice in writing to the other party of the intention to so terminate.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed the day and year first above written.

TENNESSEE VALLEY AUTHORITY

By _____

Chairman of the Board

THE STATE HEALTH DEPARTMENT
OF THE STATE OF _____

By _____

APPENDIX III

A. INCORPORATION DIRECTLY BY ACT OF CONGRESS

THE RECONSTRUCTION FINANCE CORPORATION was created directly by act of Congress as a body corporate: 47 Stat. 5; 15 U.S.C.A. 601-617 (January 22, 1932). Its powers were affected by the following laws:

47 Stat. 709, 15 U. S. C. A. 605 (a), (b), 608, 609 (July 21, 1932); 47 Stat. 725, 15 U. S. C. A. 602 (July 22, 1932); 47 Stat. 795 (February 4, 1933); 48 Stat. 1, 12 U. S. C. A. 51 (d) (March 9, 1933); 48 Stat. 31, 7 U. S. C. A. 605 (May 12, 1933); 48 Stat. 55, 15 U. S. C. A. 722 (May 12, 1933); 48 Stat. 119, 15 U. S. C. A. 605-605 (j) (June 10, 1933); 48 Stat. 128, 12 U. S. C. A. 1463 (June 13, 1933); 48 Stat. 141, 15 U. S. C. A. 605 (June 14, 1933); 48 Stat. 195, 40 U. S. C. A. 412, 15 U. S. C. A. 609 (b) (June 16, 1933); 48 Stat. 211, 49 U. S. C. A. 265 (June 16, 1933); 48 Stat. 257, 12 U. S. C. A. 1131 (i) (June 16, 1933); 48 Stat. 318, 15 U. S. C. A. 601 (a), 604 (a), 613 (a) (January 20, 1934); 48 Stat. 589, 15 U. S. C. A. 605 (k) (April 13, 1934); 48 Stat. 969, 15 U. S. C. A. 606 (a) (June 16, 1934); 48 Stat. 1105, 15 U. S. C. A. 605 (f), 605 (i), 606 (b), 606 (f)-606 (i) (June 19, 1934); 48 Stat. 1198, 15 U. S. C. A. 605 (June 21, 1934); 49 Stat. 1, 15 U. S. C. A. 601 (b), 603 (a), 604 (b), 605, 605 (e), (1), (m), 606 (a), (b), 607 (a), 613 (b) (January 31, 1935); 49 Stat. 424, 46 U. S. C. A. 922 (June 27, 1935); 49 Stat. 684, 12 U. S. C. A. 228 (August 23, 1935); 49 Stat. 796, 15 U. S. C. A. 606 (j) (August 24, 1935); 49 Stat. 1185, 12 U. S. C. A. 51 (e), 51 (f) (March 20, 1936); 49 Stat. 1191 (April 10, 1936); 49 Stat. 1363, 7 U. S. C. A. 903 (May 20, 1936); 50 Stat. 5, 15 U. S. C. A. 613 (c) (January 26, 1937); 50 Stat. 19, 15 U. S. C. A. 605 (k)-(1) (February 11, 1937); 50 Stat. 703, 12 U. S. C. A. 1095 (August 19, 1937) and the act of February 24, 1938.

The purpose of the corporation is to provide facilities for financial institutions to aid in financing agriculture, commerce and industry, to purchase preferred stocks of banks and to make loans. The corporation reports directly to the President of the United States who appoints all the directors. The capital stock is \$500,000,000 fully paid in by the Secretary of the Treasury.

THE TENNESSEE VALLEY AUTHORITY was created directly by act of Congress as a body corporate, 48 Stat. 58; 16 U.S.C.A. 831-831 (dd) (May 18, 1933), and was amended by 49 Stat. 1075; 16 U.S.C.A. 831 (c)-831 (cc) (August 31, 1935). It has a fourfold purpose (1) The operation of government-owned property in the

Muscle Shoals area. (2) Use of power as a "yardstick." (3) Experimentation to reduce the cost of production and distribution of fertilizers. (4) Planning for the whole watershed area including reforestation, erosion, land use, and so forth. The Authority is under the direct supervision of the President of the United States and the three directors report directly to him. The project is financed through Congressional allotments and has no capital stock.

FEDERAL DEPOSIT INSURANCE CORPORATION was created directly by act of Congress as a body corporate, 48 Stat. 162; 12 U.S.C.A. 264 (June 16, 1933). This act was further amended, 49 Stat. 684; 12 U.S.C.A. 228 (August 23, 1935). The purpose of the corporation is to insure the deposits of all banks which are entitled to the benefits of insurance under the law. This corporation reports directly to the President of the United States. The board of directors consists of three persons, two of whom are chosen by the President of the United States with the advice and consent of the Senate, the third member is the Comptroller of the Currency. The Treasury of the United States has contributed \$150,000,000 of the capital stock and the remaining \$139,299,556.99 is subscribed by the Federal Reserve Bank. On December 31, 1937 this corporation had insured deposits in 13,853 of the 15,450 operating banks in the United States.

FEDERAL FARM MORTGAGE CORPORATION was created directly by act of Congress as a body corporate, 48 Stat. 344; 12 U.S.C.A. 1020-1020 (h) (January 31, 1934). The chief purpose is to aid in financing the lending operations of the federal land banks and the Land Bank Commissioner. By the Emergency Farm Mortgage Act of 1933 the mortgages and credit instruments previously taken up by the Land Bank Commissioner, were transferred to the corporation. It has an authorized capital stock of \$200,000,000 which is owned by the United States. The board of directors of three consists of the Governor of the Farm Credit Administration, the Secretary of the Treasury and the Land Bank Commissioner. This corporation is supervised by the Farm Credit Administration.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION was created directly by act of Congress as a body corporate, 48 Stat. 1246, 1256; 12 U.S.C.A. 1725-1730 (June 27, 1934) and amended by 49 Stat. 293; 12 U.S.C.A. 1422 (May 28, 1935). The purpose

of this corporation is to insure investments in thrift and home financing institutions. It is under the supervision of the Federal Home Loan Bank Board members of which compose its board of trustees. The \$100,000,000 which represents the capital stock of the corporation was obtained by the sale of its stock to the Home Owners' Loan Corporation.

FARMERS' HOME CORPORATION was created directly by act of Congress as a body corporate, 50 Stat. 522; 7 U.S.C.A. 1014 (July 22, 1937) and placed in the Department of Agriculture. The corporation is to have a nominal capital stock in an amount determined and subscribed for by the Secretary. The board of directors is to consist of three persons in the employ of the Department of Agriculture.

FEDERAL CROP INSURANCE CORPORATION was created directly by Title V of the Agricultural Adjustment Act of 1938 as a body corporate (February 16, 1938). The purpose of the corporation is to provide for wheat crop insurance for the 1939 harvest and for research to determine whether insurance could be given to other crops. The corporation was placed in the Department of Agriculture. The act authorized subscription by the United States of \$100,000,000 worth of capital stock. It provided in addition that not more than \$20,000,000 be appropriated during the fiscal year which began June 30, 1938.

UNITED STATES HOUSING AUTHORITY was created directly by act of Congress as a body corporate, 50 Stat. 888; 42 U.S.C.A. 1401-1430 (September 1, 1937), and placed in the Department of the Interior theoretically under the supervision of the Secretary of that Department. By Executive Order 7732 (October 27, 1937) all the housing and slum clearance projects of the Federal Emergency Administration of Public Works, together with the unexpended balance for this purpose were transferred to the Authority. The purpose is to assist the states to provide adequate dwellings for families of low income. The Authority has a capital stock of \$1,000,000 subscribed by the United States. The sum of \$26,000,000 was authorized to be appropriated for the fiscal year ending June 30, 1938. The Authority may issue \$500,000,000 in bonds by July 1, 1939. These obligations are to be exempt from all taxes except surtaxes, estate taxes, inheritance or gift taxes

by the United States or any state. All these obligations are guaranteed as to principal and interest by the United States.

DISASTER LOAN CORPORATION was created directly by act of Congress as a body corporate, 50 Stat. 19; 15 U.S.C.A. 605 (k) (February 11, 1937). It is to exist until dissolved by further act of Congress. The purpose of the corporation is to provide loans made necessary by floods or other catastrophes of 1936, 1937, 1938. The corporation is managed by officers and agents of the R.F.C. The capital stock which is not to exceed \$20,000,000 is to be paid for by the R.F.C. out of unexpended balance of \$50,000,000 which the R.F.C. is authorized to lend for catastrophe relief by Sec. 1 of 49 Stat. 1232; 15 U.S.C.A. 605 (k) (April 17, 1936).

INLAND WATERWAYS CORPORATION was created directly by act of Congress, 43 Stat. 360; 49 U.S.C.A. 152-156 (June 3, 1924). Its power was further changed by 44 Stat. 1261; 49 U.S.C.A. 154 *et seq.* (February 28, 1927) and by 45 Stat. 978; 49 U.S.C.A. 152, 153 (May 29, 1928). The purpose of the corporation is to foster and develop freight transportation by water over inland routes. The stock of the corporation is all owned by the government of the United States. It is under the supervision of the War Department.

TEXTILE FOUNDATION INC. was created directly by act of Congress, 46 Stat. 539; 15 U.S.C.A. 501-505 (June 10, 1930). The actual process of incorporation was effected with the first meeting of the Board of Directors on June 11, 1930. The corporation was organized for scientific and economic research for the benefit and development of the textile industry. The corporation is under the supervision of a Board of Directors consisting of the Secretary of Commerce, the Secretary of Agriculture, and three persons chosen by the President for a four-year term. It does not receive funds from the United States Government but must, however, report to Congress and the President once a year and give them a confidential report of their activities and a detailed statement of receipts and expenditures.

WAR FINANCE CORPORATION was created directly by act of Congress as a body corporate, 40 Stat. 506; 15 U.S.C.A. 331-346 (April 5, 1918). In accordance with a later act of Congress, 43 Stat. 14; 15 U.S.C.A. 371 (February 20, 1924) the corporation

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ceased to receive applications on November 20, 1924. The corporation had as its purpose the giving of financial support to industries whose "operations were necessary or contributory to the prosecution of the war, and to banking institutions which aided in financing these institutions." The entire capital stock of \$500,000,000 was subscribed to by the United States Government. The process of liquidation is under the supervision of the Secretary of the Treasury. At the present time \$10,000 of the capital stock remains outstanding.

CORPORATION OF FOREIGN SECURITY HOLDERS was directly created by act of Congress, 48 Stat. 74; 15 U.S.C.A. 77 (bb) (May 27, 1933). It was authorized to be financed by the R.F.C. and to be under the supervision of the Federal Trade Commission. It never actually came into existence because although Congress had created a body corporate, the law said the corporation was not to come into existence until the President should proclaim the corporation, which he has never done.

B. INCORPORATION BY FEDERAL OFFICERS UNDER SPECIFIC DIRECTION OF CONGRESS. NO FURTHER AUTHORITY NEEDED

FEDERAL LAND BANKS were organized by federal officers (Federal Farm Loan Board) under the specific direction and authority of an act of Congress, 39 Stat. 360; 12 U.S.C.A. 671-83 (July 17, 1916). The power of this act has been broadened by several amendments contained in Emergency Farm Mortgage Act of 1933, 48 Stat. 31; 12 U.S.C.A. 1018 (May 12, 1933), the Farm Credit Act of 1933, 48 Stat. 257; 12 U.S.C.A. 1131, 1134 (June 16, 1933), the Federal Farm Mortgage Corporation Act, 48 Stat. 344; 12 U.S.C.A. 1020 (January 31, 1934), the Farm Credit Act of 1935, 49 Stat. 313; 12 U.S.C.A. 1016 (June 3, 1935), and the Farm Credit Act of 1937, 50 Stat. 703; 12 U.S.C.A. 1020 (August 19, 1937). The federal land banks have funds made available to them by the Federal Farm Mortgage Corporation. The federal land banks are under the direct supervision of the Farm Credit Administration. These banks may make loans (a) to purchase land for agricultural purposes only, (b) to buy equipment, fertilizer and livestock necessary for the proper operation of the mortgaged farm, (c) to buy buildings, (d) to liquidate indebtedness incurred

for agricultural purposes prior to January 1, 1933, (c) to provide the owner of the mortgaged land with funds for general agricultural uses. On December 31, 1936 the United States directly owned fifty-two per cent of the stock. Regardless of stock ownership in each of the twelve banks the United States appoints four of the seven directors.

HOME OWNERS' LOAN CORPORATION was organized by federal officers (Federal Home Loan Bank Board) under specific direction of sec. 4 of 12 U.S.C.A. 1461-68 of the Home Owners' Loan Act, 48 Stat. 128; 12 U.S.C.A. 1461-68 (June 13, 1933) and amended by act of Congress, 48 Stat. 643; 12 U.S.C.A. 347, 355, 394, 1020 c, 1430, 1463-68 (April 27, 1934), further amended by the National Housing Act, 48 Stat. 1246; 12 U.S.C.A. 371, 1131 (gg), 1422, 1426, 1430, 1430 (a), 1431, 1462, 1463, 1701-32, 48 Stat. 1264; 41 U.S.C.A. 22 (June 27, 1934), and still further amended by 49 Stat. 293, secs. 22-31; 12 U.S.C.A. 1703, 1709-11, 1716-17, 1725-27, 1729 (May 28, 1935). The purpose of the Home Owners' Loan Corporation was to grant long-term mortgage loans at low interest rates to those in need of funds for the retention or recovery of their homes and unable to get the money through normal banking channels. The corporation is under the supervision of the Federal Home Loan Bank Board, but is actually directly responsible to the President of the United States. On June 12, 1936 the corporation terminated its lending activities. The Secretary of the Treasury purchased the \$200,000,000 capital stock.

REGIONAL AGRICULTURAL CREDIT CORPORATIONS were organized by officers of the R.F.C. under the specific direction of the Emergency Relief and Construction Act, 47 Stat. 709; 15 U.S.C.A. 605 (a) (July 21, 1932). Twelve such corporations were formed with twenty-two branch offices. The purpose of these corporations was to make direct loans to farmers and stockmen for agriculture and the raising of livestock. The Regional Agricultural Credit Corporations were taken from the jurisdiction of the R.F.C. and placed under Farm Credit Administration by Executive Order effective May 27, 1933. The Farm Credit Administration is now in the process of liquidating these corporations. All the stock was owned by the R.F.C. Pursuant to the authority exercised under the Farm Credit Act of 1937, a new corporation known as the Regional

Agricultural Credit Corporation of Washington, D.C., was created September 30, 1937 to take over the assets and liabilities of these Regional Agricultural Credit Corporations.

TWELVE FEDERAL HOME LOAN BANKS were organized by the Federal Home Loan Bank Board under specific direction and authority so to do given in the Federal Home Loan Bank Act, 47 Stat. 725; 12 U.S.C.A. 1421-1449 (July 22, 1932) and as amended by the Home Owners' Loan Act of 1933, 48 Stat. 128; 12 U.S.C.A. 1424, 1461-1468 (June 13, 1933) and as further amended by an act of Congress 48 Stat. 643; 12 U.S.C.A. 347, 355, 394, 1020c, 1430, 1463, 1463a, 1463b, 1464-5, 1467-8 (April 27, 1934) and as further amended by the National Housing Act, 48 Stat. 1246; 12 U.S.C.A. 1701 *et seq.* (June 27, 1934) and an act of Congress, 49 Stat. 293; 12 U.S.C.A. 1430 (a) (May 28, 1935). The purpose of these banks is to establish a credit reserve for the thrift and home-financing institutions of the United States. They are under the supervision of the Federal Home Loan Bank Board. The capital stock is subscribed by institutions taken into membership, and by the Secretary of the Treasury. As of June 30, 1936 the Secretary of the Treasury had invested \$124,741,000 and the member institutions, \$26,745,700 in the capital stock. The Board of Directors of each Federal Home Loan Bank is made up of four directors appointed by the Federal Home Loan Bank Board and eight chosen by member institutions. The Board to designate one director of the bank to be chairman and one to be vice-chairman.

TWELVE PRODUCTION CREDIT CORPORATIONS were created by the Governor of the Farm Credit Administration under specific direction and authority of the Farm Credit Act of 1933, 48 Stat. 257; 12 U.S.C.A. 1131 (June 16, 1933). These corporations were established to assist in organizing and supervising the operations of the production credit associations. The associations provide short-term credit for general agricultural purposes. The corporations themselves do not make loans, they merely act in a supervisory capacity in providing the necessary funds for capitalizing production credit associations as they are needed. The capital stock is subscribed by the Governor of the Farm Credit Administration and held by him on behalf of the United States Government. Four of the seven directors of each corporation are appointed by the United States Government. Farm Credit Administration is the supervising agency.

NATIONAL FARM LOAN ASSOCIATIONS were first set up by members of the Federal Farm Loan Board in 1916 under the specific direction and authority of the Federal Farm Loan Act, 39 Stat. 360; 12 U.S.C.A. 711-722 (July 17, 1916). They were brought under the control and supervision of the Farm Credit Administration upon the establishment of that body. The associations are cooperative credit organizations through which federal land bank loans are normally made. On December 31, 1937 there were 4,681 such organizations. Under the provisions of the Farm Credit Act of 1935 the declaration and payment of dividends is made subject to the approval of the Land Bank Commissioner.

NATIONAL MORTGAGE ASSOCIATIONS are organized by the National Housing Administrator, under specific authority and direction of Title III of the National Housing Act, 48 Stat. 1246; 12 U.S.C.A. 1716-1723 (June 27, 1934), as amended by acts of Congress, 49 Stat. 293; 12 U.S.C.A. 1716 (d)-1717 (May 28, 1935), 49 Stat. 684 (August 23, 1935). The law provides that any five natural persons may apply for authority to establish a national mortgage association, and at the time of such application shall transmit to the administrator articles of association. If the administrator is of the opinion that the incorporators transmitting the articles of association are satisfactory in all respects, he shall issue a certificate of approval and the association shall become, as of that date, a corporation.

CENTRAL BANK FOR COOPERATIVES and the twelve district Banks were organized by the Governor of the Farm Credit Administration under the specific direction and authority of the Farm Credit Act of 1933, 48 Stat. 257; 12 U.S.C.A. 1134 (b)-1134 (j) (June 16, 1933). The purpose of these corporations is to make loans to national, regional and local farmers' cooperative associations, and to cooperatives furnishing farm business services. The Farm Credit Act of 1933 provides that the capital stock paid into the banks for cooperatives shall be in such amounts as the Governor of the Farm Credit Administration determines is necessary. As of December 31, 1937 the United States had subscribed to \$144,500,000 in stock and the thirteen banks for cooperatives \$3,552,300. As in other units under the supervision of the Farm Credit Administration four out of the seven directors are chosen by the government of the United States.

FEDERAL INTERMEDIATE CREDIT BANKS were organized by members of the Federal Farm Loan Board under the specific direction and authority of an act of Congress, 42 Stat. 1454; 12 U.S.C.A. 1021-1026, 1031-1034 (March 4, 1923), and amended by the Federal Farm Mortgage Corporation Act, 48 Stat. 344; 12 U.S.C.A. 1020 (January 31, 1934), and the Farm Credit Act, 49 Stat. 313; 12 U.S.C.A. 1051 (c) (June 3, 1935). They made loans to and discount paper for production credit associations, the banks for cooperatives, state and national banks, agricultural credit corporations, and livestock loan companies. They are under the supervision of the Farm Credit Administration. Four of the seven directors of each of the twelve banks are appointed by the governor.

FEDERAL SAVINGS AND LOAN ASSOCIATIONS were organized and given charters by the Federal Home Loan Bank Board under specific direction of sec. 5 of the Home Owners' Loan Act of 1933, 48 Stat. 128; 12 U.S.C.A. 1464 (June 13, 1933) as amended by 48 Stat. 643; 12 U.S.C.A. 1463 (April 27, 1934). The purpose in establishing the Federal Savings and Loan System was to provide local mutual thrift and home financing institutions. Both the Treasury and the Home Owners' Loan Corporation have made investments in these associations, as have private interests. They are under the supervision of the Federal Home Loan Bank Board. Such associations may raise their capital only in the form of payments on such shares as are authorized in their charter. Secretary of the Treasury may subscribe for preferred shares in such associations. He is permitted to subscribe at the request of the Board and not more than \$100,000 to any one association. The aggregate amount of shares held by the Secretary of the Treasury was not to exceed at any time the aggregate amount of shares held by all other shareholders.

FEDERAL PRISON INDUSTRIES, INC. was incorporated by the President of the United States through Executive Order No. 6917 (December 11, 1934) under specific authority and direction of 48 Stat. 1211; 18 U.S.C.A. 744 (i)-744 (n) (June 23, 1934). The purpose of this corporation is to provide employment for inmates of correctional and penal institutions under the direct control of the United States. It is under the supervision of the Department of Justice. It is financed by Congressional appropriation.

C. INCORPORATION UNDER STATE LAW OR UNDER THE LAWS OF THE DISTRICT OF COLUMBIA

THE R.F.C. MORTGAGE COMPANY was organized under the laws of Maryland on March 14, 1935. It was formed to carry out 49 Stat. 1; 15 U.S.C.A. 606 (i) (January 31, 1935). The purpose of the corporation is to aid in the reestablishment of a market for mortgages on business property, when credit is not otherwise available. The R.F.C. supervises the corporation and also owns the stock of the corporation.

COMMODITY CREDIT CORPORATION was organized under a Delaware charter on October 16, 1933, pursuant to Executive Order 6340 (October 16, 1933) to carry out the purposes of the Agricultural Adjustment Act, 48 Stat. 31; 7 U.S.C.A. 601-619 (May 12, 1933); N.I.R.A., 48 Stat. 195; 15 U.S.C.A. 702 (June 16, 1933); F.E.R.A. of 1933, 48 Stat. 55; 15 U.S.C.A. 721-728 (May 12, 1933); R.F.C. Act, 47 Stat. 5; 15 U.S.C.A. 601-617 (January 22, 1932); 49 Stat. 4; 15 U.S.C.A. 702 (Note) (January 31, 1935) extended its existence to April 1, 1937 as an agency of the United States. 50 Stat. 5; 15 U.S.C.A. 702 (Note) (January 26, 1937) extended its life as a governmental agency to June 30, 1939, unless earlier dissolved by the President. The purpose of this corporation is to make loans to producers to finance the marketing of agricultural commodities. The present capital is \$100,000,000, \$3,000,000 subscribed by the Secretary of Agriculture and \$97,000,000 by the R.F.C. The additional capital was subscribed by 49 Stat. 1191; 45 U.S.C.A. 186 (April 10, 1936). The Reconstruction Finance Corporation is the supervising agency for the corporation. The original incorporators were Henry A. Wallace, Henry Morgenthau, Jr., and Oscar Johnson.

FEDERAL SURPLUS COMMODITIES CORPORATION was originally formed as the Federal Surplus Relief Corporation. It was formed by the Federal Emergency Relief Administration in the state of Delaware (October 4, 1933). On November 18, 1935, at a meeting of its Board of Directors its name was changed to the Federal Surplus Commodities Corporation. Its principal purpose at the present time is to assist the Agricultural Adjustment Administration in its program for the removal of surplus products, by distributing such products to states relief agencies. This corporation is

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under the supervision of the Department of Agriculture. It was first formed to carry out the purposes of The Agricultural Adjustment Act, 48 Stat. 31; 7 U.S.C.A. 601-619 (May 12, 1933), Title II of the N.I.R.A., 48 Stat. 195; 15 U.S.C.A. 702 (June 16, 1933) and the F.E.R.A. of 1933, 48 Stat. 55; 15 U.S.C.A. 721-728 (May 12, 1933). Other powers were later added by 49 Stat. 774; 7 U.S.C.A. 612 (c) (August 24, 1935) as amended by 50 Stat. 323; 7 U.S.C.A. 612 (c) (June 28, 1937).

EXPORT-IMPORT BANK OF WASHINGTON was created on February 12, 1934 by the Secretary of State and of Commerce in the District of Columbia pursuant to Executive Order 6581 (February 2, 1934) for the purpose of carrying out the intention of sec. 2, Title 1 of the National Industrial Recovery Act, 48 Stat. 195; 15 U.S.C.A. 702 (June 16, 1933). The purpose of the bank is to aid in financing the exchange of commodities between the United States and any foreign country or its insular possessions. The Export-Import Bank is under the supervisory control of an inter-departmental board of trustees made up of officers from the Reconstruction Finance Corporation, the Departments of Commerce, State, Treasury, and Agriculture. The stock is owned partly by the United States and partly by the R.F.C. A second Export-Import Bank of Washington, D.C., which had been formed under Ex. Order 6638 (March 9, 1935) in the District of Columbia, and was dissolved as of Ex. Order 7365 (May 7, 1936) which ordered that after June 30, 1936, the bank be liquidated and that all of the commitments of the bank be taken over by the Export-Import Bank of Washington.

ELECTRIC HOME AND FARM AUTHORITY was first incorporated by the three directors of the T.V.A. under the laws of the state of Delaware (January 13, 1934) pursuant to Executive Order 6514 (December 19, 1933) and for the purpose of carrying out the National Industrial Recovery Act, 48 Stat. 195; 15 U.S.C.A. 702, 40 U.S.C.A. 401 (June 16, 1933). It was later incorporated in the District of Columbia, August 1, 1935 and the Delaware corporation was dissolved. By Executive Order 7139 (August 12, 1935) it was designated as an agency of the United States. 49 Stat. 1186; 15 U.S.C.A. 702 (March 31, 1936) continued the Electric Home and Farm Authority as an agency of the United States until February 1, 1937. 50 Stat. 5; 15 U.S.C.A. 702 (Note) (January 26, 1937)

authorized the further continuance of the Electric Home and Farm Authority as an agency of the United States until June 30, 1939, or such earlier date as the President of the United States may direct by Executive Order. The purpose of the corporation is to aid in the financing, distribution, sale and installation of electric equipment and appliances operated thereby. Their field of operation has been extended to cover the whole United States. It is under the supervision of the Reconstruction Finance Corporation but reports directly to the President of the United States. Capital stock is owned by the government of the United States.

PUBLIC WORKS EMERGENCY HOUSING CORPORATION was incorporated by the Public Works Administration in Delaware on October 28, 1933, and an amended certificate of incorporation was filed November 16, 1933; its purpose was to carry out Title II of the N.I.R.A., 48 Stat. 195; 40 U.S.C.A. 401 (June 16, 1933). It was designed to be under the supervision of the Public Works Administration. This corporation was abolished and liquidated as of August 14, 1935, by the filing of a certificate of surrender before payment of any part of the capital stock. The original incorporators were Harold Ickes, Frances Perkins, and Robert D. Kohn.

PUBLIC WORKS EMERGENCY LEASING CORPORATION was incorporated in Delaware by Secretary of the Interior (January 2, 1934) to carry out the purposes of Title II of the N.I.R.A. and all acts amendatory thereto and any Executive Orders pursuant thereto; 48 Stat. 195; 40 U.S.C.A. 401 (June 16, 1933). It was under the supervision of the Public Works Administration. This corporation filed a certificate of dissolution with the Secretary of State of Delaware on January 2, 1935, thus ending its existence. Three shares of stock without par value composed the entire capital stock. The original incorporators were Harold L. Ickes, Oscar L. Chapman, and Theodore A. Walters.

TENNESSEE VALLEY ASSOCIATED COOPERATIVES was organized by the Tennessee Valley Authority in Tennessee during 1934. It was designed to develop rural cooperatives in the Tennessee Valley area. According to the *Annual Reports* of the T.V.A., the Authority and the T.V.A. Associated Cooperatives still cooperate. It is under the supervision of Works Progress Administration and the Farm Security Administration. It received its funds from the Federal

Emergency Relief Administration which gave it in the first instance to the state of Tennessee for this purpose.

RURAL REHABILITATION CORPORATIONS were organized by the Federal Emergency Relief Administration in various states including Delaware, Arkansas, Nebraska, and District of Columbia, from 1934 to 1936. The policy of the Federal Emergency Relief Administration contemplated federal supervision and control over expenditures and activities. The program was transferred to the Resettlement Administration which was established by Ex. Order 7027 (April 30, 1935). The Comptroller General of the United States took the position that these funds could only be expended directly. Resolutions introduced by each corporation in which they transferred their assets to the United States with the understanding that these funds were to be used in the particular state and if not used, returned to the state. By September 30, 1937, thirty-four of the corporations had already done this. December 31, 1936 all functions of Resettlement went over to the Department of Agriculture. About one-half of these corporations have already been liquidated.

FEDERAL SUBSISTENCE HOMESTEADS CORPORATION was organized by the Secretary of the Interior in Delaware, November 21, 1933. The charter of incorporation for the parent corporation refers to no special law that it was carrying out. Separate subsidiary Subsistence Homesteads Corporations were established for each project to aid the redistribution of the overbalance of population in industrial centers by making loans for and otherwise aiding in the purchase of subsistence homesteads. The corporations are under the supervision of the Farm Security Administration which is the successor to the Resettlement Administration. This was accomplished by Memorandum No. 732 dated September 1, 1937, issued by the Secretary of Agriculture. Nominal stock issue of \$10,000 was provided in the charter of the parent corporation. Funds were actually obtained through Congressional appropriation. Original incorporators were Harold L. Ickes, Oscar L. Chapman, and M. L. Wilson.

UNITED STATES RUSSIAN BUREAU, INC. was incorporated by the War Trade Board in Connecticut during 1918 for the purpose of purchasing and shipping supplies to overthrow the regime which came into existence by the November Revolution of 1917 in Russia.

The capital stock of \$5,000,000 was owned by the United States Government. The corporation is no longer active.

UNITED STATES SHIPPING BOARD EMERGENCY FLEET CORPORATION was created by the Shipping Board in the District of Columbia, April 16, 1917, to carry out the purposes of 39 Stat. 729 (1916). Its powers were further increased on July 11, 1917 when the President of the United States delegated to the corporation, Ex. Order 2664 (July 11, 1917), the powers conferred on him by the Emergency Shipping Act, 40 Stat. 182 (June 15, 1917). The purpose was to acquire and build a merchant marine adequate to maintain an army in France. The \$50,000,000 stock was owned by the government of the United States. The corporation was under the supervision of the Department of Commerce until it was dissolved and all its records and books were taken over by the United States Maritime Commission according to the provisions of 49 Stat. 1985; 46 U.S.C.A. 1119 *et seq.* (June 29, 1936). Yearly deficits were made up by annual appropriations.

UNITED STATES GRAIN CORPORATION was organized by the Food Administration under Executive Order 2681 (August 14, 1917) in Delaware to carry out the terms of 40 Stat. 276 (August 10, 1917). Its purpose was to store and sell grain for purposes of the war. Its powers were later enlarged so that it was used as an agency of the American Relief Administration for the relief of starving people in Europe. All stock was owned by the United States Government. This corporation has not been active for some time.

UNITED STATES SPRUCE PRODUCTION CORPORATION was incorporated in Washington, August 20, 1918, by the Division of Aircraft Production to carry out the purposes of 40 Stat. 845, 888 (July 9, 1918). Its purpose was to secure timber for airplanes. All the stock was owned by the United States Government. It is no longer active.

UNITED STATES SUGAR EQUALIZATION BOARD, INC. incorporated in Delaware (July 31, 1918) by the Food Administration to carry out the purposes of 40 Stat. 276 (August 10, 1917). All stock was owned by the United States Government. It is no longer active.

UNITED STATES HOUSING CORPORATION was organized by the Department of Labor under the laws of the state of New York

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(July 8, 1918) to carry out the purposes of 40 Stat. 550 (May 16, 1918). Its purpose was to provide housing for workers in basic war industries. The \$100,000,000 was subscribed by the government of the United States. It was under the supervision of the Department of Labor. The expenses since 1919 have been met by annual appropriation. It is no longer active.

PANAMA RAILROAD Co., privately created and incorporated in the state of New York on April 7, 1849, was bought in 1904 by the government of the United States. It operates a railroad, a steamship line, terminal facilities, and manufactures many products which it sells at its own stores. It is under the supervision of the War Department. The capital stock is owned by the United States.

ALASKA RAILROAD, INC. was privately incorporated in the state of Washington. It was bought in 1915 by the United States Government as the nucleus of a system to be constructed in the Territory of Alaska under a law signed March 12, 1914, 38 Stat. 305. It has been under the supervision of the Department of Interior ever since. The railroad operates river boats, a hotel, and maintains a hospital.

VIRGIN ISLANDS COMPANY was incorporated under the laws of the Virgin Islands in 1934 to develop and carry out a plan for the economic rehabilitation of the people of the Island. The company is engaged in the production of rum, and the restoration of lands to sugar cane production, has set up a chicken farm and raises vegetables for the local market. It is under the general auspices of the Department of the Interior. During the fiscal year ending June 30, 1936, Federal Emergency Relief Administration grants to the Islands totaled \$126,000, Works Progress Administration grants \$459,000, and Public Works Administration allotments totalled \$2,072,264.

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