addition to mail on which postage shall have been paid at the rate provided by the Act of June 12, 1934 (48 Stat. 933), as amended, any other classes of mail bearing the appropriate postage for its respective class, and the Postmaster General is authorized to require such transportation. The rates of compensation to be paid such carrier for the transportation of all mail shall be fixed by the Civil Aeronautics Authority in accordance with the provisions of the Civil Aeronautics Act of 1938, approved June 23, 1938 (52 Stat. 973). When in the opinion of the Postmaster General the needs of the Postal Service require the transportation of mail by aircraft in the Territory of Alaska, where no transportation of mail by aircraft has been authorized by the Civil Aeronautics Act of 1938, the Postmaster General, notwithstanding any other provision of law, is authorized to contract for the carriage of all classes of mail bearing the appropriate postage for its respective class by aircraft after advertisement in accordance with law. The transportation of mail under contracts entered into under this Act shall not, except for sections 401 (1) and 416 (b) of the Civil Aeronautics Act of 1938, be deemed to be "air transportation" as that term is defined in the Civil Aeronautics Act of 1938, and the rates of compensation for such transportation of mail shall not be fixed under that Act. The Postmaster General shall transmit a copy of each contract made pursuant to this Act to the Civil Aeronautics Authority at the time it is let. Any such contract shall be canceled upon the issuance by the Civil Aeronautics Authority of an authorization under said title IV of the Civil Aeronautics Act of 1938 to any air carrier to engage in the transportation of mail by aircraft between any of the points named in such contract. That the Postmaster General in his discretion, may fix the postage for the mails carried, or any part thereof, by aircraft to, from, or within Alaska, at rates not exceeding in any case 30 cents per ounce or 15 cents per half ounce, notwithstanding any other provision of law.

SEC. 2. Payment for services pursuant to contracts entered into by the Postmaster General under authority of this Act shall be made from the appropriation for star route service in Alaska.

Approved, October 14, 1940.

[CHAPTER 884]

AN ACT

To authorize the Secretary of War to accept, as loans, from States and political subdivisions thereof, funds to be immediately used in the prosecution of authorized flood-control work, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever any State or political subdivision thereof shall offer to advance funds for a flood-control project duly adopted and authorized by law the Secretary of War may in his discretion, receive such funds and expend the same in the immediate prosecution of such work. The Secretary of War is authorized and directed to repay without interest, from appropriations which may be provided by Congress for flood-control work, the moneys so contributed and expended: Provided, however, That no repayment of funds which may be contributed for the purpose of meeting any conditions of local cooperation imposed by Congress, or under the authority of section 5 of the Flood Control Act approved June 22, 1936, as amended, shall be made.

Approved, October 15, 1940.