

deemed to be the act, omission, or failure of the association, partnership, corporation, or firm, as well as that of the person. (Aug. 23, 1935, c. 623, § 13, 49 Stat. 734.)

§ 511m. **Regulation; hearings; employees; expenditures; appropriation.** The Secretary is authorized to make such rules and regulations and hold such hearings as he may deem necessary to effectuate the purposes of this chapter and may cooperate with any other Department or agency of the Government; any State, territory, district, or possession, or department, agency, or political subdivision thereof; purchasing and consuming organizations, boards of trade, chambers of commerce, or other associations of business men or trade organizations; or any person, whether operating in one or more jurisdictions in carrying on the work herein authorized; and he shall have the power to appoint, suspend, remove, and fix the compensation of all officers, employees, and licensees not in conflict with existing law, except that inspectors and supervisors employed hereunder on a seasonal basis and working for periods of six months or less during any twelve-month period may be appointed without reference to the provisions of sections 661 to 674 of Title 5. The Secretary is authorized to make such expenditures for rent outside of the District of Columbia, printing, binding, telegrams, telephones, books of reference, publications, furniture, stationery, office and laboratory equipment, travel, tobacco for use in preparing and demonstrating standards, and other supplies and expenses, including reporting services, as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere, and as may be appropriated for by Congress; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for administering this chapter. (Aug. 23, 1935, c. 623, § 14, 49 Stat. 734.)

§ 511n. **Hearings; examination of witnesses; refusal to testify or produce evidence.** In carrying on the work authorized in this chapter, the Secretary, or any officer or employee designated by him for such purpose, shall have power to hold hearings, administer oaths, sign and issue subpoenas, examine witnesses, and require the production of books, records, accounts, memoranda, and papers. Upon refusal by any person to appear, testify, or produce books, records, accounts, memoranda, and papers in response to a subpoena, the proper United States district court shall have power to compel obedience thereto. (Aug. 23, 1935, c. 623, § 15, 49 Stat. 735.)

§ 511o. **Separability clause.** If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the chapter and of the application of such provision to other persons and circumstances shall not be affected thereby. (Aug. 23, 1935, c. 623, § 16, 49 Stat. 735.)

§ 511p. **Execution of duties of Secretary of Agriculture by designated agents.** Any duties devolving upon the Secretary of Agriculture by virtue of the provisions of this chapter may with like force and effect be executed by such officer or officers, agent or agents, of the Department of Agriculture as the Secretary may designate for the purpose. (Aug. 23, 1935, c. 623, § 17, 49 Stat. 735.)

§ 511q. **Citation.** This chapter may be cited as "The Tobacco Inspection Act." (Aug. 23, 1935, c. 623, § 18, 49 Stat. 735.)

#### Chapter 21B.—TOBACCO CONTROL

Sec.	
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§ 515. **Consent of Congress to production compacts between States; uniformity; withdrawal of consent; limitation on consent.** The Congress of the United States of America hereby consents that any of the States in which tobacco is produced may negotiate a compact or compacts for the purpose of regulating and controlling the production of, or commerce in, any one or more kinds of tobacco therein: *Provided*, That all State acts authorizing such compact or compacts shall be essentially uniform and in no way conflicting: *Provided further*, That any compact, compacts, agreement, or agreements negotiated and agreed upon by the States referred to in the Act of the General Assembly of Virginia, approved March 13, 1936 (known as the Tobacco Control Act), or by any other State or States producing any type or types of tobacco referred to in said Act, which is in conformity with said Act and relating to the type or types of tobacco specifically referred to in said Act, shall become effective to the extent and in the manner provided for in said Act without further consent or ratification on the part of the Congress of the United States of America: *Provided, however*, That nothing herein contained shall be construed as preventing the Congress of the United States of America from withdrawing its consent after April 25, 1936, to any compact or agreement entered into pursuant to sections 515 to 515k of this title: *Provided further*, That nothing in sections 515 to 515k of this title shall be construed to grant the consent of Congress to negotiate any compact for regulating or controlling the production of, or commerce in, tobacco for the purpose of fixing the price thereof, or to create or perpetuate monopoly, or to promote regimentation, but such consent shall be limited to compacts for the regulation and control of production of, or commerce in, tobacco in order thereby to enable growers to receive a fair price for such tobacco. (Apr. 25, 1936, c. 249, § 1, 49 Stat. 1239.)

§ 515a. **Definitions.** As used in sections 515 to 515k of this title, unless otherwise stated or unless the context or subject matter clearly indicates otherwise—

"Person" means any individual, partnership, joint-stock company, corporation, or association.

"State Act" means any Act of a State legislature authorizing a compact or compacts pursuant to the consent given in section 515 of this title.

"Commission" means the tobacco commission created by any State Act.

"Secretary" means the Secretary of Agriculture of the United States.

"Kind of tobacco" means one or more types of tobacco as classified in Service and Regulatory Announcement Numbered 118 of the Bureau of Agricultural Economics of the United States Department of Agriculture as listed below according to the name or names by which known:

Types 11, 12, 13, and 14, known as flue-cured tobacco.

Type 31, known as Burley tobacco.

Types 21, 22, 23, 24, 35, 36, and 37, known as fire-cured and dark air-cured tobacco.

Types 41, 42, 43, 44, 45, and 46, known as cigar-filler tobacco.

Types 51, 52, 53, 54, and 65, known as cigar-binder tobacco.

Types 61 and 62, known as cigar-wrapper tobacco.

"Association" means any association of tobacco producers or other persons engaged in the tobacco industry, or both, formed under the laws of any State for the purpose of stabilizing the marketing of tobacco and providing crop protection to producers of tobacco in any State or States. (Apr. 25, 1936, c. 249, § 2, 49 Stat. 1240.)

§ 515b. **Advancement of funds to compacting States; repayment.** The Secretary is authorized to make advances from time to time, from the funds provided in section 515f of this title, to the tobacco commission established by the State act of each State which enters into a compact or compacts under the consent given by section 515 of this title in such amounts as the Secretary shall determine to be required for the payment of administrative expenses incurred by such commission, and under such terms and conditions with respect to the expenditure thereof as the Secretary shall stipulate: *Provided*, That each State act creating such commission shall provide for the repayment to the Secretary of such advances from any funds received by the commission from the sale of marketing certificates with respect to tobacco, prior to the use of such funds for any other purpose. (Apr. 25, 1936, c. 249, § 3, 49 Stat. 1240.)

§ 515c. **Designation of persons to deal with compacting States.** The Secretary shall, upon the request of the Commission of any compacting State, designate such tobacco producers or other persons engaged in the tobacco industry and such officials of the United States Department of Agriculture as he deems advisable to meet with the tobacco commissions for the different States for the purpose of advising in connection with the administration of any compact or compacts entered into pursuant to sections 515 to 515k of this title. (Apr. 25, 1936, c. 249, § 4, 49 Stat. 1240.)

§ 515d. **Loans to associations of tobacco producers.** The Secretary, from the funds provided in section 515f of this title, is authorized to make loans for administrative purposes, upon terms and conditions stipulated by him, to such association of tobacco producers as may operate with respect to the 1936 crop in the Georgia Tobacco Belt, in a manner similar to that embodied in State Acts providing for compacts under the consent given in section 515 of this title. (Apr. 25, 1936, c. 249, § 5, 49 Stat. 1240.)

§ 515e. **Availability of Department of Agriculture records and facilities to compacting States.** The Secretary is hereby authorized, upon the request of the commission of any compacting State, or at the request of any association referred to in section 515d of this title, to make available to the commission of any State or to any such association such records and information, whether published or unpublished, and such facilities of the United States Department of Agriculture as the Secretary deems appropriate in aiding such commission or association. (Apr. 25, 1936, c. 249, § 6, 49 Stat. 1241.)

§ 515f. **Appropriation; disposition of repayments of loans.** (a) For the purpose of administering sections 515 to 515k of this title there is authorized to be appropriated to the Secretary of Agriculture the sum of \$300,000, or so much thereof as may be necessary for that purpose.

(b) Any advances or loans which are repaid to the Secretary by any commission or association pursuant to sections 515b and 515d of this title shall revert to the general fund of the Treasury of the United States. (Apr. 25, 1936, c. 249, § 7, 49 Stat. 1241.)

§ 515g. **Agencies to which funds available.** All funds available for carrying out sections 515 to 515k of this title shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments as the Secretary may request to cooperate or assist in carrying out said sections. (Apr. 25, 1936, c. 249, § 8, 49 Stat. 1241.)

§ 515h. **Effect of compacts between States producing cigar tobacco on Puerto Rican commerce.** If, pursuant to sections 515 to 515k of this title, any compact entered into among three or more of the States of Pennsylvania, Ohio, Wisconsin, Massachusetts, Florida, and Connecticut, becomes effective, or

if any association or associations are formed, the membership of which includes at least two-thirds of the producers of cigar-filler tobacco and cigar-binder tobacco in three or more of said States, commerce in cigar-filler tobacco produced in Puerto Rico shall be regulated during the period in which any such compact remains effective or such associations continue to operate, as follows:

(a) **Determination of world consumption; "crop year."** The Secretary shall determine for each crop year, by calculations from available statistics of the United States Department of Agriculture, the quantity of cigar-filler tobacco produced in the continental United States and Puerto Rico which is likely to be consumed in all countries of the world during such crop year, increased or decreased, as the case may be, by the amount by which the world stocks of cigar-filler tobacco (produced in the continental United States and Puerto Rico) at the beginning of such crop year are less than or greater than the normal stocks of such cigar-filler tobacco, as determined by the Secretary. For the purposes of this section, the Secretary shall specify as a "crop year" such period of twelve months as he deems will facilitate the administration of this section.

(b) **Determination of marketing quota for Puerto Rico.** The Secretary shall determine a marketing quota for Puerto Rico for cigar-filler tobacco for each crop year in which the provisions of this section are operative. Such quota shall be that quantity of cigar-filler tobacco which bears the same proportion (subject to such adjustment, which may be cumulative from one crop year to another, not exceeding 5 per centum of said proportion in any one year, as the Secretary determines is necessary to correct for any abnormal conditions of production during any three normal crop years during the last ten years for trends in production during such crop years and for trends in consumption since such crop years) to the total quantity of cigar-filler tobacco produced in the continental United States and Puerto Rico and required for world consumption (as determined pursuant to paragraph (a) of this section) as the average production of cigar-filler tobacco in Puerto Rico in such crop years bore to the average of the total production of cigar-filler tobacco in the continental United States and Puerto Rico in such crop years.

(c) **Establishment of marketing quota for each Puerto Rican farm.** The Secretary shall establish for each farm in Puerto Rico for each crop year a tobacco-marketing quota, giving due consideration to the quantity of cigar-filler tobacco marketed from the crops produced on such farm and by the operator thereof in past years; to the land, labor, and equipment available for production of tobacco on such farm; to the crop-rotation practices on such farm; and to the soil and other physical factors affecting production of tobacco on such farm: *Provided*, That the total of the marketing quotas established for all farms in Puerto Rico for any crop year shall not exceed the marketing quota for Puerto Rico for such crop year.

(d) **Uniform adjustment of marketing quotas.** The marketing quota established for Puerto Rico and the marketing quotas established for farms in Puerto Rico for any crop year pursuant to paragraphs (b) and (c) of this section shall be subject to such uniform adjustment during the crop year, not exceeding 10 per centum of said quotas, as the Secretary shall determine to be necessary to establish and maintain normal world stocks of cigar-filler tobacco produced in the continental United States and Puerto Rico and otherwise to effectuate the purposes of sections 515 to 515k of this title.

(e) **Issuance of marketing certificates.** The Secretary shall, under such terms and conditions and in accordance with such methods as may be established in regulations prescribed by him, issue, to buyers or handlers of tobacco from any farm in Puerto Rico, marketing certificates for an amount of tobacco equal to the marketing quota established for such farm, and,

for any tobacco marketed in excess of such quota for such farm, sell, to the buyer or handlers of such excess tobacco, marketing certificates for a charge equal to one-third of the current market value of such tobacco, and the Secretary may require the buyer or handler of such excess tobacco to deduct the charge for marketing certificates from the price or proceeds of or advances on such tobacco.

**(f) Payments for production deficits due to adverse conditions.** From the proceeds received from the sale of marketing certificates pursuant to paragraph (e) of this section, the Secretary shall make payments to the producers of tobacco on farms in Puerto Rico from which the sales of tobacco, because of weather or diseases or loss by fire affecting the tobacco crops thereon adversely during any crop year, are less than the marketing quotas for such farms for such crop year. Such payments shall be at a rate per pound of such deficit as shall be determined by dividing the funds remaining after deduction of such amount as the Secretary estimates to be necessary for the payment of administrative expenses incurred in administering the provisions of this section by the total number of pounds by which the sales of tobacco from all such farms fall below the marketing quotas for such farms.

**(g) Prohibition of sale, etc., without certificate.** The sale, marketing, purchase, or transportation of any cigar-filler tobacco produced, sold, or marketed in Puerto Rico during any period of time when this section shall be in effect is hereby prohibited unless a marketing certificate has been issued for such tobacco by the Secretary pursuant to the provisions of paragraph (e) of this section. (Apr. 25, 1936, c. 249, § 9, 49 Stat. 1241.)

**§ 515i. Disposition of receipts under section 515h.** Any receipts by the Secretary under section 515h of this title shall be held in a separate fund and used by the Secretary for the purpose of paying administrative expenses and expenditures incurred or made in connection with said section. (Apr. 25, 1936, c. 249, § 10, 49 Stat. 1242.)

**§ 515j. Separability of provisions.** If any provision of sections 515 to 515k of this title, or the application thereof to any person or circumstance, shall be held invalid, the validity of the remainder of said sections and the application of such provision to other persons or circumstances shall not be affected thereby. (Apr. 25, 1936, c. 249, § 11, 49 Stat. 1242.)

**§ 515k. Rules and regulations.** The Secretary shall prescribe such rules and regulations as he may deem necessary to carry out the provisions of sections 515 to 515i of this title. (Apr. 25, 1936, c. 249, § 12, 49 Stat. 1242.)

## Chapter 26.—AGRICULTURAL ADJUSTMENT ACT DECLARATION OF CONDITIONS AND POLICY

**§ 601. Declaration of conditions.** It is hereby declared that the disruption of the orderly exchange of commodities in interstate commerce impairs the purchasing power of farmers and destroys the value of agricultural assets which support the national credit structure and that these conditions affect transactions in agricultural commodities with a national public interest, and burden and obstruct the normal channels of interstate commerce. (As amended June 3, 1937, c. 296, §§ 1, 2 (a), 50 Stat. 246.)

Act June 3, 1937, c. 296, §§ 1, 2, 50 Stat. 246, provided as follows:

"The following provisions of the Agricultural Adjustment Act, as amended, not having been intended for the control of the production of agricultural commodities, and having been intended to be effective irrespective of the validity of any other provision of that Act are expressly affirmed and validated, and are reenacted without change except as provided in section 2:

"(a) Section 1 (relating to the declaration of emergency [this section]);

"(b) Section 2 (relating to declaration of policy [section 602 of this title]);

"(c) Section 8a (5), (6), (7), (8), and (9) (relating to violations and enforcement [section 608a (5), (6), (7), (8), and (9) of this title]);

"(d) Section 8b (relating to marketing agreements [section 608b of this title]);

"(e) Section 8c (relating to orders [section 608c of this title]);

"(f) Section 8d (relating to books and records [section 608d of this title]);

"(g) Section 8e (relating to determination of base period [section 608e of this title]);

"(h) Section 10 (a), (b) (2), (c), (f), (g), (h), and (i) (miscellaneous provisions [section 610 (a), (b) (2), (c), (f), (g), (h), and (i) of this title]);

"(i) Section 12 (a) and (c) (relating to appropriation and expenses);

"(j) Section 14 (relating to separability [section 614 of this title]);

"(k) Section 22 (relating to imports [section 624 of this title]).

"Sec. 2. The following provisions, reenacted in section 1 of this Act, are amended as follows: \* \* \* [sections 601, 602 (1), 608a (6), 608c (5) (B) (d), (6), (B), (18), (19), 610 (c), (f), 612 (a) ]"

Section 2 of Act June 3, 1937, also added subdivision (j) to this section.

Said section 2 of Act June 3, 1937, was amended by Act Aug. 5, 1937, c. 567, 50 Stat. 563, which amending Act provided for amendments to subdivisions (2) and (6) of section 608c of this title.

**§ 602. Declaration of policy; establishment of base periods for prices.** It is hereby declared to be the policy of Congress—

(1) Through the exercise of the powers conferred upon the Secretary of Agriculture under this chapter, to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period. The base period in the case of all agricultural commodities except tobacco and potatoes shall be the prewar period, August 1909–July 1914. In the case of tobacco and potatoes, the base period shall be the postwar period, August 1919–July 1929; and, in the case of all commodities for which the base period is the prewar period, August 1909 to July 1914, will also reflect current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments and tax payments during the base period.

(2) To protect the interest of the consumer by (a) approaching the level of prices which it is declared to be the policy of Congress to establish in subsection (1) of this section by gradual correction of the current level at as rapid a rate as the Secretary of Agriculture deems to be in the public interest and feasible in view of the current consumptive demand in domestic and foreign markets, and (b) authorizing no action under this title which has for its purpose the maintenance of prices to farmers above the level which it is declared to be the policy of Congress to establish in subsection (1) of this section. (As amended Aug. 24, 1935, c. 641, §§ 1, 62, 49 Stat. 750, 782; June 3, 1937, c. 296, §§ 1, 2 (b), 50 Stat. 246, 247.)

Act June 3, 1937, c. 296, § 1, 50 Stat. 246, affirmed and validated, and reenacted without change the provisions of this section except for the amendment to subdivision (1) of section 2 of the Act. See note to section 601 of this title.

## COTTON OPTION CONTRACTS

**§ 604. Borrowing money; expenditures of funds; authority of Secretary of Agriculture.**

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(b) The Secretary of the Treasury is authorized to advance, in his discretion, out of any money in the Treasury not otherwise appropriated, the sum of \$100,000,000 to the Secretary of Agriculture, for paying off any debt or debts which may have been or may be incurred by the Secretary of Agriculture and discharging any lien or liens which may have arisen or may arise pursuant to sections 603 to 607 of this title, for protecting title to any cotton which may have been or may be acquired by the Secretary of Agriculture under authority of sections 603 to 607 of this title, and for paying any expenses (including, but not lim-