CHAP. 23.—Joint Resolution To amend the Act entitled "An Act to incorporate the American Hospital of Paris," approved January 30, 1913.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the proviso contained in section 2 of the Act entitled "An Act to incorporate the American Hospital of Paris," approved January 30, 1913, is amended to read as follows: "Provided, That the total value of the property owned at any one time by the said corporation shall not exceed $8,000,000."

Approved, June 14, 1929.

CHAP. 24.—An Act To establish a Federal Farm Board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

Section 1. (a) That it is hereby declared to be the policy of Congress to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, so that the industry of agriculture will be placed on a basis of economic equality with other industries, and to that end to protect, control, and stabilize the currents of interstate and foreign commerce in the marketing of agricultural commodities and their food products—

(1) by minimizing speculation.
(2) by preventing inefficient and wasteful methods of distribution.
(3) by encouraging the organization of producers into effective associations or corporations under their own control for greater unity of effort in marketing and by promoting the establishment and financing of a farm marketing system of producer-owned and producer-controlled cooperative associations and other agencies.
(4) by aiding in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from causing undue and excessive fluctuations or depressions in prices for the commodity.

(b) There shall be considered as a surplus for the purposes of this Act any seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly distribution of the agricultural commodity or is in excess of the domestic requirements for such commodity.

(c) The Federal Farm Board shall execute the powers vested in it by this Act only in such manner as will, in the judgment of the board, aid to the fullest practicable extent in carrying out the policy above declared.

FEDERAL FARM BOARD

Sec. 2. A Federal Farm Board is hereby created, which shall consist of eight members to be appointed by the President, by and with the advice and consent of the Senate, and of the Secretary of Agriculture, ex officio. In making the appointments the President shall give due consideration to having the major agricultural commodities produced in the United States fairly represented upon the board.
The terms of office of the appointed members of the board first taking office after the date of the approval of this Act shall expire, as designated by the President at the time of nomination, two at the end of the first year, two at the end of the second year, one at the end of the third year, one at the end of the fourth year, one at the end of the fifth year, and one at the end of the sixth year after such date. A successor to an appointed member of the board shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed, except that any person appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term. One of the appointed members shall be designated by the President as chairman of the board and shall be the principal executive officer thereof. The board shall select a vice chairman who shall act as chairman in case of the absence or disability of the chairman. The board may function notwithstanding vacancies, and a majority of the appointed members in office shall constitute a quorum. Each appointed member shall be a citizen of the United States and shall not actively engage in any other business, vocation, or employment than that of serving as a member of the board; nor shall any appointed member during his term of office engage in the business (except such business as is necessary to the operation of his own farm or farms) of buying and selling, or otherwise be financially interested in, any agricultural commodity or product thereof. Each appointed member shall receive a salary of $12,000 a year, together with necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from his official station upon official business.

ADVISORY COMMODITY COMMITTEES

SEC. 3. (a) The board is authorized to designate, from time to time, as an agricultural commodity for the purposes of this Act (1) any regional or market classification or type of any agricultural commodity which is so different in use or marketing methods from other such classifications or types of the commodity as to require, in the judgment of the board, treatment as a separate commodity under this Act; or (2) any two or more agricultural commodities which are so closely related in use or marketing methods as to require, in the judgment of the board, joint treatment as a single commodity under this Act.

(b) The board shall invite the cooperative associations handling any agricultural commodity to establish an advisory commodity committee to consist of seven members, of whom at least two shall be experienced handlers or processors of the commodity, to represent such commodity before the board in matters relating to the commodity. Members of each advisory committee shall be selected by the cooperative associations from time to time in such manner as the board shall prescribe. No salary shall be paid to committee members, but the board shall pay each a per diem compensation for attending committee meetings called by the board and for time devoted to other business of the committee authorized by the board, and necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law for civilian employees in the Executive branch of the Government. Each advisory committee shall be designated by the name of the commodity it represents, as, for example, the "Cotton Advisory Committee."
(c) Each advisory committee shall meet as soon as practicable after its selection, at a time and place designated by the board. Each advisory committee shall meet thereafter at least twice a year upon call of the board, and may meet at other times upon call of a majority of the members thereof. Each advisory committee shall select a chairman and secretary.

(d) Each advisory committee may by itself or through its officers, (1) confer directly with the board, call for information from it, or make oral or written representations to it, concerning matters within the jurisdiction of the board and relating to the agricultural commodity, and (2) cooperate with the board in advising the producers through their organizations or otherwise in the development of suitable programs of planting or breeding in order to secure the maximum benefits under this Act consistent with the policy declared in section 1.

GENERAL POWERS OF BOARD

Sec. 4. The board—
(1) shall maintain its principal office in the District of Columbia and such other offices in the United States as in its judgment are necessary.
(2) shall have an official seal which shall be judicially noticed.
(3) shall make an annual report to Congress upon the administration of this Act and any other matter relating to the better effectuation of the policy declared in section 1, including recommendations for legislation.
(4) may make such regulations as are necessary to execute the functions vested in it by this Act.
(5) may appoint and fix the salaries of a secretary and such experts, and, in accordance with the Classification Act of 1923, as amended, and subject to the provisions of the civil service laws, such other officers and employees, as are necessary to execute such functions.
(6) may make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as are necessary to execute such functions. Expenditures by the board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the board.
(7) shall meet at the call of the chairman, the Secretary of Agriculture, or a majority of its members.

SPECIAL POWERS OF BOARD

Sec. 5. The board is authorized and directed—
(1) to promote education in the principles and practices of cooperative marketing of agricultural commodities and food products thereof.
(2) to encourage the organization, improvement in methods, and development of effective cooperative associations.
(3) to keep advised from any available sources and make reports as to crop prices, experiences, prospects, supply, and demand, at home and abroad.
(4) to investigate conditions of overproduction of agricultural commodities and advise as to the prevention of such overproduction.
(5) to make investigations and reports and publish the same, including investigations and reports upon the following: Land utilization for agricultural purposes; reduction of the acreage of unprofitable marginal lands in cultivation; methods of expanding markets at home and abroad for agricultural commodities and food products thereof; methods of developing by-products of and new uses for
agricultural commodities; and transportation conditions and their effect upon the marketing of agricultural commodities.

REVOLVING FUND

Sec. 6. There is hereby authorized to be appropriated the sum of $500,000,000 which shall be made available by the Congress as soon as practicable after the approval of this Act and shall constitute a revolving fund to be administered by the board as provided in this Act.

LOANS TO COOPERATIVE ASSOCIATIONS

Sec. 7. (a) Upon application by any cooperative association the board is authorized to make loans to it from the revolving fund to assist in—

1) the effective merchandising of agricultural commodities and food products thereof;

2) the construction or acquisition by purchase or lease of physical marketing facilities for preparing, handling, storing, processing, or merchandising agricultural commodities or their food products;

3) the formation of clearing house associations;

4) extending membership of the cooperative association applying for the loan by educating the producers of the commodity handled by the association in the advantages of cooperative marketing of that commodity; and

5) enabling the cooperative association applying for the loan to advance to its members a greater share of the market price of the commodity delivered to the association than is practicable under other credit facilities.

(b) No loan shall be made to any cooperative association unless, in the judgment of the board, the loan is in furtherance of the policy declared in section 1 and the cooperative association applying for the loan has an organization and management, and business policies, of such character as to insure the reasonable safety of the loan and the furtherance of such policy.

(c) Loans for the construction or acquisition by purchase or lease of physical facilities shall be subject to the following limitations:

1) No such loan for the construction or purchase of such facilities shall be made in an amount in excess of 80 per centum of the value of the facilities to be constructed or purchased.

2) No loan for the purchase or lease of such facilities shall be made unless the board finds that the purchase price or rent to be paid is reasonable.

3) No loan for the construction, purchase, or lease of such facilities shall be made unless the board finds that there are not available suitable existing facilities that will furnish their services to the cooperative association at reasonable rates; and in addition to the preceding limitation, no loan for the construction of facilities shall be made unless the board finds that suitable existing facilities are not available for purchase or lease at a reasonable price or rent.

(d) Loans for the construction or purchase of physical facilities, together with interest on the loans, shall be repaid upon an amortization plan over a period not in excess of twenty years.

MISCELLANEOUS LOAN PROVISIONS

Sec. 8. (a) Loans to any cooperative association or stabilization corporation and advances for insurance purposes shall bear interest at a rate of interest per annum equal to the lowest rate of yield (to the nearest one-eighth of 1 per centum) of any Government obli-
SEVENTY-FIRST CONGRESS.  Sess. I. Ch. 24. 1929.

At the time the loan agreement is entered into or the advance is made by the board, as certified by the Secretary of the Treasury to the board upon its request: Provided, That in no case shall the rate exceed 4 per cent per annum on the unpaid principal.

(b) Payments of principal or interest upon any such loan or advance shall be covered into the revolving fund.

(c) Loans to any cooperative association or stabilization corporation shall be made upon the terms specified in this Act and upon such other terms not inconsistent therewith and upon such security as the board deems necessary.

(d) No loan or insurance agreement shall be made by the board if in its judgment the agreement is likely to increase unduly the production of any agricultural commodity of which there is commonly produced a surplus in excess of the annual marketing requirements.

STABILIZATION CORPORATIONS

Sec. 9. (a) The board may, upon application of the advisory commodity committee for any commodity, recognize as a stabilization corporation for the commodity any corporation if—

1. The board finds that the marketing situation with respect to the agricultural commodity requires or may require the establishment of a stabilization corporation in order effectively to carry out the policy declared in section 1; and

2. The board finds that the corporation is duly organized under the laws of a State or Territory; and

3. The board finds that all the outstanding voting stock or membership interests in the corporation are and may be owned only by cooperative associations handling the commodity; and

4. The corporation agrees with the board to adopt such by-laws as the board may from time to time require, which by-laws, among other matters, shall permit cooperative associations not stockholders or members of the corporation to become stockholders or members therein upon equitable terms.

(b) Any stabilization corporation for an agricultural commodity in preparing, handling, storing, processing, and merchandising for their account any quantity of the agricultural commodity or its food products, and (2) for the purpose of controlling any surplus in the commodity in furtherance of the policy declared in section 1, may prepare, purchase, handle, store, process, and merchandise, otherwise than for the account of its stockholders or members, any quantity of the agricultural commodity or its food products whether or not such commodity or products are acquired from its stockholders or members.

(c) Upon request of the advisory committee for any commodity the board is authorized to make loans from the revolving fund to the stabilization corporation for the commodity for working capital to enable the corporation to act as a marketing agency for its stockholders or members as hereinbefore provided. Not less than 75 per cent of all profits derived by a stabilization corporation each year from its operations as a marketing agency shall be paid into a merchandising reserve fund to be established by the corporation. No such payment shall be required whenever the fund is in such amount as, in the judgment of the board, constitutes a sufficient reserve for such operations of the corporation. Out of the remainder of such profits for the year the corporation shall repay any outstanding loan made under this subdivision and the accrued interest thereon, or if all

Payments therefrom.
such loans and accrued interest have been fully repaid, then it may
distribute a patronage dividend to its stockholders or members. Such
patronage dividend shall be paid to each stockholder or member on
the basis of the total volume of the commodity or its products for the
year marketed for his account through the corporation.

(d) Upon request of the advisory committee for any commodity
the board is authorized to make loans from the revolving fund to the
stabilization corporation for the commodity to enable the corporation
to control any surplus in the commodity as hereinbefore provided
and for meeting carrying and handling charges and other operating
expenses in connection therewith. The board shall require a stabiliza-
tion corporation to establish and maintain adequate reserves from
its profits from its surplus control operations before it shall pay
any dividends out of such profits. All losses of the corporation from
such operations shall be paid from such reserves, or if such reserves
are inadequate, then such losses shall be paid by the board as a loan
from the revolving fund. Any amounts so loaned for payment of
losses shall be repaid into the revolving fund by the corporation from
future profits from its surplus control operations. Any stabiliza-
tion corporation receiving loans under this subdivision for surplus
control operations shall exert every reasonable effort to avoid losses
and to secure profits, but shall not withhold any commodity from
the domestic market if the prices have become unduly enhanced,
resulting in distress to domestic consumers. Stockholders or mem-
bers of the corporation shall not be subject to assessment for any
losses incurred in surplus control operations of the corporation.

(e) A stabilization corporation shall keep such accounts, records,
and memoranda, and make such reports with respect to its transac-
tions, business methods, and financial condition, as the board may
from time to time prescribe; shall permit the board to audit its
accounts annually and at such other times as the board deems advisa-
ble; and shall permit the board, upon its own initiative or upon
written request of any stockholder or member, to investigate the
financial condition and business methods of the corporation.

(f) No loan shall be made to any stabilization corporation unless,
in the judgment of the board, the loan is in furtherance of the policy
declared in section 1.

CLEARING HOUSE ASSOCIATIONS

Sec. 10. Upon application of any cooperative association handling
an agricultural commodity or of producers of an agricultural com-
modity, the board is authorized, if it deems such association or pro-
ducers representative of the commodity, to assist in forming pro-
ducer-controlled clearing house associations adapted to effecting
the economic distribution of the agricultural commodity among
the various markets and to minimizing waste and loss in the marketing
of the commodity, if such assistance, in the judgment of the board,
will be in furtherance of the policy declared in section 1. The board
may provide for the registration, and for the termination of the
registration, of any clearing house association in accordance with
such regulations as the board may prescribe. Such clearing house
associations are authorized to operate under rules adopted by the
member cooperative associations and approved by the board. Inde-
pendent dealers in, and handlers, distributors, and processors of, the
commodity, as well as cooperative associations handling the com-
modity, shall be eligible for membership in the clearing house assoc-
iation: Provided, That the policy of such clearing house associa-
tion shall be approved by a committee of producers which, in the
opinion of the board, is representative of the commodity. Clearing
house associations shall utilize the market news service and other
facilities of the Department of Agriculture as far as possible.

**PRICE INSURANCE**

Sec. 11. The board is authorized, upon application of cooperative
associations, to enter into agreements, subject to the conditions hereinafter specified, for the insurance of the cooperative associations
against loss through price decline in the agricultural commodity
handled by the associations and produced by the members thereof.
Such agreements shall be entered into only if, in the judgment of
the board, (1) coverage is not available from private agencies at
reasonable rates, (2) the insurance will be in furtherance of the
policy declared in section 1, (3) the agricultural commodity is regu-
larly bought and sold in the markets in sufficient volume to establish
a recognized basic price for the market grades of the commodity,
and (4) there is available with respect to the commodity such mar-
et information as will afford an accurate record of prevailing prices
for the commodity covering a period of years of sufficient length
to serve as a basis to calculate the risk and fix the premium for the
insurance. The agreements shall require payment of premiums so
fixed and shall include such other terms as, in the judgment of the
board, are necessary. The board may make advances from the
revolving fund to meet obligations under any insurance agreement,
but such advances together with the interest thereon shall, as soon as
practicable, be repaid from the proceeds of insurance premiums.

**ADMINISTRATIVE APPROPRIATION**

Sec. 12. For expenditures in executing the functions vested in the
board by this Act (including salaries and expenses of members,
officers, and employees of the board and per diem compensation and
expenses of the commodity committees), incurred prior to July 1,
1930, there is hereby authorized to be appropriated the sum of
$1,500,000. No part of the moneys appropriated in pursuance of
this authorization shall be available for expenditures, including loans
and advances, for the payment of which the revolving fund or
insurance moneys are authorized to be used.

**AVOIDANCE OF DUPLICATION**

Sec. 13. (a) The board shall, in cooperation with any governmental
establishment in the Executive branch of the Government, including
any field service thereof at home or abroad, avail itself of the services
and facilities thereof in order to avoid preventable expense or dupli-
cation of effort.

(b) The President may by Executive order direct any such govern-
mental establishment to furnish the board such information and data
as such governmental establishment may have pertaining to the func-
tions of the board; except that the President shall not direct that the
board be furnished with any information or data supplied by any
person in confidence to any governmental establishment in pursuance
of any provision of law or of any agreement with a governmental
establishment.

(c) The board may cooperate with any State or Territory, or
department, agency, or political subdivision thereof, or with any
person.

(d) The board shall, through the Secretary of Agriculture, indi-
cate to the appropriate bureau or division of the Department of
Agriculture any special problem on which a research is needed to
aid in carrying out the provisions of this Act.

57894°—31—2
(e) The President is authorized, by Executive order, to transfer to or retransfer from the jurisdiction and control of the board the whole or any part of (1) any office, bureau, service, division, commission, or board in the Executive branch of the Government engaged in scientific or extension work, or the furnishing of services, with respect to the marketing of agricultural commodities, (2) its functions pertaining to such work or services, and (3) the records, property, including office equipment, personnel, and unexpended balances of appropriation, pertaining to such work or services.

EXAMINATION OF BOOKS AND ACCOUNTS OF BOARD

Sec. 14. Vouchers approved by the chairman of the board for expenditures from the revolving fund pursuant to any loan or advance or from insurance moneys pursuant to any insurance agreement, shall be final and conclusive upon all officers of the Government; except that all financial transactions of the board shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination, with respect to expenditures from the revolving fund pursuant to any loan or advance or from insurance moneys pursuant to any insurance agreement, shall be for the sole purpose of making a report to the Congress and to the board of expenditures and of loan and insurance agreements in violation of law, together with such recommendations thereon as the Comptroller General deems advisable.

MISCELLANEOUS PROVISIONS

Sec. 15. (a) As used in this Act, the term "cooperative association" means any association qualified under the Act entitled "An Act to authorize association of producers of agricultural products," approved February 18, 1922. Whenever in the judgment of the board the producers of any agricultural commodity are not organized into cooperative associations so extensively as to render such cooperative associations representative of the commodity, then the privileges, assistance, and authority available under this Act to cooperative associations, shall also be available to other associations and corporations producer-owned and producer-controlled and organized for and actually engaged in the marketing of the agricultural commodity. No such association or corporation shall be held to be producer-owned and producer-controlled unless owned and controlled by cooperative associations as above defined and/or by individuals engaged as original producers of the agricultural commodity.

(b) It shall be unlawful for any member, officer, or employee of the board to speculate, directly or indirectly, in any agricultural commodity or product thereof, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product. Any person violating this subdivision shall upon conviction thereof be fined not more than $10,000, or imprisoned not more than ten years, or both.

(c) It shall be unlawful (1) for any cooperative association, stabilization corporation, clearing house association, or commodity committee, or (2) for any director, officer, employee, or member or person acting on behalf of any such association, corporation, or committee, to which or to whom information has been imparted in confidence by the board, to disclose such information in violation of any regulation of the board. Any such association, corporation, or committee, or director, officer, employee, or member thereof, violating
this subdivision, shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(d) That the inclusion in any governmental report, bulletin, or other such publication hereafter issued or published of any prediction with respect to cotton prices is hereby prohibited. Any officer or employee of the United States who authorizes or is responsible for the inclusion in any such report, bulletin, or other publication of any such prediction, or who knowingly causes the issuance or publication of any such report, bulletin, or other publication containing any such prediction, shall, upon conviction thereof, be fined not less than $500 or more than $5,000, or imprisoned for not more than five years, or both: Provided, That this subdivision shall not apply to the members of the board when engaged in the performance of their duties herein provided.

(e) If any provision of this Act is declared unconstitutional, or the applicability thereof to any person, circumstance, commodity, or class of transactions with respect to any commodity is held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

(f) This Act may be cited as the “Agricultural Marketing Act.”

Approved, June 15, 1929.

CHAP. 25.—Joint Resolution Making appropriations toward carrying out the provisions of the Act entitled “An Act to provide for the establishment of a municipal center in the District of Columbia,” approved February 28, 1929.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,000,000, to be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed for defraying the expenses of the District of Columbia by the District of Columbia Appropriation Acts for the fiscal years during which payments hereunder may be made, toward the acquisition of squares numbered 490, 491, and 533, and reservation 10, in the District of Columbia, including buildings and other structures thereon as a site for a municipal center, in accordance with the provisions of the Act entitled “An Act to provide for the establishment of a municipal center in the District of Columbia,” approved February 28, 1929, to be available until expended. Of such amount not to exceed $10,000 shall be available for the employment by contract or otherwise for architectural and other professional services as shall be approved by the Commissioners of the District of Columbia and without reference to the Classification Act of 1923, as amended.

Approved, June 15, 1929.

CHAP. 26.—An Act To amend section 5 of the Second Liberty Bond Act, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Second Liberty Bond Act, as amended (United States Code, title 31, section 754), is hereby amended to read as follows:

“Sec. 5. (a) That in addition to the bonds and notes authorized by sections 1 and 18 of this Act, as amended, the Secretary of the Treasury is authorized to borrow from time to time, on the credit of the United States, for the purposes of this Act, to provide for the