

foundation herds of cattle (including producing dairy cattle), sheep, and goats, and their offspring, in any area of the United States where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for such livestock."

Approved August 7, 1961.

Public Law 87-128

AN ACT

August 8, 1961
[S. 1643]

To improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes.

Agricultural Act
of 1961.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1961".

DECLARATION OF POLICY

SEC. 2. In order more fully and effectively to improve, maintain, and protect the prices and incomes of farmers, to enlarge rural purchasing power, to achieve a better balance between supplies of agricultural commodities and the requirements of consumers therefor, to preserve and strengthen the structure of agriculture, and to revitalize and stabilize the overall economy at reasonable costs to the Government, it is hereby declared to be the policy of Congress to—

(a) afford farmers the opportunity to achieve parity of income with other economic groups by providing them with the means to develop and strengthen their bargaining power in the Nation's economy;

(b) encourage a commodity-by-commodity approach in the solution of farm problems and provide the means for meeting varied and changing conditions peculiar to each commodity;

(c) expand foreign trade in agricultural commodities with friendly nations, as defined in section 107 of Public Law 480, 83d Congress, as amended (7 U.S.C. 1707), and in no manner either subsidize the export, sell, or make available any subsidized agricultural commodity to any nations other than such friendly nations and thus make full use of our agricultural abundance;

(d) utilize more effectively our agricultural productive capacity to improve the diets of the Nation's needy persons;

(e) recognize the importance of the family farm as an efficient unit of production and as an economic base for towns and cities in rural areas and encourage, promote, and strengthen this form of farm enterprise;

(f) facilitate and improve credit services to farmers by revising, expanding, and clarifying the laws relating to agricultural credit;

(g) assure consumers of a continuous, adequate, and stable supply of food and fiber at fair and reasonable prices;

(h) reduce the cost of farm programs, by preventing the accumulation of surpluses; and

(i) use surplus farm commodities on hand as fully as practicable as an incentive to reduce production as may be necessary to bring supplies on hand and firm demand in balance.

TITLE I—SUPPLY ADJUSTMENT AND PRICE STABILIZATION

SEC. 101. This title may be cited as the "Agricultural Enabling Amendments Act of 1961".

Citation of title.

SUBTITLE A—CONSULTATION ON AGRICULTURAL PROGRAMS

SEC. 102. (a) Notwithstanding any other provision of law, whenever the Secretary of Agriculture determines that additional legislative authority is necessary to develop new agricultural programs involving supply adjustments or marketing regulations through marketing orders, marketing quotas, or price support programs with respect to any agricultural commodity, or to make substantial revisions in any existing agricultural legislation or programs, he may consult and advise with farmers, farm organizations, and appropriate commodity organizations, if any, for the commodity involved, to review the problems involved, the need for new legislation, and the provisions which should be included in any such proposed legislation.

(b) In addition, whenever and to the extent he deems such action necessary or desirable, the Secretary of Agriculture may consult and advise with any person or group of persons, or organizations, including farmers, handlers, processors, or others connected with the production, processing, handling, or use of the commodity involved, with respect to the problems involved and need for legislation and the provisions which should be included in any such proposed legislation.

(c) In order that the Secretary of Agriculture may be assured of being able to obtain the advice of any such person or organization, he is authorized, whenever he determines such action necessary, to pay for each day's attendance at meetings and while traveling to and from such meetings, transportation expenses and in lieu of subsistence, a per diem in the amount authorized under the Travel Expense Act of 1949 for Federal employees. No salary or other compensation shall be paid.

Post, p. 339.
5 USC 835 note.

SEC. 103. If the Secretary of Agriculture, after such consultation and receipt of such advice as provided in section 102 of this Act, determines that additional legislative authority is necessary to develop agricultural programs involving supply adjustments or marketing regulations through the use of marketing orders, marketing quotas or price-support programs, he shall formulate specific recommendations in the form of proposed legislation which shall be submitted to the Congress together with a statement setting forth the purpose and need for such proposed legislation.

SEC. 104. Nothing in this Act shall be deemed to limit the authority of the Secretary of Agriculture under other provision of law or to establish or consult with advisory committees.

SUBTITLE B—1962 WHEAT PROGRAM

52 Stat. 54; 72
Stat. 79.
7 USC 1334.
National acreage
allotment.

SEC. 121. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting (1) after (c) and adding a new subparagraph (2) following subparagraph (c) (1) to read as follows: "(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1962 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum. In the event notices of farm acreage allotments for the 1962 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2), new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

55 Stat. 203.

Wheat marketing
quota.

SEC. 122. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1962 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year beginning July 1, 1962, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in 1962. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire 1962 wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

Marketing pen-
alty.
55 Stat. 204.

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1962 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1, 1962.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(3)), the following provisions shall apply to the 1962 crop of wheat:

Marketing ex-
cess.

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer

elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1962 crop of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 13.5 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

(e) Subsection (d) of section 335 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1335(d)), is hereby repealed effective with the 1962 crop of wheat.

(f) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, farmers who have not produced in excess of 13.5 acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be entitled to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1962."

SEC. 123. Price support for the 1962 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the 1962 crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special 1962 wheat program formulated under section 124 to the extent prescribed by the Secretary.

SEC. 124. (a) If marketing quotas are in effect for the 1962 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the 1962 crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided,* That such acreage in each of such years did not exceed 15 acres, or (ii) 10 per centum of the farm acreage allotment for the 1962 crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c) (2) of the Agricultural Adjustment Act of 1938, as amended.

55 Stat. 204.
Marketing quota.
Acreage.

Repeal.
52 Stat. 55.

Referendum.

Price support.

Payment to producers.

Ante, p. 296.

(2) In 1962, such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided*, That such diverted acreage may be devoted to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary, subject to the condition that no payment shall be made with respect to diverted acreage devoted to any such commodity.

(3) The total acreage of cropland on the farm in 1962 devoted to soil-conserving uses, including summer fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special 1962 program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer fallow and idle land, in 1959 and 1960 shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors, affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest in 1962 shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1) (ii) of this subsection (a), the farm shall be in compliance with the 1962 farm wheat acreage allotment.

(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the basic county support rate per bushel for No. 1 wheat of the 1961 crop for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat in effect at the time the payment rates for the 1962 special wheat program are established, adjusted to reflect changes between the national support rates for the 1961 and 1962 crops, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame.

(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis.

The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

(c) (1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of three times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to 10 acres: *Provided*, That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed 10 acres or (ii) the 1962 wheat acreage allotment.

(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a): *Provided*, That (i) 60 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made pursuant to (1)(i) of said subsection, the actual acreage planted to wheat for harvest on the farm in 1962, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1)(ii) of said subsection, the 1962 wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

(A) the farm acreage allotment for the 1962 crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended;

(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (a) or (c) above, and in determining production of the 1962 crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the diverted acres shall be deemed to be actual production of 1962 wheat.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1962. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

SEC. 125. Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended to read as follows:

“(e) If, with respect to any of the 1962, 1963, and 1964 crops of wheat, the Secretary determines that the acreage allotments of farms producing durum wheat are inadequate to provide for the production of a sufficient quantity of durum wheat to satisfy the demands therefor (but not including export demand involving a subsidy by, or a loss to, the Federal Government), he shall increase the farm marketing quotas and acreage allotments for such crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II), and (2) have produced such wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested. The Secretary shall determine the percentage factor by which the average acreage of durum wheat (class II) produced during the last two-year period for which statistics are available (excluding any increases in durum wheat acreage as a result of increases in wheat acreage allotments authorized by this subsection) must be increased to satisfy such demand. The wheat acreage allotment for any farm established for such crop without regard to this subsection, after reduction in the case of the 1962 crop as required by section 334(c) (2), (hereinafter referred to as the ‘original allotment’) shall be increased by an acreage computed by multiplying the average acreage of durum wheat (class II) on the farm during such two-year period (excluding any increase in the acreage of durum wheat as a result of an increase in the wheat acreage allotment for the farm authorized by this subsection) by such percentage factor: *Provided*, That such increased allotment shall not exceed the cropland on the farm well suited to wheat. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of an acreage of durum wheat (class II) at least equal to the average acre-

52 Stat. 31.
7 USC 1281.

§
Durum wheat.
Acreage allot-
ments.
71 Stat. 10.
7 USC 1334.

Ante, p. 296.

age of such wheat produced during such two-year period plus the number of acres by which the allotment is increased. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. As used in this subsection the term 'durum wheat' means durum wheat (class II) other than the varieties known as 'Golden Ball' and 'Peliss'. Any farm receiving an increased allotment under this subsection shall not be required as a condition of eligibility for price support, or permitted, to participate in the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961. The Secretary shall give growers and millers of durum wheat and manufacturers of semolina products an opportunity to present their views and recommendations, prior to making any determination hereunder."

55 Stat. 204; 52
Stat. 51.
7 USC 1326.

"Durum wheat."

SUBTITLE C—1962 FEED GRAIN PROGRAM

SEC. 131. Section 105(c) of the Agricultural Act of 1949 is amended by adding the following new paragraphs (3) and (4):

7 USC 1441 note.

Price support.

"(3) The level of price support for the 1962 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1962 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(4) The Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1962 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1962 crop of barley that the producer shall participate in the special agricultural conservation program for 1962 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided*, That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1962 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting

variety for harvest in 1962, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960."

SEC. 132. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(d) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1962, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil conserving crops or practices including summer fallow and idle land by an equal amount: *Provided, however,* That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in section 105(c)(4) of the Agricultural Act of 1949) who participates in the special agricultural conservation program of 1962 for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1960, and a producer who participates in the special agricultural conservation program for 1962 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1961 crop in effect at the time payment rates for the special feed grain program for 1962 are established, adjusted to reflect any changes between the national support rates for the 1961 and 1962 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1961 crop in effect at the time payments rates for the special feed grain program for 1962 are established, adjusted to reflect

Ante, p. 6.
16 USC 590p.

Ante, p. 301.

any changes between the national support rates for the 1961 and 1962 crops on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

“(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(d). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1962, and to pay such costs as may be incurred in carrying out section 133 of the Agricultural Act of 1961.

Appropriation.

“(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.”

SEC. 133. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1962 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

Payments.

SEC. 134. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1962 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

Limitation in emergency.

SUBTITLE D—MARKETING ORDERS

SEC. 141. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

48 Stat. 31; 50
Stat. 246.
7 USC 601 note,
674 note.

(1) Section 2 is amended by adding at the end thereof a new paragraph (5) reading as follows:

7 USC 602.

“(5) Through the exercise of the power conferred upon the Secretary of Agriculture under this title, to continue for the

remainder of any marketing season or marketing year, such regulation pursuant to any order as will tend to avoid a disruption of the orderly marketing of any commodity and be in the public interest, if the regulation of such commodity under such order has been initiated during such marketing season or marketing year on the basis of its need to effectuate the policy of this title.”

(2) Section 8a(5) is amended to read as follows:

“(5) Any person exceeding any quota or allotment fixed for him under this title by the Secretary of Agriculture and any other person knowingly participating or aiding in the exceeding of such quota or allotment shall forfeit to the United States a sum equal to the value of such excess at the current market price for such commodity at the time of violation, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.”

(3) Section 8c(2) is amended—

(a) by inserting “(A)” after “applicable only to”;

(b) by inserting after “grapefruit,” where it first appears “cherries, apples, or cranberries,”;

(c) by striking out “and Idaho, and not including fruits, other than olives and grapefruit, for canning or freezing)” and inserting in lieu thereof “Idaho, New York, Michigan, Maryland, New Jersey, Indiana, California, Maine, Vermont, New Hampshire, Rhode Island, Massachusetts, and Connecticut, and not including fruits for canning or freezing other than olives, grapefruit, cherries, cranberries, and apples produced in the States named above except Washington, Oregon, and Idaho”;

(d) by striking out “soybeans,”; and

(e) by striking the period at the end and inserting in lieu thereof the following: “; and (B) any agricultural commodity (except honey, cotton, rice, wheat, corn, grain sorghums, oats, barley, rye, sugarcane, sugarbeets, wool, mohair, livestock, soybeans, cottonseed, flaxseed, poultry (but not excepting turkeys), eggs (but not excepting turkey hatching eggs), fruits and vegetables for canning or freezing, and apples), or any regional or market classification thereof, not subject to orders under (A) of this paragraph, but not the products (including canned or frozen commodities or products) thereof. No order issued pursuant to this section shall be effective as to cherries, apples, or cranberries for canning or freezing unless the Secretary of Agriculture determines, in addition to other required findings and determinations, that the issuance of such order is approved or favored by processors who, during a representative period determined by the Secretary, have engaged in canning or freezing such commodity for market and have frozen or canned more than 50 per centum of the total volume of the commodity to be regulated which was canned or frozen within the production area, or marketed within the marketing area, defined in such order, during such representative period. No order issued pursuant to this section shall be applicable to peanuts produced in more than one of the following production areas: the Virginia-Carolina production area, the Southeast production area, and the Southwest production area. If the Secretary determines that the declared policy of the title will be better achieved thereby (i) the commodities of the same general class and used wholly or in part for the same purposes may be combined and treated as a single commodity and (ii) the portion of an agricultural commodity devoted to or marketed for a particular use or combination of uses, may be treated as a separate agricultural commodity. All agricultural commodities and

48 Stat. 672.
7 USC 608a.

68 Stat. 906.
7 USC 608c.

products covered hereby shall be deemed specified herein for the purposes of section 8c (6) and (7) of this title."

(4) Section 8c (19) is amended to read as follows:

"(19) For the purpose of ascertaining whether the issuance of an order is approved or favored by producers or processors, as required under the applicable provisions of this title, the Secretary may conduct a referendum among producers or processors and in the case of an order other than an amendatory order shall do so. The requirements of approval or favor under any such provision shall be held to be complied with if, of the total number of producers or processors, or the total volume of production, as the case may be, represented in such referendum, the percentage approving or favoring is equal to or in excess of the percentage required under such provision. The terms and conditions of the proposed order shall be described by the Secretary in the ballot used in the conduct of the referendum. The nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto. Nothing in this subsection shall be construed as limiting representation by cooperative associations as provided in subsection (12) of this section."

(5) Section 8e is amended to read as follows:

"Notwithstanding any other provision of law, whenever a marketing order issued by the Secretary of Agriculture pursuant to section 8c of this Act contains any terms or conditions regulating the grade, size, quality, or maturity of tomatoes, avocados, mangoes, limes, grapefruit, green peppers, Irish potatoes, cucumbers, oranges, onions, walnuts, dates, or eggplants produced in the United States the importation into the United States of any such commodity, other than dates for processing, during the period of time such order is in effect shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of such order or comparable restrictions promulgated hereunder: *Provided*, That this prohibition shall not apply to such commodities when shipped into continental United States from the Commonwealth of Puerto Rico or any Territory or possession of the United States where this Act has force and effect: *Provided further*, That whenever two or more such marketing orders regulating the same agricultural commodity produced in different areas of the United States are concurrently in effect, the importation into the United States of any such commodity, other than dates for processing, shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of the order which, as determined by the Secretary of Agriculture, regulates the commodity produced in the area with which the imported commodity is in most direct competition. Such prohibition shall not become effective until after the giving of such notice as the Secretary of Agriculture determines reasonable, which shall not be less than three days. In determining the amount of notice that is reasonable in the case of tomatoes the Secretary of Agriculture shall give due consideration to the time required for their transportation and entry into the United States after picking. Whenever the Secretary of Agriculture finds that the application of the restrictions under a marketing order to an imported commodity is not practicable because of variations in characteristics between the domestic and imported commodity he shall establish with respect to the imported commodity, other than dates for processing, such grade, size, quality, and maturity restrictions by varieties, types, or other classifications as he finds will be equivalent or comparable to those imposed upon the domestic commodity under such order. The Secretary of Agriculture may promulgate such rules and regulations as he deems necessary, to carry out the provisions of this section. Any person who violates any provision of this section or of any rule, regulation, or order promulgated

7 USC 608c.

50 Stat. 247.

Producer referendum.

Importation prohibition.
68 Stat. 907.
7 USC 608e-1.

hereunder shall be subject to a forfeiture in the amount prescribed in section 8a(5) or, upon conviction, a penalty in the amount prescribed in section 8c(14) of the Act, or to both such forfeiture and penalty."

SUBTITLE E—WOOL

Ante, p. 304.
49 Stat. 753.
7 USC 608c.

Price supports.
7 USC 1782.

SEC. 151. Section 703 of the National Wool Act of 1954, as amended (68 Stat. 910, 72 Stat. 994), is amended by striking from the second sentence thereof "1962" and inserting in lieu thereof "1966".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

68 Stat. 455.
7 USC 1701.

(1) Section 101 is amended by adding at the end thereof a new subsection to read as follows:

"(f) obtain rates of exchange applicable to the sales of commodities under such agreements which are not less favorable than the rates at which United States Government agencies can buy currencies from the United States disbursing officers in the respective countries."

73 Stat. 606;
Ante, p. 64.
7 USC 1703.

(2) Effective January 1, 1962, section 103(b) is amended to read as follows:

"(b) Agreements shall not be entered into under this title during the period beginning January 1, 1962, and ending December 31, 1964, which will call for appropriations to reimburse the Commodity Credit Corporation in a total amount in excess of \$4,500,000,000: *Provided*, That agreements shall not be entered into during any calendar year of such period which will call for appropriations to reimburse Commodity Credit Corporation in amounts in excess of \$2,500,000,000."

68 Stat. 456.
7 USC 1704.

(3) Section 104 is amended—

(a) by inserting after the words "foreign currencies" in the introductory clause, the following: ", including principal and interest from loan repayments,";

(b) by striking out in the final proviso in such section the language beginning with the words "for the purpose" and ending with the words "specified in" and inserting in lieu thereof the words "pursuant to";

(c) by adding after subsection (r) the following new subsection (s):

"(s) For the sale for dollars to American tourists under such terms and conditions as the President may prescribe;"

(d) by inserting in the second sentence of subsection (a) after the word "made" where it first appears the words "each year" and after the word "be" where it first appears the words "set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and"; and by striking out from the third sentence of subsection (a) the words "Particular regard shall be given to provide" and inserting in lieu thereof the words "Provision shall be made"; and by striking out from the third sentence of subsection (a) the word "may" and inserting in lieu thereof the words "the Secretary of Agriculture determines to"; and by inserting in the third sentence after the word "thereof" the following: "(not less than 2 per centum)"; and by inserting after the third sentence a new sentence as follows: "Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this subsection and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this subsection"; and by striking out from the last sentence of subsection (a)

73 Stat. 607.

the words "agreements may be entered into" and by inserting in lieu thereof "the Secretary of Agriculture is authorized and directed to enter into agreements".

(4) The first sentence of section 106 is amended by striking out "or may reasonably be expected to be" and inserting "at the time of exportation or donation".

68 Stat. 457.
7 USC 1706.

(5) Section 109 is amended by striking out "1961" and substituting "1964".

73 Stat. 606.
7 USC 1709.

SEC. 202. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 203 is amended (a) by deleting the first sentence and substituting the following: "Programs of assistance shall not be undertaken under this title during any calendar year beginning January 1, 1961, and ending December 31, 1964, which call for appropriations of more than \$300,000,000 to reimburse the Commodity Credit Corporation for all costs incurred in connection with such programs (including the Corporation's investment in commodities made available), plus any amount by which programs of assistance undertaken in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than were authorized for such purpose during such preceding year by this title as in effect during such preceding year."; and (b) by deleting "such" the first time it appears in the second sentence.

68 Stat. 458; 73
Stat. 606.
7 USC 1723.

(2) Section 204 is amended by striking out "1961" and substituting "1964".

73 Stat. 606.
7 USC 1724.

SEC. 203. In the conduct of foreign market development programs, the Secretary of Agriculture is authorized to credit contributions from individuals, firms, associations, agencies, and other groups, and the proceeds received from space rentals, and sales of products and materials at exhibitions, to the appropriations charged with the cost of acquiring such space, products, and materials.

TITLE III—AGRICULTURAL CREDIT

SEC. 301. (a) This title may be cited as the "Consolidated Farmers Home Administration Act of 1961".

Citation of title.

(b) The Congress hereby finds that the statutory authority of the Secretary of Agriculture, hereinafter referred to in this title as the "Secretary," for making and insuring loans to farmers and ranchers should be revised and consolidated to provide for more effective credit services to farmers.

SUBTITLE A—REAL ESTATE LOANS

SEC. 302. The Secretary is authorized to make and insure loans under this subtitle to farmers and ranchers in the United States and in Puerto Rico and the Virgin Islands who (1) are citizens of the United States, (2) have a farm background and either training or farming experience which the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operations, (3) are or will become owner-operators of not larger than family farms, and (4) are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

SEC. 303. Loans may be made or insured under this subtitle for acquiring, enlarging, or improving farms, including farm buildings, land and water development, use and conservation, refinancing existing indebtedness, and for loan closing costs. In making or insuring

loans for farm purchase, the Secretary shall give preference to persons who are married or have dependent families and, wherever practicable, to persons who are able to make initial downpayments, or who are owners of livestock and farm implements necessary successfully to carry on farming operations.

Land and water
development.

Sec. 304. Loans may also be made or insured under this subtitle to any farmowners or tenants without regard to the requirements of section 302 (1), (2), and (3) for the purposes only of land and water development, use and conservation.

L o a n l i m i t a t i o n .

Sec. 305. The Secretary shall make or insure no loan under sections 302, 303, and 304 which would cause (a) the unpaid indebtedness against the farm or other security at the time the loan is made to exceed \$60,000 or the normal value of the farm or other security, or (b) the loan to exceed the amount certified by the county committee. In determining the normal value of the farm, the Secretary shall consider appraisals made by competent appraisers under rules established by the Secretary. Such appraisals shall take into consideration both the normal agricultural value and the normal market value of the farm.

Sec. 306. (a) The Secretary also is authorized to make or insure loans to associations, including corporations not operated for profit and public and quasi-public agencies, to provide for the application or establishment of soil conservation practices, the conservation, development, use, and control of water and the installation or improvement of drainage facilities, all primarily for serving farmers, ranchers, farm tenants, farm laborers, and rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. No such loans shall be made or insured which would cause an association's unpaid principal indebtedness under this section and the Act of August 28, 1937, as amended, to exceed \$500,000 in the case of direct loans and \$1,000,000 in the case of insured loans at any one time.

50 Stat. 869;
68 Stat. 735; 72
Stat. 841.
16 U S C 590r-
590x-4.

(b) The service provided or made available through any such association shall not be curtailed or limited by inclusion of the area served by such association within the boundaries of any municipal corporation or other public body, or by the granting of any private franchise for similar service within such area during the term of such loan; nor shall the happening of any such event be the basis of requiring such association to secure any franchise, license, or permit as a condition to continuing to serve the area served by the association at the time of the occurrence of such event.

R e p a y m e n t
period.

Sec. 307. (a) The period for repayment of loans under this subtitle shall not exceed forty years. The Secretary shall from time to time establish the interest rate or rates at which loans for various purposes will be made or insured under this subtitle but not in excess of 5 per centum per annum. The borrower shall pay such fees and other charges as the Secretary may require.

S e c u r i t y .

(b) The Secretary shall take as security for the obligations entered into in connection with loans, mortgages on farms with respect to which such loans are made or such other security as the Secretary may require, and for obligations in connection with loans to associations under section 306, shall take liens on the facility or such other security as he may determine to be necessary. Such security instruments shall constitute liens running to the United States notwithstanding the fact that the notes may be held by lenders other than the United States.

Sec. 308. Loans under this subtitle may be insured by the Secretary, aggregating not more than \$150,000,000 in any one year, whenever

funds are advanced or a loan is purchased by a lender other than the United States. In connection with insurance of loans, the Secretary—

(a) is authorized to make agreements with respect to the servicing of loans insured hereunder and to purchase such loans on such terms and conditions as he may prescribe, except that no agreement shall provide for purchase by the Secretary at a date sooner than three years from the date of the note; and

(b) shall retain out of payments by the borrower a charge at a rate determined by the Secretary from time to time equivalent to not less than one-half of 1 per centum per annum on the principal unpaid balance of the loan.

Any contract of insurance executed by the Secretary under this subtitle shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge.

SEC. 309. (a) The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereafter be called the Agricultural Credit Insurance Fund and is hereinafter in this subtitle referred to as the "fund". The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority.

(b) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the fund.

(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this subtitle. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(d) Notes and security acquired by the Secretary in connection with loans insured under this subtitle and under prior authority shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

(e) The Secretary shall deposit in the fund such portion of the charge collected in connection with the insurance of loans at least

Agricultural
Credit Insurance
Fund.

60 Stat. 1072.
7 USC 1005a.

40 Stat. 288.
31 USC 774.

equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually and become merged with any appropriation for administrative expenses.

(f) The Secretary may utilize the fund—

(1) to make loans which could be insured under this subtitle whenever the Secretary has reasonable assurance that they can be sold without undue delay, and may sell and insure such loans. The aggregate of the principal of such loans made and not disposed of shall not exceed \$10,000,000 at any one time;

(2) to pay the interest to which the holder of the note is entitled on loans heretofore or hereafter insured accruing between the date of any prepayments made by the borrower and the date of transmittal of any such prepayments to the lender. In the discretion of the Secretary, prepayments other than final payments need not be remitted to the holder until the due date of the annual installment;

(3) to pay to the holder of the notes any defaulted installment or, upon assignment of the note to the Secretary at the Secretary's request, the entire balance due on the loan;

(4) to purchase notes in accordance with agreements previously entered into; and

(5) to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections and other expenses and advances authorized in section 335(a) in connection with insured loans.

SUBTITLE B—OPERATING LOANS

SEC. 311. The Secretary is authorized to make loans under this subtitle to farmers and ranchers in the United States and in Puerto Rico and the Virgin Islands who (1) are citizens of the United States, (2) have a farm background and training or farming experience which the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operation, (3) are or will become operators of not larger than family farms, and (4) are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

SEC. 312. Loans may be made under this subtitle for (1) paying costs incident to reorganizing the farming system for more profitable operation, (2) purchasing livestock, poultry, and farm equipment, (3) purchasing feed, seed, fertilizer, insecticides, and farm supplies and to meet other essential farm operating expenses including cash rent, (4) financing land and water development, use, and conservation, (5) refinancing existing indebtedness, (6) other farm and home needs including but not limited to family subsistence, and (7) for loan closing costs.

SEC. 313. The Secretary shall make no loan under this subtitle (1) which would cause the total principal indebtedness outstanding at any one time for loans made under this subtitle and under section 21 of the Bankhead-Jones Farm Tenant Act, as amended, to exceed \$35,000: *Provided, however,* That not more than 25 per centum of the sums made available for loans under this subtitle may be used for loans which would cause such indebtedness of any borrower under said Acts to exceed \$15,000, (2) for the purchasing or leasing of land

other than for cash rent, or for carrying on any land leasing or land purchasing program, or (3) in excess of an amount certified by the county committee.

SEC. 314. Loans aggregating not more than \$500,000 in any one year may also be made to soil conservation districts which cannot obtain necessary credit elsewhere upon reasonable terms and conditions for the purchase of equipment customarily used for soil conservation purposes.

SEC. 315. The Secretary is authorized to participate in loans which could otherwise be made by the Secretary under this subtitle which are made by commercial banks, cooperative lending agencies, or other legally organized agricultural lending agencies up to 80 per centum of the amount of the loan.

SEC. 316. The Secretary shall make all loans under this subtitle at an interest rate not to exceed 5 per centum per annum, upon the full personal liability of the borrower and upon such security as the Secretary may prescribe. Such loans shall be payable in not more than seven years, but may be renewed for not more than five additional years.

SUBTITLE C—EMERGENCY LOANS

SEC. 321. (a) The Secretary may designate any area in the United States and in Puerto Rico and the Virgin Islands as an emergency area if he finds (1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources (including loans the Secretary is authorized to make under subtitle B or to make or insure under subtitle A of this title or any other Act of Congress), at reasonable rates and terms for loans for similar purposes and periods of time, and (2) that the need for such credit in such area is the result of a natural disaster.

(b) The Secretary is authorized to make loans in any such area (1) to established farmers or ranchers who are citizens of the United States and (2) to private domestic corporations or partnerships engaged primarily in farming or ranching provided they have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan, and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

SEC. 322. Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title.

SEC. 323. The Secretary shall make no loan under this subtitle in excess of an amount certified by the county committee.

SEC. 324. The Secretary shall make all loans under this subtitle at a rate of interest not in excess of 3 per centum per annum repayable at such times as the Secretary may determine, taking into account the purpose of the loan and the nature and effect of the emergency, but not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon such security as the Secretary may prescribe.

SEC. 325. The Secretary may make loans without regard to the designation of emergency areas under section 321(a) to persons or corporations (1) who have suffered severe production losses not general to the area or (2) who are indebted to the Secretary for loans under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, as amended, to the extent necessary to permit the orderly repayment or liquidation of said prior indebtedness.

SEC. 326. The Secretary is authorized to utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (hereinafter in this subtitle referred to as the "Emergency Credit Revolving Fund"), for carrying out the purposes of this subtitle.

SEC. 327. (a) All sums received by the Secretary from the liquidation of loans made under the provisions of this subtitle or under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, and from the liquidation of any other assets acquired with money from the Emergency Credit Revolving Fund shall be added to and become a part of such fund.

(b) There are authorized to be appropriated to the Emergency Credit Revolving Fund such additional sums as the Congress shall from time to time determine to be necessary.

SUBTITLE D—ADMINISTRATIVE PROVISIONS

SEC. 331. For the purposes of this title and for the administration of assets under the jurisdiction of the Secretary of Agriculture pursuant to the Farmers Home Administration Act of 1946, as amended, the Bankhead-Jones Farm Tenant Act, as amended, the Act of August 28, 1937, as amended, the Act of April 6, 1949, as amended, the Act of August 31, 1954, as amended, and the powers and duties of the Secretary under any other Act authorizing agricultural credit, the Secretary may assign and transfer such powers, duties, and assets to the Farmers Home Administration, to be headed by an Administrator, appointed by the President, by and with the advice and consent of the Senate, without regard to the civil service laws or the Classification Act of 1949, as amended, who shall receive basic compensation as provided by law for that office.

The Secretary may—

(a) administer his powers and duties through such national, area, State, or local offices and employees in the United States and in Puerto Rico and the Virgin Islands as he determines to be necessary and may authorize an office to serve the area composed of two or more States if he determines that the volume of business in the area is not sufficient to justify separate State offices;

(b) accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, territory, or political subdivision;

(c) within the limits of appropriations made therefor, make necessary expenditures for purchase or hire of passenger vehicles, and such other facilities and services as he may from time to time find necessary for the proper administration of this Act;

(d) compromise, adjust, or reduce claims, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into or administered by the Farmers Home Administration under any of its programs, as circumstances may require, but compromises, adjustments, or reductions of claims of \$15,000 or more shall not be made without the approval of the Administrator: *Provided, however, That—*

(1) compromise, adjustment, or reduction of claims shall be based on the value of the security and a determination by the Secretary of the debtor's reasonable ability to pay considering his other assets and income at the time of the action and with or without the payment of any consideration at the time of such adjustment or reduction;

48 Stat. 273.
12 USC 1148a.

68 Stat. 999; 70
Stat. 804.
12 USC 1148a-1
and note, 1148a-2.

60 Stat. 1062.
7 USC 1001 note.
50 Stat. 522.
7 USC 1000.
50 Stat. 869.
16 USC 590r-
590x-4.

63 Stat. 954.
5 USC 1071 note.

(2) releases from personal liability may also be made with or without payment of any consideration at the time of adjustment of claims against—

(A) borrowers who have transferred the security property to approved applicants under agreements assuming the outstanding secured indebtedness;

(B) borrowers who have transferred the security property to approved applicants under agreements assuming that portion of the secured indebtedness equal to the current market value of the security property or transferred the security property to the Secretary;

(C) borrowers who have transferred the security property to other than approved applicants under agreements assuming the full amount of, or that portion of the secured indebtedness equal to, the current market value of the security property on terms not to exceed five annual installments with interest on the unpaid balance at a rate determined by the Secretary; and

(D) borrowers who transfer security property under subparagraphs (B) and (C) above for amounts less than the indebtedness secured thereby may be released from personal liability only on a determination by the Secretary that each such borrower has no reasonable debt-paying ability considering his assets and income at the time of the transfer and the county committee certifies that the borrower has cooperated in good faith, used due diligence to maintain the security property against loss, and has otherwise fulfilled the covenants incident to his loan to the best of his ability;

(3) no compromise, adjustment, or reduction of claims shall be made upon terms more favorable than recommended by the appropriate county committee utilized pursuant to section 332 of this title; and

(4) any claim which has been due and payable for five years or more, and where the debtor has no assets or no apparent future debt-paying ability from which the claim could be collected, or is deceased and has left no estate, or has been absent from his last known address for a period of at least five years, has no known assets, and his whereabouts cannot be ascertained without undue expense, may be charged off or released by the Secretary upon a report and favorable recommendation of the county committee and of the employee having charge of the claim, and any claim involving a principal balance of \$150 or less may be charged off or released whenever it appears to the Secretary that further collection efforts would be ineffectual or likely to prove uneconomical; and

(5) partial releases and subordination of mortgages may be granted either where the secured indebtedness remaining after the transaction will be adequately secured or the security interest of the Secretary will not be adversely affected, and the transaction and use of proceeds will further the purposes for which the loan was made, improve the borrower's debt-paying ability, permit payments on indebtedness owed to or insured by the Secretary, or permit payment of reasonable costs and expenses incident to the transaction, including taxes incident to or resulting from the transaction which the borrower is unable to pay from other sources:

Provided further, That no such compromise, adjustment, or reduction shall be made hereunder after the claim has been referred to the Attorney General unless agreed to by the Attorney General.

(e) collect all claims and obligations arising or administered under this title, or under any mortgage, lease, contract, or agreement entered into or administered pursuant to this title and, if in his judgment necessary and advisable, pursue the same to final collection in any court having jurisdiction.

County committees.

SEC. 332. (a) The Secretary is authorized and directed to appoint in each county or area in which activities are carried on under this title, a county committee composed of three individuals residing in the county or area, at least two of whom at the time of appointment shall be farmers deriving the principal part of their income from farming. Committee appointments shall be for a term of three years except that the first appointments for any new committee shall be for one-, two-, and three-year periods, respectively, so as to provide continuity of committee membership. The Secretary may appoint alternate committeemen. The members of the committee and their alternates shall be removable for cause by the Secretary.

(b) The rates of compensation, the number of days per month each member may be paid, and the amount to be allowed for necessary travel and subsistence expenses, shall be determined and paid by the Secretary.

(c) The committee shall meet on the call of the chairman elected by the committee or on the call of such other person as the Secretary may designate. Two members of the committee shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees and their duties, furnish forms and equipment necessary, and authorize and provide for the compensation of such clerical assistance as he finds may be required by any committee.

Loans; requirements.

SEC. 333. In connection with loans made or insured under this title, the Secretary shall require—

(a) the applicant to certify in writing that he is unable to obtain sufficient credit elsewhere to finance his actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time;

(b) except for loans under sections 306, 314 and 321(b)(2), the county committee to certify in writing that the applicant meets the eligibility requirements for the loan, and has the character, industry, and ability to carry out the proposed farming operations, and will, in the opinion of the committee, honestly endeavor to carry out his undertakings and obligations; and for loans under sections 306, 314 and 321(b)(2), the Secretary shall require the recommendation of the county committee as to the making or insuring of the loan;

(c) an agreement by the borrower that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, the borrower will, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan;

(d) such provision for supervision of the borrower's operations as the Secretary shall deem necessary to achieve the objectives of the loan and protect the interests of the United States; and

(e) the applications of veterans for loans under subtitle A or B of this title to be given preference over similar applications of nonveterans on file in any county or area office at the same time. Veterans as used herein shall mean persons who served in the Armed Forces of the United States during any war between the United States and any other nation or during the Korean conflict and who were discharged or released therefrom under conditions other than dishonorable.

SEC. 334. All property subject to a lien held by the United States or the title to which is acquired or held by the Secretary under this title other than property used for administrative purposes shall be subject to taxation by State, territory, district, and local political subdivisions in the same manner and to the same extent as other property is taxed: *Provided, however,* That no tax shall be imposed or collected on or with respect to any instrument if the tax is based on—

Taxes.

(1) the value of any notes or mortgages or other lien instruments held by or transferred to the Secretary;

(2) any notes or lien instruments administered under this title which are made, assigned, or held by a person otherwise liable for such tax; or

(3) the value of any property conveyed or transferred to the Secretary,

whether as a tax on the instrument, the privilege of conveying or transferring or the recordation thereof; nor shall the failure to pay or collect any such tax be a ground for refusal to record or file such instruments, or for failure to impart notice, or prevent the enforcement of its provisions in any State or Federal court.

SEC. 335. (a) The Secretary is authorized and empowered to make advances, without regard to any loan or total indebtedness limitation, to preserve and protect the security for or the lien or priority of the lien securing any loan or other indebtedness owing to, insured by, or acquired by the Secretary under this title or under any other programs administered by the Farmers Home Administration; to bid for and purchase at any execution, foreclosure, or other sale or otherwise to acquire property upon which the United States has a lien by reason of a judgment or execution arising from, or which is pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of, any such indebtedness whether or not such property is subject to other liens, to accept title to any property so purchased or acquired; and to sell, manage, or otherwise dispose of such property as hereinafter provided.

(b) Real property administered under the provisions of this title may be operated or leased by the Secretary for such period or periods as the Secretary may deem necessary to protect the Government's investment therein.

(c) The Secretary may determine whether real property administered under this title is suitable for disposition to persons eligible for assistance under subtitle A. Any property which the Secretary determines to be suitable for such purposes shall, whenever practicable, be sold by the Secretary as expeditiously as possible to such eligible persons in a manner consistent with the provisions of subtitle A hereof. Real property which is not determined suitable for sale to such eligible persons or which has not been purchased by such persons within a period of three years from the date of acquisition, shall be sold by the Secretary after public notice at public sale and, if no acceptable bid is received then by negotiated sale, at the best price ob-

tainable for cash or on secured credit without regard to the laws governing the disposition of excess or surplus property of the United States. The terms of such sale shall require an initial downpayment of at least 20 per centum and the remainder of the sales price payable in not more than five annual installments with interest on unpaid balance at the rate determined by the Secretary. Any conveyances under this section shall include all of the interest of the United States, including mineral rights.

(d) With respect to any real property administered under this title, the Secretary is authorized to grant or sell easements or rights-of-way for roads, utilities, and other appurtenances not inconsistent with the public interest. With respect to any rights-of-way over land on which the United States has a lien administered under this title, the Secretary may release said lien upon payment to the United States of adequate consideration, and the interest of the United States arising under any such lien may be acquired for highway purposes by any State or political subdivision thereof in condemnation proceedings under State law by service by certified mail upon the United States attorney for the district, the State Director of the Farmers Home Administration for the State in which the farm is located, and the Attorney General of the United States: *Provided, however,* That the United States shall not be required to appear, answer, or respond to any notice or writ sooner than ninety days from the time such notice or writ is returnable or purports to be effective, and the taking or vesting of title to the interest of the United States shall not become final under any proceeding, order, or decree until adequate compensation and damages have been finally determined and paid to the United States or into the registry of the court.

Conflict-of-interest.

SEC. 336. No officer, attorney, or other employee of the Secretary shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this title other than such salary, fee, or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee shall knowingly make or join in making any certification with respect to a loan to purchase any land in which he or any person related to him within the second degree of consanguinity or affinity has or may acquire any interest or with respect to any applicant related to him within the second degree of consanguinity or affinity. Any persons violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than \$2,000 or imprisonment for not more than two years, or both.

Debt adjustment.

SEC. 337. The Secretary may provide voluntary debt adjustment assistance between farmers and their creditors and may cooperate with State, territorial, and local agencies and committees engaged in such debt adjustment, and may give credit counseling.

Appropriation.

SEC. 338. (a) There is authorized to be appropriated to the Secretary such sums as the Congress may from time to time determine to be necessary to enable the Secretary to carry out the purposes of this title and for the administration of assets transferred to the Farmers Home Administration.

(b) When authorized by Congress, the Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for making direct loans under this title. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secre-

tary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this title. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(c) The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with subsection (b) of this section, and the unexpended balances of any funds made available for loans under the item "Farmers Home Administration" in the Department of Agriculture Appropriation Acts current on the date of enactment of this title, shall be merged into a single account known as the "Farmers Home Administration direct loan account", hereafter in this section called the "direct loan account". All claims, notes, mortgages, property, including those now held by the Secretary on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the direct loan provisions of (1) titles I, II, and IV of the Bankhead-Jones Farm Tenant Act, as amended; (2) the Farmers Home Administration Act of 1946, as amended, except the assets of the rural rehabilitation corporations; (3) the Act of August 28, 1937 (50 Stat. 869), as amended; (4) the item "Loans to Farmers—1948 Flood Damage" in the Act of June 25, 1948 (62 Stat. 1038); (5) the item "Loans to Farmers (Property Damage)" in the Act of May 24, 1949 (63 Stat. 82); (6) the Act of September 6, 1950 (64 Stat. 769); (7) the Act of July 11, 1956 (70 Stat. 525); and (8) under this title shall be held for and deposited in said account.

The notes of the Secretary issued to the Secretary of the Treasury under said Acts or under this title and all other liabilities against the appropriations or assets in the direct loan account shall be liabilities of said account, and all other obligations against such appropriations or assets shall be obligations of said account. Moneys in the direct loan account shall also be available for interest and principal repayments on notes issued by the Secretary to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Secretary for direct loans under subtitles A and B of this title, and for advances in connection therewith, not to exceed any existing appropriation or authorization limitations and in such further amounts as the Congress from time to time determines in appropriation Acts. The amounts so authorized for loans and advances shall remain available until expended. Subject to the foregoing limitations, the use of collections deposited in the account may be authorized by the Congress in lieu or partially in lieu of authorizing the issuing of additional notes by the Secretary to the Secretary of the Treasury, and the account shall be budgeted on a net expenditure basis.

(d) The Secretary may sell and assign any notes and mortgages in the direct loan account with the consent of the borrower or without such consent when the borrower has failed to comply with his agreement to refinance the indebtedness at the request of the Secretary. Such loans may be sold at the balance due thereon or on such other basis as the Secretary may determine from time to time.

40 Stat. 288.
31 USC 774.

Direct loan
account.

50 Stat. 522, 524,
527.
7 USC 1001,
1007, 1014.
60 Stat. 1062.
7 USC 1001 note.
16 USC 590r-
590x-4.

7 USC 1033-1039.

Sale of notes
and mortgages.

(e) At least 25 per centum of the sums authorized in any fiscal year for direct loans to individuals to be made by the Secretary under subtitle A of this title shall be allocated equitably among the several States and territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

Rules and regulations.

SEC. 339. The Secretary is authorized to make such rules and regulations, prescribe the terms and conditions for making or insuring loans, security instruments and agreements, except as otherwise specified herein, and make such delegations of authority as he deems necessary to carry out this title.

SEC. 340. The President may at any time in his discretion transfer to the Secretary any right, interest, or title held by the United States in any lands acquired in the program of national defense and no longer needed therefor, which the President shall find suitable for the purposes of this title, and the Secretary shall dispose of such lands in the manner and subject to the terms and conditions of the title.

Repeals.

50 Stat. 522, 524,
527.
7 U S C 1001,
1007, 1014.
16 U S C 590r-
590x-4.
12 USC 1148a-1
and note, 1148a-2.

SEC. 341. (a) Reference to any provisions of the Bankhead-Jones Farm Tenant Act or the Act of August 28, 1937 (50 Stat. 869), as amended, superseded by any provision of this title shall be construed as referring to the appropriate provision of this title. Titles I, II, and IV of the Bankhead-Jones Farm Tenant Act, as amended, and the Act of August 28, 1937 (50 Stat. 869), as amended, the Act of April 6, 1949 (63 Stat. 43), as amended, and the Act of August 31, 1954 (68 Stat. 999), as amended, are hereby repealed effective one hundred and twenty days after enactment hereof, or such earlier date as the provisions of this title are made effective by the Secretary's regulations except that the repeal of section 2(c) of the Act of April 6, 1949, shall not be effective prior to January 1, 1962. The foregoing provisions shall not have the effect of repealing the amendments to section 24, chapter 6 of the Federal Reserve Act, as amended, section 5200 of the Revised Statutes, section 35 of chapter III of the Act approved June 19, 1934 (D.C. Code, title 35, section 535), enacted by section 15 of the Bankhead-Jones Farm Tenant Act, as amended, and by section 10(f) of the Act of August 28, 1937 (50 Stat. 869), as amended.

12 USC 371, 84.

48 Stat. 1152; 60
Stat. 1079.
68 Stat. 735.

(b) The repeal of any provision of law by this title shall not—

- (1) affect the validity of any action taken or obligation entered into pursuant to the authority of any of said Acts, or
- (2) prejudice the application of any person with respect to receiving assistance under the provisions of this title, solely because such person is obligated to the Secretary under authorization contained in any such repealed provision.

(c) If any provision of this title or the application thereof to any person or circumstance is held invalid, the remainder of the title and the application of such provision to other persons or circumstances shall not be affected thereby.

7 U S C 1010-
1013.

SEC. 342. Title III of the Bankhead-Jones Farm Tenant Act, as amended, is further amended by the following new section 35:

"SEC. 35. The provisions of this title shall extend to Puerto Rico and the Virgin Islands. In the case of Alaska, Puerto Rico, and the Virgin Islands, the term 'county' as used in this title may be the entire area, or any subdivision thereof as may be determined by the Secretary, and payments under section 33 of this title shall be made to the Governor or to the fiscal agent of such subdivision."

7 USC 1012.

TITLE IV—GENERAL

SEC. 401. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by changing the third sentence of paragraph (1) of subsection (b) to read as follows: "Such contracts may be entered into during the period ending not later than December 31, 1971, with respect to farms and ranches in counties in the Great Plains area of the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, designated by the Secretary as susceptible to serious wind erosion by reason of their soil types, terrain, and climatic and other factors."

70 Stat. 1115.
16 USC 590p.

SEC. 402. The Act of July 1, 1958, as amended (72 Stat. 276), is further amended by adding a new section as follows:

Milk program.
74 Stat. 84;
Ante, p. 147.
7 USC 1446 note.

"SEC. 2. There is hereby authorized to be appropriated for the fiscal year beginning July 1, 1962, and for each of the four fiscal years thereafter, such sums as may be necessary to enable the Secretary of Agriculture, under such rules and regulations as he may deem in the public interest, to encourage consumption of fluid milk by children in the United States in (1) nonprofit schools of high school grade and under, and (2) nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. For the purposes of this Act, 'United States' means the 50 States and the District of Columbia."

SEC. 403. Section 202 of the Agricultural Act of 1949, as amended, is amended by striking the phrase "December 31, 1961" each place it appears therein and inserting in lieu thereof the phrase "December 31, 1964".

Dairy products.
Commodity
Credit Corp.
72 Stat. 996.
7 USC 1446a.

Approved August 8, 1961, 10:00 a. m.

Public Law 87-129

AN ACT

To add certain federally owned land to the Lassen Volcanic National Park, in the State of California, and for other purposes.

August 10, 1961
[H. R. 7042]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following described lands of the Lassen National Forest are hereby excluded from the forest and added to the Lassen Volcanic National Park:

Lassen Volcanic
National Park,
Calif.
Lands, addition.

Lots 1, 2, and 3, south half northeast quarter, and southeast quarter northwest quarter section 4; west half southeast quarter and those parts of the south half northwest quarter and of the southwest quarter of section 11 lying east of Lost Creek; and section 19, township 31 north, range 4 east, Mount Diablo meridian: *Provided*, That the aforesaid lands in section 19 are included within the national park subject to the right of the Secretary of Agriculture to construct and maintain a permanent road through such section in order to permit the use, protection, and administration of adjacent national forest lands and the removal of timber from the national forest.

Approved August 10, 1961.