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Commodity Credit Corporation Charter Act

Pub. L. No. 80-806, 62 Stat. 1070 (1948)
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[CHAPTER 704]

AN ACT

To provide a Federal charter for the Commodity Credit Corporation.

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 "Commodity Credit Corporation Charter Act".

SEC. 2. CREATION AND PURPOSES.—For the purpose of stabilizing, supporting, and protecting farm income and prices, of assisting in the maintenance of balanced and adequate supplies of agricultural commodities, products thereof, foods, feeds, and fibers (hereinafter collectively referred to as "agricultural commodities"), and of facilitating the orderly distribution of agricultural commodities, there is hereby created a body corporate to be known as Commodity Credit Corporation (hereinafter referred to as the "Corporation"), which shall be an agency and instrumentality of the United States, within the Department of Agriculture, subject to the general direction and control of its Board of Directors.

SEC. 3. OFFICES.—The Corporation may establish offices in such place or places as it may deem necessary or desirable in the conduct of its business.

SEC. 4. GENERAL POWERS.—The Corporation—

(a) Shall have succession in its corporate name.

(b) May adopt, alter, and use a corporate seal, which shall be judicially noticed.

(c) May sue and be sued, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property. The district courts of the United States, including the district courts of the District of Columbia and of any Territory or possession, shall have exclusive original jurisdiction of all suits brought by or against the Corporation: *Provided*, That the Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest. Any suit against the Corporation shall be brought in the District of Columbia, or in the district wherein the plaintiff resides or is engaged in business. No suit by or

June 29, 1948

[S. 1322]

[Public Law 806]

Commodity Credit
Corporation Charter
Act.

Seal.

Right to sue and be
sued.Intervention in
court action.

Time limitation.

against the Corporation shall be allowed unless it shall have been brought within four years after the right accrued on which suit is brought. All suits against the Corporation shall be tried by the court without a jury. Notwithstanding any other provision of this Act, the Federal Tort Claims Act (Public Law 601, Seventy-ninth Congress) shall be applicable to the Corporation. Any suit by or against the United States as the real party in interest based upon any claim by or against the Corporation shall be subject to the provisions of this subsection (c) to the same extent as though such suit were by or against the Corporation.

60 Stat. 842.
28 U. S. C. §§ 921,
922, 931-934, 941-946;
Supp. I, § 931.
Anit., p. 1008.

(d) May adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised.

Rules and regula-
tions.

(e) Shall have all the rights, privileges, and immunities of the United States with respect to the right to priority of payment with respect to debts due from insolvent, deceased, or bankrupt debtors. The Corporation may assert such rights, privileges, and immunities in any suit, action, or proceeding.

Priority of payment
with respect to debts.

(f) Shall be entitled to the use of the United States mails in the same manner and upon the same conditions as the executive departments of the Federal Government.

Use of U. S. mails.

(g) May enter into and carry out such contracts or agreements as are necessary in the conduct of its business. State and local regulatory laws or rules shall not be applicable with respect to contracts or agreements of the Corporation or the parties thereto to the extent that such contracts or agreements provide that such laws or rules shall not be applicable, or to the extent that such laws or rules are inconsistent with such contracts or agreements.

Contracts or agree-
ments.

(h) May contract for the use, in accordance with the usual customs of trade and commerce, of plants and facilities for the physical handling, storage, processing, servicing, and transportation of the agricultural commodities subject to its control. Except as provided in section 16, the Corporation shall not have power to acquire or lease any such plant or facility or to acquire or lease real property or any interest therein, except that it may rent or lease office space necessary for the conduct of its business and it may continue to lease (by renewing or extending existing leases or entering into new leases) property leased by it on the date of the enactment of this Act.

Acquisition of prop-
erty.

Post, p. 1075.

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate \$4,750,000,000. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

Borrowing of
money.
Limitation.

(j) Shall determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid.

(k) Shall have authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers.

Settlement of
claims.

(l) May make such loans and advances of its funds as are necessary in the conduct of its business.

Loans.

(m) Shall have such powers as may be necessary or appropriate for the exercise of the powers specifically vested in the Corporation, and all such incidental powers as are customary in corporations generally; but any research financed by the Corporation shall relate to

Research.

the conservation or disposal of commodities owned or controlled by the Corporation and shall be conducted in collaboration with research agencies of the Department of Agriculture.

Powers with respect to agricultural commodities.

59 Stat. 597.
31 U. S. C. §§ 841, 846-852, 856-859, 866-869; Supp. I, § 849.
Post, p. 1283.

SEC. 5. SPECIFIC POWERS.—In the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1940 edition, Supp. V, 841), the Corporation is authorized to use its general powers only to—

(a) Support the prices of agricultural commodities through loans, purchases, payments, and other operations.

(b) Make available materials and facilities required in connection with the production and marketing of agricultural commodities.

(c) Procure agricultural commodities for sale to other Government agencies, foreign governments, and domestic, foreign, or international relief or rehabilitation agencies, and to meet domestic requirements.

(d) Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities.

(e) Increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.

(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities.

(g) Carry out such other operations as the Congress may specifically authorize or provide for.

In the Corporation's purchasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

SEC. 6. EXISTING STATUTES APPLICABLE TO THE CORPORATION.—The Federal statutes applicable to Commodity Credit Corporation, a Delaware corporation, shall be applicable to the Corporation. Commodity Credit Corporation, a Delaware corporation, shall cease to be an agency of the United States as provided in section 7 (a) of the Act of January 31, 1935, as amended (15 U. S. C., 1940 edition, Supp. V, 713 (a)).

49 Stat. 4.
15 U. S. C., Supp. I,
§ 713 (a).

SEC. 7. CAPITAL STOCK.—The Corporation shall have a capital stock of \$100,000,000 which shall be subscribed by the United States. Such subscription shall be deemed to be fully paid by the transfer of assets to the Corporation pursuant to section 16 of this Act. The Corporation shall pay interest to the United States Treasury on the amount of its capital stock, and on the amount of the obligations of the Corporation purchased by the Secretary of the Treasury pursuant to the Act of March 8, 1938 (U. S. C., title 15, sec. 713a-4), as amended, at such rates as may be determined by the Secretary of the Treasury to be appropriate in view of the terms for which such amounts are made available to the Corporation.

Post, p. 1075.
Interest.

52 Stat. 108.
15 U. S. C., Supp. I,
§ 713a-4 note.

SEC. 8. FUNDS.—The Corporation is authorized to use in the conduct of its business all its funds and other assets, including capital and net earnings therefrom, and all funds and other assets which have been or may hereafter be transferred or allocated to, borrowed by, or otherwise acquired by it.

SEC. 9. DIRECTORS.—The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the "Board"). The Board shall consist of five members. The Secretary

of Agriculture, or his nominee, shall be a member of the Board and the remaining members shall be appointed by the President by and with the advice and consent of the Senate. The Chairman of the Board shall be selected by the Board. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present. The appointed directors shall serve for a period of five years, except that the terms of the first Board shall be shortened to provide for replacement or reappointment of its members in number as nearly equal as practicable in each year. The power of removal shall be vested in the President of the United States. The Corporation may provide, by its bylaws, for the compensation to be paid the directors: *Provided*, That the compensation paid any director shall not exceed in the aggregate \$10,000 per annum: *And provided further*, That employees of the Corporation or any department or agency of the Federal Government, if also directors, shall not receive additional compensation for their services on the Board. Employees of the Corporation or any department or agency of the Federal Government, if also directors, shall not comprise, in the aggregate, more than three of the members of the Board.

Quorum.

Term of directors.

Compensation of directors.

Restriction.

Interim Board.

The Secretary of Agriculture is authorized to appoint an interim Board consisting of five members, including the Secretary, who shall serve until October 1, 1948.

SEC. 10. THE EXECUTIVE STAFF.—Responsibility for the day-to-day conduct of the business of the Corporation shall be vested in a staff of executive officers, headed by a chief executive appointed by the Board and responsible to the Board. Members of the executive staff shall devote their full time to the affairs of the Corporation. The Board shall define the authority and duties of the members of the executive staff, delegate to them such of the powers vested in the Corporation as it may determine, require that such of them as it may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds of any officer or employee. With the exception of experts, appointments shall be made pursuant to the civil-service laws and the Classification Act of 1923, as amended (5 U. S. C., 1940 edition, 661).

42 Stat. 1488.
5 U. S. C. §§ 661-674.

SEC. 11. COOPERATION WITH OTHER GOVERNMENTAL AGENCIES.—The Corporation may, with the consent of the agency concerned, accept and utilize, on a compensated or uncompensated basis, the officers, employees, services, facilities, and information of any agency of the Federal Government, including any bureau, office, administration, or other agency of the Department of Agriculture, and of any State, the District of Columbia, any Territory or possession, or any political subdivision thereof. The Corporation may allot to any bureau, office, administration, or other agency of the Department of Agriculture or transfer to such other agencies as it may request to assist it in the conduct of its business any of the funds available to it for administrative expenses. The personnel and facilities of the Corporation may, with the consent of the Corporation, be utilized on a reimbursable basis by any agency of the Federal Government, including any bureau, office, administration, or other agency of the Department of Agriculture, in the performance of any part or all of the functions of such agency.

Transfer of funds.

SEC. 12. UTILIZATION OF ASSOCIATIONS AND TRADE FACILITIES.—The Corporation may, in the conduct of its business, utilize on a contract or fee basis, committees or associations of producers, producer-owned and producer-controlled cooperative associations, and trade facilities.

SEC. 13. RECORDS; ANNUAL REPORT.—The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary of Agriculture a complete report as to the business of the Corporation, a copy of which shall be forwarded

by the Secretary of Agriculture to the President for transmission to the Congress.

SEC. 14. INTEREST OF MEMBERS OF THE CONGRESS.—The provisions of section 1 of the Act of February 27, 1877, as amended (41 U. S. C., 1940 edition, 22), shall apply to all contracts or agreements of the Corporation, except contracts or agreements of a kind which the Corporation may enter into with farmers participating in a program of the Corporation.

SEC. 15. CRIMES AND OFFENSES.—

FALSE STATEMENTS; OVERVALUATION OF SECURITIES

Penalty. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Corporation, or for the purpose of obtaining for himself or another, money, property, or anything of value, under this Act, or under any other Act applicable to the Corporation, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

EMBEZZLEMENT, AND SO FORTH; FALSE ENTRIES; FRAUDULENT ISSUE OF OBLIGATIONS OF CORPORATION

Penalty. (b) Whoever, being connected in any capacity with the Corporation or any of its programs, (i) embezzles, abstracts, purloins, or willfully misapplies any money, funds, securities, or other things of value, whether belonging to the Corporation or pledged or otherwise entrusted to it; or (ii) with intent to defraud the Corporation, or any other body, politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of, or to, the Corporation, or draws any order, or issues, puts forth or assigns any note or other obligation or draft, mortgage, judgment, or decree thereof; or (iii) with intent to defraud the Corporation, participates or shares in, or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of the Corporation, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

LARCENY; CONVERSION OF PROPERTY

Penalty. (c) Whoever shall willfully steal, conceal, remove, dispose of, or convert to his own use or to that of another any property owned or held by, or mortgaged or pledged to, the Corporation, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

CONSPIRACY TO COMMIT OFFENSE

Penalty. (d) Whoever conspires with another to accomplish any of the acts made unlawful by the preceding provisions of this section shall, upon conviction thereof, be subject to the same fine or imprisonment, or both, as is applicable in the case of conviction for doing such unlawful acts.

GENERAL STATUTES APPLICABLE

(e) All the general penal statutes relating to crimes and offenses against the United States shall apply with respect to the Corporation, its property, money, contracts and agreements, employees, and operations: *Provided*, That such general penal statutes shall not apply to the extent that they relate to crimes and offenses punishable under

subsections (a), (b), (c), and (d) of this section: *Provided further*, That sections 114 and 115 of the Act of March 4, 1909, as amended (18 U. S. C., 1940 edition, 204, 205) shall not apply to contracts or agreements of a kind which the Corporation may enter into with farmers participating in a program of the Corporation.

35 Stat. 1109
Ante, p. 863.

SEC. 16. TRANSFER OF ASSETS OF COMMODITY CREDIT CORPORATION, A DELAWARE CORPORATION.—The assets, funds, property, and records of Commodity Credit Corporation, a Delaware corporation, are hereby transferred to the Corporation. The rights, privileges, and powers, and the duties and liabilities of Commodity Credit Corporation, a Delaware corporation, in respect to any contract, agreement, loan, account, or other obligation shall become the rights, privileges, and powers, and the duties and liabilities, respectively, of the Corporation. The enforceable claims of or against Commodity Credit Corporation, a Delaware corporation, shall become the claims of or against, and may be enforced by or against, the Corporation: *Provided*, That nothing in this Act shall limit or extend any period of limitation otherwise applicable to such claims against the Corporation.

SEC. 17. DISSOLUTION OF DELAWARE CORPORATION.—The Secretary of Agriculture, representing the United States as the sole owner of the capital stock of Commodity Credit Corporation, a Delaware corporation, is hereby authorized and directed to institute or cause to be instituted such proceedings as are required for the dissolution of said Corporation under the laws of the State of Delaware. The costs of such dissolution of said Corporation shall be borne by the Corporation.

SEC. 18. EFFECTIVE DATE.—This Act shall take effect as of midnight June 30, 1948.

Approved June 29, 1948.
