

Excerpts from The Agricultural Adjustment Act of 1933

AN ACT to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint stock land bands, and for other purposes.

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

PART 1—Cotton Option Contracts

SEC. 3. The Federal Farm Board and all departments and other agencies of the Government, not including the federal intermediate credit banks, are hereby directed—

- a. To sell to the Secretary of Agriculture at such a price as may be agreed upon, not in excess of the market price, all cotton now owned by them.
- b. To take such action and to make such settlements as are necessary in order to acquire full legal title to all cotton on which money has been loaned or advanced by any department or agency of the United States, including futures contracts for cotton or which is held as collateral for loans or advances and to make final settlement of such loans and advances as follows...

SEC. 4. The Secretary of Agriculture shall have authority to borrow money upon all cotton in his possession or control and deposit as collateral for such loans the warehouse receipts for such cotton.

SEC. 5. The Reconstruction Finance Corporation is hereby authorized and directed

to advance money and to make loans to the Secretary of Agriculture to acquire such cotton and to pay the classing, carrying, and merchandising costs thereon, in such amounts and upon such terms as may be agreed upon by the Secretary and the Reconstruction Finance Corporation, with such warehouse receipts as collateral security: Provided, however, That in any instance where it is impossible or impracticable for the Secretary to deliver such warehouse receipts as collateral security for the advances and loans herein provided to be made, the Reconstruction Finance Corporation may accept in lieu of all or any part thereof such other security as it may consider acceptable for the purposes aforesaid, including an assignment or assignments of the equity and interest of the Secretary in warehouse receipts pledged to secure other indebtedness. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.

SEC. 6. a. The Secretary of Agriculture is hereby authorized to enter into option contracts with the producers of cotton to sell to any such producer an amount of cotton to be agreed upon not in excess of the amount of reduction in production of cotton by such producer below the amount produced by him in the preceding crop year, in all cases where such producer agrees in writing to reduce the amount of cotton produced by him in 1933, below his production in the previous year, by not less than 30 per centum, without increase in commercial fertilization per acre...

PART 2—Commodity Benefits

MISCELLANEOUS

SEG. 10. a. The Secretary of Agriculture may appoint such officers and employees, subject to the provisions of the Classification Act of 1923 and Acts amendatory thereof, and such experts as are necessary to execute the functions vested in him by this title; and the Secretary may make such appointments without regard to the civil service laws of regulations...

PART 7—Miscellaneous

PERFECTING ORGANIZATION FARM CREDIT ADMINISTRATION

SEO. 40. The Governor of the Farm Credit Administration is authorized, in carrying out the powers and duties now or hereafter vested in him or the Farm Credit Administration by law or under any Executive order made under title IV of part II of the Legislative Appropriation Act of 1933, as amended, to establish, and to fix the powers and duties, of such divisions, agencies, corporations, and instrumentalities as he may deem necessary to the efficient functioning of the Farm Credit Administration and the successful execution of the powers and duties so vested in the Governor and the Farm Credit Administration...

PART 8—Short Title

TITLE III—FINANCING AND EXERCISING POWER CONFERRED BY SECTION 8 OF ARTICLE I OF THE CONSTITUTION: TO COIN MONEY AND REGULATE THE VALUE THEREOF

SEC. 43. Whenever the President finds, upon investigation, that (1) the foreign commerce of the United States is adversely affected by reason of depreciation in the value of currency of any other government or governments in relation to the present standard value of gold, or (2)

action under this section is necessary in order to regulate and maintain the parity of currency issues of the United States, or (3) an economic emergency requires and expansion of credit, or (4) an expansion of credit is necessary to secure by international agreement a stabilization at proper levels of currencies of various governments, the President is authorized in his discretion—

- a. To direct the Secretary of the Treasury to enter into agreements with the several Federal Reserve banks and with the Federal Reserve Board...
- b. If the Secretary, when directed by the President, is unable to secure the assent of the several Federal Reserve banks and the Federal Reserve Board to the agreements authorized in this section, or if operations under the above provisions prove to be inadequate to meet the purposes of this section, or if for any other reason additional measures are required in the judgment of the President to meet such purposes, then the President is authorized—
 1. To direct the Secretary of the Treasury to cause to be issued in such amounts or amounts as he may from time to time order, United States notes...
 2. By proclamation to fix the weight of gold dollars in grains nine tenths fine and also to fix the weight of the silver dollar in grains nine tenths fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce...

Full text can be found at: <http://nation-alaglawcenter.org/wp-content/uploads/assets/farmbills/1933-house6.pdf>