United States Department of Agriculture,
OFFICE OF THE SECRETARY—Circular No. 154.

REGULATIONS
OF THE SECRETARY OF AGRICULTURE
UNDER THE
UNITED STATES WAREHOUSE ACT OF
AUGUST 11, 1916,
AS AMENDED JULY 24, 1919.

REGULATIONS FOR TOBACCO WAREHOUSES.

ISSUED NOVEMBER 15, 1920.

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LETTER OF TRANSMITTAL.

U. S. DEPARTMENT OF AGRICULTURE,
BUREAU OF MARKETS,
Washington, D. C., November 12, 1920.

Hon. EDWIN T. MEREDITH,
Secretary of Agriculture.

SIR: I have the honor to transmit herewith a draft of rules and regulations of the Secretary of Agriculture, to be known as the regulations for tobacco warehouses, under the United States warehouse Act of August 11, 1916 (39 U. S. Stats. at L., pp. 446, 486), as amended July 24, 1919 (41 U. S. Stats. at L., pp. 234, 266). It is recommended that they be made, prescribed, and published as your rules and regulations, pursuant to the authority conferred on you by said Act, to be in force and effect until amended or superseded by rules and regulations hereafter made by the Secretary of Agriculture, under said Act.

Respectfully,

GEORGE LIVINGSTON,
Chief of Bureau.

Approved:

P. D. CRONIN,
Acting Solicitor.

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D. C.

By virtue of the authority vested in the Secretary of Agriculture by the United States warehouse Act, approved August 11, 1916 (39 U. S. Stats. at L., pp. 446, 486), as amended July 24, 1919 (41 U. S. Stats. at L., pp. 234, 266), I, E. D. Ball, Acting Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following rules and regulations, to be known as the regulations for tobacco warehouses, and to be in force and effect until amended or superseded by rules and regulations hereafter made by the Secretary of Agriculture, under said Act.

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the District of Columbia this 15th day of November, 1920.

E. D. BALL,
Acting Secretary of Agriculture.

REGULATIONS FOR TOBACCO WAREHOUSES

UNDER THE

UNITED STATES WAREHOUSE ACT.

Regulation 1.—Definitions.

Definitions.

SECTION 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

Words import singular or plural.

SEC. 2. For the purposes of these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean—

Terms construed.

Paragraph 1. THE ACT.—The United States warehouse Act, approved August 11, 1916 (39 U. S. Stats. at L., pp. 446, 486) as amended by an Act of Congress approved July 24, 1919 (41 U. S. Stats. at L., pp. 234, 266).

The Act.

Paragraph 2. PERSON.—An individual, corporation, partnership, or two or more persons having a joint or common interest.

Person.

Paragraph 3. SECRETARY.—The Secretary of Agriculture of the United States.

Secretary.

Paragraph 4. REGULATIONS.—Rules and regulations made under the Act by the Secretary.

Regulations.

Paragraph 5. BUREAU OF MARKETS.—The Bureau of Markets of the United States Department of Agriculture.

Bureau of Markets.

Paragraph 6. WAREHOUSE.—Any building, structure, or other protected inclosure in which tobacco is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which tobacco is or may be stored.

Warehouse.

Paragraph 7. WAREHOUSEMAN.—A person lawfully engaged in the business of storing tobacco.

Warehouseman.

Paragraph 8. LICENSE.—A license issued under the Act by the Secretary.

License.

Paragraph 9. LICENSED WAREHOUSEMAN.—A warehouseman licensed as such under the Act.

Licensed warehouseman.

- Licensed warehouse. *Paragraph 10. LICENSED WAREHOUSE.*—A warehouse for the conduct of which a license has been issued.
- Licensed warehouseman's bond. *Paragraph 11. LICENSED WAREHOUSEMAN'S BOND.*—A bond required to be given under the Act by a licensed warehouseman.
- Form. *Paragraph 12. FORM.*—The designation of the stage of preparation of tobacco, such as, unstemmed, stemmed, stems, etcetera.
- Grade. *Paragraph 13. GRADE.*—Any one of the divisions of form according to the size, color, texture, or other elements of quality of the tobacco, including its type.
- Condition. *Paragraph 14. CONDITION.*—Any state of tobacco which is not covered by form or grade and which has a material bearing on its value, including its keeping quality.
- Licensed inspector. *Paragraph 15. LICENSED INSPECTOR.*—A person licensed under the Act by the Secretary to inspect, to sample, and to certificate the form and the condition of tobacco.
- Licensed grader. *Paragraph 16. LICENSED GRADER.*—A person licensed under the Act by the Secretary to grade and to certificate the grade of tobacco.
- Licensed weigher. *Paragraph 17. LICENSED WEIGHER.*—A person licensed under the Act by the Secretary to weigh and to certificate the weight of tobacco.
- Package. *Paragraph 18. PACKAGE.*—A hogshead, tierce, case, bale, or other parcel.
- Official sample. *Paragraph 19. OFFICIAL SAMPLE.*—A sample of a package of tobacco, drawn, tagged, and sealed by a licensed inspector in accordance with regulation 7.
- Receipt. *Paragraph 20. RECEIPT.*—A warehouse receipt.
- State. *Paragraph 21. STATE.*—A State, Territory, or District of the United States.

Warehouse licenses.

Regulation 2.—Warehouse Licenses.

Application requirements.

SECTION 1. Each application for license under section 4 or 9 of the Act shall be made to the Secretary upon a form prescribed for the purpose and furnished by the Bureau of Markets, shall be in English, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Secretary or the Chief of the Bureau of Markets shall find to be necessary to the consideration of his application by the Secretary.

SEC. 2. A license for the conduct of a warehouse shall not be issued if it be found by the Secretary that the warehouse is not suitable for the proper storage of tobacco, that the warehouseman is insolvent or incompetent to conduct such warehouse in accordance with the Act and these regulations, or that there is any other sufficient reason within the purposes of the Act for not issuing such license. Grounds for not issuing licenses.

SEC. 3. Each warehouseman conducting a warehouse licensed, or for which application for license has been made, shall have and maintain, above all exemptions and liabilities, assets liable for the payment of any indebtedness arising from the conduct of the warehouse, to the extent of at least \$4 per 1,000 pounds of the maximum number of pounds of tobacco that the warehouse will accommodate when stored in the manner customary to the warehouse for which such assets are required, as determined by the Chief of the Bureau of Markets, except that the amount of such assets shall not be less than \$4,000 and need not be more than \$80,000. In case such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section. For the purposes of this section only, capital stock, as such, shall not be considered a liability. A deficiency in such assets may be supplied by an increase in the amount of the licensed warehouseman's bond in accordance with regulation 3, section 2, paragraph 2. Net assets required.

SEC. 4. Each application for a renewal or extension of a license under section 5 of the Act shall be made to the Secretary, upon a form prescribed for the purpose and furnished by the Bureau of Markets, shall be in English, shall be signed by the applicant, and shall be filed with the Secretary not less than 30 days nor more than 60 days before the date of the termination of the license or of any renewal or extension thereof, then in effect, as the case may be. Renewals or extensions.

SEC. 5. Immediately upon receipt of his license or of any extension or renewal thereof the warehouseman shall post the same, and thereafter, except as otherwise provided in these regulations, keep it posted until the date of Licenses to be posted.

its termination, in a conspicuous place in the principal office where receipts issued by such warehouseman are delivered to depositors.

Suspension or
cancellation of
warehouse li-
censes.

SEC. 6. Pending investigation, the Secretary, whenever he deems necessary, may suspend a warehouseman's license temporarily without hearing. Upon a written request and a satisfactory statement of reasons therefor, submitted by a warehouseman, the Secretary may, without hearing, suspend or cancel the license issued to such warehouseman. The Secretary may, after opportunity for hearing when possible has been afforded in the manner prescribed in this section, suspend or cancel a license issued to a warehouseman when such warehouseman (*a*) is bankrupt or insolvent, (*b*) has parted, in whole or in part, with his control over the licensed warehouse, (*c*) is in process of dissolution or has been dissolved, (*d*) has ceased to conduct such licensed warehouse, or (*e*) has in any other manner become nonexistent or incompetent or incapacitated to conduct the business of the licensed warehouse. Before a license is suspended, revoked, or canceled for any violation of or failure to comply with any provision of the Act or of these regulations or upon the ground that unreasonable or exorbitant charges have been made for services rendered, the warehouseman involved shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges, and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 9, section 4.

Return of sus-
pended, revoked,
or canceled li-
censes.

SEC. 7. In case a license issued to a warehouseman terminates or is suspended, revoked, or canceled by the Secretary, such license shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless it be in the meantime revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, it shall be returned to the warehouseman to whom it was originally issued, and it shall be posted as prescribed in section 5 of this regulation.

* Lost or de-
stroyed ware-
house licenses.

SEC. 8. Upon satisfactory proof of the loss or destruction of a license issued to a warehouseman, a duplicate thereof may be issued under the same or a new number in the discretion of the Secretary.

SEC. 9. No warehouse or its warehouseman shall be designated as licensed under the Act and no name or description conveying the impression that it or he is so licensed shall be used either in a receipt or otherwise, unless such warehouseman holds an unsuspended, unrevoked, and uncanceled license for the conduct of such warehouse.

Unlicensed warehousemen must not represent themselves as licensed.

Regulation 3.—Warehouse Bonds.

Warehouse bonds.

Time of filing.

SECTION 1. When notice has been given by the Secretary to a warehouseman that a license applied for under regulation 2 will be granted upon compliance by such warehouseman with the Act, the warehouseman shall, within a time if any specified and in an amount fixed by the Secretary in such notice, in accordance with section 2 of this regulation, file with the Secretary a bond complying with the Act and covering all obligations arising thereunder during the period of the license, and, in addition, if the warehouseman so desire, during the period of any renewal or extension thereof.

SEC. 2. *Paragraph 1.* Exclusive of any amount which may be added in accordance with paragraphs 2 and 3 of this section, the amount of such bond shall be at the rate of \$5 per 1,000 pounds of the maximum number of pounds of tobacco that the warehouse will accommodate when stored in the manner customary to the warehouse for which such bond is required, as determined by the Chief of the Bureau of Markets, but not less than \$5,000 nor more than \$50,000. In case a warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, and shall desire to give a single bond meeting the requirements of the Act and these regulations for the said warehouses, such warehouses shall be deemed to be one warehouse for the purposes of the bond required under this regulation.

Amount required.

Paragraph 2. In case of a deficiency in net assets under regulation 2, section 3, there shall be added to the amount ascertained in accordance with paragraph 1 of this section an amount equal to such deficiency.

Additional amount for deficiency in assets.

Paragraph 3. In case the Secretary finds the existence of conditions warranting such action, there shall be added to the amount ascertained in accordance with

Additional amount may be required.

paragraphs 1 and 2 of this section a further amount, fixed by him to meet such conditions.

Bond renewal
or extension.

SEC. 3. In case an application is made under regulation 2, section 4, for an extension or renewal of a license and no bond previously filed by the warehouseman under this regulation covers obligations arising during the period of such extension or renewal, the warehouseman shall, when notice has been given by the Secretary that such extension or renewal will be granted upon compliance by such warehouseman with the Act, file with the Secretary, within a time if any fixed in such notice, a bond complying with the Act. Such bond shall cover all obligations arising under the Act during the period of the extension or renewal, and, in addition, if the warehouseman so desire, during the period of any further renewal or extension and shall, in amount and otherwise, comply with this regulation. In the discretion of the Secretary, a properly executed instrument in form approved by the Secretary, continuing in force and effect the obligations of a valid bond previously filed by the warehouseman and otherwise complying with the Act and these regulations, may be filed in lieu of a new bond.

Bond to be ap-
proved.

SEC. 4. No bond or continuation thereof shall be accepted for the purposes of the Act and these regulations until it has been approved by the Secretary.

Warehouse re-
ceipts.

Regulation 4.—Warehouse Receipts.

Contents re-
quired.

SECTION 1. *Paragraph 1.* Every receipt, whether negotiable or nonnegotiable, issued for tobacco stored in a licensed warehouse shall, in addition to complying with the requirements of section 18 of the Act, embody within its written or printed terms the following: (a) the name of the licensed warehouseman and the designation, if any, of the warehouse, (b) the license number of the warehouse, (c) the date of the expiration of the warehouse license, (d) a statement whether the warehouseman is incorporated or unincorporated, and, if incorporated, under what laws and the amount of the paid-in capital stock, (e) the amount of the warehouseman's bond, (f) the identification number given to each package in accordance with regulation 5, section 9, (g) a statement, conspicuously placed, whether the tobacco is insured by the warehouseman, and, if insured, to what extent against loss or damage by fire or lightning, and

(h) the words "Not Negotiable", "Non-Negotiable", or "Negotiable", according to the nature of the receipt, clearly and conspicuously printed or stamped thereon.

Paragraph 2. Every receipt, whether negotiable or non-negotiable, issued for tobacco stored in a licensed warehouse shall specify a period, not exceeding three years, for which the tobacco is accepted for storage under the Act and these regulations, but, upon demand and the surrender of the old receipt by the lawful holder thereof at or before the expiration of the specified period, the warehouseman, so far as the available capacity of his licensed warehouse then permits and upon such lawful terms and conditions as may be granted by him at such time to other depositors of tobacco in the warehouse, shall, (a) if he then continue to act as a licensed warehouseman, either extend the old receipt by making an appropriate notation thereon or issue a new receipt for a further specified period not exceeding three years, or (b) if he then continue to act as a public warehouseman, but not as a licensed warehouseman, issue a new receipt.

Storage period.

Paragraph 3. Every negotiable receipt issued for tobacco stored in a licensed warehouse shall, in addition to complying with the requirements of paragraphs 1 and 2 of this section, embody within its written or printed terms a form of indorsement which may be used by the depositor, or his authorized agent, for showing the ownership of, and liens, mortgages, or other encumbrances on the tobacco covered by the receipt.

Indorsement form required on negotiable receipts.

Paragraph 4. Whenever the form, grade, or condition is required to be or is stated in a receipt for tobacco stored in a licensed warehouse, it shall be stated in accordance with regulation 8. Whenever the grade is stated in such receipt the form and condition also must be stated.

Form, grade, and condition of tobacco.

Paragraph 5. If a warehouseman issue a receipt under the Act omitting any information, not required to be stated, for which a blank space is provided in the form of the receipt, a line shall be drawn through such space to show that such omission has been made.

Lines to be drawn in unused spaces.

SEC. 2. Every copy of a receipt, except when issued in lieu of the original in case of a lost or destroyed receipt, shall, if there be no statute of the United States or law of a State providing otherwise, have clearly and conspicuously printed or stamped thereon the word "Copy—Not Negotiable."

Copies of receipts.

Lost or destroyed receipts.

SEC. 3. *Paragraph 1.* In the case of a lost or destroyed receipt, if there be no statute of the United States or law of a State applicable thereto, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the receipt in lieu of which it is issued and a plain and conspicuous statement that it is a duplicate issued in lieu of a lost or destroyed receipt, may be issued upon compliance with the conditions set out in paragraph 2 of this section.

Conditions under which duplicate may be issued.

Paragraph 2. Before issuing such duplicate receipt the licensed warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (a) an affidavit showing that he is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was lost or destroyed, and, if lost, that diligent effort has been made to find the receipt without success, and (b) a bond in an amount double the value, at the time the bond is given, of the tobacco represented by the lost or destroyed receipt. Such bond shall be in a form approved for the purpose by the Secretary, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such duplicate receipt, and shall have as surety thereon (a) a surety company which is authorized to do business, and is subject to service of process in a suit on the bond, in the State in which the warehouse is located, or (b) at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of all exemptions and encumbrances, to the extent of double the amount of the bond.

Receipt form to be approved.

SEC. 4. No receipt shall be issued under the Act until its form has been approved by the Chief of the Bureau of Markets, who shall make such requirements with respect to it as he may deem necessary and practical to insure compliance with the Act and these regulations. For this purpose the warehouseman shall submit two copies of the proposed form.

Deliveries on negotiable receipts.

SEC. 5. Except as permitted by law or by these regulations, a warehouseman shall not deliver the tobacco for which he has issued a negotiable receipt under the Act until the receipt has been returned to him. If a warehouseman deliver a part only of a lot of tobacco for which he has issued a negotiable receipt under the Act, he shall either (a) take up and cancel such receipt and

issue a new receipt in accordance with these regulations for the undelivered portion of the tobacco, or (b) have plainly placed upon the back of the receipt an indorsement showing the date of delivery, the number of packages of tobacco delivered, and the identification number of each such package, and upon the face of the receipt a clear and conspicuous notation that partial delivery has been made in accordance with the indorsement thereon. Such indorsement shall be signed by the person lawfully entitled to such delivery, or his authorized agent, or the warehouseman shall obtain from such person a separate written acknowledgment of the delivery.

SEC. 6. Except as permitted by law or these regulations, a warehouseman shall not deliver the tobacco for which he has issued a nonnegotiable receipt under the Act, until such receipt has been returned to him or he has obtained from the person lawfully entitled to such delivery, or his authorized agent, a written acknowledgment thereof. If a warehouseman deliver a part only of a lot of tobacco for which he has issued a nonnegotiable receipt under the Act, he shall either (a) comply with the requirements of section 5 of this regulation as far as applicable to partial delivery, or (b) obtain from the person lawfully entitled to such delivery, or his authorized agent, a written acknowledgment thereof.

Deliveries on nonnegotiable receipts.

Regulation 5.—Duties of Licensed Warehousemen.

Duties of warehousemen.

SECTION 1. Each licensed warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 5, and at such other places as the Chief of the Bureau of Markets may from time to time designate, a notice, in form approved for the purpose by the Chief of the Bureau of Markets, stating whether or not he will undertake to obtain insurance upon tobacco stored in his licensed warehouse and the conditions, if any, under which the tobacco will be insured.

Notice of conditions under which warehousemen will insure.

SEC. 2. Each licensed warehouseman, in accordance with his contracts with insurance and bonding companies with respect to his licensed warehouse, shall pay such premiums, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

Duties with respect to insurance and bonding companies.

SEC. 3. Each licensed warehouseman shall promptly take such steps as may be necessary and proper to collect

Warehousemen to collect and pay over insurance.

any moneys which may become due under contracts of insurance entered into by him upon tobacco stored in his licensed warehouse, and shall, as soon as collected, promptly pay to the persons concerned any portion of such moneys which they may be entitled to receive from him.

Records to be kept in safe place.

SEC. 4. Each licensed warehouseman shall provide a metal fireproof safe, a fireproof vault, or a fireproof compartment in which he shall keep, when not in actual use, all records, books, and papers pertaining to the licensed warehouse, except that with the written consent of the Chief of the Bureau of Markets, upon a showing by such warehouseman that it is not practical to provide such fireproof safe, vault, or compartment, he may keep such records, books, and papers in some other place of safety, approved by the Chief of the Bureau of Markets.

Warehouse charges.

SEC. 5. A licensed warehouseman shall not make any unreasonable or exorbitant charge for services rendered. Before a license to conduct a warehouse is granted under the Act the warehouseman shall file with the Chief of the Bureau of Markets a schedule of the charges to be made by him if licensed. Before making any change in such schedule of charges he shall file with the Chief of the Bureau of Markets a statement in writing showing the proposed change and the reasons therefor. Each licensed warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 5, and at such other places, accessible to the public, as the Chief of the Bureau of Markets may from time to time designate, a copy of his current schedule of charges.

Business hours.

SEC. 6. *Paragraph 1.* Each licensed warehouse shall be kept open for the purpose of receiving tobacco for storage and delivering tobacco out of storage every business day for a period of not less than six hours between the hours of 8 a. m. and 6 p. m., except as provided in paragraph 2 of this section. The licensed warehouseman shall keep conspicuously posted on the door of the public entrance to his office and to his licensed warehouse a notice showing the hours during which the warehouse will be kept open, except when such warehouse is kept open continuously from 8 a. m. to 6 p. m.

Notice of warehouse being closed.

Paragraph 2. In case the licensed warehouse is not to be kept open as required by paragraph 1 of this section, the notice posted as prescribed in that paragraph shall state the period during which the warehouse is to be

closed and the name of an accessible person, with the address where he may be found, who shall be authorized to deliver tobacco stored in such warehouse, upon lawful demand by the depositor thereof or the holder of the receipt therefor, as the case may be.

SEC. 7. A licensed warehouseman shall not receive for storage in his licensed warehouse any tobacco that is not properly packaged, and shall keep his warehouse reasonably free of loose tobacco, except in a space or container separate and apart from other tobacco. Tobacco to be packaged.

SEC. 8. A licensed warehouseman shall restore to the package from which it is taken all the tobacco drawn for the selection of a sample, except the portion used for such sample. Sampling tobacco.

SEC. 9. A licensed warehouseman shall mark, stencil, or tag each package of tobacco received for storage in his licensed warehouse with a number by which the identity of such package will be preserved. Such numbers shall be in numerical sequence, or any series of numerical sequences clearly distinguishable from each other, shall be made with some indelible substance, and shall be clear and legible. If tags are used they shall be made of substantial material and securely attached to the packages. Each package to be given an identification number.

SEC. 10. *Paragraph 1.* A licensed warehouseman shall arrange each package of tobacco stored in his licensed warehouse so that the identification number thereon, required by section 9 of this regulation, is visible and readily accessible, and so that the tobacco stored for each depositor can be easily removed for inspection, weighing, or delivery. Arrangement of packages.

Paragraph 2. If at any time a warehouseman shall store tobacco in his licensed warehouse in excess of the capacity thereof determined by the Chief of the Bureau of Markets, such warehouseman shall arrange the packages in accordance with paragraph 1 of this section so as not to obstruct free access thereto and the proper use of sprinkler or other fire protection equipment provided for such warehouse, and shall immediately notify the Chief of the Bureau of Markets of such excess storage and the arrangement thereof. Excess storage.

SEC. 11. Each licensed warehouseman shall at all times, including any period of suspension of his license, exercise Care of tobacco and fire protection equipment.

such care in regard to tobacco in his custody as a reasonably careful owner would exercise under the same circumstances and conditions. He shall see that the sprinkler or other fire protection equipment, if any, provided for his warehouse is maintained in proper working order.

Care of other tobacco or commodities.

SEC. 12. If, at any time, a licensed warehouseman shall handle or store tobacco otherwise than as a licensed warehouseman, or shall handle or store any other commodity, he shall so protect the same, and otherwise exercise care with respect to it, as not to endanger the tobacco in his custody as a licensed warehouseman or impair the insurance thereon or his ability to meet his obligations and perform his duties under the Act and these regulations.

Removal of tobacco in storage.

SEC. 13. Except as may be required by law or these regulations, a licensed warehouseman shall not remove any tobacco in storage from a licensed warehouse or a part thereof so as, in any manner, to impair the insurance thereon without first obtaining the consent in writing of the holder of the receipt and indorsing on the face of the receipt the fact and the date of such removal.

Tobacco not to be injured by handling or storing.

SEC. 14. A licensed warehouseman shall not handle or store tobacco in such manner as will injure or damage it, or in any part of the warehouse in which it is likely to be injured or damaged by excessive moisture, or otherwise.

Disposition of tobacco found to be unsuitable for storage.

SEC. 15. In case a licensed warehouseman, and his licensed, inspector, if any, find that any tobacco in his licensed warehouse is in such condition that it is unsafe for storage or likely to injure or damage other tobacco, such warehouseman shall give such notice to the owner, or to the person in whose name the tobacco is stored, as is reasonable and possible under the circumstances, to satisfy the lien upon such tobacco, and to remove it from his licensed warehouse, and in the event of the failure of such person to satisfy the lien and to remove the tobacco within the time so specified, the licensed warehouseman may sell the tobacco at public or private sale without advertising. If the licensed warehouseman after a reasonable effort is unable to sell the tobacco, he may dispose of it in any lawful manner, and shall incur no liability by reason thereof. From the proceeds of such sale such licensed warehouseman shall satisfy his lien, including the reasonable charges of notice, advertisement, and sale. The balance, if any, of such proceeds shall be held by the licensed warehouseman, and delivered on demand to the

person to whom he would have been bound to deliver or justified in delivering the tobacco.

SEC. 16. A licensed warehouseman shall use for his licensed warehouse a system of accounts, approved for the purpose by the Chief of the Bureau of Markets, which shall show for each package of tobacco the identification number mentioned in section 9 of this regulation, its weight, form, grade, and condition when same is required to be or is ascertained, its location, the dates received and delivered out of storage, the receipts issued and canceled, and a separate record for each depositor of his tobacco, and such accounts shall include a detailed record of all moneys received and disbursed and of all insurance policies taken out and canceled.

System of accounts.

SEC. 17. Each licensed warehouseman shall, from time to time, when requested by the Chief of the Bureau of Markets, make such reports, on forms prescribed and furnished for the purpose by the Bureau of Markets, concerning the condition, contents, operation, and business of the warehouse as the Chief of the Bureau of Markets may require.

Reports.

SEC. 18. Each licensed warehouseman shall keep on file, as a part of the records of the licensed warehouse, for such period as may be prescribed by the Chief of the Bureau of Markets for each kind of report, a true copy of each such report submitted by such warehouseman under this regulation.

Copies of reports to be kept.

SEC. 19. Each licensed warehouseman shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to enter and inspect or examine, on any business day during the usual hours of business, any licensed warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts relating thereto, and the contents thereof, and such licensed warehouseman shall furnish such officer or agent the assistance necessary to enable him to make any inspection or examination under this section.

Examination of warehouses.

SEC. 20. The weighing apparatus used for ascertaining the weight stated in a receipt or weight certificate, issued for tobacco stored in a licensed warehouse, shall be subject to examination by any officer or agent of the Department of Agriculture designated by the Chief of the Bureau of Markets for the purpose. If the Chief of

Weighing apparatus subject to examination and disapproval.

the Bureau of Markets shall disapprove such weighing apparatus, it shall not thereafter, unless such disapproval is withdrawn, be used in ascertaining the weight of tobacco for the purposes of the Act and these regulations.

Duties of licensed inspectors, graders, and weighers.

SEC. 21. *Paragraph 1.* Except as authorized by the Chief of the Bureau of Markets, a licensed warehouseman shall not have any tobacco stored or to be stored in his licensed warehouse inspected, sampled, graded, or weighed for the purpose of his records or receipts by any person not licensed under the Act to perform such services, if there be a person so licensed for such warehouse.

Inspection, grade, and weight certificates and duplicate certificates.

Paragraph 2. When an inspection, grade, or weight certificate has been issued by a licensed inspector, licensed grader, or licensed weigher and delivered to the warehouseman with a duplicate of such certificate, or a record in lieu thereof, the licensed warehouseman shall mail or deliver the original certificate to the person requesting it and the warehouseman shall file the duplicate, or the record of such certificate, in the place designated in section 4 of this regulation and such duplicate, or record, shall become a part of the records of the licensed warehouseman.

In case of conflict, Federal or State law prevails.

SEC. 22. If there be a Federal or State statute or valid regulation thereunder in conflict with any of the provisions of this regulation, the licensed warehouseman shall comply with such statute or regulation, so far as such statute or regulation is in conflict with this regulation, and such compliance shall be deemed to be a compliance with the provisions of this regulation to the extent of the conflict.

Warehouseman must comply with State laws and his contracts.

SEC. 23. Each licensed warehouseman shall faithfully perform his obligations as a warehouseman under the laws of the State in which he is conducting his licensed warehouse and such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of tobacco in such warehouse.

Fees.

Regulation 6.—Fees.

License fees.

SECTION 1. There shall be charged, assessed, and collected a fee of \$2 for each warehouseman's license, and \$1 for each renewal or extension of such license.

Warehouse examination fees.

SEC. 2. There shall be charged, assessed, and collected for each original examination or inspection, or for each reexamination or reinspection, of a warehouse under the

Act, when made upon application of a warehouseman, a fee at the rate of \$1 for each 5,000 square feet of floor space, or fraction thereof, as determined by the Chief of the Bureau of Markets, but in no case less than \$5 nor more than \$50.

SEC. 3. Before any warehouseman's license or renewal or extension thereof is granted, or any original or subsequent examination or inspection, applied for by a warehouseman, is made, pursuant to these regulations, the warehouseman shall deposit with the Chief of the Bureau of Markets the amount of the fee prescribed therefor. Such deposit shall be made in the form of a check, certified if required by the Chief of the Bureau of Markets, or post-office or express money order, payable to the order of "Disbursing Clerk, U. S. Department of Agriculture."

SEC. 4. The Disbursing Clerk of the United States Department of Agriculture shall hold in his custody each advance deposit made under this regulation until the fee, if any, is assessed and he is furnished by the Bureau of Markets with a statement showing the amount thereof and against whom assessed. Any part of such advance deposit which is not required for the payment of any fee assessed shall be returned to the party depositing the same.

Regulation 7.—Licensed Inspectors, Licensed Graders, and Licensed Weighers.

Inspectors, graders, and weighers.

SECTION 1. *Paragraph 1.* Each application for licenses to inspect, grade, or weigh tobacco under the Act and these regulations shall be made to the Chief of the Bureau of Markets on a form furnished for the purpose by the Bureau of Markets, shall be in English, shall truly state the information therein contained, and shall be signed by the applicant.

Application requirements.

Paragraph 2. For the purposes of each such application there shall be filed with the Bureau of Markets a statement from the warehouseman conducting a licensed warehouse, or a warehouse for which an application for license has been made under the Act, in which tobacco sought to be inspected, graded, or weighed, as the case may be, is or is to be stored, showing whether or not the applicant is competent to discharge such duties and is acceptable to such warehouseman.

Warehouseman's statement.

Qualification re-
quirements.

Paragraph 3. Each applicant for a license to inspect, grade, or weigh tobacco must have had at least one year's experience in the kind of service for which a license is sought, or the equivalent of such experience, and shall furnish satisfactory evidence that he is competent to perform such service and that he will be provided with such means or facilities for performing his duties as the Chief of the Bureau of Markets may deem necessary.

Applicants,
when requested,
shall submit to
examination and
furnish informa-
tion.

SEC. 2. Each applicant for license as an inspector, grader, or weigher, and each licensed inspector, licensed grader, or licensed weigher, whenever requested by an authorized agent of the Department of Agriculture designated by the Chief of the Bureau of Markets for the purpose, shall submit to an examination or test to show his ability to inspect, grade, or weigh tobacco, as the case may be, and each such applicant, or licensee, shall furnish the Chief of the Bureau of Markets any information which he may request, at any time, in regard to his inspection, grading, or weighing of tobacco.

Licenses to be
posted.

SEC. 3. Each licensed inspector, licensed grader, and licensed weigher shall keep his license conspicuously posted in a place designated for the purpose by the Chief of the Bureau of Markets.

Licenses to
discharge duties
without discrimi-
nation.

SEC. 4. Each licensed inspector, licensed grader, or licensed weigher, according to the nature of his license, when requested shall, without discrimination, as soon as practicable, and upon reasonable terms, inspect, sample, grade, or weigh and certificate the inspection, grade, or weight of tobacco stored or to be stored in a licensed warehouse for which he holds a license, if such tobacco be offered to him under such conditions as permit proper inspection, sampling, grading, or weighing. Each such licensee shall give preference to persons who request his services as such over persons who request his services in any other capacity. No official sample shall be drawn and no inspection, grade, or weight certificate shall be issued under the Act for tobacco not stored or to be stored in a licensed warehouse. In no case shall a licensed inspector or licensed grader sample or grade any tobacco for the purposes of the Act and these regulations unless the tobacco shall have been inspected by a licensed inspector.

Requirements
and restrictions
relative to duties.

General require-
ments for all cer-
tificates.

SEC. 5. *Paragraph 1.* Each inspection certificate, grade certificate, weight certificate, or combination of such cer-

tificates issued under the Act shall be in a form approved for the purpose by the Chief of the Bureau of Markets, and shall embody within its written or printed terms:

(a) whether it is an original, a duplicate, or other copy, (b) the consecutive number of the certificate, (c) the name and location of the licensed warehouse in which the tobacco is or is to be stored, (d) the date of the certificate, (e) the identification number of each package in accordance with regulation 5, section 9, (f) a statement to the effect that the certificate is issued by a licensed inspector, licensed grader, or licensed weigher, as the case may be, under the United States warehouse Act and these regulations, and (g) the signature of such licensee who inspected, graded, or weighed the tobacco. In addition, such certificates shall, according to their nature, include the requirements of paragraph 2, 3, or 4 of this section and may include any other matter not inconsistent with the Act and these regulations.

Paragraph 2. In addition to the requirements of paragraph 1 of this section, each inspection certificate shall embody within its written or printed terms: (a) the caption "Tobacco Inspection Certificate", (b) the form and condition, and the number of the official sample, if such sample is drawn, for each package, of tobacco covered by the certificate, and (c) a blank space designated for the purpose in which may be stated any general remarks on the condition of the tobacco.

Additional requirements for inspection certificates.

Paragraph 3. In addition to the requirements of paragraph 1 of this section, each grade certificate shall embody within its written or printed terms: (a) the caption "Tobacco Grade Certificate", (b) the grade of each package of tobacco, (c) the number of each official sample, if graded upon such sample, (d) the number of the inspection certificate covering the tobacco, except when a combination inspection and grade certificate is issued, and (e) a blank space designated for the purpose in which may be stated whether or not the tobacco is uniform in grade.

Additional requirements for grade certificates.

Paragraph 4. In addition to the requirements of paragraph 1 of this section, each weight certificate shall embody within its written or printed terms: (a) the caption "Tobacco Weight Certificate", (b) the gross, tare, and net weight of each package of tobacco, and (c) a blank space designated for the purpose in which any con-

Additional requirements for weight certificates.

dition may be stated that in the opinion of the licensed weigher may affect the weight of the tobacco.

Combined certificates.

Paragraph 5. A combined certificate of inspection, grade, and weight, or any two of them may be issued if such certificate meets all the requirements of this section relating thereto.

Issuance of original and duplicate certificates.

SEC. 6. Each licensed inspector, licensed grader, and licensed weigher shall, as soon as possible after inspecting, grading, or weighing any tobacco stored or to be stored in a licensed warehouse, issue an original and duplicate inspection, grade, or weight certificate, as the case may be, for such tobacco, and deliver to the licensed warehouseman, in whose warehouse the tobacco is or is to be stored, such duplicate certificate. In the discretion of the warehouseman concerned such duplicate need not be issued, and, in the absence of a request of the depositor or other person financially interested, such original certificate need not be issued, if a record showing all of the information required to be contained on the certificate is delivered to the warehouseman.

Official sample tags.

SEC. 7. Paragraph 1. Each licensed inspector shall provide himself, unless provided by the warehouseman, with a sufficient quantity of tags, of a kind and quality approved by the Chief of the Bureau of Markets, for labeling the samples of tobacco drawn by him. Such tags shall have clearly written or printed on one side of each tag (*a*) the consecutive number of the tag, (*b*) the caption "Official Tobacco Sample", (*c*) the name and location of the licensed warehouse in which the tobacco is or is to be stored, (*d*) the identification number, in accordance with regulation 5, section 9, of the package from which the sample was drawn, (*e*) the date on which the sample was drawn, and (*f*) a statement to the effect that the sample was drawn by a licensed inspector in accordance with the United States warehouse Act and the regulations thereunder. One such tag shall be attached to each official sample of tobacco so as to preserve the identity of the sample.

Official sample seals.

Paragraph 2. Such licensed inspector shall seal each official sample of tobacco drawn by him so as to prevent the removal of the tag mentioned in paragraph 1 of this section or the separation of the sample into parts without breaking the seal. Such seal shall show (*a*) the name of the licensed inspector, (*b*) the license number of such

inspector, and (c) the insignia "U. S. W. A." Such seal shall be used only by the licensed inspector, whose name and license number is shown thereon, and in a manner approved by the Chief of the Bureau of Markets for placing the official seal on samples of tobacco drawn and tagged by such licensed inspector.

SEC. 8. *Paragraph 1.* Whenever the form, grade, or condition of tobacco is required to be or is stated for the purposes of the Act and these regulations, it shall be stated in accordance with regulation 8.

Form, grade, and condition to be stated in accordance with regulation 8.

Paragraph 2. Each official sample taken from a package of tobacco stored or to be stored in a licensed warehouse shall be of such size and drawn and prepared in such manner as may be required by the Chief of the Bureau of Markets.

Drawing and preparing official samples.

SEC. 9. Each licensed inspector, licensed grader, and licensed weigher shall permit any officer or agent of the Department of Agriculture, authorized by the Chief of the Bureau of Markets for the purpose, to inspect or examine, on any business day during the usual hours of business, his books, papers, records, and accounts relating to the performance of his duties under the Act and these regulations, and shall, when requested, assist any such officer or agent in the inspection or examination mentioned in regulation 5, section 19 as far as any such inspection or examination relates to the performance of the duties of such licensee under the Act and these regulations.

Licensees to permit and assist in examinations.

SEC. 10. Pending investigation the Secretary may, whenever he deems necessary, suspend the license of a licensed inspector, licensed grader, or licensed weigher temporarily without hearing. Upon a written request and a satisfactory statement of reasons therefor submitted by the licensed inspector, licensed grader, or licensed weigher, the Secretary may, without hearing, suspend or cancel the license issued to such licensee. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed in this section, suspend or cancel a license issued to an inspector, grader, or weigher when such licensee (a) has ceased to perform service as a licensed inspector, licensed grader, or licensed weigher, or (b) has, in any manner, become incompetent or incapacitated to perform his duties as such licensee. Before the license of any licensed inspector, licensed grader, or licensed weigher is suspended or

Suspension, revocation, or cancellation of licenses.

revoked, pursuant to section 12 of the Act, such licensee shall be furnished by the Secretary, or by an official of the Department of Agriculture designated by him for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 9, section 4.

Return of suspended, revoked, or canceled licenses.

SEC. 11. *Paragraph 1.* In case a license issued to an inspector, grader, or weigher is suspended, revoked, or canceled by the Secretary, such license shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless in the meantime it be revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, it shall be returned to the person to whom it was originally issued, and it shall be posted as prescribed in section 3 of this regulation.

Licenses terminate with warehouse licenses.

Paragraph 2. Any license issued to an inspector, grader, or weigher shall automatically terminate as to any licensed warehouse whenever the license of such warehouse expires or is revoked or canceled, and upon request the license of such inspector, grader, or weigher shall be returned to the Secretary.

Lost or destroyed licenses.

SEC. 12. Upon satisfactory proof of the loss or destruction of a license issued to an inspector, grader, or weigher, a duplicate thereof may be issued under the same or a new number, in the discretion of the Secretary.

Unlicensed persons must not represent themselves to be licensed.

SEC. 13. No person shall in any way represent himself to be an inspector, grader, or weigher licensed under the Act unless he holds an unsuspended, unrevoked, and uncanceled license issued under the Act to perform such duties.

Tobacco classification.

Regulation 8.—Tobacco Classification.

Form, grade, and condition to be stated in accordance with this regulation.

SECTION 1. Whenever the form, grade, or condition of tobacco is required to be or is stated for the purposes of the Act and these regulations, it shall be stated in accordance with this regulation.

Standards to be used.

SEC. 2. Until such time as official tobacco standards of the United States are in effect, the form, grade, and condition of tobacco shall be stated as far as applicable (a) in accordance with the State standards, if any, established in the State in which the warehouse is located, (b)

in the absence of any State standards, in accordance with the standards, if any, adopted by any tobacco organization or by the tobacco trade generally in the locality in which the warehouse is located, subject to the disapproval of the Chief of the Bureau of Markets, or (c) in the absence of any of the aforesaid standards, in accordance with any standards approved for the purpose by the Chief of the Bureau of Markets.

SEC. 3. Whenever the form, grade, or condition of tobacco is stated for the purposes of the Act and these regulations, the terms used shall be correctly applied and shall be so selected as not to convey a false impression of the tobacco. In determining the form, grade, or condition of a package of tobacco, the package as a whole shall be considered rather than parts of it which do not materially affect the value of the entire package and minor irregularities in the tobacco shall be overlooked.

Statement of
form, grade, and
condition.

SEC. 4. Whenever the form or grade of tobacco is stated for the purposes of the Act and these regulations, it shall be based upon a careful and thorough examination of the package of tobacco or an official sample thereof. In case the tobacco in one part of a package or sample is inferior to that in other parts of the package or sample, the grade assigned to the tobacco shall be an average considering the proportion that each part bears to the whole, and in case of a question as to which of two or more grades should be assigned to the tobacco, the lowest grade in question shall be assigned. Whenever the grade is not uniform the fact shall be stated.

Statement of
form and grade,
and uniformity
of grade.

SEC. 5. Whenever the condition of tobacco is stated for the purposes of the Act and these regulations, it shall be based upon a careful and thorough examination of the package of tobacco. In case any portion of a package of tobacco is found to be in a damaged, unsafe, or nested condition, the condition stated for the whole package shall be based upon such damaged, unsafe, or nested portion.

Statement of
condition.

Regulation 9.—Miscellaneous.

Miscellaneous.

SECTION 1. Every person applying for a license, or licensed, under section 9 of the Act, shall, as such, be subject to all portions of these regulations, except regulation 2, section 3, so far as they may relate to warehousemen. In case there is a law of any State providing for

Regulations ap-
plicable to state
warehouses.

a system of warehouses owned, operated, or leased by such State, a person applying for a license under section 9 of the Act, to accept the custody of tobacco and to store the same in any of said warehouses, may, in lieu of a bond or bonds, complying with regulation 3, sections 1 and 2, file with the Secretary a single bond meeting the requirements of the Act and these regulations, in such form, and in such amount not less than \$5,000 as he shall prescribe, to insure the performance by such person, with respect to the acceptance of the custody of tobacco and its storage in the warehouses in such system for which licenses are or may be issued, of his obligations arising during the periods of such licenses, and in addition, if desired by the applicant, during the periods of any renewals or extensions thereof. In fixing the amount of such bond, consideration shall be given, among other appropriate factors, to the character of the warehouses involved, their actual or contemplated capacity, the bonding requirements of the State, and its liability with respect to such warehouses. If the Secretary shall find the existence of conditions warranting such action, there shall be added to the amount of the bond so fixed, a further amount, fixed by him, to meet such conditions.

Publications.

SEC. 2. Publications under the Act and these regulations shall be made in service and regulatory announcements of the Bureau of Markets, and such other media as the Chief of that Bureau may from time to time designate for the purpose.

Violations of
Act and regula-
tions to be re-
ported.

SEC. 3. Every person licensed under the Act shall immediately furnish the Chief of the Bureau of Markets any information which comes to the knowledge of such person tending to show that any provision of the Act or these regulations has been violated.

Procedure in
hearings.

SEC. 4. For the purpose of a hearing under the Act and these regulations, except section 5 of this regulation, the licensee involved shall be allowed a reasonable time, fixed by the Secretary or by an official of the Department of Agriculture designated by him for the purpose, within which affidavits and other proper evidence may be submitted. If requested by the licensee within such time, an oral hearing, of which reasonable notice shall be given, shall be held before, and at a time and place fixed by, the Secretary or an official of the Department of Agriculture designated by him for the purpose. The testimony of the witnesses at such oral hearing shall be upon oath or

affirmation administered by the official before whom the hearing is held, when required by him. Such oral hearing may be adjourned by him from time to time. After reasonable notice to all parties concerned, the deposition of any witness may be taken at a time and place and before a person designated for the purpose by the Secretary or an official of the Department of Agriculture authorized by the Secretary. Every written entry in the records of the Department of Agriculture made by an officer or employee thereof in the course of his official duty, which is relevant to the issue involved in a hearing, shall be admissible as prima facie evidence of the facts stated therein without the production of such officer or employee. Copies of all papers and all the evidence submitted or considered in such hearing shall be made a part of the records of the Department of Agriculture. The records and, when there has been an oral hearing other than by the Secretary, the recommendation of the official holding such oral hearing shall be transmitted to the Secretary for his consideration. Each party shall pay all expenses contracted by him in connection with any hearing under this section.

SEC. 5. *Paragraph 1.* In case a question arises as to whether the form, grade, condition, or weight of the tobacco was correctly stated in a receipt, inspection certificate, grade certificate, or weight certificate issued under the Act and these regulations, or as to whether an official sample was properly drawn by a licensed inspector in accordance with these regulations, the licensed warehouseman concerned or any person financially interested in the tobacco involved may, after reasonable notice to the other interested party, submit the question to an arbitration committee for determination in accordance with this section. Tobacco arbitration.

Paragraph 2. Such arbitration committee shall be composed of three or more disinterested persons who are competent to pass upon the questions involved. If there be a local trade organization such as a Board of Trade, Chamber of Commerce, Exchange, or Inspection Department which provides such a committee under a rule or practice acceptable to the Chief of the Bureau of Markets for the purpose, such committee may determine the question. In the absence of such a committee, or if for any good reason not inconsistent with the Act and these regulations such committee is not acceptable to either Arbitration committee.

of the parties interested, the complainant and the other party shall each name a member and the two members so named shall select a third member, who shall constitute the arbitration committee. Each member of any such committee shall at all times be subject for good cause to the disapproval of the Chief of the Bureau of Markets, and in case any member is so disapproved he shall not thereafter act on an arbitration committee under this section unless such disapproval be withdrawn.

Arbitration
committee pro-
ceedings.

Paragraph 3. It shall be the duty of such parties to acquaint the arbitration committee with the exact nature of the question to be determined and all the necessary facts and to permit the committee to examine the receipt, certificate, sample, or tobacco involved or any papers or records needed for the determination of the question. The committee shall make a written finding setting forth the question involved, the necessary facts, and its determination. Such findings or a true copy thereof, shall be filed as a part of the records of the licensed warehouseman involved. It may dismiss the matter without determination upon the request of the complainant, or for non-compliance by the complainant with the law or these regulations, or because it is without sufficient evidence to determine the question, in which case the decision shall be deemed to be against the complainant. Except as otherwise provided by law, its decision shall be final for the purposes of the Act and these regulations, unless the Chief of the Bureau of Markets shall direct a review of the question. Any necessary and reasonable expense of such arbitration shall be borne by the losing party, unless the committee shall decide that such expense shall be prorated between the parties.

New receipts
or certificates to
be issued, or new
samples drawn.

Paragraph 4. If the decision of the arbitration committee be that the form, grade, condition, or weight was not correctly stated, the receipt or certificate involved shall be returned to and canceled by the licensee who issued it and he shall substitute therefor one conforming to the decision of the committee. If the decision of the committee be that a sample was not properly drawn in accordance with these regulations, it shall cease to be an official sample for the purposes of these regulations, and the licensed inspector shall destroy the seal thereon, and, at the request of any of the parties to the arbitration, shall draw and substitute a new sample, complying with these regulations with respect to such sample.

SEC. 6. Nothing in these regulations shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, inspectors, graders, or weighers, nor shall these regulations be construed so as to limit the operation of any statute of the United States relating to warehouses, warehousemen, inspectors, graders, or weighers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

No conflict with
State or Federal
laws.

SEC. 7. Any amendment to, or revision of, these regulations, unless otherwise stated therein, shall apply in the same manner to persons holding licenses at the time it becomes effective as it applies to persons thereafter licensed under the Act.

Amendments.

UNITED STATES WAREHOUSE ACT.

[Approved Aug. 11, 1916, as amended by Act approved July 24, 1919.]

That this Act shall be known by the short title of "United States warehouse Act."

Title declared.

SEC. 2. That the term "warehouse" as used in this Act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. The term "agricultural product" wherever used in this Act shall be deemed to mean cotton, wool, grains, tobacco, and flaxseed, or any of them. As used in this Act, "person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person lawfully engaged in the business of storing agricultural products; and "receipt" means a warehouse receipt.

Terms construed.
Warehouse.

Agricultural product.

Person.

Warehouseman.
Receipt.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this Act, to inspect such warehouse or cause it to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this Act; to determine whether warehouses for which licenses are applied for or have been issued under this Act are suitable for the proper storage of any agricultural product or products; to classify warehouses licensed or applying for a license in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licenses issued or that may be issued for them pursuant to this Act; and to prescribe, within the limitations of

Investigation,
etc., of warehouses.

- Duties of warehousemen. this Act, the duties of the warehousemen conducting warehouses licensed under this Act with respect to their care of and responsibility for agricultural products stored therein.
- Licenses to warehousemen. SEC. 4. That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this Act and such rules and regulations as may be made hereunder:
- Conditions of issue. *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this Act and the rules and regulations prescribed hereunder.
- Period of license. SEC. 5. That each license issued under sections four and nine of this Act shall be issued for a period not exceeding one year and shall specify the date upon which it is to terminate, and upon showing satisfactory to the Secretary of Agriculture may from time to time be renewed or extended by a written instrument, which shall specify the date of its termination.
- Bond to be filed. SEC. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this Act shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond to the United States to secure the faithful performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this Act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this Act. Whenever the Secretary of Agriculture shall determine that a bond approved by him is, or for any cause has become, insufficient,
- Conditions. shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this Act. Whenever the Secretary of Agriculture shall determine that a bond approved by him is, or for any cause has become, insufficient,
- Sureties, terms, etc. he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.
- Additional bond. SEC. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of sections six or nine, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach.
- Suit on bond. SEC. 8. That upon the filing with and approval by the Secretary of Agriculture of a bond, in compliance with this Act, for the conduct of a warehouse, such warehouse shall be designated as bonded hereunder; but no warehouse shall be designated as bonded under this Act, and no name or description conveying the impression that it is so bonded, shall be used, until a bond, such as provided for in section six has been filed with and approved
- Bonded warehouse.

by the Secretary of Agriculture, nor unless the license issued under this Act for the conduct of such warehouse remains unsuspended and unrevoked.

SEC. 9. That the Secretary of Agriculture may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products and to store the same in a warehouse or warehouses owned, operated, or leased by any State upon condition that such person agree to comply with and abide by the terms of this Act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this Act and the rules and regulations hereunder affecting warehousemen licensed under this Act, and shall otherwise be subject to this Act and such rules and regulations to the same extent as is provided for warehousemen licensed hereunder.

Licenses for storage by persons not warehousemen.

SEC. 10. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this Act when such examination or inspection is made upon application of a warehouseman, and a fee not exceeding \$2 per annum for each license or renewal thereof issued to a warehouseman under this Act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

Examination and inspection charges.

SEC. 11. That the Secretary of Agriculture may, upon presentation of satisfactory proof of competency, issue to any person a license to classify any agricultural product or products, stored or to be stored in a warehouse licensed under this Act, according to grade or otherwise and to certificate the grade or other class thereof, or to weigh the same and certificate the weight thereof, or both to classify and weigh the same and to certificate the grade or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this Act and of the rules and regulations prescribed hereunder so far as the same relate to him.

Licenses to classify and to weigh products.

SEC. 12. That any license issued to any person to classify or to weigh any agricultural product or products under this Act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this Act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatsoever. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

Suspension, or revocation of licenses.

SEC. 13. That every warehouseman conducting a warehouse licensed under this Act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any

Discrimination by licensed warehousemen forbidden.

discrimination between persons desiring to avail themselves of warehouse facilities.

Deposits sub-
ject to terms of
Act.

SEC. 14. That any person who deposits agricultural products for storage in a warehouse licensed under this Act shall be deemed to have deposited the same subject to the terms of this Act and the rules and regulations prescribed hereunder.

Inspection and
grading of fungible
products.

SEC. 15. That grain, flaxseed, or any other fungible agricultural product stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act shall be inspected and graded by a person duly licensed to grade the same under this Act.

Identity pre-
served.

SEC. 16. That every warehouseman conducting a warehouse licensed under this Act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

Mingling of
fungible products
permitted.

Receipts.

SEC. 17. That for all agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

Contents of re-
ceipt.

SEC. 18. That every receipt issued for agricultural products stored in a warehouse licensed under this Act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other

class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States warehouse Act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this Act as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued.

SEC. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products in this Act defined by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other Act of Congress shall be, and are hereby, adopted for the purposes of this Act as the official standards of the United States for the agricultural products to which they relate.

SEC. 20. That while an original receipt issued under this Act is outstanding and uncanceled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this Act.

SEC. 21. That a warehouseman conducting a warehouse licensed under this Act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such

Standards to be established and promulgated.

Issue of other than original receipts forbidden.

Lost or destroyed receipts.

Delivery of products to holders of receipt.

demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

Cancellation of receipts returned for delivery.

SEC. 22. That a warehouseman conducting a warehouse licensed under this Act shall plainly cancel upon the face thereof each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

Records to be preserved.

SEC. 23. That every warehouseman conducting a warehouse licensed under this Act shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operations, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all other respects in compliance with this Act and the rules and regulations made hereunder.

Reports of business operations.

Examination of stored products.

SEC. 24. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this Act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this Act and the rules and regulations made hereunder, the Secretary may publish his findings.

Suspension or revocation of licenses.

SEC. 25. That the Secretary of Agriculture may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this Act, for any violation of or failure to comply with any provision of this Act or of the rules and regulations made hereunder or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

Publications.

SEC. 26. That the Secretary of Agriculture from time to time may publish the results of any investigations made under section three of this Act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this Act and lists of all licenses terminated under this Act and the causes therefor.

Official examinations of records, etc.

SEC. 27. That the Secretary of Agriculture is authorized through officials, employees, or agents of the Department of Agriculture designated by him to examine all books, records, papers, and accounts of warehouses licensed under this Act and of the warehousemen conducting such warehouses relating thereto.

Regulations shall be made.

SEC. 28. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this Act.

SEC. 29. That nothing in this Act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such State laws in such States and through such cooperation to secure the enforcement of the provisions of this Act; nor shall this Act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

State laws not impaired.

Cooperation with State authorities.

Operation of present laws.

SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this Act, or who shall violate or fail to comply with any provision of section eight of this Act, or who shall issue or utter a false or fraudulent receipt or certificate, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$500 or imprisoned not more than six months, or both, in the discretion of the court.

Violations.

SEC. 31. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, available until expended, for the expenses of carrying into effect the provisions of this Act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this Act, and out of the moneys appropriated by this Act to pay the salaries and expenses thereof.

Appropriation.

SEC. 32. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Invalidity of any part not to affect remainder of Act.

SEC. 33. That the right to amend, alter, or repeal this Act is hereby expressly reserved.

Amendments.