

## (2) Section 6681(b) (1) is amended—

(A) by striking out “A participating firm” and inserting in lieu thereof “Unless it is shown that such action is due to reasonable cause and not due to willful neglect, a participating firm”; and

(B) by striking out “knowingly”.

## (3) Section 6681(b) (2) is amended—

(A) by striking out “A participating firm” and inserting in lieu thereof “Unless it is shown that such action is due to reasonable cause and not due to willful neglect, a participating firm”; and

(B) by striking out “knowingly” each place it appears.

(4) The amendments made by this subsection shall apply with respect to actions occurring after the date of the enactment of this Act.

Approved April 1, 1971.

81 Stat. 155.  
26 USC 6681.

Effective date.

## Public Law 92-10

## AN ACT

To amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

April 14, 1971  
[S. 789]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Agricultural Adjustment Act of 1938, as amended, hereinafter referred to as the “Act”, is amended by adding immediately following section 318 a new section 319 to read as follows:

Burley tobacco.  
Marketing  
quotas.  
52 Stat. 31;  
81 Stat. 120.  
7 USC 1281,  
1314d.

## “FARM POUNDAGE QUOTAS FOR BURLEY TOBACCO

“SEC. 319. (a) Notwithstanding any other provision of law, the Secretary shall, within thirty days following the enactment of this section, proclaim national marketing quotas for burley tobacco for the three marketing years beginning October 1, 1971, and determine and announce the amount of the marketing quota for burley tobacco for the marketing year beginning October 1, 1971, as provided in this section.

“Within thirty days following such proclamation, the Secretary shall conduct a referendum of the farmers engaged in the production of the 1970 crop of burley tobacco to determine whether they favor or oppose the establishment of farm marketing quotas on a poundage basis as provided in this section for the three marketing years beginning October 1, 1971. If the Secretary determines that two-thirds or more of the farmers voting in such referendum approve marketing quotas on a poundage basis, marketing quotas as provided in this section shall be in effect for those three marketing years. If marketing quotas on a poundage basis are not approved by at least two-thirds of the farmers voting in such referendum, no marketing quotas or price support for burley tobacco shall be in effect for the marketing year beginning October 1, 1971. Thereafter, the provisions of section 312 of the Act shall apply: *Provided*, That national marketing quotas for burley tobacco for any marketing year subsequent to the marketing year beginning October 1, 1971, shall be proclaimed as provided in this section.

Referendum.

69 Stat. 557;  
70 Stat. 330.  
7 USC 1312.

“(b) The Secretary shall determine and announce, not later than the February 1 preceding the second and third marketing years of any three-year period for which marketing quotas on a poundage basis

are in effect under this section, the amount of the national marketing quota for each of such years. If marketing quotas have been made effective on a poundage basis under this section, the Secretary shall, not later than February 1 of the last year of three consecutive marketing years for which marketing quotas are in effect under this section, proclaim national marketing quotas for burley tobacco for the next three succeeding marketing years as provided in this section. Within thirty days following such proclamation, the Secretary shall conduct a referendum in accordance with section 312(c) of the Act. If the Secretary determines that more than one-third of the farmers voting oppose the national marketing quotas, he shall announce the results and no marketing quotas or price support shall be in effect for such kind of tobacco for the first marketing year of such three-year period. Thereafter, the provisions of section 312 of the Act shall apply: *Provided*, That the national marketing quota and farm marketing quotas shall be determined as provided in this section. Notice of the farm marketing quota which will be in effect for his farm for the first marketing year covered by any referendum under this section shall, insofar as practicable, be mailed to the farm operator in sufficient time to be received prior to the referendum.

Referendum.

69 Stat. 557.  
7 USC 1312.

National marketing quota,  
determination.

National reserve, establishment.

Farm yield, determination.

Limitation.

Preliminary farm marketing quota.

"(c) The national marketing quota determined under this section for burley tobacco for any marketing year shall be the amount produced in the United States which the Secretary estimates will be utilized in the United States and will be exported during such marketing year, adjusted upward or downward in such amount as the Secretary, in his discretion, determines is desirable for the purpose of maintaining an adequate supply or for effecting an orderly reduction of supplies to the reserve supply level. Any such downward adjustment shall not exceed 5 per centum of such estimated utilization and exports. For each marketing year for which marketing quotas are in effect under this section, the Secretary in his discretion may establish a reserve (hereinafter referred to as the 'national reserve') from the national marketing quota in an amount not in excess of 1 per centum of the national marketing quota to be available for making corrections and adjusting inequities in farm marketing quotas, and for establishing marketing quotas for new farms (that is, farms for which farm marketing quotas are not otherwise established).

"(d) When a national marketing quota is first proclaimed under this section, the Secretary shall through local committees determine a farm yield for each farm for which a burley tobacco acreage allotment was established for the marketing year beginning October 1, 1970. Such yield shall be determined by averaging the yield per acre for the four highest years of the five consecutive years beginning with the 1966 crop year: *Provided*, That if burley tobacco was produced on the farm in fewer than five of such years, the farm yield shall be the simple average of the yields obtained in the years during such period that burley tobacco was produced on the farm: *Provided further*, That if no burley tobacco was produced on the farm but the farm was considered as having planted burley tobacco during the immediately preceding five years, the farm yield will be appraised on the basis of the yields established for similar farms in the area on which burley tobacco was produced during such five-year period: *And provided further*, That the farm yield established for any farm shall not exceed three thousand five hundred pounds per acre.

"(e) A preliminary farm marketing quota shall be determined for each farm for which a burley tobacco acreage allotment was established for the marketing year beginning October 1, 1970, by multiplying the farm yield determined under subsection (d) of this section by the farm

acreage allotment (prior to any reduction for violation of regulations issued pursuant to the Act) established for such farm for the marketing year beginning October 1, 1970. For each farm for which such a preliminary farm marketing quota is determined, a farm marketing quota for the first year shall be determined by multiplying the preliminary farm marketing quota by a national factor obtained by dividing the national marketing quota determined under subsection (c) of this section (less the national reserve) by the sum of all preliminary farm marketing quotas as determined under this subsection: *Provided*, That such national factor shall not be less than 95 per centum.

Limitation.

"The farm marketing quota for each succeeding year shall be determined by multiplying the previous year's farm marketing quota by a national factor obtained by dividing the national marketing quota determined under subsection (c) of this section (less the national reserve) by the sum of the farm marketing quotas for the immediately preceding year for all farms for which burley tobacco marketing quotas will be determined for such succeeding marketing year: *Provided*, That such national factor shall not be less than 95 per centum: *Provided further*, That for the marketing years beginning October 1, 1972, and October 1, 1973, the farm marketing quota for any farm shall not be less than the smaller of (1) one-half acre times the farm yield times one-half the sum of the figure one and the national factor for the current year, or (2) the farm marketing quota for the immediately preceding marketing year times one-half the sum of the figure one and the national factor for the current year. The farm marketing quota so computed for any farm for any year shall be increased by the number of pounds by which marketings from the farm during the immediately preceding year were less than the farm marketing quota (after adjustments): *Provided*, That any such increase shall not exceed the amount of the farm marketing quota (including leased pounds) for the immediately preceding marketing year prior to any increase for undermarketings or decrease for overmarketings. The farm marketing quota so computed for each farm for any year shall be reduced by the number of pounds by which marketing from the farm during the immediately preceding year exceeded the farm marketing quota (after adjustments): *Provided*, That if, on account of excess marketings in the preceding year, the farm marketing quota is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made in subsequent marketing years.

Quota computation, succeeding years.

Limitations.

"The farm marketing quota for a new farm shall be the number of pounds determined by the county committee with approval of the State committee to be fair and reasonable for the farm on the basis of the past burley tobacco experience of the farm operator; the land, labor, and equipment available for the production of burley tobacco; crop rotation practices, and the soil and other physical factors affecting the production of burley tobacco: *Provided*, That the farm marketing quota for any such new farm shall not exceed 50 per centum of the average of the farm marketing quotas for similar farms for which farm marketing quotas are otherwise established: *Provided further*, That the number of pounds allocated to all new farms shall not exceed that portion of the national reserve provided by the Secretary for establishing quotas for new farms.

New farm.

Limitations.

"(f) When a poundage program is in effect under this section, the farm marketing quota next established for any farm shall be reduced by the amount of burley tobacco produced on any farm (1) which is marketed as having been produced on a different farm; (2) for which proof of disposition is not furnished as required by the Secretary; and

Reductions.

(3) as to which any producer on the farm files, or aids or acquiesces in the filing of, any false report with respect to the production or marketings of tobacco: *Provided*, That if the Secretary through the local committee finds that no person connected with such farm caused, aided, or acquiesced in any such irregularity, the next established farm marketing quota shall not be reduced under this subsection. The reductions required under this subsection shall be in addition to any other adjustments made pursuant to this section.

Leases and transfers.

81 Stat. 120,  
7 USC 1314d.

Limitations.

"(g) When a poundage program is in effect under this section, farm marketing quotas (after adjustments) for burley tobacco may be leased and transferred to other farms in the same county under the terms and conditions contained in section 318 of the Act: *Provided*, That such leases and transfers shall be on a pound for pound basis: *Provided further*, That any adjustment for undermarketings or overmarketings shall be attributed to the farm to which leased and transferred: *Provided further*, That not more than fifteen thousand pounds may be leased and transferred to any farm under this section: *And provided further*, That the marketing quota determined for any farm subsequent to such lease and transfer shall not exceed an amount determined by multiplying the farm yield established under subsection (d) of this section by 50 per centum of the acreage of cropland in the farm.

"(h) Effective with the marketing year beginning October 1, 1976, no marketing quota, other than a new farm marketing quota, shall be established for a farm on which no burley tobacco was planted or considered planted in any of the five years immediately preceding the year for which farm marketing quotas are being established.

Penalties.

52 Stat. 48;  
54 Stat. 393;  
69 Stat. 24.  
7 USC 1314

"(i) When marketing quotas under this section are in effect, provisions with respect to penalties for the marketing of excess tobacco and the other provisions contained in section 314 of the Act shall apply, except that:

"(1) No penalty on excess tobacco shall be due or collected until 110 per centum of the farm marketing quota (after adjustments) for a farm has been marketed, but with respect to each pound of tobacco marketed in excess of such percentage the full penalty rate shall be due, payable, and collected at the time of marketing on each pound of tobacco marketed, and any tobacco marketed in excess of 100 per centum of the farm marketing quota (after adjustments) will require a reduction in subsequent farm marketing quotas in accordance with section 319 (e): *Provided*, That if the Secretary, in his discretion, determines it is desirable to encourage additional marketings of any grades of burley tobacco during any marketing year to insure traditional market patterns to meet the normal demands of export and domestic markets, he may authorize the marketing of such grades without the payment of penalty or deduction from subsequent quotas to the extent of 5 per centum of the farm marketing quota for the farm on which the tobacco was produced, and such marketings shall be eligible for price support.

Ante, p. 23.

"(2) The provisions with respect to penalties contained in the third sentence of section 314(a) shall be revised to read: 'If any producer falsely identifies or fails to account for the disposition of any tobacco, the Secretary, in lieu of assessing and collecting penalties based on actual marketings of excess tobacco, may elect to assess a penalty computed by multiplying the full penalty rate by an amount of tobacco equal to 25 per centum of the farm marketing quota (after adjustments) and the penalty in respect thereof shall be paid and remitted by the producer.'

"(3) The provisions contained in the fourth sentence of section 314(a) shall not be applicable. For the first year a marketing quota

program established under the provisions of this section is in effect, the farm marketing quota determined under the provisions of section 319(e) shall receive a temporary upward adjustment equal to the amount of carryover penalty-free burley tobacco for the farm. For subsequent years, the provisions of section 319(c) shall apply.

“(j) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.”

SEC. 2. Section 378 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding subsection (f) to read as follows:

“(f) In applying the provisions of this section to a farm for which a tobacco marketing quota has been determined under section 319 of this Act, the words ‘allotment’ and ‘acreage’, wherever they appear, shall be construed to mean ‘marketing quota’ and ‘poundage’, respectively, as required.”

SEC. 3. Clause (c) of section 106 of the Agricultural Act of 1949, as amended, is amended to read as follows:

“(c) If acreage poundage or poundage farm marketing quotas are in effect under section 317 or 319 of the Agricultural Adjustment Act of 1938, as amended, (1) price support shall not be made available on tobacco marketed in excess of 110 per centum of the marketing quota (after adjustments) for the farm on which such tobacco was produced, and (2) for the purpose of price-support eligibility, tobacco carried over from one marketing year to another shall, when marketed, be considered tobacco of the then current crop.”

SEC. 4. Any action taken by the Secretary pursuant to section 312 of the Act (7 U.S.C. 1312) for burley tobacco for any of the three marketing years beginning October 1, 1971, prior to the enactment of this section, shall be of no effect.

Approved April 14, 1971.

Ante, p. 23.

Regulations.

72 Stat. 995;  
84 Stat. 1366,  
1378.  
7 USC 1378.

Price support.

79 Stat. 72.  
7 USC 1445.

79 Stat. 66;  
84 Stat. 314.  
7 USC 1314c.

69 Stat. 557;  
70 Stat. 330.

## Public Law 92-11

### JOINT RESOLUTION

Making certain urgent supplemental appropriations for the fiscal year 1971, and for other purposes.

April 30, 1971  
[H. J. Res. 567]

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1971, namely:

Supplemental  
appropriations,  
1971.

### CHAPTER I

## DEPARTMENT OF DEFENSE—MILITARY

### OPERATION AND MAINTENANCE

#### CLAIMS, DEFENSE

For an additional amount for “Claims, Defense”, not to exceed \$13,000,000 may be derived by transfer in amounts not to exceed (a) \$3,000,000 from “Defense production guarantees, Army”, (b) \$4,000,000 from “Defense production guarantees, Navy”, and (c) \$6,000,000 from “Defense production guarantees, Air Force”.