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**APPROVED**

**AUG 10 1974**

**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503**

**AUG 7 1974**

*This is the first bill signed by President Ford*

**MEMORANDUM FOR THE PRESIDENT**

**Subject: Enrolled Bill H.R. 13264 - Perishable agricultural commodities  
Sponsor - Rep. Sisk (D) California**

**Last Day for Action**

**August 14, 1974 - Wednesday**

**Purpose**

**Provides variable penalties for certain violations of the Perishable Agricultural Commodities Act.**

**Agency Recommendations**

**Office of Management and Budget**

**Approval**

**Department of Agriculture  
Department of Justice  
Department of the Treasury  
Council of Economic Advisers**

**Approval  
Defers to Agriculture  
No objection  
No objection**

**Discussion**

**Under provisions of the Perishable Agricultural Commodities Act, it is unlawful to misbrand perishable agricultural commodities shipped, sold or offered for sale in interstate or foreign commerce. The Act requires all merchants, brokers, and dealers who deal in such perishable agricultural commodities to be licensed by the Department of Agriculture. The only penalties which can presently be imposed for such violations are public disclosure of the facts and circumstances and/or the suspension or revocation of the license of the violator.**



*Posted 8/11  
to archives 8/12*

The Department of Agriculture's experience with administering the Act led it to believe that the law was too inflexible. Violators were given either no penalty in one case or their license was suspended or revoked in another instance -- a gap existed for violations which warranted an intermediate penalty.

In order to remedy this situation, Agriculture submitted to the Congress a draft bill to amend the Perishable Agricultural Commodities Act. The Agriculture bill provided that violators, with the consent of the Secretary, may admit their violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal suspension or revocation proceeding. Payments so made would be deposited into the treasury as miscellaneous receipts. The enrolled bill is identical to the Agriculture proposal described above.

In reporting on H.R. 13264, the House Agriculture Committee stated that the bill:

" . . . would give the Secretary the flexibility to bring about a substantial reduction in the number of repeated violations by dealers. It would result in greater efficiency in administering the act by minimizing the necessity of formal action against licensees."



*Walter H. Rowland*  
Assistant Director for  
Legislative Reference

Enclosures



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250



August 6, 1974

Honorable Roy L. Ash, Director  
Office of Management and Budget

Dear Mr. Ash:

This is to report on the enrolled enactment of H.R. 13264, a bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

This Department recommends that the President approve H.R. 13264.

The bill would amend Section 2(5) of the Perishable Agricultural Commodities Act to permit the Secretary the option of allowing a person who has violated the law by misbranding and misrepresenting fresh and frozen fruits or vegetables sold in interstate or foreign commerce to admit the violation and pay a monetary penalty, not to exceed \$2,000, in lieu of a formal disciplinary proceeding for the suspension or revocation of the violator's license.

The only penalties which can presently be imposed for such violations under the PACA are the suspension or revocation of the license of the violator. Experience shows that many licensees are not deterred by a warning or series of warnings but only by the risk of a serious penalty. The addition of a monetary penalty, as provided in H.R. 13264, should cause a substantial reduction in repeated misbranding violations.

Consumers, as well as the distributive trade, would benefit if the legislation is adopted, since deterrence of misbranding and misrepresentation offers a measure of consumer protection.

Sincerely,

RICHARD A. ASHWORTH  
Deputy Under Secretary



Department of Justice  
Washington, D. C. 20530

AUG 5 1974



Honorable Roy L. Ash  
Director, Office of  
Management and Budget  
Washington, D. C. 20503

Dear Mr. Ash:

In compliance with your request, I have examined a facsimile of the enrolled bill H.R. 13264, "To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities."

The Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499a-499s) provides for the regulation of commercial trade practices in the marketing of fresh and frozen fruits and vegetables and aids in the enforcement of contracts for the marketing of such commodities. The statute provides for the licensing of firms doing business in the industry and provides for the suspension or revocation of a firm's license for a number of different violations in addition to recovery of damages by injured parties.

The amendment proposed by H.R. 13264 would allow a firm accused of violating one provision of the statute (7 U.S.C. 499b(5)) the option, with the consent of the Secretary of Agriculture, of admitting the violation and paying a monetary penalty not to exceed \$2,000 in lieu of a formal proceeding for the license suspension or revocation.

The Department of Justice defers to the Department of Agriculture concerning whether this bill should receive Executive approval.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. Vincent Rakestraw". The signature is written in dark ink and is positioned above the typed name.

W. Vincent Rakestraw  
Assistant Attorney General



THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

AUG 5 1974

Director, Office of Management and Budget  
Executive Office of the President  
Washington, D.C. 20503



Attention: Assistant Director for Legislative  
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 13264, "To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities."

The enrolled enactment would amend the Perishable Agricultural Commodities Act to provide a monetary penalty not to exceed \$2,000 for certain violations of the Act. Any payment so made would be deposited into the Treasury of the United States as miscellaneous receipts. The legislation was proposed by the Department of Agriculture.

The Department would have no objection to a recommendation that the enrolled enactment be approved by the President.

Sincerely yours,

General Counsel

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

August 5, 1974



Dear Mr. Rommel:

The Council of Economic Advisers has no objections to the President's signing H.R. 13264, a bill "To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities."

Sincerely,

A handwritten signature in cursive script that reads "Herbert Stein".

Herbert Stein

Mr. Wilfred H. Rommel  
Assistant Director  
for Legislative Reference  
Office of Management and Budget  
Washington, D. C. 20503



To-  
Harmon Henderson  
8-7-74

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

AUG 7 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 13264 - Perishable agricultural  
commodities  
Sponsor - Rep. Sisk (D) California

Last Day for Action

August 14, 1974 - Wednesday



Purpose

Provides variable penalties for certain violations of the  
Perishable Agricultural Commodities Act.

Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Defers to Agriculture
Department of the Treasury	No objection
Council of Economic Advisers	No objection

Discussion

Under provisions of the Perishable Agricultural Commodities Act, it is unlawful to misbrand perishable agricultural commodities shipped, sold or offered for sale in interstate or foreign commerce. The Act requires all merchants, brokers, and dealers who deal in such perishable agricultural commodities to be licensed by the Department of Agriculture. The only penalties which can presently be imposed for such violations are public disclosure of the facts and circumstances and/or the suspension or revocation of the license of the violator.

The Department of Agriculture's experience with administering the Act led it to believe that the law was too inflexible. Violators were given either no penalty in one case or their license was suspended or revoked in another instance -- a gap existed for violations which warranted an intermediate penalty.

In order to remedy this situation, Agriculture submitted to the Congress a draft bill to amend the Perishable Agricultural Commodities Act. The Agriculture bill provided that violators, with the consent of the Secretary, may admit their violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal suspension or revocation proceeding. Payments so made would be deposited into the treasury as miscellaneous receipts. The enrolled bill is identical to the Agriculture proposal described above.

In reporting on H.R. 13264, the House Agriculture Committee stated that the bill:

". . . would give the Secretary the flexibility to bring about a substantial reduction in the number of repeated violations by dealers. It would result in greater efficiency in administering the act by minimizing the necessity of formal action against licensees."



(signed) Wilfred H. Rommel

Assistant Director for  
Legislative Reference

Enclosures

THE WHITE HOUSE  
WASHINGTON

ENROLLED BILL

SUBJECT: Enrolled Bill H. R. 13264 - Perishable

Agricultural Commodities

<u>Name</u>	<u>Approval</u>	<u>Date</u>
<u>Michael Duval</u>	<u>Yes</u>	<u>          </u>
<u>Fred Buzhardt</u>	<u>Yes</u>	<u>          </u>
<u>Bill Timmons</u>	<u>Yes</u>	<u>          </u>
<u>Ken Cole</u>	<u>          </u>	<u>          </u>
<u>          </u>	<u>          </u>	<u>          </u>
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<u>          </u>	<u>          </u>	<u>          </u>



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Comments:

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 495

Date: August 7, 1974

Time: 5:00 p. m.

FOR ACTION:  Michael Duval  
 Fred Buzhardt  
 Bill Timmons

cc (for information): Warren K. Hendriks  
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 9, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 13264 - Perishable Agricultural Commodities



ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.  
For the President

THE WHITE HOUSE  
WASHINGTON

8/7/74

TO: WARREN HENDRIKS

Mike Duval

FB

cc WH

BT

VT

R  
John J. Ratchford



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 495

Date: August 7, 1974

Time: 5:00 p. m.

FOR ACTION: Michael Duval  
~~Fred Buzhardt~~  
Bill Timmons

cc (for information): Warren K. Hendriks  
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 9, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 13264 - Perishable Agricultural  
Commodities



ACTION REQUESTED:

\_\_\_ For Necessary Action

XX For Your Recommendations

\_\_\_ Prepare Agenda and Brief

\_\_\_ Draft Reply

\_\_\_ For Your Comments

\_\_\_ Draft Remarks

REMARKS:

*No objection  
U. C.*

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks  
For the President

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 7 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 13264 - Perishable agricultural  
commodities  
Sponsor - Rep. Sisk (D) California

Last Day for Action

August 14, 1974 - Wednesday

Purpose

Provides variable penalties for certain violations of the  
Perishable Agricultural Commodities Act.

Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Defers to Agriculture
Department of the Treasury	No objection
Council of Economic Advisers	No objection

Discussion

Under provisions of the Perishable Agricultural Commodities Act, it is unlawful to misbrand perishable agricultural commodities shipped, sold or offered for sale in interstate or foreign commerce. The Act requires all merchants, brokers, and dealers who deal in such perishable agricultural commodities to be licensed by the Department of Agriculture. The only penalties which can presently be imposed for such violations are public disclosure of the facts and circumstances and/or the suspension or revocation of the license of the violator.



The Department of Agriculture's experience with administering the Act led it to believe that the law was too inflexible. Violators were given either no penalty in one case or their license was suspended or revoked in another instance -- a gap existed for violations which warranted an intermediate penalty.

In order to remedy this situation, Agriculture submitted to the Congress a draft bill to amend the Perishable Agricultural Commodities Act. The Agriculture bill provided that violators, with the consent of the Secretary, may admit their violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal suspension or revocation proceeding. Payments so made would be deposited into the treasury as miscellaneous receipts. The enrolled bill is identical to the Agriculture proposal described above.

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" . . . would give the Secretary the flexibility to bring about a substantial reduction in the number of repeated violations by dealers. It would result in greater efficiency in administering the act by minimizing the necessity of formal action against licensees."



*Walter H. Rowland*

Assistant Director for  
Legislative Reference

Enclosures



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

August 6, 1974

Honorable Roy L. Ash, Director  
Office of Management and Budget



Dear Mr. Ash:

This is to report on the enrolled enactment of H.R. 13264, a bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

This Department recommends that the President approve H.R. 13264.

The bill would amend Section 2(5) of the Perishable Agricultural Commodities Act to permit the Secretary the option of allowing a person who has violated the law by misbranding and misrepresenting fresh and frozen fruits or vegetables sold in interstate or foreign commerce to admit the violation and pay a monetary penalty, not to exceed \$2,000, in lieu of a formal disciplinary proceeding for the suspension or revocation of the violator's license.

The only penalties which can presently be imposed for such violations under the PACA are the suspension or revocation of the license of the violator. Experience shows that many licensees are not deterred by a warning or series of warnings but only by the risk of a serious penalty. The addition of a monetary penalty, as provided in H.R. 13264, should cause a substantial reduction in repeated misbranding violations.

Consumers, as well as the distributive trade, would benefit if the legislation is adopted, since deterrence of misbranding and misrepresentation offers a measure of consumer protection.

Sincerely,

RICHARD A. ASHWORTH  
Deputy Under Secretary

Department of Justice  
Washington, D.C. 20530

AUG 5 1974

Honorable Roy L. Ash  
Director, Office of  
Management and Budget  
Washington, D. C. 20503

Dear Mr. Ash:

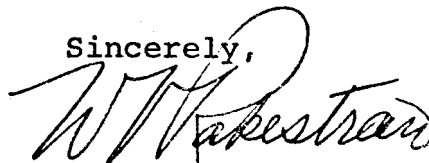
In compliance with your request, I have examined a facsimile of the enrolled bill H.R. 13264, "To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities."

The Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499a-499s) provides for the regulation of commercial trade practices in the marketing of fresh and frozen fruits and vegetables and aids in the enforcement of contracts for the marketing of such commodities. The statute provides for the licensing of firms doing business in the industry and provides for the suspension or revocation of a firm's license for a number of different violations in addition to recovery of damages by injured parties.

The amendment proposed by H.R. 13264 would allow a firm accused of violating one provision of the statute (7 U.S.C. 499b(5)) the option, with the consent of the Secretary of Agriculture, of admitting the violation and paying a monetary penalty not to exceed \$2,000 in lieu of a formal proceeding for the license suspension or revocation.

The Department of Justice defers to the Department of Agriculture concerning whether this bill should receive Executive approval.

Sincerely,



W. Vincent Rakestraw  
Assistant Attorney General





THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

AUG 5 1974

Director, Office of Management and Budget  
Executive Office of the President  
Washington, D.C. 20503

Attention: Assistant Director for Legislative  
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 13264, "To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities."

The enrolled enactment would amend the Perishable Agricultural Commodities Act to provide a monetary penalty not to exceed \$2,000 for certain violations of the Act. Any payment so made would be deposited into the Treasury of the United States as miscellaneous receipts. The legislation was proposed by the Department of Agriculture.

The Department would have no objection to a recommendation that the enrolled enactment be approved by the President.

Sincerely yours,



*Richard R. Albrecht*

General Counsel

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

August 5, 1974

Dear Mr. Rommel:

The Council of Economic Advisers has no objections to the President's signing H.R. 13264, a bill "To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities."

Sincerely,



Herbert Stein

Mr. Wilfred H. Rommel  
Assistant Director  
for Legislative Reference  
Office of Management and Budget  
Washington, D. C. 20503



THE WHITE HOUSE

WASHINGTON

August 8, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS

FROM: WILLIAM E. TIMMONS *WET*

SUBJECT: Action Memorandum - Log No. 495  
Enrolled Bill H.R. 13264 - Perishable  
Agricultural Commodities



The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 495

Date: August 7, 1974

Time: 5:00 p. m.

FOR ACTION: Michael Duval  
Fred Buzhardt  
✓ Bill Timmons

cc (for information): Warren K. Hendriks  
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 9, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 13264 - Perishable Agricultural  
Commodities



ACTION REQUESTED:

\_\_\_ For Necessary Action

XX For Your Recommendations

\_\_\_ Prepare Agenda and Brief

\_\_\_ Draft Reply

\_\_\_ For Your Comments

\_\_\_ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately

Warren K. Hendriks  
For the President

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

AUG 7 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 13264 - Perishable agricultural  
commodities  
Sponsor - Rep. Sisk (D) California

Last Day for Action

August 14, 1974 - Wednesday



Purpose

Provides variable penalties for certain violations of the Perishable Agricultural Commodities Act.

Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Defers to Agriculture
Department of the Treasury	No objection
Council of Economic Advisers	No objection

Discussion

Under provisions of the Perishable Agricultural Commodities Act, it is unlawful to misbrand perishable agricultural commodities shipped, sold or offered for sale in interstate or foreign commerce. The Act requires all merchants, brokers, and dealers who deal in such perishable agricultural commodities to be licensed by the Department of Agriculture. The only penalties which can presently be imposed for such violations are public disclosure of the facts and circumstances and/or the suspension or revocation of the license of the violator.

The Department of Agriculture's experience with administering the Act led it to believe that the law was too inflexible. Violators were given either no penalty in one case or their license was suspended or revoked in another instance -- a gap existed for violations which warranted an intermediate penalty.

In order to remedy this situation, Agriculture submitted to the Congress a draft bill to amend the Perishable Agricultural Commodities Act. The Agriculture bill provided that violators, with the consent of the Secretary, may admit their violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal suspension or revocation proceeding. Payments so made would be deposited into the treasury as miscellaneous receipts. The enrolled bill is identical to the Agriculture proposal described above.

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*Wilfred H. Rommel*

Assistant Director for  
Legislative Reference

Enclosures



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

August 6, 1974



Honorable Roy L. Ash, Director  
Office of Management and Budget

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Sincerely,

RICHARD A. ASHWORTH  
Deputy Under Secretary

Department of Justice  
Washington, D.C. 20530

AUG 5 1974

Honorable Roy L. Ash  
Director, Office of  
Management and Budget  
Washington, D. C. 20503



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The Department of Justice defers to the Department of Agriculture concerning whether this bill should receive Executive approval.

Sincerely,

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W. Vincent Rakestraw  
Assistant Attorney General



THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

AUG 5 1974

Director, Office of Management and Budget  
Executive Office of the President  
Washington, D.C. 20503

Attention: Assistant Director for Legislative  
Reference



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General Counsel

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COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

August 5, 1974

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Sincerely,



Herbert Stein

Mr. Wilfred H. Rommel  
Assistant Director  
for Legislative Reference  
Office of Management and Budget  
Washington, D. C. 20503



THE WHITE HOUSE  
WASHINGTON

August 9, 1974

TO : Kathy Tindle

FROM: NORM ROSS





THE WHITE HOUSE  
WASHINGTON

TO: *Nom*

FROM: MIKE DUVAL

For your information \_\_\_\_\_

Comments:

*OK ? ?*

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 495

Date: August 7, 1974

Time: 5:00 p. m.

FOR ACTION: ✓ Michael Duval  
Fred Buzhardt  
Bill Timmons

cc (for information): Warren K. Hendriks  
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 9, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 13264 - Perishable Agricultural  
Commodities



ACTION REQUESTED:

\_\_\_ For Necessary Action

XX For Your Recommendations

\_\_\_ Prepare Agenda and Brief

\_\_\_ Draft Reply

\_\_\_ For Your Comments

\_\_\_ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

*OK  
Mike Duval  
ok Norm Ross 8/9*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks  
For the President

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

AUG 7 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 13264 - Perishable agricultural  
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Sponsor - Rep. Sisk (D) California

Last Day for Action

August 14, 1974 - Wednesday



Purpose

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Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Defers to Agriculture
Department of the Treasury	No objection
Council of Economic Advisers	No objection

Discussion

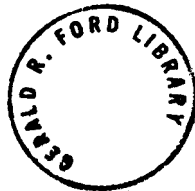
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In order to remedy this situation, Agriculture submitted to the Congress a draft bill to amend the Perishable Agricultural Commodities Act. The Agriculture bill provided that violators, with the consent of the Secretary, may admit their violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal suspension or revocation proceeding. Payments so made would be deposited into the treasury as miscellaneous receipts. The enrolled bill is identical to the Agriculture proposal described above.

In reporting on H.R. 13264, the House Agriculture Committee stated that the bill:

" . . . would give the Secretary the flexibility to bring about a substantial reduction in the number of repeated violations by dealers. It would result in greater efficiency in administering the act by minimizing the necessity of formal action against licensees."



*Walter H. Rommel*  
Assistant Director for  
Legislative Reference

Enclosures



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250



August 6, 1974

Honorable Roy L. Ash, Director  
Office of Management and Budget

Dear Mr. Ash:

This is to report on the enrolled enactment of H.R. 13264, a bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

This Department recommends that the President approve H.R. 13264.

The bill would amend Section 2(5) of the Perishable Agricultural Commodities Act to permit the Secretary the option of allowing a person who has violated the law by misbranding and misrepresenting fresh and frozen fruits or vegetables sold in interstate or foreign commerce to admit the violation and pay a monetary penalty, not to exceed \$2,000, in lieu of a formal disciplinary proceeding for the suspension or revocation of the violator's license.

The only penalties which can presently be imposed for such violations under the PACA are the suspension or revocation of the license of the violator. Experience shows that many licensees are not deterred by a warning or series of warnings but only by the risk of a serious penalty. The addition of a monetary penalty, as provided in H.R. 13264, should cause a substantial reduction in repeated misbranding violations.

Consumers, as well as the distributive trade, would benefit if the legislation is adopted, since deterrence of misbranding and misrepresentation offers a measure of consumer protection.

Sincerely,

RICHARD A. ASHWORTH  
Deputy Under Secretary

Department of Justice  
Washington, D.C. 20530

AUG 5 1974

Honorable Roy L. Ash  
Director, Office of  
Management and Budget  
Washington, D. C. 20503

Dear Mr. Ash:

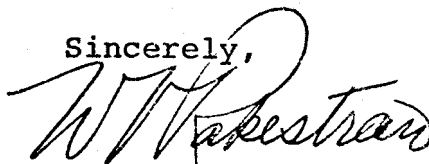
In compliance with your request, I have examined a facsimile of the enrolled bill H.R. 13264, "To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities."

The Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499a-499s) provides for the regulation of commercial trade practices in the marketing of fresh and frozen fruits and vegetables and aids in the enforcement of contracts for the marketing of such commodities. The statute provides for the licensing of firms doing business in the industry and provides for the suspension or revocation of a firm's license for a number of different violations in addition to recovery of damages by injured parties.

The amendment proposed by H.R. 13264 would allow a firm accused of violating one provision of the statute (7 U.S.C. 499b(5)) the option, with the consent of the Secretary of Agriculture, of admitting the violation and paying a monetary penalty not to exceed \$2,000 in lieu of a formal proceeding for the license suspension or revocation.

The Department of Justice defers to the Department of Agriculture concerning whether this bill should receive Executive approval.

Sincerely,



W. Vincent Rakestraw  
Assistant Attorney General





THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

AUG 5 1974

Director, Office of Management and Budget  
Executive Office of the President  
Washington, D.C. 20503

Attention: Assistant Director for Legislative  
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 13264, "To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities."

The enrolled enactment would amend the Perishable Agricultural Commodities Act to provide a monetary penalty not to exceed \$2,000 for certain violations of the Act. Any payment so made would be deposited into the Treasury of the United States as miscellaneous receipts. The legislation was proposed by the Department of Agriculture.

The Department would have no objection to a recommendation that the enrolled enactment be approved by the President.

Sincerely yours,

General Counsel



THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

August 5, 1974

Dear Mr. Rommel:

The Council of Economic Advisers has no objections to the President's signing H.R. 13264, a bill "To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities."

Sincerely,



Herbert Stein



Mr. Wilfred H. Rommel  
Assistant Director  
for Legislative Reference  
Office of Management and Budget  
Washington, D. C. 20503





PERISHABLE AGRICULTURAL COMMODITIES ACT  
AMENDMENT

JUNE 20, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. POAGE, from the Committee on Agriculture,  
submitted the following



REPORT

[To accompany H.R. 13264]

The Committee on Agriculture, to whom was referred the bill (H.R. 13264) to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

H.R. 13264 would amend the Perishable Agricultural Commodities Act to allow the imposition of a monetary penalty for misbranding, or misrepresenting fruits and vegetables shipped, sold, or offered for sale in interstate or foreign commerce.

This bill would also permit the Secretary of Agriculture to allow persons who have violated the law, by misrepresenting fresh or misbranding fresh fruits or vegetables sold in interstate or foreign commerce, to admit the violation and pay a monetary penalty, not to exceed \$2,000, in lieu of a formal proceeding for the suspension or revocation of the violator's license.

BACKGROUND

Fruits and vegetables—being highly perishable—need to be harvested, packed, and distributed quickly. People in the fast-moving, financially hazardous produce business must rely on the honesty and good faith of those they trade with.

Encouraging fair trading practices in this business is the purpose of the Perishable Agricultural Commodities Act—or “PACA.” This Federal law prohibits unfair and fraudulent practices in the marketing of fresh and frozen fruits and vegetables and sets penalties for

violation. It provides for collecting damages from anyone who fails to live up to his contract obligations.

The produce industry realized the need for a code of fair trading standards many years ago. At the industry's request, PACA was passed by Congress in 1930. Since then, it has been amended a number of times to keep it in step with changing trade practices. PACA is administered by the Consumer and Marketing Service of the U.S. Department of Agriculture, through its Fruit and Vegetable Division.

Because of the highly perishable nature of fresh fruits and vegetables, rapid harvesting, packing, and distribution are essential. It is a financially hazardous business due to the risks of weather, uncertain growing conditions, and unpredictable fluctuations in market prices. There are many opportunities for unethical persons to take advantage of these conditions and engage in unfair and fraudulent practices.

Enforcement of the Act is through a system of licenses. Commission merchants, brokers, and dealers, including certain retailers and processors, operating subject to the Act are required to be licensed by the Department of Agriculture.

A retailer is subject to licensing when the invoice cost of all his purchases of fresh and frozen fruits and vegetables during a calendar year exceeds \$100,000. In computing this dollar volume, all purchases are to be counted regardless of the size of the lot involved or whether the transaction was in interstate, intrastate, or foreign commerce.

Misrepresentations of grade, quality, quantity, weight, or State of origin of fruits and vegetables in interstate or foreign commerce are prohibited. PACA does not require any particular markings on containers, but those that are used must be accurate. Anyone shipping misbranded produce may find that the buyer is entitled to reject it or to correct the misbranding at the shipper's expense. A licensee who violates the law by misbranding is subject to USDA disciplinary action, which, under the present Act, can result in suspension or loss of his license.

The person charged with the violation may be ordered to pay a reparation award. If he does not pay the award, or file an appeal in a U.S. District Court within 30 days from the date of the order, his license is suspended automatically, and he may not continue in business nor be employed by another PACA licensee. His only alternative to this is to file an appeal in a U.S. District Court within 30 days from the date of the order.

#### NEED

The addition of authority to impose a monetary penalty, as proposed by H.R. 13264, to the Perishable Agricultural Commodities Act of 1930 would give the Secretary the flexibility to bring about a substantial reduction in the number of repeated violations by dealers. It would result in greater efficiency in administering the act by minimizing the necessity of formal action against licensees. It would provide an option of imposing either a monetary penalty, not to exceed \$2,000 for misbranding violations, or the institution of formal proceedings for suspension or revocation of the violator's license. However, it does retain the Act's sanction of suspension or revocation if violations are flagrant or repeated. This bill would thus afford a greater measure of protection to the public caused by misbranding and misrepresentation.

#### COMMITTEE CONSIDERATION

On May 23, 1974, the Domestic Marketing and Consumer Relations Subcommittee of the Agriculture Committee held open public hearings on H.R. 13264, and in open business meeting on June 4 ordered the bill to be reported to the full committee by a voice vote. In an open business meeting on June 11, 1974, in the presence of a quorum, the full committee, by a voice vote, ordered H.R. 13264 favorably reported to the House.

#### ADMINISTRATION POSITION

H.R. 13264, introduced by Mr. Sisk, is identical to the legislative proposal included in Executive Communication No. 1665, which reads as follows:

DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY,  
*Washington, D.C., December 21, 1973.*

HON. CARL ALBERT,  
*Speaker of the House of Representatives.*

DEAR MR. SPEAKER: Enclosed for consideration by the Congress is a draft of a proposed bill to amend Section 2(5) of the Perishable Agricultural Commodities Act, 1930, relating to unfair practices in the marketing of perishable agricultural commodities.

The proposed bill would amend the Perishable Agricultural Commodities Act to provide the option of imposing either a monetary penalty, not to exceed \$2,000, for violations of the misbranding provisions of the Act, or institution of a formal proceeding for suspension or revocation of the license issued under this Act to trade in the fruit and vegetable industry. The only penalties which can presently be imposed for such violations are public disclosure of the facts and circumstances and/or the suspension or revocation of the license of the violator.

In utilizing the monetary penalty option, if the law is revised as set forth in the proposed amendment, we would expect that in most instances a warning letter would be issued on the first violation by a licensee. Monetary penalties would be assessed for violations after the first violation, where the violator and this Department consent to such procedure. The amount of the penalty assessed will depend on the nature of the violation. As we gain experience in this area, we will be able to judge the amount of penalty which best acts as a deterrent to possible violators. The authority to assess monetary penalties, if granted, will fill a gap in the law where either no penalty is imposed or suspension or revocation of the license is ordered. It is understood that the monetary penalty provision is to be in addition to other penalties provided in the law, and that the violations on which monetary penalties are assessed may be used as a part of the evidence to support an action to suspend or revoke the license of a person who engages in repeated and/or flagrant violations of this provision of the Act.

The proposed bill has been considered by the PACA-Industry Advisory Committee, an official advisory committee representing the various segments of the fruit and vegetable industry and established by the Department to counsel on all aspects of the Perishable Agricultural Commodities Act. The Committee has recommended its enactment.

The proposed legislation would not result in an increase in the cost of living or in an increase in food costs to consumers. Consumers would benefit if the legislation is adopted, since deterrence of misbranding and misrepresentation offers a measure of consumer protection.

Adoption of the proposed legislation should not result in an increase in the cost of administration of the Perishable Agricultural Commodities Act. Monetary penalties paid for violations of the misbranding provisions of the Act would be deposited into the Treasury of the United States as miscellaneous receipts.

In accordance with the provisions of Public Law 91-190, Section 102(2) (C) this proposed legislation would have no significant impact upon the quality of the environment.

The Office of Management and Budget advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,  
*Under Secretary.*

Enclosure.

A BILL To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (5) of Section 2 of the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499b(5)), is hereby amended by striking out the semicolon at the end thereof and substituting a colon and the following: "*Provided, That any commission merchant, dealer or broker who has violated this subsection may, with the consent of the Secretary, admit the violation or violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal proceeding for the suspension or revocation of license, any payment so made to be deposited into the Treasury of the United States as miscellaneous receipts;*".

#### CURRENT AND FIVE SUBSEQUENT FISCAL YEAR COST ESTIMATE

Pursuant to clause 7 of rule XIII of the Rules of the House of Representatives, the committee estimates no cost will be incurred by the Federal Government during the current and the five subsequent fiscal years as a result of the enactment of this legislation. The same cost estimate was submitted to the committee by the Department of Agriculture.

#### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

#### PERISHABLE AGRICULTURAL COMMODITIES ACT OF 1930, AS AMENDED

(7 U.S.C. 499a et seq)

\* \* \* \* \*  
§ 499b. UNFAIR CONDUCT

It shall be unlawful in or in connection with any transaction in interstate or foreign commerce—

(1) For any commission merchant, dealer, or broker to engage in or use any unfair, unreasonable, discriminatory, or deceptive practice in connection with the weighing, counting, or in any way determining the quantity of any perishable agricultural commodity received, bought, sold, shipped, or handled in interstate or foreign commerce;

(2) For any dealer to reject or fail to deliver in accordance with the terms of the contract without reasonable cause any perishable agricultural commodity bought or sold or contracted to be bought, sold, or consigned in interstate or foreign commerce by such dealer;

(3) For any commission merchant to discard, dump, or destroy without reasonable cause, any perishable agricultural commodity received sold, shipped, or handled in interstate or foreign commerce;

(4) For any commission merchant, dealer, or broker to make, for a fraudulent purpose, any false or misleading statement in connection with any transaction involving any perishable agricultural commodity which is received in interstate or foreign commerce by such commission merchant, or bought or sold, or contracted to be bought, sold, or consigned, in such commerce by such dealer, or the purchase or sale of which in such commerce is negotiated by such broker; or to fail or refuse truly and correctly to account and make full payment promptly in respect of any transaction in any such commodity to the person with whom such transaction is had; or to fail, without reasonable cause, to perform any specification or duty, express or implied, arising out of any undertaking in connection with any such transaction;

(5) For any commission merchant, dealer, or broker to misrepresent by word, act, mark, stencil, label, statement, or deed, the character, kind, grade, quality, quantity, size, pack, weight, condition, degree of maturity, or State, country, or region of origin of any perishable agricultural commodity received, shipped, sold, or offered to be sold in interstate or foreign commerce; *Provided, That any commission merchant, dealer, or broker who has violated this subsection may, with the consent of the Secretary, admit the violation or violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal proceeding for the suspension or revocation of license, any payment so made to be deposited into the Treasury of the United States as miscellaneous receipts;*

(6) For any commission merchant, dealer, or broker, for a fraudulent purpose, to remove, alter, or tamper with any card, stencil, stamp, tag, or other notice placed upon any container or railroad car containing any perishable agricultural commodity, if such card, stencil, stamp, tag, or other notice contains a certificate or statement under authority of any Federal or State inspector or in compliance with any Federal or State law or regulation as to the grade or quality



of the commodity contained in such container or railroad car or the State or country in which such commodity was produced;

(7) For any commission merchant, dealer or broker, without the consent of an inspector, to make, cause, or permit to be made any change by way of substitution or otherwise in the contents of a load or lot of any perishable agricultural commodity after it has been officially inspected for grading and certification, but this shall not prohibit resorting and discarding inferior produce.



PERISHABLE AGRICULTURAL COMMODITIES ACT  
AMENDMENT

\_\_\_\_\_  
 JULY 29, 1974.—Ordered to be printed  
 \_\_\_\_\_



Mr. HUDDLESTON, from the Committee on Agriculture and Forestry,  
 submitted the following

## REPORT

[To accompany H.R. 13264]

The Committee on Agriculture and Forestry, to which was referred the bill (H.R. 13264) to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

## SHORT EXPLANATION

This bill would amend the Perishable Agricultural Commodities Act to allow the imposition of a monetary penalty on those who violate the law by misbranding, or misrepresenting fruits and vegetables shipped, sold, or offered for sale in interstate or foreign commerce. A penalty not to exceed \$2,000 could be imposed on those who violate the law and so admit, in lieu of a formal proceeding for the suspension or revocation of the violator's license.

## BACKGROUND AND NEED

This is a request bill and identical to S. 2946 which was introduced on February 4, 1974.

This bill would permit the Secretary to allow a person who has violated the Perishable Agricultural Commodities Act by misbranding or misrepresenting fresh and frozen fruits and vegetables sold in interstate or foreign commerce to admit the violation and pay a monetary penalty, not to exceed \$2,000, in lieu of a formal proceeding for the suspension or revocation of the violator's license.

The basic objective of the Act is to establish a code of fair trading practices in the marketing of fresh and frozen fruits and vegetables and enforcement of contracts for marketing these commodities. Among the unlawful trade practices under this Act is to misbrand or misrepresent by word, act, mark, stencil, label, statement, or deed the character, kind, grade, quality, quantity, size, pack, weight, condition, degree of maturity, or State, country or region of origin of fruits and vegetables.

There are two main phases of activity in administering the Act. In the first phase, the Secretary deals with reparation cases in which he decides disputes involving claims for financial damages resulting from any violation of the fair trading principles.

The second phase of activity relates to disciplinary measures. These include administrative proceedings by the Secretary to suspend or revoke licenses for repeated or flagrant violations of the Act, and court actions to collect civil penalties for operating without a license, together with injunctions to restrain further operations. It is with the disciplinary provisions of the law that H.R. 13264 is concerned.

Suspension or revocation of license is the only sanction which can be imposed upon a licensee for violating the law. The shipment, sale or offer for sale in interstate commerce of produce which is misrepresented as to quality, quantity, size, or weight, is a serious violation of the law. However, if it is not repeated or flagrant, it may not necessarily warrant compelling a firm to cease business operations.

When evidence is developed that there has been a violation, a written warning is given to the violator, calling his attention to the misbranding provisions of the law, the nature of the misrepresentation found, and affording him the opportunity to show either that he did not violate the Act, or if he did violate, that he is taking specific corrective action. Additional warnings may be sent for subsequent violations. Disciplinary action is instituted against a firm when there is an accumulation of violations sufficient to indicate a disregard for lawful requirements. When evidence of repeated or flagrant violations is found, a disciplinary action to suspend or revoke the violator's license is instituted. During fiscal year 1973, there were numerous infractions of the misbranding provisions of the law, many of which were repeat violations. Even though the firms involved declared their intention to take corrective action upon receipt of a warning letter, many did not follow through and subsequently violated the law.

Because experience shows that many licensees are not deterred by a series of warnings, the addition of a monetary penalty, as provided in H.R. 13264 should cause a substantial reduction in repeated violations by dealers. Under the proposed legislation, monetary penalties could be imposed by the Department informally if the licensee admits the violation and action has been taken to correct the misbranding, without the necessity for formal action against the licensee. This would not, however, bar the sanction of suspension or revocation of license if the violations are flagrant or repeated. Funds derived from monetary penalties would be deposited in the Treasury as miscellaneous receipts.

The Committee understands that the Department proposes to continue to issue written warnings as a possible deterrent at the time

the first violation is reported. This warning would also serve to satisfy the requirements of the Administrative Procedure Act that a violator be given warning in writing before any disciplinary action is taken which could result in a suspension or revocation of license. The Department's present thinking is that a fine would be imposed for the first violation following a written warning, and thereafter fines would be increased based on the severity of each subsequent violation. This deterrent will afford a greater measure of protection to the public caused by misbranding and misrepresentation.

The Committee was informed that adding a provision for monetary penalty for misbranding and misrepresentation was considered at length by the PACA-Industry Advisory Committee at its annual meetings in February 1973 and 1974. The Advisory Committee is an official group appointed by the Secretary of Agriculture and is representative of all segments of the fruit and vegetable industry. The group recommended that monetary penalties be added for misbranding and that the penalty be imposed within a stated maximum without the necessity of a formal proceeding.

#### COST ESTIMATE

In accordance with section 252 of the Legislative Reorganization Act of 1970, the Committee concurs with the Department's estimate that there should be no increase in costs. Monetary penalties paid for violations would be deposited into the Treasury of the United States as miscellaneous receipts.

#### DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY,  
Washington, D.C., December 21, 1973.

Hon. CARL ALBERT,  
*Speaker of the House of Representatives.*

DEAR MR. SPEAKER: Enclosed for consideration by the Congress is a draft of a proposed bill to amend Section 2(5) of the Perishable Agricultural Commodities Act, 1930, relating to unfair practices in the marketing of perishable agricultural commodities.

The proposed bill would amend the Perishable Agricultural Commodities Act to provide the option of imposing either a monetary penalty, not to exceed \$2,000, for violations of the misbranding provisions of the Act, or institution of a formal proceeding for suspension or revocation of the license issued under this Act to trade in the fruit and vegetable industry. The only penalties which can presently be imposed for such violations are public disclosure of the facts and circumstances and/or the suspension or revocation of the license of the violator.

In utilizing the monetary penalty option, if the law is revised as set forth in the proposed amendment, we would expect that in most instances a warning letter would be issued on the first violation by a licensee. Monetary penalties would be assessed for violations after the first violation, where the violator and this Department consent to such procedure. The amount of the penalty assessed will depend on the



nature of the violation. As we gain experience in this area, we will be able to judge the amount of penalty which best acts as a deterrent to possible violators. The authority to assess monetary penalties, if granted, will fill a gap in the law where either no penalty is imposed or suspension or revocation of the license is ordered. It is understood that the monetary penalty provision is to be in addition to other penalties provided in the law, and that the violations on which monetary penalties are assessed may be used as a part of the evidence to support an action to suspend or revoke the license of a person who engages in repeated and/or flagrant violations of the provision of the Act.

The proposed bill has been considered by the PACA-Industry Advisory Committee, an official advisory committee representing the various segments of the fruit and vegetable industry and established by the Department to counsel on all aspects of the Perishable Agricultural Commodities Act. The Committee has recommended its enactment.

The proposed legislation would not result in an increase in the cost of living or in an increase in food costs to consumers. Consumers would benefit if the legislation is adopted, since deterrence of misbranding and misrepresentation offers a measure of consumer protection.

Adoption of the proposed legislation should not result in an increase in the cost of administration of the Perishable Agricultural Commodities Act. Monetary penalties paid for violations of the misbranding provisions of the Act would be deposited into the Treasury of the United States as miscellaneous receipts.

In accordance with the provisions of Public Law 91-190, Section 102(2) (C) this proposed legislation would have no significant impact upon the quality of the environment.

The Office of Management and Budget advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,  
Under Secretary.

Enclosure.

A BILL To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (5 of Section 2 of the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499b(5)), is hereby amended by striking out the semicolon at the end thereof and substituting a colon and the following: "*Provided, That any commission merchant, dealer or broker who has violated this subsection may, without the consent of the Secretary, admit the violation or violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal proceeding for the suspension or revocation of license, any payment so made to be deposited into the Treasury of the United States as miscellaneous receipts;*".

## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

### PERISHABLE AGRICULTURAL COMMODITIES ACT OF 1930, AS AMENDED

(7 U.S.C. 499a et seq)

\* \* \* \* \*  
§ 499b. UNFAIR CONDUCT

It shall be unlawful in or in connection with any transaction in interstate or foreign commerce—

(1) For any commission merchant, dealer, or broker to engage in or use any unfair, unreasonable, discriminatory, or deceptive practice in connection with the weighing, counting, or in any way determining the quantity of any perishable agricultural commodity received, bought, sold, shipped, or handled in interstate or foreign commerce;

\* \* \* \* \*  
(5) For any commission merchant, dealer, or broker to misrepresent by word, act, mark, stencil, label, statement, or deed, the character, kind, grade, quality, quantity, size, pack, weight, condition, degree of maturity, or State, country, or region of origin of any perishable agricultural commodity received, shipped, sold, or offered to be sold in interstate or foreign commerce[;]: *Provided, That any commission merchant, dealer, or broker who has violated this subsection may, with the consent of the Secretary, admit the violation or violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal proceeding for the suspension or revocation of license, any payment so made to be deposited into the Treasury of the United States as miscellaneous receipts;*

\* \* \* \* \*  
(7) For any commission merchant, dealer or broker, without the consent of an inspector, to make, cause, or permit to be made any change by way of substitution or otherwise in the contents of a load or lot of any perishable agricultural commodity after it has been officially inspected for grading and certification, but this shall not prohibit resorting and discarding inferior produce.

○

# Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,  
one thousand nine hundred and seventy-four*

## An Act

To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (5) of section 2 of the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499b(5)), is hereby amended by striking out the semicolon at the end thereof and substituting a colon and the following: "Provided, That any commission merchant, dealer, or broker who has violated this subsection may, with the consent of the Secretary, admit the violation or violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal proceeding for the suspension or revocation of license, any payment so made to be deposited into the Treasury of the United States as miscellaneous receipts;"*



*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*



# Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,  
one thousand nine hundred and seventy-four*

## An Act

To amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (5) of section 2 of the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499b(5)), is hereby amended by striking out the semicolon at the end thereof and substituting a colon and the following: "Provided, That any commission merchant, dealer, or broker who has violated this subsection may, with the consent of the Secretary, admit the violation or violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal proceeding for the suspension or revocation of license, any payment so made to be deposited into the Treasury of the United States as miscellaneous receipts;"*

*Carl Albert*  
Speaker of the House of Representatives.

*Hubert H. Humphrey*

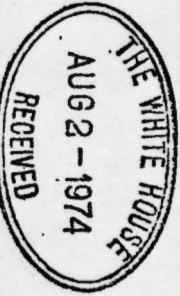
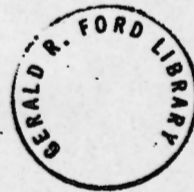
*Vice President of the United States and  
Acting President of the Senate*

*pro Tempore*

APPROVED

AUG 10 1974

*Kenneth R. Ford*



August 2, 1974

Dear Mr. Director:

The following bills were received at the White House on August 2nd:

H.R. 8217  
H.R. 10309  
H.R. 13264

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder  
Chief Executive Clerk



The Honorable Roy L. Ash  
Director  
Office of Management and Budget  
Washington, D. C.