

the support of the state government and its existing institutions and shall take effect immediately.

Passed the Senate December 20, 1933.

Passed the House December 27, 1933.

Approved by the Governor January 4, 1934.

CHAPTER 12.

[H. B. 180.]

WASHINGTON AGRICULTURAL ADJUSTMENT ACT.

AN ACT declaring the existence of a state and national agricultural emergency, declaring the policy of the legislature, approving and adopting the provisions of the National Agricultural Act and any marketing agreement approved or prescribed by the Secretary of Agriculture of the United States, defining marketing agreements, restricting the authority of the state or any municipal corporation within the state to purchase material and supplies, providing for the regulation and enforcement of marketing agreements, establishing standards of fair competition, empowering the director of agriculture, with the approval of the Governor, to make rules and regulations to control the productions, storage, transportation, sale and distribution of agricultural commodities and to issue licenses licensing the persons handling or processing agricultural products, prescribing the methods and the persons entitled to licenses, granting jurisdiction to courts for the trial and prosecution of any violation of this act, directing the attorney general and any prosecuting attorney within the state to prosecute any violation of this act, prescribing methods of issuing licenses and revocation thereof, creating Board of Review, making it unlawful for any persons to engage in the handling, processing or wholesaling of agricultural products without a license, prescribing the amount of license fees to be paid, making appropriation for the administration of this act, defining agricultural commodities and persons engaged in the handling thereof, defining the time when this act shall cease to be in effect, and repealing section 6242 of Remington's Revised Statutes, and for other purposes and declaring that this act shall take effect immediately.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That the present acute economic emergency being in part the consequence of a severe and increasing disparity between the prices of agricul-

tural and other commodities, which disparity has largely destroyed the purchasing power of farmers for industrial products, has broken down the orderly exchange of commodities and has seriously impaired the agricultural assets supporting the state credit structure, it is hereby declared that these conditions in the basic industry of agriculture have affected transactions in agricultural commodities with a public interest, have burdened and obstructed the normal currents of commerce in such commodities, and render imperative the immediate enactment of this act.

SEC. 2. It is hereby declared to be the policy of the legislature: Legislative policy.

(1) To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the basic period. The basic period in the case of all agricultural commodities shall be the pre-war period, August, 1909 - July, 1914. Balance between production and consumption.
Basic period.

(2) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic markets. Gradual correction.

(3) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period, August, 1909 - July, 1914. It is hereby declared to be the policy of this Production level.

Cooperation with National Government.	state to cooperate with and assist the national government in promoting the rehabilitation of agriculture and in eliminating the causes of the collapse of agricultural purchasing power, and to that end to bring about the formulation of marketing agreements as may be approved by the Secretary of Agriculture of the United States and the enforcement of such agreements within this state between producers and distributors or marketing agencies handling the products of agriculture or subdivisions thereof engaged in transactions in or affecting intrastate commerce therein and those engaged therein in transactions in or affecting interstate or foreign commerce.
Marketing agreements.	
Intrastate commerce.	
Interstate commerce.	

SEC. 3. (a) When used in this act, the following terms shall, unless the context otherwise indicates, have the following respective meanings:

"Secretary." (1) The word "secretary" shall mean the Secretary of Agriculture of the United States of America.

"Congress." (2) The word "Congress" shall mean the Congress of the United States of America.

"Governor." (3) The word "Governor" shall mean the Governor of this state.

"Director." (4) The word "director" shall mean the director of agriculture of this state, or his designated agent.

"Person." (5) The word "person" shall mean and include individuals, corporations, associations, trusts and partnerships existing under or authorized by the laws of the United States of America or of this state or of any other state, territory, or possession of said United States, or of any foreign country.

"National Agricultural Adjustment Act." (6) The words "National Agricultural Adjustment Act" shall mean the act passed by the Congress known by the short title of the "Agricultural Adjustment Act," approved May 12, 1933.

"Marketing agreement." (7) The words "marketing agreement" shall mean any such agreement approved by the secretary

after public hearing and otherwise in conformity with the provisions of the National Agricultural Adjustment Act, and any agreement which the director may make in conformity with the provisions and authority of this act.

(8) The word "license" shall mean any license or permit issued by the secretary or the director or his duly designated agent. "License."

(9) The word "written" shall include printed or typewritten. "Written."

(10) The words "Party to a Marketing Agreement approved or prescribed by the secretary pursuant to terms of the National Agricultural Adjustment Act" shall include any person who made application to the secretary or to the director for the approval of such agreement, or who authorized the making of such application by any other person on his behalf, or who is bound by a license or otherwise by the provisions of such agreement and entitled to the benefits thereof. "Party to Marketing Agreement."

(11) Words in this act, unless the context otherwise indicates, in the present tense include other tenses thereof as well as the present; in the masculine gender include the feminine and neuter; in the neuter gender include the masculine and feminine; in the singular number include the plural and in the plural number include the singular. Words in Act Tense; Gender; Number.

SEC. 4. The provision of any marketing agreement approved or prescribed by the secretary pursuant to the terms of the National Agricultural Act for any agricultural industry or subdivision thereof shall be considered as the standard of fair competition for such agricultural industry or subdivision thereof in all its intrastate transactions within this state. The violation of such standard by any person engaged in such trade or industry or subdivision thereof within this state shall be deemed the use of unfair methods of competition. The use by any per- Standards of fair competition. Violations.

Penalty.

son of unfair methods of competition as defined by this act shall be unlawful and contrary to the public policy and welfare of this state, and any person violating any provision of such marketing agreement approved or prescribed by the secretary, or such marketing agreement approved or prescribed by the director, shall be guilty of a gross misdemeanor.

Restrictions in letting of contracts.

SEC. 5. In order to further aid the purposes and policy of the National Agricultural Adjustment Act and this act while this act is in effect, the governing body of any political subdivision, municipal corporation or district and any public officer or person charged with the letting of contracts for (1) the purchase and/or sale of agricultural products and their derivatives, or (2) for the purchasing of agricultural products and their derivatives for public use, shall let such contracts only to those who agree in and by the terms of such contract to use or supply only articles, materials and supplies produced, manufactured or supplied by a person who is a party to a marketing agreement approved or prescribed by the secretary or the director pursuant to the terms of the National Agricultural Adjustment Act or of this act.

Complaint to Attorney General or Prosecuting Attorney.

SEC. 6. Upon the complaint of a private party to the attorney general of this state or to any prosecuting attorney of any county of this state showing that any person engaged in trade or industry in this state is using unfair methods of competition, it shall be the duty of such attorney general or of said prosecuting attorney to whom such complaint may be made, in the name of the State of Washington, to investigate such complaint and after such investigation, if sufficient ground is found to exist therefor, he shall forthwith prosecute such person in accordance with the criminal procedure prescribed by the statute of this state. Such prosecution may be instituted or brought in any county in this state

Granting jurisdiction to courts.

in which the defendant, or any of the defendants, resides, or in which such unlawful act was committed or in which the defendant, or any of the defendants, has his principal place of business.

SEC. 7. In order to effectuate and carry out the declared policy of this state and the provisions of the Agricultural Adjustment Act of the United States, the director of agriculture of this state is hereby vested and empowered (1) to make rules and regulations with the approval of the Governor and to provide for the regulation and control of production, storage, transportation, sale and distribution of the agricultural commodities or products thereof or competing commodities and products thereof for such time as the present economic emergency exists and (2) to enter into marketing agreements with processors, associations of producers, and other persons engaged in the handling, manufacturing, producing, processing, dealing or sale of agricultural commodities or products thereof in this state. The making of any such agreement shall not be held to be in violation of any provisions of the statutes of this state: *Provided*, That no such agreement shall be and remain in force after the termination of this act.

Director of Agriculture, powers to make rules and regulations with approval of Governor.

Marketing agreements.

Termination.

SEC. 8. To issue licenses or permits to processors, manufacturers, associations of producers, and all other persons engaged in the handling in the current of intrastate commerce of any agricultural commodities or products thereof or any competing commodities or products thereof. Such license shall be subject to such terms and conditions not in conflict with existing legislation or regulations pursuant thereto, as may be necessary to eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy of this state and the restoration of normal economic conditions in the marketing of such commodities or products.

Licenses or permits, intrastate commerce.

Revocation. The director may for sufficient cause revoke any such license after due notice and opportunity for hearing, as herein provided, for violations of the terms or conditions thereof.

Licenses and permits.

SEC. 9. It shall be the duty of the director to issue licenses or permits, as herein provided, to any person handling agricultural commodities, as herein defined, upon the application thereof and the agreement on the part of such applicant that he will comply with the terms and conditions of any marketing agreement approved or prescribed by the secretary or approved or prescribed by the director, and the payment of a license fee herein prescribed: *Provided*, That the director may in his discretion deny or refuse a license to any person who intends to engage in the processing or wholesaling of agricultural products in any place within this state if the director should be satisfied that the market in such territory is amply supplied and that the granting of such license to the person applying therefor, who had not theretofore been engaged in such business within said territory, would unnecessarily tend to increase the cost to the consumer of such product and tend to decrease the purchasing price to be paid to the producer.

Application.

Refusal of license.

Director may cancel.

SEC. 10. (a) The director may cancel, revoke or suspend, upon hearing duly had, the license of any person violating the provisions of any marketing agreement or this act. If the director shall find that any licensee is violating the provisions of any marketing agreement or this act, he shall cause a notice to be served upon such licensee, in writing, setting forth the provisions of the marketing agreement or of this act which the licensee is charged with violating, and shall set the date, and such date shall be contained in such notice upon which a hearing will be had to determine whether or not the licensee is violating any such provision, which date

Notice.

Hearing.

shall not be less than ten days and not more than twenty days from the date such notice is served. Such hearing may be continued from time to time at the discretion of the director. Upon hearing thereof the evidence submitted shall be reduced to writing and the licensee shall have the right to submit and produce such evidence and proof which he believes will tend to disprove the charges against him, but if after all of the evidence has been introduced the director shall be satisfied that the licensee has violated the provisions of any marketing agreement or of this act, it shall be his duty to cancel or revoke such license for such period as the director may deem proper.

Duty of director to revoke license.

(b) The licensee shall have the right to appeal from the decision of the director to the Board of Review herein created. Such appeal may be taken at any time within ten days from the date the license was cancelled or suspended, by filing a notice in writing with such director, setting forth that the licensee desires to have the action of the director reviewed by the Board of Review. Upon such notice being filed with the director it shall be his duty to forthwith, and not later than five days after, transmit and file with the Board of Review all the proceedings, papers and documents and evidence taken before the director in the case.

Appeal within 10 days to Board of Review.

(c) Upon such proceedings being filed with the Board of Review, it shall be the duty of the chairman thereof to forthwith, and not later than ten days thereafter, convene the Board of Review and examine and review the proceedings had before the director. No additional evidence shall be presented unless the Board of Review so directs. The Board of Review may reverse, modify or affirm the decision of the director.

Duty of chairman to convene board.

SEC. 11. The secretary of state, the director of conservation and development and the director of

Creating
Board of
Review.

the Extension Service of the Washington State College are hereby constituted a Board of Review to review the actions of the Director of Agriculture. The director of conservation and development shall be secretary of such board, and all of the proceedings shall be filed with him. Upon the filing of such proceedings it shall be his duty to convene the Board as soon as convenient and possible to review the actions of the director. The majority of the members of the Board shall constitute a quorum, and it shall take the affirmative vote of the majority of the Board to reverse the decision of the director.

Quorum.

License
required.

SEC. 12. It shall be unlawful for any person to engage in handling, processing, wholesaling or retailing of any agricultural produce without first having obtained a license. Any person violating the provisions of this act shall be guilty of a gross misdemeanor, and each day during which the violation continues shall constitute a separate offense.

Penalty.

Report to
director.

SEC. 13. It shall be the duty of any person engaged in the handling, selling or processing of any agricultural commodities or products to furnish a report to the director upon request, in writing, showing the amount, products and quality of agricultural commodities processed, sold, bought or handled by him, and the price paid for such product to the producer, and the price that it was sold to the consumer, and furnish other information as the director may require from time to time.

License fee.

SEC. 14. The director, with the consent of the Governor, shall prescribe the amount or sum to be paid for the issuance of a license which amount the director and Governor deem to be charged to defray the expenses of administrating this act. Such license shall not be less than \$1.00 nor more than \$25.00 per annum for retailers of agricultural products, and not less than \$50.00 nor more than \$250.00

Retailers.

per annum for the processor or wholesaler of agricultural products. No license shall be granted to any person unless the fee to be charged therefor shall first have been paid. Such fee shall be paid to the director and disbursed by him to the treasurer of the State of Washington.

Wholesaler.

SEC. 15 (a) There is hereby appropriated out of any money in the treasury of the State of Washington, not otherwise appropriated, the sum of fifty thousand dollars (\$50,000.00) to be available to the director of agriculture for administrative expenses under this act, but in no case shall such expenses exceed the receipts from licenses collected under this act.

Appropriation
\$50,000.Expenses
shall not exceed receipts.

(b) The director of agriculture, with the approval of the Governor, shall estimate from time to time the amounts necessary and required for the administration of this act and the amount necessary to be charged as license fee to the person engaged in handling, processing and wholesaling agricultural products, and the state treasurer shall, out of any money in the treasury not otherwise appropriated, advance to the director of agriculture the amount so estimated, which amount shall then be retained by the treasurer from the license fees collected.

Estimate
by director.

SEC. 16. As used in this act, the term "basic agricultural commodity" means wheat, field corn, hogs, beef, poultry, eggs, fruit, and milk and its products, and any regional or market classification, type or grade thereof; but the director of agriculture shall exclude from the operation of the provisions of this act, during any period, any such commodity or classification, type or grade thereof if he finds, upon investigation at any time and after due notice and opportunity for hearing to interested parties, that the conditions of productions, marketing and consumption are such that during such period this act cannot be effectively administered to the end of effectuating

"Basic
agricultural
commodity."

Exclusions.

the declared policy with respect to such commodity or classification, type or grade thereof.

“Retailer.” SEC. 17. (a) Any person selling or retailing to the consumer any agricultural products is hereby defined as a retailer.

“Wholesaler.” (b) Any person selling, wholesaling or retailing processed or unprocessed agricultural products is hereby defined to be a wholesaler.

“Processor.” (c) Any person processing any agricultural product and selling the same to wholesaler or retailer, as herein defined, is hereby defined as a processor.

Expiration of act.

SEC. 18. This act shall cease to be in effect at the expiration of two years from the date of its enactment, or sooner if the Governor shall by proclamation declare that the emergency recognized by section 1, of this act has ended; and the Governor shall so declare, within five days after the President by proclamation or the Congress by joint resolution shall declare that the emergency recognized by title 1 of the National Agricultural Adjustment Act has ended.

Invalidity of part not to affect balance.

SEC. 19. If any section, sentence, clause or part of this act is for any reason held to be unconstitutional, such decision shall not affect the remaining portions of this act. The legislature hereby declares that it would have passed this act and each section, sentence, clause or part thereof, irrespective of the fact that one or more sections, sentences, clauses or parts hereof be declared unconstitutional.

Title of act.

SEC. 20. This act may be known and cited as the Washington Agricultural Adjustment Act.

Effective immediately.

SEC. 21. This act is necessary for the immediate preservation of public peace, health and safety, for the preservation of the financial structure of the state, for the preservation of agriculture and to prevent a financial crisis, and for the support of the

state government and its existing institutions, and shall take effect immediately.

SEC. 22. That section 6242 of Remington's Revised Statutes of the State of Washington be and the same is hereby repealed. } *Vetoed.*

Passed the House December 30, 1933.

Passed the Senate December 29, 1933.

Approved by the Governor January 4, 1934, except as to section 22, which is vetoed.

I hereby certify that the House of Representatives failed to pass section 22 of House Bill No. 180 notwithstanding the veto of the Governor.

Dated this 4th day of January, 1934.

S. R. HOLCOMB,

Chief Clerk of the House of Representatives.

CHAPTER 13.

[S. B. 72.]

RECLAMATION OF AGRICULTURAL LANDS.

AN ACT relating to the department of conservation and development of the State of Washington and to the state reclamation revolving fund which is administered by said department; enlarging the powers and duties of the director of said department in regard to said fund, and amending section 5 of chapter 158 of the Laws of 1919 as amended by chapter 132 of the Laws of 1923 (same being section 3008 of Remington's Compiled Statutes of Washington); providing for the disposition of monies received by the State of Washington from certain fees, providing that same be paid into the state reclamation revolving fund, and amending section 3 of chapter 105, Laws of 1929; same being section 11575-3 of Remington's Compiled Statutes, exempting the Columbia Basin Commission or its assignee, the United States Bureau of Reclamation, from payment of fees in connection with the appropriation and use of waters of the Columbia River for development of the Grand Coulee project, and amending section 44, chapter 117, Laws of 1917, as amended, being section 7399 of Remington's Compiled Statutes; making an appropriation from the state reclamation revolving fund for the financing of irrigation and diking and/or drainage improvement districts, as set forth in and provided by chapter 16 of the Ses-