

retary of the Treasury pursuant to section 4 of the Act of March 8, 1938, as amended [this section].

§ 713a-5. Exemption of Commodity Credit Corporation and its obligations from taxation

Bonds, notes, debentures, and other similar obligations issued by the Commodity Credit Corporation under the provisions of sections 713a-1 to 713a-5 of this title shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes). The Commodity Credit Corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the Commodity Credit Corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

(Mar. 8, 1938, ch. 44, § 5, 52 Stat. 108.)

REFERENCES IN TEXT

Sections 713a-1 to 713a-5, referred to in text, was in the original "this Act". Section 1 and 2 of that act, set out as sections 713a-1 and 713a-2 of this title, have been repealed and section 3 of that act, set out as section 713a-3 of this title, has been omitted.

EXCEPTIONS FROM TRANSFER OF FUNCTIONS

For exception of functions of corporations of Department of Agriculture from transfer of functions to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, see Exceptions From Transfer of Functions note set out under section 712a of this title.

§ 713a-6. Sale of surplus agricultural commodities to foreign governments

Notwithstanding any other provision of law, the Commodity Credit Corporation, with the approval of the President, is authorized to sell surplus agricultural commodities, acquired by such Corporation through its loan operations, to foreign governments on the condition that, except for rotation to prevent deterioration, such commodities shall be held in reserve by such governments for a period of not less than five years from the date of acquisition, and shall not be disposed of unless a war or war emergency results in a serious interruption of normal supplies of such commodities: *Provided*, That under this section no concession below the prevailing world market price for the unrestricted use of such commodities, as determined by the Secretary of Agriculture, shall be granted, in consideration of the obligation assumed by such governments to hold such commodities in reserve as required hereinbefore, in excess of a maximum amount equal to the average carrying charges, as estimated by the Secretary of Agriculture, that would be incurred if such commodities should be held for an additional eighteen months' period by the Commodity Credit Corporation. In determining specific cotton to be sold under this section, the determination shall be made by sampling and selection at the place

where the cotton is stored on the date of signing any sales agreement or contract under this section, and no cotton shall be sold under any such sales agreement or contract which, after such date, is transported to any other place and there sampled and selected: *Provided further*, That in case of a sale, settlement must be made within sixty days after delivery and not more than five hundred thousand bales of cotton shall be sold upon the terms and conditions provided in this section.

(Aug. 11, 1939, ch. 701, 53 Stat. 1418.)

EXCEPTIONS FROM TRANSFER OF FUNCTIONS

For exception of functions of corporations of Department of Agriculture from transfer of functions to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, see Exceptions From Transfer of Functions note set out under section 712a of this title.

§ 713a-7. Exchange of surplus agricultural commodities for reserve stocks of strategic materials

Notwithstanding any other provision of law, whenever the President, by and with the advice and consent of the Senate, has concluded a treaty involving the exchange of surplus agricultural commodities produced in the United States which are held under loans made or made available by the Commodity Credit Corporation for stocks of strategic and critical materials produced abroad, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to accept such strategic and critical materials in exchange for such surplus agricultural commodities; and for the purpose of such exchange the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Interior acting jointly through the agency of the Munitions Board shall determine which materials are strategic and critical and the quantity and quality of such materials. In order to carry out the provisions of this section, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to procure, convey, transport, handle, store, maintain, or rotate such surplus agricultural commodities, and such reserve stocks of strategic and critical materials, as may be necessary to accomplish the purposes of this section.

The Commodity Credit Corporation is authorized and directed to transfer to warehouses in or near cotton manufacturing centers in New England not to exceed three hundred thousand bales of cotton, to which it now has title or may hereafter acquire title, having regard for the grades and staples customarily required by manufacturers in that area: *Provided*, That all necessary costs in connection with such transfer will not result in additional net cost to the Corporation.

In determining specific cotton to be exchanged under this section, the determination shall be made by sampling and selection at the place where the cotton is stored on the date of ratification of a treaty providing for such exchange, and no cotton shall be exchanged under such treaty which, after such date, is transported to another place and there sampled and selected. Such reserve stocks of strategic and critical ma-