

UNITED STATES COTTON STANDARDS ACT¹

(7 U.S.C. 51-65)

AN ACT To establish and promote the use of the official cotton standards of the United States in interstate and foreign commerce; to prevent deception therein and provide for the proper application of such standards; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known by the short title of "United States Cotton Standards Act." (7 U.S.C. 51.)

Sec. 2. That it shall be unlawful (a) in or in connection with any transaction or shipment in commerce made after this Act shall become effective, or (b) in any publication of a price or quotation determined in or in connection with any transaction or shipment in commerce after this Act shall become effective, or (c) in any classification for the purposes of or in connection with a transaction or shipment in commerce after this Act shall become effective, for any person to indicate for any cotton a grade or other class which is of or within the official cotton standards of the United States then in effect under this Act by a name, description, or designation, or any system of names, description, or

¹ Approved March 4, 1923, 42 Stat. 1517. Section 156(d) of Pub. L. 97-35, 95 Stat. 374, Aug. 13, 1981 states: "The Secretary of Agriculture shall hold annual meetings with representatives of the cotton industry to review (1) activities and operations under the Cotton Standards Act, and the Cotton Statistics and Estimates Act, (2) activities and operations relating to cotton under the United States Warehouse Act, and (3) the effect of such activities and operations on prices received by producers and sales to domestic and foreign users, for the purpose of improving procedures for financing and administering such activities and operations for the benefit of the industry and the Government. Notwithstanding any other provision of law, the Secretary shall take such action as may be necessary to insure that the universal cotton standards system and the licensing and inspection procedures for cotton warehouses are preserved and that the Government cotton classification system continues to operate so that the United States cotton crop is provided an official quality description."

designation not used in said standards: *Provided*, That nothing herein shall prevent a transaction otherwise lawful by actual sample or on the basis of a private type which is used in good faith and not in evasion of or substitution for said standards. (7 U.S.C. 52.)

Sec. 3. That the Secretary of Agriculture may, upon presentation of satisfactory evidence of competency, issue to any person a license to grade or otherwise classify cotton and to certificate the grade or other class thereof in accordance with the official cotton standards of the United States. Any such license may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after reasonable opportunity afforded to the licensee for a hearing, that such licensee is incompetent or has knowingly or carelessly classified cotton improperly, or has violated any provision of this Act or the regulations thereunder so far as the same may relate to him, or has used his license or allowed it to be used for any improper purpose. Pending investigation the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without a hearing. (7 U.S.C. 53.)

Sec. 4. That any person who has custody of or a financial interest in any cotton may submit the same or samples thereof, drawn in accordance with the regulations of the Secretary of Agriculture, to such officer or officers of the Department of Agriculture, as may be designated for the purpose pursuant to the regulations of the Secretary of Agriculture for a determination of the true classification of such cotton or samples, including the comparison thereof, if requested, with types or other samples submitted for the purpose. The final certificate of the Department of Agriculture showing such determination shall be binding on officers of the United States and shall be accepted in the courts of the United States as prima facie evidence of the true classification or comparison of such cotton or samples when involved in any transaction or shipment in commerce. The Secretary of Agriculture shall fix rules and regulations for submitting samples of cotton for classification providing that all samples shall be numbered so that no one interested in the transaction involved shall be known by any classifier engaged in the classification of such cotton samples. (7 U.S.C. 54)

Sec. 5.² (a) The Secretary of Agriculture shall cause to be collected such fees and charges for licenses issued to classifiers of cotton under section 3 of this Act, for determinations made under section 4 of this Act, and for the establishment of standards and sale of copies of standards under section 6 of this Act, as will cover, as nearly as practicable, and after taking into consideration net proceeds from any sale of samples, the costs incident to providing services and standards under such sections, including administrative and supervisory costs. Any fees or charges, late payment penalties, or proceeds from the sales or samples collected under this subsection, and any interest earned through the investment of such funds shall be credited to the current appropriation account that incurs the costs of the services provided under this Act, and shall remain available without fiscal year limitation to pay the expenses of the Secretary incident to providing services and standards under this Act and the United States Cotton Futures Act (7 U.S.C. 15b). Such funds may be invested by the Secretary in insured or fully collateralized, interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. The Secretary may provide by regulation conditions under which cotton samples submitted or used in the performance of services authorized by this Act shall become the property of the United States and may be sold with the proceeds credited to the foregoing account: *Provided*, That such cotton samples shall not be subject to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

(b) The price established by the Secretary of Agriculture under the foregoing provisions of this section for practical forms representing the official cotton standards of the United States shall cover, as nearly as practicable, the estimated actual cost to the Department of Agriculture for developing and preparing such practical forms. (7 U.S.C. 55.)

² Sec. 5 was amended by Pub. L. 97-35, 95 Stat. 373, Aug. 13, 1981, to require the Secretary, effective Oct. 1, 1981, to collect fees for cotton classing, establishment of standards, and the sale of copies of standards. Pub. L. 100-518, Sec. 4, 102 Stat. 2587, Oct. 24, 1988, authorized investment of funds in certain interest-bearing accounts or debt instruments.

Sec. 6.³ (a) That the Secretary of Agriculture is authorized to establish from time to time standards for the classification of cotton by which its quality or value may be judged or determined for commercial purposes, which shall be known as the official cotton standards of the United States. Any such standard or change or replacement thereof shall become effective only on and after a date specified in the order of the Secretary of Agriculture establishing the same, which date shall be not less than one year after the date of such order: *Provided*, That the official cotton standards established, effective August 1, 1923, under the United States Cotton Futures Act shall be at the same time the official cotton standards for the purpose of this Act unless and until changed or replaced under this Act. Whenever any standard or change or replacement thereof shall become effective under this Act, it shall also, when so specified in the order of the Secretary of Agriculture, become effective for the purposes of the United States Cotton Futures Act and supersede any inconsistent standard established under said Act. Whenever the official cotton standards of the United States established under this Act shall be represented by practical forms the Department of Agriculture shall furnish copies thereof, upon request, to any person, and the cost thereof, as determined by the Secretary of Agriculture, shall be paid by the person making the request. The Secretary of Agriculture may cause such copies to be certified under the seal of the Department of Agriculture and may attach such conditions to the purchase and use thereof, including provision for the inspection, condemnation, and exchange thereof by duly authorized representatives of the Department of Agriculture, as he may find to be necessary to the proper application of the official cotton standards of the United States. Any moneys received from or in connection with the sale of cotton purchased for the preparation of such copies and condemned as unsuitable for such use or with the sale of such copies may be expended for the purchase of other cotton for such use. (7 U.S.C. 56, 57.)

(b) The Secretary of Agriculture is authorized to effectuate agreements with cotton associations, cotton exchanges, and other cotton organizations in foreign countries, for (1) the

adoption, use, and observance of universal standards of cotton classification, (2) the arbitration or settlement of disputes with respect thereto, and (3) the preparation, distribution, inspection, and protection of the practical forms or copies thereof under such agreements. (7 U.S.C. 57a.)

Sec. 7. That in order to carry out the provisions of this Act, the Secretary of Agriculture is authorized to cause the inspection, including the sampling, of any cotton involved in any transaction or shipment in commerce, wherever such cotton may be found, or of any cotton with respect to which a determination of the true classification is requested under section 4 of this Act. (7 U.S.C. 58.)

Sec. 8. That it shall be unlawful for any person (a) with intent to deceive or defraud, to make, receive, use, or have in his possession any simulate or counterfeit practical form or copy of any standard or part thereof established under this Act; or (b) without the written authority of the Secretary of Agriculture, to make, alter, tamper with, or in any respect change any practical form or copy of any standard established under this Act; or (c) to display or use any such practical form or copy after the Secretary of Agriculture shall have caused it to be condemned. (7 U.S.C. 59.)

Sec. 9. That (a) any person who shall knowingly violate any provision of sections 2 or 8 of this Act, or (b) any person licensed under this Act who, for the purposes of or in connection with any transaction or shipment in commerce, shall knowingly classify cotton improperly, or shall knowingly falsify or forge any certificate of classification, or shall accept money or other consideration, either directly or indirectly, for any neglect or improper performance of duty as such licensee, or (c) any person who shall knowingly influence improperly or attempt to influence improperly any person licensed under this Act in the performance of his duties as such licensee relating to any transaction or shipment in commerce, or (d) any person who shall forcibly assault, resist, impede, or interfere with or influence improperly or attempt to influence improperly any person employed under this Act in the performance of his duties, shall, upon conviction thereof, be deemed guilty of a misdemeanor and shall be fined not exceeding \$1,000, or imprisoned not exceeding six months, or both, in the discretion of the court. (7 U.S.C. 60.)

Sec. 10. That for the purposes of this Act the Secretary of Agriculture shall cause to be promulgated such regulations,

³ Act of Sept. 21, 1944, 58 Stat. 738, redesignated former section as subsection (a) and added subsection (b).

may cause such investigations, tests, demonstrations, and publications to be made, including the investigation and determination of some practical method whereby repeated and unnecessary sampling and classification of cotton may be avoided, and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department agency, or political subdivision thereof, or any person, as he shall find to be necessary. (7 U.S.C. 61.)

Sec. 11. That wherever used in this Act, (a) the word "person" imports the plural or the singular, as the case demands, and includes an individual, a partnership, a corporation, or two or more persons having a joint or common interest; (b) the word "commerce" means commerce between any State or the District of Columbia and any place outside thereof, or between points within the same State or the District of Columbia but through any place outside thereof, or within the District of Columbia; and (c) the word "cotton" means cotton of any variety produced within the continental United States, including linters. When construing and enforcing the provisions of this Act, the act, omission, or failure of any agent, officer, or other person acting for or employed by any person, within the scope of his employment or office, shall in every case be deemed also the act, omission, or failure of such person as well as that of such agent, officer, or other person. (7 U.S.C. 62, 63.)

Sec. 12. That there are hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for carrying out the provisions of this Act; and the Secretary of Agriculture is authorized, within the limits of such appropriations, to appoint, remove, and fix the compensations of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside the district of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this Act in the District of Columbia and elsewhere. (7 U.S.C. 64.)

Sec. 13. That if any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby. (7 U.S.C. 65.)

Sec. 14. That this Act shall become effective on and after August 1, 1923. (7 U.S.C. 51 note.)

JOINT RESOLUTION⁴ To authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States Cotton Standards Act

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture be requested to extend to cotton growers facilities for the classification of cotton authorized in the United States Cotton Standards Act of March 4, 1923 (42 Stat. L. 1517), with such supervision of licensed classifiers as he shall deem necessary under authority of the United States Cotton Futures Act. (7 U.S.C. 51a.)

Sec. 2. Further to carry out the purposes of the said United States Cotton Standards Act the Secretary of Agriculture is authorized to issue to any qualified person, upon presentation of satisfactory evidence of competency, a license to sample cotton. Any such license may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied that such licensee is incompetent or has knowingly or carelessly sampled cotton improperly, or has violated any provision of said Act or the regulations thereunder so far as the same may relate to him, or has used his license, or allowed it to be used, for any improper purpose. The Secretary of Agriculture may prescribe by regulation the conditions under which licenses may be issued hereunder, and may require any licensed sampler to give bond for the faithful performance of his duties and for the protection of persons affected thereby and may prescribe the conditions under which cotton shall be sampled by licensed samplers for the purpose of classification by officers of the Department of Agriculture, or by licensed cotton classifiers. (7 U.S.C. 51b.)

⁴ Joint Resolution approved March 4, 1933, 47 Stat. 1621. Sections 1 and 2 were not enacted as a part of the United States Cotton Standards Act.

CONTRACTS WITH COOPERATIVES; FURNISHING CLASSERS AMOUNT TYPE
OF PAYMENT

That hereafter the Secretary may contract with cooperatives furnishing classers and other facilities for classing cotton and may pay for such services an amount, some part of which may be in kind, not in excess of the value of the samples.⁵ (7 U.S.C. 51a-1.)

⁵ Extract of Act of July 5, 1952, 66 Stat. 349. This provision was enacted as a part of the Department of Agriculture Appropriation Act, 1953, and not as a part of the United States Cotton Standards Act.