

Saturday, August 22, 1936

No. 116

DEPARTMENT OF AGRICULTURE.

Agricultural Adjustment Administration.

PRSO No. 4, Revision 2, Supplement 1 Issued August 20, 1936

[Puerto Rico Sugar Order No. 4, Revision 2, Supplement 1]

ALLOTMENT OF ADDITIONAL QUOTA TO PUERTO RICO

By virtue of the authority vested in the Secretary of Agriculture by Public Resolution No. 109, 74th Congress, approved June 19, 1936, and by Section 8a of the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, W. R. Gregg, Acting Secretary of Agriculture, do hereby make, issue, publish, and give public notice of this order (constituting a supplement to Puerto Rico Sugar Order No. 4, Revision 2), which shall have the force and effect of law and shall continue in force and effect until amended or superseded by orders or regulations hereafter made by the Secretary of Agriculture.

I

Whereas, General Sugar Quota Regulations, Series 3, Revision 2, Supplement 1, establishes for Puerto Rico an additional quota of 19,755 short tons of sugar, raw value, and

Whereas, I hereby find that total surplus stocks in excess of the allotments heretofore issued under Puerto Rico Sugar Order No. 4, Revision 2, amount to 140,552 tons of sugar, raw value, and

Whereas, I hereby find that unless the marketing of sugar from Puerto Rico is regulated, the aforesaid surplus stocks of sugar will be in excess of the additional quota established for Puerto Rico for consumption in continental United States as aforesaid, and of the estimated market demand during the calendar year 1936 for sugar for consumption outside of continental United States.

II

Now, therefore, upon the basis of the foregoing findings and pursuant to the foregoing authority, it is hereby ordered:

1. That the additional quota of 19,755 short tons of sugar, raw value, shall be allotted to the following processors in the amounts which appear opposite their respective names:

Name of Processor:	Additional Marketing Allotment
(1) Aguirre	3,968
(2) Cambalache	536
(3) Canovanas	886
(4) Carmen	233
(5) Coloso	365
(6) Constancia-Toa	1
(7) El Ejemplo	260
(8) Eureka	33
(9) Fajardo	1,604
(10) Guamaní	166
(11) Guanica	3,145
(12) Herminia	
(13) Igualdad	216
(14) Juanita	
(15) Lafayette	655
(16) Plazuela-Los Canos	5
(17) Monserrate	241
(18) Pellejas	
(19) Plata	83
(20) Playa Grande	115
(21) Rochelaise	210
(22) Roig	567
(23) Rufina	911
(24) San Vicente	356
(25) Santa Barbara	81
(26) Soller	42
(27) Vannina	
(28) Victoria	182
(29) Eas. Sugar Associates	3,587
(30) San Francisco	101
(31) Caribe	
(32) Constancia-Ponce	177
(33) Mercedita	425
(34) Boca Chica	604
Total	19,755

2. That during the calendar year 1936 the above named processors are hereby forbidden from importing into continental United States for consumption, or which shall be consumed therein, any sugar from Puerto Rico in excess of the marketing allotments heretofore issued in Puerto Rico Sugar Order No. 4, Revision 2, and the additional marketing allotments set forth in paragraph one hereof.

3. That the additional allotments fixed herein shall not be assigned or transferred without the approval of the Secretary or his duly appointed agent.

4. That where surplus stocks of sugar have been processed from growers' surplus sugarcane, and settlement with growers has been made in terms of sugar, such growers' surplus sugar shall share in the additional allotment herein made to the processor on a pro rata basis.

5. That whenever any person is aggrieved because of any allotment made to him, or to any other person, or because he has received no allotment, or because of any provision herein, he may make application in writing under oath to the Secretary for the adjustment of any allotment, or for the issuance of an allotment, or for the modification of any provision herein, which application is fully set forth as complaint and the facts in support thereof. If upon the basis of such application, the Secretary has reason to believe that the complaint is well-founded, he will give due notice and opportunity for the interested persons to be heard on such application. Upon the basis of the record obtained at such hearing, the Secretary may grant or deny, in whole or in part, said application.

If any provision herein is declared invalid, in whole or in part, the validity of the remaining provisions shall not be affected thereby, and if any provision is declared inapplicable to any person or circumstance, the applicability of such provision to any other person or circumstance shall not be affected thereby.

The Secretary may by designation in writing name any person, including any officer or employee of the government or any bureau, or division in the Department of Agriculture, to act as his agent or agencies in exercising any power herein vested in him.

In testimony whereof, W. R. Gregg, Acting Secretary of Agriculture, has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington, District of Columbia, this 20th day of August 1936.

[SEAL]

W. R. GREGG,
Acting Secretary of Agriculture.

[F. R. Doc. 1866—Filed, August 21, 1936; 11:56 a. m.]

NER—B-3—Supplement (b) Issued August 20, 1936

1936 AGRICULTURAL CONSERVATION PROGRAM—NORTHEAST REGION

BULLETIN NO. 3—SUPPLEMENT (B)

Acreage of Wheat or Rye in 1936 Seeded to Legumes

The paragraph added to Section 22 of Part III of Northeast Region Bulletin No. 3, by Supplement (a) to such bulletin is amended to read as follows:

For the purpose of meeting the conditions of section 4 of Part II of Northeast Region Bulletin No. 1, Revised, as amended, with respect to the minimum acreage of soil-conserving crops and for the purpose of meeting the conditions of the preceding paragraph of this section, with respect to acreage of crop land seeded to soil-conserving crops in 1936, and for no other purpose, one-half of any acreage devoted to wheat or rye, harvested in 1936, which is grown in combination with, or immediately followed by, a biennial or perennial legume or a mixture seeded with at least 40 percent by weight of a biennial or perennial legume shall (notwithstanding the harvesting of wheat or rye from the land in 1936) be regarded as used for the production of a soil-conserving crop in 1936. For all other purposes of the 1936 Agricultural Conservation Program for the Northeast Region (including the determination of the acreage of soil-depleting crops grown in 1936 and the determination of the soil-building allowance) the entire acreage of wheat or rye, so grown in combination with, or imme-

diately followed by, such legumes shall be regarded as used for the production of a soil-depleting crop in 1936.

In testimony whereof, W. R. Gregg, Acting Secretary of Agriculture, has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington, District of Columbia, this 20th day of August 1936.

[SEAL]

W. R. GREGG,
Acting Secretary of Agriculture.

[F. R. Doc. 1865—Filed, August 21, 1936; 11:56 a. m.]

Bureau of Agricultural Economics.

SRA, BAE 152

Issued August 1936

SERVICE AND REGULATORY ANNOUNCEMENTS NO. 152¹

REGULATIONS OF THE SECRETARY OF AGRICULTURE UNDER THE UNITED STATES COTTON FUTURES ACT

[Effective August 20, 1936]

By virtue of the authority vested in the Secretary of Agriculture by the United States Cotton Futures Act of August 11, 1916, as amended March 4, 1919 (U. S. C., Title 26, Secs. 1090-1106); May 31, 1920 (41 Stat. 725); and February 26, 1927 (44 Stat. 1248), I, M. L. Wilson, Acting Secretary of Agriculture, do prescribe, publish, and give public notice of the following regulations, to be in force and effect on and after August 20, 1936, and on that date to supersede the regulations heretofore made by the Secretary of Agriculture under said Act, as amended.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington this 6th day of July 1936.

[SEAL]

M. L. WILSON,
Acting Secretary of Agriculture.

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REGULATION 1—DEFINITIONS

SECTION 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

SEC. 2. As used throughout these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean—

Paragraph 1. *The act.*—The United States cotton futures act, approved August 11, 1916, as amended from time to time.²

Par. 2. *Exchange.*—Exchange, board of trade, or similar institution or place of business, at, on, or in which a section 5 contract may be made.

Par. 3. *Section 5, contract.*—Contract of sale of cotton for future delivery mentioned in the act, made at, on, or in any exchange in compliance with section 5 of the act.

Par. 4. *Person.*—Individual, association, partnership, or corporation.

Par. 5. *Owner.*—Person who owns, controls, or has the disposition of any cotton.

¹Supersedes Service and Regulatory Announcements No. 124 (Agricultural Economics), effective August 20, 1936.

²39 Stat. 476; 40 Stat. 1348, 1351; 41 Stat. 725; 44 Stat. 1248.

Par. 6. *Bureau.*—Bureau of Agricultural Economics of the United States Department of Agriculture.

Par. 7. *Exchange inspection bureau.*—The inspection bureau of the New York Cotton Exchange, the New Orleans Cotton Exchange, the Board of Trade of the city of Chicago, or of any other exchange which may have an organized inspection bureau recognized as such by the chief of the bureau, as the case may be.

Par. 8. *Board of cotton examiners.*—A board of cotton examiners established under the act at any point.

Par. 9. *Appeal board of review examiners.*—The appeal board of review examiners at Washington, D. C.

REGULATION 2—GENERAL

SECTION 1. The inspection, sampling, and classification of cotton pursuant to section 5 of the act as amended shall be performed as prescribed in these regulations. All tenders of cotton and settlements therefor under section 5 contracts shall be made subject to these regulations. No contract shall for the purposes of these regulations be deemed to comply with section 5 of the act as amended if it contain or incorporate therein, by reference or otherwise, any provision of any by-law, rule, or custom of an exchange which is inconsistent or in conflict with any requirement of said section 5, nor if the parties enter into any collateral or additional agreement or understanding, either verbal or written, respecting the subject matter of such contract which is inconsistent or in conflict with any requirement of said section 5.

SEC. 2. Nothing in these regulations shall be construed as relieving any party to a section 5 contract of any obligation imposed upon him, or as depriving him of any right to which he may be entitled, under any provision of the contract or exchange rules made a part thereof which shall not be inconsistent with the act as amended or the regulations made under the act.

SEC. 3. Any amendment to these regulations, unless otherwise stated therein, shall apply to all tenders of cotton and settlements therefor made on and after the effective date of such amendment, under section 5 contracts entered into prior, as well as subsequent, to such effective date.

SEC. 4. Publications under the act and these regulations may be made in service and regulatory announcements of the bureau and by such other means as the chief of the bureau shall from time to time designate for the purpose.

SEC. 5. As far as applicable, these regulations shall have the same force and effect for the purposes of section 6A as for the purposes of section 5 of the act.

REGULATION 3—ADMINISTRATION

SECTION 1. The chief of the bureau is charged with the supervision on behalf of the United States Department of Agriculture of the performance of all duties arising in the administration of the United States cotton futures act.

SEC. 2. There shall be maintained at New Orleans, La.; Houston, and Galveston, Texas; Mobile, Ala.; Savannah, Ga.; Charleston, S. C., and when necessary in the opinion of the chief of the bureau, at other points designated for the purpose, boards of cotton examiners. The members of such boards and the chairman of each shall be designated for the purpose by the chief of the bureau. The appeal board of review examiners established at Washington, D. C., is authorized to review the classification of any cotton in accordance with regulation 10 of these regulations. A board of supervising cotton examiners shall perform duties as assigned.

SEC. 3. The chief of the bureau whenever he deems necessary may designate an official or employee of the Department of Agriculture as supervisor of cotton inspection, who shall supervise the inspection and sampling, and the preparation of samples of cotton, for classification by a board of cotton examiners, and perform such other duties as may be required of him, for the purposes of these regulations. The chairman of the board of cotton examiners may employ temporary assistants for such period as the volume of the work may require and designate them as deputy supervisors, with full authority to perform the duties of

supervisor of cotton inspection, in accordance with sections 3 and 5 of regulation 11.

Sec. 4. Subject to these regulations and the instructions of the chief of the bureau, the chairman of each board of cotton examiners shall be responsible for the proper performance of the duties imposed on such board and on the persons connected therewith.

REGULATION 4—CLASSIFICATION REQUESTS

SECTION 1. For each lot or mark of cotton of which the applicant desires separate classification and certification he shall make a separate written request in a form prescribed or supplied by the bureau for that purpose.

Sec. 2. Such classification request shall include the name of the exchange under the rules of which it is contemplated that delivery of such cotton may be made; and the lot number, if any, the marks, the number of bales, the location, the name of the owner of the cotton for whose account the classification is requested, and where necessary other information, under oath or otherwise, may be required by the chief of the bureau or the chairman of the board of cotton examiners. The form in which such additional information shall be furnished may be prescribed by the chief of the bureau or the chairman of the board of cotton examiners. The classification request shall be signed by the owner, or in his behalf by his agent. Such agent may, if authorized for the purpose, be the inspector in chief of the exchange inspection bureau by or under the direction of which the cotton is inspected and sampled.

Sec. 3. If there is a board of cotton examiners at the point at which it is contemplated that delivery of the cotton shall be made, such classification request, unless otherwise directed by the chief of the bureau, shall be filed with the chairman of the board of cotton examiners at such point. If there is no board of cotton examiners at the point of contemplated delivery, the request shall be filed with the supervisor of cotton inspection at such point. It shall be so filed within one year after the date upon which the samples were drawn from the cotton involved and before the classification of such cotton.

Sec. 4. Any classification request may be withdrawn by the applicant at any time before the classification of the cotton covered thereby, subject to the payment of such fees, if any, as may be prescribed pursuant to regulation 12. Any classification request may be rejected for noncompliance with the act or these regulations.

REGULATION 5—INSPECTION AND SAMPLES

SECTION 1. The inspection and sampling and the preparation of samples of cotton of which classification is desired shall be by or under the direction of an exchange inspection bureau and subject to the supervision and in accordance with the instructions of a supervisor of cotton inspection or a cotton examiner whose duties include such supervision.

Sec. 2. The owner of the cotton shall cause it to be made available to such supervisor or cotton examiner for such examination as may be necessary for the purposes of its classification, and shall take such steps as may be necessary to secure its proper inspection and sampling and the proper preparation and delivery of representative samples thereof at the place designated therefor, in accordance with these regulations, without expense to the Department of Agriculture.

Sec. 3. No person shall, after notice to the interested parties, be employed in any way in connection with any phase of the inspection and sampling of cotton, or the preparation of the samples thereof, for the purposes of classification under these regulations, who for good cause is disapproved by the chief of the bureau.

Sec. 4. No cotton covered by a classification request filed as provided in these regulations shall be rejected by any person other than a cotton examiner, on account of grade or staple or otherwise, unless the request for the classification of the cotton so rejected shall be withdrawn by the person by whom it was made.

Sec. 5. One sample shall be drawn from the top side of each bale and one from the bottom side. Each such sample shall weigh not less than 5 ounces, the two samples from each bale

to weigh together not less than 10 ounces. The head of the bale shall be properly inspected, and any conditions not fully indicated by the samples shall be specified by the inspector or the sampler of the cotton in a written memorandum, which shall accompany the samples to the board of cotton examiners.

Sec. 6. The samples from each bale shall be prepared as specified in this section. The sample from the top side and the sample from the bottom side shall each be broken into two parts. One part of the sample from the top side shall be placed with a part of the sample from the bottom side, making two sets of samples from each bale. One of such sets shall weigh as nearly as possible 6 ounces, equally divided between the two parts thereof representing the two sides of the bale. There shall be placed in each such set of samples between the two sides thereof a coupon showing the number of the tag attached to the bale from which such samples were drawn. The 6-ounce set of samples from each bale shall be called the original and the other set the duplicate.

Sec. 7. The original sets of samples of the bales constituting a lot or mark to be classified separately shall be inclosed in one or more wrappers or containers, as the case may require. The wrappers or containers of original samples shall be so labeled or marked, or both, as to show that they contain original samples, together with the lot number, if any, the marks, and the number of bales, and such other information as may be necessary in accordance with the instructions of the chairman of the board to which the samples are to be delivered or the chief of the bureau.

Sec. 8. The duplicate sets of samples shall be inclosed in wrappers or containers separate and apart from the original sets in the manner prescribed for original samples in the foregoing section, except that the wrappers or containers shall be labeled or marked, or both, so as to show that they contain duplicate samples, and shall be delivered to the person requesting the classification of the cotton.

Sec. 9. The original sample from each such bale shall be delivered to the board of cotton examiners with which the classification request was filed, at its classification room, or shall be delivered at such other place as may be designated for the purpose by the chairman of the board or the chief of the bureau. No samples covered by pending classification requests which are ready for delivery as provided herein shall be withheld from such delivery except as authorized in writing by such chairman or the chief of the bureau. Each such original sample shall be considered representative of the bale for a period not exceeding two years from the date of the issuance of a cotton class certificate therefor under regulation 7.

Sec. 10. In addition to the samples hereinbefore prescribed separate samples, if desired, may be drawn and furnished to the owner of the cotton.

Sec. 11. All persons in any way connected with the inspection and sampling and handling of samples of cotton for the purpose of classification pursuant to these regulations shall carefully handle them in such manner as not to cause loss of sand therefrom or any change otherwise in their representative character.

Sec. 12. Any sample or set of samples which does not meet the requirements of these regulations or which does not correctly represent the bale or bales from which drawn may be rejected by a supervisor of cotton inspection or a cotton examiner whose duties include the supervision or examination of such cotton. Whenever the supervisor of cotton inspection or the chairman of the board shall find it necessary in order to determine the true classification of any bale, such bale shall be reinspected and, if necessary, resampled, and the new samples shall be delivered at the place designated therefor in accordance with these regulations.

Sec. 13. The original samples may be removed by the holder of the cotton class certificate covering the same at any time within two weeks (a) after such certificate becomes invalid as provided in section 8 of regulation 7, or (b) after two years from the date of the issuance of the cotton class certificate therefor under regulation 7, or (c) after the certificate has been surrendered for cancellation without the issuance of a new certificate in lieu thereof: *Provided*, That the chairman

of the board may for good cause permit the removal of samples in accordance with this section without the surrender of the certificate for cancellation. If the cotton covered by such certificate is classified as untenderable, the holder shall be allowed only two weeks from the date of the certificate within which to remove the samples; and in cases where part of a lot of cotton represented by one cotton class certificate is removed from the certified stock of any market and the bales so removed are canceled from such certificate at the request of the holder thereof in accordance with section 4 of regulation 7, the request for the return of samples of the bales so canceled shall be made within two weeks of the date of such cancellation, in which case notice shall be given to the person making the request of the time when the samples are ready for removal and they shall be actually removed within two business days following such notification.

SEC. 14. In case a classification request shall be withdrawn prior to the classification of the cotton pursuant thereto, the applicant may, within two weeks after the date of such withdrawal, remove any samples of the cotton involved then in the possession of the Department of Agriculture.

SEC. 15. Samples not removed in accordance with this regulation shall be disposed of in accordance with section 7 of regulation 12.

REGULATION 6—CLASSIFICATION

SECTION 1. For the purposes of section 5 of the act the classification of any cotton shall be determined only by cotton examiners designated as such by the chief of the bureau.

SEC. 2. All cotton for which classification requests shall be pending shall be classified as far as practicable in the order in which proper samples thereof, ready for such classification, shall have been delivered to the board of cotton examiners whose duties include the examination thereof, except as otherwise provided in these regulations or when the chairman of the board or the chief of the bureau shall find that an emergency exists and shall order otherwise.

SEC. 3. Such classification shall not proceed until the samples, after being delivered to the board, shall have been exposed for such length of time as in the judgment of the chairman shall be sufficient to put them in proper condition for the purpose.

SEC. 4. Such classification shall proceed as rapidly as possible, but not when light or other conditions make uncertain the accuracy of the results to be obtained.

SEC. 5. In case a sample drawn from one portion of a bale is lower in class than one drawn from another portion of such bale, except as otherwise provided in these regulations, the classification of the bale shall be that of the sample showing the lower class.

SEC. 6. All cotton whether tenderable or untenderable shall be classified on the basis of the official cotton standards of the United States in effect at the time of such classification: *Provided however*, That it shall be deemed a sufficient compliance with this section if cotton of tenderable length of staple shall be classified in steps of sixteenths of an inch.

SEC. 7. If cotton be reduced in value, by reason of the presence of extraneous matter of any character or irregularities or defects below its grade or below its apparent length of staple according to the official cotton standards of the United States, the grade or length of staple from which it is so reduced, and the grade or length of staple to which it is so reduced, and the quality or condition which so reduces its value, shall be determined and stated.

SEC. 8. For the purposes of classification the following terms shall be construed, respectively, to mean—

(a) *Cotton of perished staple.*—Cotton that has had the strength of fiber as ordinarily found in cotton destroyed or unduly reduced through exposure to the weather either before picking or after baling, or through heating by fire, or on account of water packing, or by other causes.

(b) *Cotton of immature staple.*—Cotton that has been picked and baled before the fiber has reached a normal state of maturity, resulting in a weakened staple of inferior value.

(c) *Gin cut cotton.*—Cotton that shows damage in ginning, through cutting by the saws, to an extent that reduces its value more than two grades.

(d) *Reginned cotton.*—Cotton that has passed through the ginning process more than once, and cotton that, after having been ginned, has been subjected to a cleaning process and then baled.

(e) *Repacked cotton.*—Cotton that is composed of factors' brokers', or other samples, or of loose or miscellaneous lots collected and rebaled, or cotton in a bale which is composed of a part of a larger bale or two or more smaller bales or parts of bales.

(f) *False packed cotton.*—Cotton in a bale (1) containing substances entirely foreign to cotton, (2) containing damaged cotton in the interior with or without any indication of such damage upon the exterior, (3) composed of good cotton upon the exterior and decidedly inferior cotton in the interior, in such manner as not to be detected by customary examination, or (4) containing pickings or linters worked into the bale.

(g) *Mixed packed cotton.*—Cotton in a bale which, in the samples drawn therefrom (1) shows a difference of two grades or more, if of the same color; (2) if of the same grade but of different color, shows a difference of more than two color gradations; or (3) shows a difference of two or more grades and two or more color gradations; or (4) shows a difference in length of staple exceeding $\frac{1}{2}$ of an inch.

(h) *Water packed cotton.*—Cotton in a bale that has been penetrated by water during the baling process, causing damage to the fiber, or a bale that through exposure to the weather or by other means, while apparently dry on the exterior, has been damaged by water in the interior.

REGULATION 7—COTTON CLASS CERTIFICATES

SECTION 1. As soon as practicable after the classification of cotton has been completed by a board of cotton examiners it shall issue cotton class certificates showing the results of such classification. Each certificate shall bear the date of its issuance and shall be signed by the chairman of the board that classified the cotton. The certificate shall show the identification of the cotton according to the information in the possession of the board, the classification of the cotton according to its grade and length of staple, and such other facts as the chief of the bureau shall require.

SEC. 2. Paragraph 1.—For any cotton classified by the board as tenderable on a section 5 contract it shall issue separate certificates. Such certificates shall show only cotton classified according to the grades specified in this section which is seven-eighths of an inch or more in length of staple:

Extra White

- No. 3, Extra White, or Good Middling Extra White.
- No. 4, Extra White, or Strict Middling Extra White.
- No. 5, Extra White, or Middling Extra White.
- No. 6, Extra White, or Strict Low Middling Extra White.
- No. 7, Extra White, or Low Middling Extra White.

White

- No. 1 or Middling Fair.
- No. 2 or Strict Good Middling.
- No. 3 or Good Middling.
- No. 4 or Strict Middling.
- No. 5 or Middling.
- No. 6 or Strict Low Middling.
- No. 7 or Low Middling.

Tinged

- No. 3, Tinged, or Good Middling Tinged.
- No. 4, Tinged, or Strict Middling Tinged.

Yellow Stained

- No. 3, Yellow Stained, or Good Middling Yellow Stained.

Spotted

- No. 3, Spotted, or Good Middling Spotted.
- No. 4, Spotted, or Strict Middling Spotted.
- No. 5, Spotted, or Middling Spotted.

Gray

- No. 3, Gray, or Good Middling Gray.
No. 4, Gray, or Strict Middling Gray.

Par. 2.—The foregoing provisions of this section shall in no case be construed to require the certification as tenderable of any bale classified as of one of the grades of spotted or gray cotton, which such grade is officially determined at the time of certification to be below the value of white cotton of the grade of low middling.

Sec. 3. For cotton classified by the board as untenderable on a section 5 contract it shall issue separate certificates which shall show only cotton classified according to the grades specified in this section, or which is less than seven-eighths of an inch in length of staple, or which is otherwise declared to be undeliverable by the fifth subdivision of section 5 of the act:

Extra White

- No. 8, Extra White, or Strict Good Ordinary Extra White.
No. 9, Extra White, or Good Ordinary Extra White.

White

- No. 8, or Strict Good Ordinary.
No. 9, or Good Ordinary.

Tinged

- No. 5, Tinged, or Middling Tinged.
No. 6, Tinged, or Strict Low Middling Tinged.
No. 7, Tinged, or Low Middling Tinged.

Yellow Stained

- No. 4, Yellow Stained, or Strict Middling Yellow Stained.
No. 5, Yellow Stained, or Middling Yellow Stained.

Spotted

- No. 6, Spotted, or Strict Low Middling Spotted.
No. 7, Spotted, or Low Middling Spotted.

Gray

- No. 5, Gray, or Middling Gray.

Sec. 4. Upon the written request of the holder of a cotton class certificate issued under these regulations a new certificate shall be issued, without the reclassification of the cotton, to take the place of the former certificate for any cotton covered thereby, when necessary on account of the breaking or splitting of a lot or otherwise for the business convenience of such holder: *Provided*, That in any case where a part of a lot of cotton represented by any one cotton class certificate is removed from the certificated stock of any market the chairman of the board of cotton examiners may, upon request, cancel from said certificate the bales so removed. In any case where a new certificate is requested in accordance with this section, the former certificate shall be surrendered for cancellation, and such new certificate shall bear a new number and the date of its issuance and the date of original certification and shall otherwise comply with these regulations.

Sec. 5. Upon the written request of the last holder of a valid cotton class certificate and a showing to the satisfaction of the chairman of the board of cotton examiners which issued such certificate that it has been lost or destroyed, and, if lost, that diligent effort has been made to find it without success, a new certificate shall be issued without the reclassification of the cotton. Such new certificate shall bear the same number and date of issuance as the lost or destroyed certificate, and shall include a statement to the effect that it is a duplicate issued in lieu of the lost or destroyed original, as the case may be.

Sec. 6. For good cause any certificate issued under these regulations shall be surrendered to the chairman of the board of cotton examiners which issued it, upon his request or upon the request of the chief of the bureau, and a new certificate complying with these regulations may be issued in substitution therefor. If such certificate be not surrendered upon such request it shall nevertheless be invalid for the purposes of section 5 of the act and these regulations.

Sec. 7. Each cotton class certificate for cotton classified as tenderable shall be valid for use in the tender of such cotton on a section 5 contract made in accordance with the act and these regulations and the rules of an exchange not inconsistent therewith.

Sec. 8. Any cotton class certificate shall become invalid for use in the tender or delivery of the cotton covered thereby on a section 5 contract whenever such cotton shall be removed from the place of storage specified therein, except when it is handled and re-stored or transferred to a different place of storage under the supervision of the same exchange inspection bureau, or except as provided in regulation 11.

Sec. 9. No cotton submitted for classification under section 5 of the act shall be located or stored at a place disapproved for the purpose by the chairman of board of cotton examiners or the chief of the bureau on account of being unsuitable for the safekeeping or proper storage of such cotton, or on account of the failure or refusal of the custodian thereof to comply or to permit compliance with the requirements of these regulations so far as he may be involved therein. Notice of such disapproval shall be given in such manner as the chief of the bureau may direct. Thereafter every cotton class certificate, if any, previously issued for cotton located or stored at such place shall be invalid for the delivery of such cotton on a section 5 contract, unless the cotton shall be removed under the supervision of the exchange inspection bureau, or a representative of the Department of Agriculture designated for the purpose by the chairman of the board of cotton examiners or the chief of the bureau, to a place which shall be suitable for the purpose. Upon such removal and the request of the holder of the cotton class certificate for such cotton, a new certificate in lieu thereof, as provided elsewhere in these regulations, shall be issued to him.

Sec. 10. The exchange inspection bureau under the supervision or control of which any cotton classified pursuant to these regulations shall be held or stored shall furnish to the board of cotton examiners which classified such cotton, on the first business day of each week, a written statement of all cotton withdrawn from storage, or the lot number or other identification of which has been changed, or which has otherwise been removed from the supervision or control of such exchange inspection bureau during the next preceding week. Such statement shall show each lot number, and, if changed, the new lot number, and in case of the withdrawal or removal of a portion only of the lot, the tag numbers of the bales so withdrawn or removed. If such removal shall be to a different place of storage under the supervision or control of the exchange inspection bureau, the statement shall show the new location.

Sec. 11. Subject to the provisions of regulation 8 and section 5 of regulation 10, no cotton shall be tendered or delivered on a section 5 contract unless on or prior to the date fixed for delivery under such contract, and in advance of final settlement of the contract the person making the tender shall furnish to the person receiving the same a valid outstanding cotton class certificate complying with these regulations, showing such cotton to be tenderable on a section 5 contract.

Sec. 12. Whenever any exchange shall put into effect a system of handling cotton and samples thereof, approved for the purpose by the chief of the bureau, under which a board of cotton examiners may place its certificate of classification directly on the storage or press receipt covering and properly identifying the cotton involved, the board of cotton examiners may proceed in accordance with such system and need not use the separate cotton class certificates otherwise required by these regulations.

Sec. 13. Upon the request of the holder of a valid Form C certificate or of a transfer certificate issued in accordance with the United States cotton standards act and the regulations of the Secretary thereunder, and the surrender for cancellation of such certificate to the chairman of a board of cotton examiners, there shall be issued in its stead a cotton class certificate or certificates in proper form for use under this act and these regulations. If the classification

represented in such Form C certificate shall have been reviewed, such review shall be shown on the cotton class certificate; otherwise the classification shown on the cotton class certificate shall be subject to review as provided in these regulations. The issuance of cotton class certificates under this act and these regulations upon the surrender of transfer certificates issued under the United States cotton standards act shall conform in all respects to the provisions of regulation 11. Transfer certificates issued under the United States cotton standards act may be validated for use in the delivery of cotton as provided in section 6 of regulation 11.

REGULATION 8—DELAYED CERTIFICATION

SECTION 1. If upon the date fixed for delivery in accordance with section 5 of the act cotton class certificates shall not have been issued by a board of cotton examiners for cotton to be delivered pursuant to such notice, samples of which cotton shall have been in the custody of the board for the time hereinafter prescribed, the delivery of such cotton may be made upon compliance with and subject to the conditions specified in this regulation. This regulation shall not apply to cotton upon which a review is pending.

SEC. 2. On the date of giving the transferable notice of the delivery in accordance with section 5 of the act the person issuing such notice or the person on whose behalf it was issued shall also give written notice to the board or officer with whom the classification request was required to be filed, specifying the date of delivery and the number of bales so to be delivered which have not been certified. In such notice, or later in writing before the delivery of the samples to the board, he shall specify the lot numbers of the cotton so to be delivered.

SEC. 3. Such cotton must have been duly inspected and sampled, and the original samples thereof properly prepared in accordance with these regulations must have been delivered to the board not later than the date of the issuance of the transferable notice, except when the delivery day fixed by such transferable notice is the last delivery day in the month of delivery. In such case the cotton must have been duly inspected and sampled, and the original samples thereof properly prepared in accordance with these regulations must have been delivered to the board in accordance with all regulations applicable and in readiness for classification not later than 8 p. m. of the second business day preceding such last delivery day.

SEC. 4. If on the morning of the delivery day specified in the transferable notice the cotton class certificates covering the cotton involved are not ready for delivery when called for, the tenderer of the cotton shall present to the chairman of the board of cotton examiners, or to his representative authorized for the purpose, a written notice stating to the best of his knowledge and belief the true grade of each individual bale to be delivered, properly identifying each bale with its grade. If the foregoing requirements of this regulation shall have been complied with, the chairman of the board, or his duly authorized representative, shall cause to be written or stamped on such notice a statement validating it for use in the tender only on such delivery day of the cotton covered thereby pending the issuance of cotton class certificates in accordance with these regulations. The tenderer shall on such delivery day deliver such notice to the receiver of the cotton, together with the warehouse receipts and such other papers as may be necessary to the delivery of the cotton on such day.

SEC. 5. The person making the tender shall deliver the cotton class certificates therefor to the receiver of the cotton before the close of business hours on the date of the issuance thereof, if delivered to such tenderer before 11 o'clock a. m. on that day. If the cotton class certificates be delivered to him after 11 o'clock a. m. on that day, the tenderer shall in turn deliver them to the receiver before 11 o'clock a. m. on the next following business day. There shall be no right of replacement of bales shown by such certificates to be untenderable.

REGULATION 9—POSTPONED CLASSIFICATION

SECTION 1. If the applicant desires the postponement of the classification of any cotton covered by a classification

request filed pursuant to these regulations until later notice, the original classification request must so state, or the applicant must so advise the board in writing before the classification has been entered upon. Such request must show cause and that it is not made merely for dilatory reasons.

SEC. 2. If thereafter the classification of the cotton be desired, notice thereof must be filed not later than the expiration of one year after the date upon which the samples were drawn from the cotton, and the original samples must have remained continuously in the possession of the board or under its control.

SEC. 3. Classification pursuant to such suspended request shall not be allowed to interfere with or delay the classification of other samples previously made ready for classification or which are otherwise entitled to priority.

SEC. 4. If the period of one year hereinbefore specified shall expire without the filing of the notice of desire for classification, the applicant shall be deemed to have withdrawn the original request for the classification of such cotton.

REGULATION 10—REVIEWS

SECTION 1. One review only of the classification of cotton covered by any cotton class certificate may be obtained as provided in this regulation, such review to be performed by the appeal board of review examiners.

SEC. 2. The person for whom the classification of any cotton shall have been performed under these regulations may have a review of the classification of the cotton covered by any certificate by filing written application therefor before the delivery of such cotton on a section 5 contract and not later than the expiration of the seventh calendar day following the date of the first certification of the cotton involved: *Provided*, That if such seventh calendar day shall be a Sunday or a holiday, application for review may be filed during the forenoon of the next following business day.

SEC. 3. Any receiver of cotton upon a section 5 contract may have a review of the classification of any such cotton of which the classification has not been previously reviewed by filing a written application within seven calendar days following the date of the delivery of cotton class certificates to him in accordance with these regulations. When more than 5,000 bales of cotton shall have been delivered to the same receiver on the same date of delivery and at the same point of delivery, he may, upon proper showing of the facts, be allowed five additional calendar days for filing his application for the review of the classification of any such cotton at such point of delivery, provided written request for such extension is filed within seven calendar days following the date of such delivery. In the event of the reissue of certificates to replace any such certificates delivered to him, the receiver may have a review of the classification of the cotton covered by such reissued certificates, provided such review is requested within the time herein prescribed. Every application for review shall be submitted in duplicate on a form furnished or approved by the bureau; shall specify the name and address of the party, if any, from whom the cotton was received on a section 5 contract; shall include the lot numbers, if any, and the marks; and a copy of such application shall be mailed by the chairman of the board to the other party at interest. In any case provided for in this section wherein the last calendar day falls on a Sunday or a holiday the application for review may be filed during the forenoon of the next following business day.

SEC. 4. The written application for a review shall be filed with the board, or, in the absence of a board, with the supervisor of inspection at the point where the cotton was or may be delivered in settlement of a contract under the Act and these regulations. Such written application for review shall in each case be in the hands of such board or supervisor within the time specified for applying for review: *Provided*, That any board of cotton examiners may designate an officer of the bureau located at another point to receive applications for review, and to certificate the results of the reviews requested therein, and in such cases the applications for review shall be in the hands of the officer so designated within the time herein specified for applying for review. Any person applying for a review shall, upon call of the chairman of the

board or the supervisor of inspection with whom such application was filed, surrender the cotton class certificate or certificates covering the cotton involved.

SEC. 5. In any case where an application for review has been filed with respect to cotton previously classified as tenderable, such review may be completed notwithstanding the subsequent tender of such cotton on a section 5 contract. Pending the completion of such review, the cotton class certificates or written notice evidencing the grade of the cotton involved shall be marked or stamped by the chairman of the board of cotton examiners to show that such review is pending.

SEC. 6. Any application for review may be dismissed whenever it shall be found by the chairman of the board or the chief of the bureau that it was filed without good cause or for dilatory purposes.

SEC. 7. Unless the use of new samples shall be necessary in the judgment of the chairman of the board, a review pursuant to this regulation shall be made by reference to the samples (if any) of the cotton involved in the possession of the board, but if a review is requested after two years from the date of original certification of the cotton involved, the person requesting such review shall cause new samples to be drawn for the purpose and submitted to such board in accordance with these regulations.

SEC. 8. The classification of any bale shown by the original cotton class certificate shall be changed only when it shall appear upon the review that such classification was clearly erroneous.

SEC. 9. If the classification of all the cotton as shown by the cotton class certificate be found to be correct, there shall be placed upon the certificate a notation, which shall be signed by the chairman of the board and dated, to the effect that the classification of the cotton covered by such certificate has been reviewed and determined to be as stated in such certificate. Thereupon the certificate shall be returned to the person who requested the review.

SEC. 10. If the classification of any bale of cotton as shown by the cotton class certificate shall be changed, such certificate shall be canceled and there shall be issued in lieu thereof a new certificate showing the classification of each bale as determined upon such review. *Provided, however,* That if the certificate of classification is placed upon the warehouse receipt it shall be sufficient to enter upon the receipt a statement that the classification has been reviewed, the date of review, and the classification given the bale upon such review. If a new certificate is issued there shall be incorporated in it a statement to the effect that the classification of the cotton covered thereby has been reviewed and determined to be as stated in such certificate. Such certificate shall bear a new number and the date of its issuance, and shall be delivered to the person who requested the review.

SEC. 11. If the determination of a review granted to a receiver of cotton tendered upon a section 5 contract shows cotton previously classed as tenderable to be actually untenderable, the tenderer shall replace the cotton so found to be untenderable. Such replacement shall be made not later than the expiration of the fifth business day following the date of the issuance of the review certificate, by delivering to the receiver other cotton shown to be tenderable by cotton class certificates complying with these regulations, which certificates he shall deliver to the receiver.

SEC. 12. Any application for review may be withdrawn by the applicant at any time before the review classification of the cotton covered thereby has been completed, subject to the payment of such fees, if any, as may be assessed pursuant to regulation 12.

REGULATION 11—SUPERVISION OF TRANSFERS OF COTTON

SECTION 1. Whenever the owner of any cotton inspected and sampled for classification pursuant to these regulations, or for which he holds valid cotton class certificates, desires to transfer such cotton to a different place for the purpose of having it made available for delivery upon a section 5

contract at the place to which it is to be removed, the procedure shall be as outlined in this regulation. Conformity to this procedure shall not be necessary in the case of the transfer of cotton between different warehouses at the same place when such transfer is effected under the supervision of the exchange inspection bureau, or a representative of the bureau authorized for that purpose at such place. In such cases the exchange inspection bureau shall report the facts to the board of cotton examiners, in accordance with section 10 of regulation 7. For the purpose of this regulation, Houston and Galveston, Texas, shall be regarded as one place.

SEC. 2. The person who made the request for classification or the holder of the cotton class certificate therefor shall file with the chairman of the board of cotton examiners with which the classification request was filed, or which issued the certificate, or, in case there be no board of cotton examiners at the point where the cotton is situated, with the supervisor of cotton inspection, a written request for the supervision of such transfer. Such request shall be in such form as the chief of the bureau shall prescribe. It shall properly identify the cotton and shall state the respective locations from and to which the cotton is to be transferred. If the cotton class certificate for such cotton has previously been issued by the board, the holder thereof shall surrender such certificate to the board or to the supervisor of cotton inspection, as the case may be, for cancellation before such transfer shall take place. No single request for supervision of transfer shall cover both cotton of which the classification has been reviewed and that of which the classification has not been reviewed; nor shall the same request cover both tenderable and untenderable cotton; and no single transfer lot shall include more than 50 bales.

SEC. 3. As soon as practicable after the filing of the request the chairman of the board of cotton examiners shall assign to it a transfer number. The owner of the cotton shall thereupon have such number legibly branded upon all bales covered by such transfer request. As soon as practicable thereafter the person filing such request shall make the cotton available to a supervisor or deputy supervisor of cotton inspection or a cotton examiner, who shall examine each bale of cotton covered by the transfer request, and shall attach to it, if found to be properly branded, a durable tag or seal provided for the purpose by the bureau. Such tag or seal shall remain the property of the United States after being so attached while the bale is under the supervision of the Department of Agriculture. No person, unless authorized by the bureau, shall remove or in any way tamper with such attached tag or seal or shall otherwise interfere with any person employed under the act in the performance of his duties, while the cotton is under supervision of the bureau.

SEC. 4. Thereupon there shall be issued to the person requesting the same a transfer certificate in form prescribed for the purpose by the chief of the bureau, properly identifying the cotton according to such tags or seals, and the other means of identification in the possession of the bureau, showing the respective locations from which and to which the cotton is to be transferred, the classification of the cotton as previously determined, and whether or not such classification has been reviewed.

SEC. 5. When the cotton shall have been delivered for storage at the place of its destination and the transfer certificate shall have been surrendered to the chairman of the board at such place or to such other official as the chief of the bureau shall designate for the purpose, a supervisor or deputy supervisor of cotton inspection or a cotton examiner, or other representative of the bureau authorized for the purpose, shall examine each bale of cotton covered by such transfer certificate. If he finds that the entire lot of cotton represented by the transfer certificate has been preserved unbroken and that the identity of the bales has been properly preserved, there shall be issued to the person requesting the same a cotton class certificate or certificates complying with these regulations, valid for use at such destination without the reclassification of the cotton; except that whenever the exchange at the point of destination shall have put into

effect a system of handling cotton and samples thereof approved for the purpose by the chief of the bureau, under which a board of cotton examiners may place its certificate of classification directly on the storage or press receipt covering and properly identifying the cotton involved, the preservation unbroken of the entire lot represented by the transfer certificate shall not be required.

Sec. 6. If on the morning of the delivery day specified in the transferable notice a supervisor of cotton inspection at the point to which the cotton has been transferred shall have determined the identity of the cotton to have been properly preserved but a new cotton class certificate has not been issued in lieu of the transfer certificate, the chairman of the board of cotton examiners at such point shall cause to be placed upon the face of the transfer certificate a statement validating such transfer certificate for use in the tender only on such delivery day of the cotton covered thereby, and shall return the same to the owner of the cotton. Upon demand of the chairman of the board of cotton examiners a holder of such validated transfer certificate shall surrender the same, and the chairman of the board of cotton examiners shall issue as soon as practicable thereafter a cotton class certificate or certificates in its stead.

Sec. 7. Supervision of transfers in accordance with this regulation shall not be granted, nor shall any certificate be issued with respect to any bale which is found to be in such condition that its classification is different from that shown by the cotton class certificate, unless such bale shall be re-inspected and, if necessary, reclassified in accordance with these regulations.

REGULATION 12—COSTS OF CLASSIFICATION AND CERTIFICATION

SECTION 1. For the classification and certification of cotton pursuant to these regulations, except as otherwise hereinafter provided, whether such cotton be tenderable or not, the person requesting the classification shall pay a fee of 25 cents per bale.

Sec. 2. *Paragraph 1.*—For each new certificate issued in substitution for a prior certificate at the request of the holder thereof, on account of the breaking or splitting of a lot of cotton covered thereby or otherwise for his business convenience, without the reclassification of the cotton involved, the person requesting such substitution shall pay a fee of 25 cents. For the transfer at the request of the holder thereof of the certificate on a single-bale warehouse receipt to another single-bale warehouse receipt, when made necessary by the transfer of the cotton from one place of storage to another under the supervision of an exchange inspection bureau, as provided in section 10 of regulation 7, the person making the request shall pay a fee of 15 cents for each bale of cotton involved to cover the cost of such service and the handling of samples incident thereto. In cases where part of a lot of cotton represented by any one cotton class certificate is removed from the certificated stock of any market and the bales so removed are canceled from such certificate at the request of the holder thereof, in accordance with section 4 of regulation 7, no charge shall be made for such cancellation unless the holder requests the return of the official samples representing the bales so canceled, in which event a service charge of 10 cents will be assessed for each bale involved. Any request for the return of samples must be made within two weeks of the date of such cancellation.

Par. 2.—When any cotton covered by multiple-bale certificates is removed from one place of storage to another under the supervision or control of an exchange inspection bureau, a notation of the change of the place of storage may be entered on the certificates for a service charge of 5 cents for each certificate involved.

Sec. 3. For the review of the classification of any cotton the fee shall be 30 cents per bale, which shall cover the review and the expense incident to forwarding and returning samples or other additional expense connected therewith, whether the review classification is performed at Washington, D. C., or by a committee of such appeal board functioning temporarily in the field.

Sec. 4. No fee shall be collected for a new cotton class certificate issued in lieu of a prior certificate solely for the purpose of correcting clerical errors therein or for the purpose of substituting a new form applicable to outstanding certificates, or without an application therefor.

Sec. 5. For the supervision of the transfer of cotton in accordance with regulation 11, including such new certificates incidental thereto as may be necessary for the delivery of such cotton upon a section 5 contract without its reclassification, the applicant for such transfer supervision shall pay a fee of 30 cents per bale.

Sec. 6. When the request for classification or the application for the review of the classification of any cotton shall be withdrawn after the classification of such cotton has been started pursuant to such request or application, the person making such request or application shall pay the fee prescribed by section 1 or 3 of this regulation as to any cotton classified prior to such withdrawal.

Sec. 7. Samples not removed in accordance with these regulations and loose cotton separated from the samples in the handling and classification thereof by a board shall become the property of the Department of Agriculture. Such cotton shall be disposed of in the manner prescribed for other property by the property regulations of the Department of Agriculture, but the proceeds thereof shall be deemed to be part of the costs of classification pursuant to these regulations. Such proceeds shall be deposited with other moneys received in payment of costs to the credit of the fund provided by the seventh subdivision of section 5 of the act.

Sec. 8. Whenever, in order to issue any cotton class certificate or to validate a tenderer's written notice of grade in time to permit of its use in consummating the delivery on a fixed day of the cotton covered thereby, the person who requested the classification or the person on whose behalf such request was made shall also request the transmission by telegraph, telephone, or radio of information concerning the classification of such cotton, the person making the request for the classification shall pay in addition to the costs hereinbefore prescribed the sum of 5 cents a bale in liquidation of the cost of tolls so incurred.

Sec. 9. When the inspection and sampling or the supervision of the transfer of any cotton shall be performed at a place other than that where a board of cotton examiners or supervisor of cotton inspection is regularly located, the person making the request for the classification or the supervision of the transfer of the cotton shall pay, in addition to the costs hereinbefore prescribed, the necessary traveling expenses and subsistence, or per diem in lieu of subsistence, incurred on account of such request, in accordance with the fiscal regulations of the Department of Agriculture, by the persons employed by the Department of Agriculture to supervise such inspection and sampling or transfer.

Sec. 10. The expense of inspection and sampling, the preparation of the samples, and the delivery of such samples to the classification room of the board of cotton examiners, or other place specifically designated for the purpose by the chief of the bureau, or by the chairman of such board, shall be borne by the party requesting the classification of the cotton involved.

Sec. 11. The bureau shall deliver bills to all persons from whom payment for fees or expenses on account of such services shall be due. Such bills shall be rendered as soon as practicable after the 15th and the last day of each month for the amounts due and unpaid on such date. When necessary, in the discretion of the chairman of the board or the chief of the bureau, any bill may be rendered at an earlier date for any fees then due by the person to whom such bill shall be rendered. Payment of any such bill shall be made as soon as possible after the rendition thereof, but in any event not later than the expiration of two weeks thereafter.

Sec. 12. If requested by the chairman of the board of cotton examiners with which the classification request is required

to be filed or by the chief of the bureau, the person from whom any payment under this regulation may become due shall make an advance deposit to cover such payment in such amount as may be necessary in the judgment of the official requesting the same.

SEC. 13. Any payment or advance deposit under this regulation shall be by certified check or by draft or post office or express money order, payable to the order of "United States Department of Agriculture," and may not be made in cash except in cases where the total payment or deposit does not exceed \$1.

REGULATION 13—SPOT MARKETS

SECTION 1. The following markets have been determined, after investigation, and are hereby designated to be bona fide spot markets within the meaning of the act:

Atlanta, Ga.	Little Rock, Ark.
Augusta, Ga.	Memphis, Tenn.
Charleston, S. C.	Mobile, Ala.
Dallas, Tex.	Montgomery, Ala.
Fort Worth, Tex.	New Orleans, La.
Galveston, Tex.	Norfolk, Va.
Houston, Tex.	Savannah, Ga.

SEC. 2. The following are designated as spot markets for the purpose of determining, as provided in section 6 of the act, the differences above or below the contract price which the receiver shall pay for grades other than the basis grade tendered or delivered in settlement of a section 5 contract:

Augusta, Ga.	Memphis, Tenn.
Dallas, Tex.	Montgomery, Ala.
Galveston, Tex.	New Orleans, La.
Houston, Tex.	Norfolk, Va.
Little Rock, Ark.	Savannah, Ga.

REGULATION 14—PRICE QUOTATIONS AND DIFFERENCES

SECTION 1. Every bona fide spot market shall, as a condition of its designation and of the retention thereof for the purposes of the act, conform to sections 6, 7, and 8 of the act and the requirements of this regulation.

SEC. 2. The prices or values of middling cotton and the differences between the prices or values of middling cotton and of other grades of cotton in each bona fide spot market shall be based solely upon the grades of the official cotton standards of the United States and shall be the actual commercial prices or values and differences established by the sale of spot cotton in such bona fide spot market. Such prices or values and differences shall be determined as provided in said sections of the act and this regulation.

SEC. 3. There shall be established and maintained in each bona fide spot market a competent quotation committee. The organization of such committee and its personnel shall be subject to the approval of the chief of the bureau, and any member of such committee who for good cause is disapproved by the chief of the bureau shall, after due notice, be replaced by another person acceptable for the purpose to the chief of the bureau. Such committee shall impartially and carefully ascertain and publish on each business day the value of middling cotton and the differences between the prices or values of middling cotton and of other grades of cotton represented by the official cotton standards of the United States. The committee shall disregard any transactions which it finds were not bona fide, or were made for the purpose of influencing its action improperly, or for other good reasons do not represent truly the commercial values of spot cotton in its market. The time or times of ascertaining and publishing such prices or values and differences shall be uniform in all the bona fide spot markets and shall be fixed subject to the approval of the chief of the bureau so as to carry out the purposes of sections 5 and 6 of the act. The committee shall cause its action to be communicated at once to each future exchange and to the bureau.

SEC. 4. Each such quotation committee shall provide itself with or have ready access to a full set of the practical forms of the official cotton standards of the United States for grade and color of upland cotton, each box of which shall contain a certificate of the Secretary of Agriculture which is not more

than 18 months old and which has not been canceled as provided elsewhere in these regulations. Such committee, or a person authorized to act for it, shall obtain complete and satisfactory information not later than the close of business on each business day as to all sales of spot cotton since the close of the next preceding business day, including the grades, the prices or price basis, and other terms of sale in sufficient detail to enable the committee to perform its duties accurately. Such committee shall also have access to the samples representing the cotton involved in such sales. Any record of such information shall be subject to examination at any reasonable time by a duly authorized representative of the bureau, and the samples of the cotton as long as they remain in the possession of any party to the transaction in such market shall also be available for such examination.

SEC. 5. Whenever no sale of a particular grade of cotton shall have been made on a given day in a particular bona fide spot market, the value of such grade in that market on that day, which shall be used in calculating the commercial differences to be applied, pursuant to section 6 of the act, in the settlement of a section 5 contract, shall be determined in accordance with section 6 of this regulation.

SEC. 6. Paragraph 1. If on such given day there shall have been in such market both a sale of any higher grade and a sale of any lower grade, the average of the declines, or advances, or decline and advance, as the case may be, of the next higher grade and the next lower grade so sold shall be deducted from, or added to, as the case may be, the value, on the last preceding business day, of the grade the value of which on such given day is sought to be ascertained.

Par. 2. If on such given day there shall have been in such market a sale of either a higher or a lower grade, but not sales of both, the decline or advance of the next higher or the next lower grade so sold shall be deducted from, or added to, as the case may be, the value on the last preceding business day of the grade the value of which on such given day is sought to be ascertained.

Par. 3. If on such given day there shall have been in such market no sale of spot cotton of any grade, the value of each grade shall be deemed to be the same as its value therein on the last preceding business day, unless in the meantime there shall have been bona fide bids and offers, or sales of hedged cotton, or other sales of cotton, or changes in prices of future contracts made subject to the act, which in the usual course of business would clearly establish a rise or fall in the value of spot cotton in such market, in which case such rise or fall may be calculated and added to or deducted from the value on the preceding business day of cotton of all grades affected thereby.

SEC. 7. For the purpose of this regulation values shall be expressed in terms of cents and hundredths of a cent. A fraction of a hundredth, when equal to, or greater than, the half thereof, shall be treated as a hundredth, and when less than a half of a hundredth shall be disregarded.

SEC. 8. The details of the method of carrying out the provisions of this regulation in each bona fide spot market shall be subject to the approval of the chief of the bureau or shall be prescribed by him.

REGULATION 15—OFFICIAL COTTON STANDARDS

SECTION 1. Paragraph 1. Practical forms of any of the official cotton standards of the United States enumerated in this paragraph, each certified under the seal of the United States Department of Agriculture and under the signature of the Secretary, thereto affixed by himself or by some other official or employee of the department thereunto duly authorized by him, and in the case of the standards for grade and color accompanied by photographs representing the cotton in such practical forms on the date of certification, will be furnished to any person requesting the same, upon prepayment of the cost thereof as determined by the Secretary, subject to the other conditions of this section.

Standards for grades of American upland cotton as revised effective August 20, 1936, as follows:

- No. 2 or Strict Good Middling.
- No. 3 or Good Middling.
- No. 4 or Strict Middling.

- No. 5 or Middling.
 - No. 6 or Strict Low Middling.
 - No. 7 or Low Middling.
 - No. 8 or Strict Good Ordinary.
 - No. 9 or Good Ordinary.
 - No. 3, Tinged, or Good Middling Tinged.
 - No. 4, Tinged, or Strict Middling Tinged.
 - No. 5, Tinged, or Middling Tinged.
 - No. 6, Tinged, or Strict Low Middling Tinged.
 - No. 7, Tinged, or Low Middling Tinged.
- Standards for grades and colors of American-Egyptian cotton, as follows:

- Grade No. 1.
 - Grade No. 2.
 - Grade No. 3.
 - Grade No. 4.
 - Grade No. 5.
- Standards for length of staple, as follows:

American Upland Cotton

$\frac{3}{4}$ inch.	$1\frac{1}{8}$ inches.
$\frac{13}{16}$ inch.	$1\frac{5}{32}$ inches.
$\frac{7}{8}$ inch.	$1\frac{3}{16}$ inches.
$2\frac{3}{32}$ inch.	$1\frac{7}{32}$ inches.
$\frac{15}{16}$ inch.	$1\frac{1}{4}$ inches.
$3\frac{1}{32}$ inch.	$1\frac{9}{32}$ inches.
1 inch.	$1\frac{5}{16}$ inches.
$1\frac{1}{32}$ inches.	$1\frac{11}{32}$ inches.
$1\frac{1}{16}$ inches.	$1\frac{3}{8}$ inches.
$1\frac{3}{32}$ inches.	$1\frac{1}{2}$ inches.

American-Egyptian Cotton

$1\frac{1}{2}$ inches.	$1\frac{5}{8}$ inches.
$1\frac{1}{16}$ inches.	$1\frac{3}{4}$ inches.

Par. 2. Each application for practical forms of the official cotton standards shall be upon a blank furnished or approved by the bureau, shall be signed by the applicant, shall be accompanied by certified check, draft, post office money order, or express money order, payable to the "United States Department of Agriculture", in an amount sufficient to cover the cost of the forms requested, and shall incorporate the following conditions:

(a) That no practical form of any of the official cotton standards shall be considered or used as representing the official cotton standards of the United States after the date of its cancellation in accordance with this section or, in any event, after the expiration of 18 months following the date of its certification (except that sets of practical forms stored, protected, and preserved in accordance with certain agreements for the adoption of universal standards, may be used for such periods as may be prescribed in such agreements).

(b) That said practical forms and the photographs accompanying them shall be subject to inspection on any business day, between the hours of 9 a. m. and 4 p. m., by the Secretary or by an officer or agent of the Department of Agriculture authorized by the chief of the bureau.

(c) That the signature of the Secretary certifying to any practical forms, or any photograph of any type or sample of said practical forms accompanying the same, or both, may be canceled if it be found, upon such inspection, either that any of said forms for any reason misrepresents the official cotton standards or that any such photograph has been altered or mutilated.

Sec. 2. Paragraph 1.—The cost of any of the practical forms of the universal standards or other official cotton standards of the United States for grade or color, enumerated in section 1 of this regulation, shall be at the rate of \$5 each, f. o. b., Washington, D. C., for shipments within the continental United States, and \$6.25 each, delivered to destination, for shipments outside the continental United States.

Par. 2. The costs specified in paragraph 1 of this section shall likewise apply in cases where new samples are furnished in replacement of old samples in any box of the practical forms returned to the department for the purpose, except that when the number of new samples so furnished is five

or less in one box, the cost shall be at the rate of 40 cents for each sample.

Par. 3. The cost of any of the practical forms of the official cotton standards of the United States for length of staple enumerated in section 1 of this regulation shall be at the rate of \$1 each, f. o. b., Washington, D. C., for shipments within the continental United States, and \$1.25 each, delivered to destination, for shipments outside the continental United States.

Sec. 3. Any payment or advance deposit under this regulation shall be by certified check or by draft or post-office or express money order, payable to the order of "United States Department of Agriculture," and may not be made in cash except in cases where the total payment or deposit does not exceed \$1.

Sec. 4. The cost of practical forms of the universal standards or other official cotton standards which may hereafter be established shall be such as the Secretary of Agriculture may determine.

REGULATION 16—PUBLICATIONS

SECTION 1. Information as to official cotton standards and investigations under the act shall be published from time to time.

[F. R. Doc. 1851—Filed, August 20, 1936; 3:13 p. m.]

SRA, BAE 163

Issued August 1936

SERVICE AND REGULATORY ANNOUNCEMENTS NO. 153¹

REGULATIONS OF THE SECRETARY OF AGRICULTURE UNDER THE UNITED STATES COTTON STANDARDS ACT

[Effective August 20, 1936]

By virtue of the authority vested in the Secretary of Agriculture by the United States Cotton Standards Act of March 4, 1923 (U. S. C., Title 7, Secs. 51-65), as amended March 4, 1933 (47 Stat. 1621), I, M. L. Wilson, Acting Secretary of Agriculture, do prescribe, publish, and give public notice of the following regulations, to be in force and effect on and after August 20, 1936, and on that date to supersede the regulations heretofore made by the Secretary of Agriculture under said Act as amended.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington this 6th day of July 1936.

[SEAL]

M. L. WILSON,
Acting Secretary of Agriculture.

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REGULATION 1—DEFINITIONS

SECTION 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

¹Supersedes Service and Regulatory Announcements No. 125 (Agricultural Economics), effective August 20, 1936.

Sec. 2. As used throughout these regulations, unless the context otherwise requires, the following terms shall be construed, respectively, to mean:

Paragraph 1. The act.—The United States cotton standards act, approved March 4, 1923 (U. S. C., Title 7, Secs. 51-65)¹, with such amendments as may be made from time to time.

Par. 2. Exchange.—Exchange, board of trade, association, or similar institution, or place of business, recognized as such by the Secretary.

Par. 3. Custodian.—Person who has possession or control of cotton or of samples, as agent, controller, broker, or factor, as the case may be.

Par. 4. Person.—Individual association, partnership, or corporation, or two or more individuals having a joint or common interest.

Par. 5. Owner.—Person who through financial interest owns, controls, or has the disposition either of cotton or of samples.

Par. 6. Bureau.—Bureau of Agriculture Economics of the United States Department of Agriculture.

Par. 7. Exchange inspection bureau.—The inspection bureau of any exchange which may have an organized inspection bureau recognized as such by the chief of the bureau.

Par. 8. Board.—Board of cotton examiners.

Par. 9. Official cotton standards.—Official cotton standards of the United States for the grade of American upland cotton and for American Egyptian cotton, and for length of staple, adopted by or established pursuant to the act or any change or replacement thereof.

Par. 10. Universal standards.—The official cotton standards of the United States for the grade of American upland cotton.

Par. 11. Upland cotton.—All cotton grown anywhere within the continental United States, including the growths sometimes referred to as upland, Gulf, and Texas cotton, but excluding the sea-island and American-Egyptian varieties.

Par. 12. Supervisor of inspection.—An officer of the Department of Agriculture designated as such by the chief of the bureau or by the chairman of a board of examiners.

Par. 13. Secretary.—The Secretary of Agriculture of the United States.

Par. 14. Regulations.—Regulations made under the act by the Secretary.

Par. 15. License.—A license issued under the act by the Secretary.

Par. 16. Licensed classifier.—A person licensed under the act by the Secretary to classify cotton according to the official cotton standards of the United States and to certify the classification of the same.

Par. 17. Licensed sampler.—A person licensed by the Secretary to sample cotton.

Par. 18. State.—A State, Territory, or district of the United States.

Par. 19. Cotton examiner.—An officer of the Department of Agriculture so designated by the chief of the bureau.

Par. 20. Dispute.—A disagreement between the parties as to the true classification of any cotton not tendered for delivery on a contract under the United States cotton futures act or as to its relative classification when compared with a type or other samples.

Par. 21. Party.—A party to a dispute.

Par. 22. Cotton.—The word "cotton" as used in the act means cotton of any variety produced within the continental United States, including linters. In these regulations, for administrative convenience, the word "cotton" is used to signify vegetable hair removed from cottonseed in the usual process of ginning, and the word "linters" as defined in paragraph 23.

Par. 23. Linters.—Vegetable hair removed from cottonseed subsequent to the usual process of ginning.

REGULATION 2—ADMINISTRATIVE AND GENERAL

SECTION 1. The chief of the bureau is charged with the supervision on behalf of the United States Department of

Agriculture of the performance of all duties arising in the administration of the act.

Sec. 2. There shall be maintained at New Orleans, La., Houston and Galveston, Tex., Mobile, Ala., Savannah, Ga., Charleston, S. C., and, when necessary in the opinion of the chief of the bureau, at any other point that he shall designate for the purpose, a board of cotton examiners. A board of supervising cotton examiners shall be constituted for duty as assigned; and an appeal board of review examiners shall be constituted to which may be referred requests for the review of the classification and/or comparison of cotton performed by other boards appointed in accordance with this section. The appeal board of review examiners shall be located at Washington, D. C., except when the chief of the bureau shall require that committees of the board meet to perform its functions elsewhere. The members of all boards and the chairman of each shall be designated for the purpose by the chief of the bureau.

Sec. 3. The chief of the bureau shall designate a secretary for each board. It shall be the duty of the secretary of the board to receive all correspondence relating to the classification of cotton under the act and to see that all samples are prepared for classification and/or comparison in such manner that the name of the owner and/or the custodian shall be unknown to the members of the board, who are detailed to classify or compare the cotton, until after the samples are classified.

Sec. 4. In the event of the absence or incapacity of the secretary of the board, the chairman of the board shall designate temporarily an acting secretary of the board in his stead. Any person thus designated shall be thereby disqualified to act as a member of the board in the classification of cotton during the term of such temporary appointment.

Sec. 5. The chief of the bureau whenever he deems necessary may designate an officer of the Department of Agriculture as supervisor of cotton inspection, who shall supervise the inspection and sampling of cotton and perform such other duties as may be required of him in administering the act and these regulations. The secretary of the board may or may not be a supervisor of inspection.

Sec. 6. Subject to these regulations and the instructions of the chief of the bureau, the chairman of each board shall be responsible for the proper performance of the duties imposed on such board and on the persons connected therewith.

Sec. 7. For the purposes of the act, the classification and comparison of any cotton, samples, or types submitted to the Department of Agriculture shall be determined or made only by cotton examiners properly qualified and designated as such by the chief of the bureau, and the certificate of a board of cotton examiners with respect to any cotton shall be deemed to be the certificate of the Department of Agriculture.

Sec. 8. The inspection, sampling, and classification of cotton in the United States pursuant to the act shall be performed as prescribed in regulations 3 to 14, inclusive, and the inspection, sampling, and classification of linters as prescribed in regulation 15.

Sec. 9. Whenever any association or exchange in any other country than the United States shall adopt the universal standards and establish them as the basis of all transactions and contracts for American upland cotton, made and executed according to its rules, the chief of the bureau may appoint certain members or officials of such exchanges as cotton examiners. Insofar as the administration of the act applies to cotton involved in contracts made in accordance with the rules of such exchange, the administration shall be as prescribed in regulation 16.

REGULATION 3—REQUESTS FOR CLASSIFICATION AND COMPARISON

SECTION 1. For each lot or mark of cotton which the applicant desires classified or compared separately he shall make a separate written request specifying which one of the following three forms of service is desired:

(1) *Form A determination.*—The informal classification or comparison, or both, of samples submitted for the purpose. Such informal classification or comparison shall be evidenced by a Form A memorandum which shall not be subject to review or appeal.

¹ 42 Stat. 1517. See also 47 Stat. 1621; 49 Stat. 1451.

(2) *Form B determination.*—The formal classification or comparison, or both, of samples submitted by mutual agreement of two or more parties to a dispute. The classification or comparison in such cases shall be evidenced by a Form B certificate which shall be subject to appeal as provided in section 4 of regulation 9.

(3) *Form C determination.*—The formal classification of bales of cotton, to be sampled under the supervision of a supervisor of inspection. The classification in such cases shall be evidenced by a Form C certificate which shall be subject to review as provided in regulation 9.

Sec. 2. Requests for classification or comparison made in accordance with section 1 of this regulation shall contain such information as the chief of the bureau may require.

Sec. 3. *Paragraph 1.* In cases of dispute, in which form B determinations are requested, it may be required that the request be accompanied by a stipulation signed by the parties or by their agents and dated, and containing the following information:

(a) The names and post-office addresses of the parties, or their agents, if any, signing the stipulation.

(b) The exchange, association, or other body, if any, under whose rules the contract was made.

(c) The interests of the parties in such contract.

(d) The respective claims of each party as to the quality or grade or length of staple of each bale or other package of cotton involved in the dispute, and the facts material thereto.

(e) The marks identifying each bale or other package of cotton in dispute.

(f) The place or places where it is located.

(g) That the parties have agreed upon samples to be submitted.

Par. 2. In the adjustment of disputes, or when otherwise necessary, the bureau shall observe the definitions of terms laid down in the rules or regulations of the exchange or other body under which the contract was made, except that when two grades are used to describe a single lot of cotton without reference to the proportions of each, unless a different meaning be evident from the language of the contract or the rules under which it was made, the description shall be construed to mean that no bale in the lot is intended to be below the lower or above the higher grade of the description. The same principle shall be observed when two staple lengths not expressed in millimeters are similarly employed in a single description.

Par. 3. No dispute under this regulation shall be entertained with respect to cotton tendered for delivery on a contract under the United States cotton futures act, or with respect to which a Form C certificate has previously been issued.

Sec. 4. All requests for classification or comparison in the United States leading to Form A memoranda and Form B certificates shall be filed with the secretary of the board of cotton examiners or with the supervisor of inspection at the place where the cotton is located. If there is no board at that point and no supervisor of inspection is stationed there, requests may be filed with the secretary of the board of examiners at the nearest convenient point: *Provided*, That requests for classification or comparison leading to Form A memoranda and Form B certificates may, where desired, be filed directly with the appeal board of review examiners at Washington, D. C.: *Provided further*, That whenever the chief of the bureau shall find it to be expedient, samples submitted for classification, together with the accompanying request, may be transferred to another board for classification.

Sec. 5. Requests for classification leading to Form C certificates covering the grade and the staple length of the cotton involved shall be filed with the secretary of the board of examiners at the place where the cotton is located or, in case there is no board at that point, with the supervisor of inspection.

Sec. 6. No request shall be filed for a determination of the classification of any cotton described by terms of which the word "millimeter" is a part.

Sec. 7. Not more than one request for the informal classification of the same cotton shall be filed unless each subsequent request shall be accompanied by redrawn samples.

Sec. 8. Any classification request may be withdrawn by the applicant at any time before the classification of the cotton covered thereby, subject to the payment of such fees, if any, as may be prescribed in regulation 14. Any classification request may be rejected by the chairman of the board or the chief of the bureau for noncompliance with the act or these regulations.

REGULATION 4—SUBMISSION AND DISPOSITION OF SAMPLES FOR FORM A AND FORM B DETERMINATIONS

SECTION 1. Samples of cotton submitted to a board of cotton examiners for classification and/or comparison shall be drawn from both sides of the bale and shall be delivered to the secretary of the board with which the request was filed, as soon as possible after the filing of such request. All transportation charges incident to the submission of samples shall be prepaid by the party making the request or by his agent.

Sec. 2. All such samples shall be inclosed in one or more wrappers, which shall be labeled or marked, or both, in such manner as to show the name and address of the owner, the lot number or marks, if any, the number of bales represented by the samples contained in each wrapper, and such other information as may be necessary in accordance with the instructions of the chairman of the board or of the chief of the bureau. Each sample of sandy or dusty cotton shall be inclosed in a separate wrapper.

Sec. 3. If any samples are lost, damaged, or mutilated, or are received in packages arriving in a condition which may be considered to alter the representative character of the sample, the secretary of the board shall note all the facts, including the number of missing samples and the tag numbers identifying the samples received, and shall so inform the person who made the request. The classification or comparison of such samples shall be deferred until the person making the request shall advise in writing whether he wishes the classification or comparison made at once or delayed until he substitutes other samples. If the samples are submitted for purposes of adjusting a dispute, both parties shall be given identical information as to the condition in which the samples arrived, and the approval of both parties of the use of the damaged samples or of the redrawn samples shall be required before the classification shall proceed.

Sec. 4. When so stipulated in the classification request, samples submitted for informal classification shall be returned to the person making the request at his expense at the time the certificate is issued or when the request for classification is withdrawn or rejected; otherwise such samples shall be disposed of in accordance with section 6 of this regulation.

Sec. 5. Samples of cotton submitted for classification and/or comparison in the adjustment of a dispute shall remain in the possession of the secretary of the board to which they are delivered until the expiration of the time permitted for requesting a review as provided in regulation 9, or, if a review is requested, until the classification has been reviewed. If so requested by the party who submitted the samples for original classification, the samples shall be returned to him or to any person whom he may designate at the end of such time or after such appeal, as the case may be; otherwise, they shall be disposed of as provided in section 6 of this regulation.

Sec. 6. Samples not removed in accordance with these regulations and loose cotton separated from the samples in the handling and classification thereof by a board shall become the property of the Department of Agriculture. Such cotton shall be disposed of in the manner prescribed for other property by the property regulations of the Department of Agriculture, but the proceeds thereof shall be deemed to be part of the costs of classification pursuant to these regulations. Such proceeds shall be deposited with other moneys received in payment of costs to the credit of the fund provided in section 5 of the act.

REGULATION 5—SUBMISSION OF COTTON, SUPERVISION AND SAMPLING, IN FORM C DETERMINATIONS

SECTION 1. All bales of cotton submitted to the Secretary or to his duly authorized representatives for the purpose of classification or certification, in accordance with section 4 of the act, shall, except as otherwise provided in these regulations for the informal classification of samples or the adjustment of disputes, be submitted in accordance with this regulation.

SEC. 2. All cotton submitted in accordance with this regulation shall be stored in storage places approved by the chief of the bureau and shall be sampled by or under the direction of an exchange inspection bureau, subject to the provisions of sections 3 to 8, inclusive, of this regulation. The exchange inspection bureau shall furnish to the board which classified such cotton, on the first business day of each week, a written statement of all certified cotton withdrawn from storage, or the lot number of cotton the identification of which has been changed, or which has otherwise been removed from the supervision or control of such exchange inspection bureau, during the next preceding week. Such statement shall show each lot number, and if changed, the new lot number, and in case of the withdrawal or removal of a portion only of the lot, the tag numbers of the bales so withdrawn or removed. If such removal be to a different place of storage under the supervision or control of the exchange inspection bureau, the statement shall show the new location.

SEC. 3. The inspection and sampling of cotton of which classification is desired shall be subject to the supervision and in accordance with the instructions of a supervisor of cotton inspection.

SEC. 4. The owner or custodian of the cotton shall cause the cotton to be made available to such supervisor for such examination as may be necessary for the purposes of its classification, and shall take such steps as may be necessary to secure its proper inspection and sampling and the proper preparation and delivery of representative samples thereof at the place designated therefor, in accordance with these regulations, without expense to the Department of Agriculture.

SEC. 5. No person shall, after notice by the chief of the bureau, be employed in any way in connection with any phase of the inspection and sampling of cotton, or the preparation of the samples thereof, for the purposes of classification under these regulations, who for good cause is disapproved by the chief of the bureau.

SEC. 6. One sample shall be drawn from the top side of each bale and one from the bottom side. Each such sample shall weigh not less than three (3) ounces. The head of the bale shall be properly inspected, and any conditions not fully indicated by the samples shall be specified by the inspector or the sampler of the cotton in a written memorandum to the board, which shall accompany the samples. Each such sample shall be considered representative of the bale for a period not exceeding 2 years from the date of the issuance of a Form C certificate therefor under Regulation 8.

SEC. 7. In addition to the samples hereinbefore prescribed, separate samples, if desired, may be drawn and furnished to the owner or custodian of the cotton.

SEC. 8. All persons in any way connected with the inspection and sampling and handling of samples of cotton for the purpose of classification, pursuant to these regulations, shall carefully handle them in such manner as not to cause loss of sand therefrom or any change otherwise in their representative character.

SEC. 9. Any sample or set of samples which does not meet the requirements of these regulations or which does not correctly represent the bale or bales from which drawn may be rejected by a supervisor of cotton inspection or the secretary or chairman of the board. Whenever the supervisor of cotton inspection or the chairman of the board shall find it necessary, in order to determine the true classification of any bale, such bale shall be reinspected and, if necessary, re-sampled, and the new samples shall be delivered at the place designated therefor in accordance with these regulations.

SEC. 10. The samples may be removed by the holder of the certificate covering the same (a) after 90 days from the date of withdrawal of the cotton from supervision, or (b) after the surrender to the board for cancellation of the certificate covering the cotton represented thereby without the issuance of a new certificate in lieu thereof, or (c) after 2 years from the date of the issuance of the Form C certificate therefor. In either case, if the holder of the certificate desires to remove the samples, he must do so within seven days after the date on which he becomes entitled to remove them in accordance with this section.

SEC. 11. If a classification request shall be withdrawn prior to the classification of the cotton pursuant thereto, the applicant may, within seven (7) days after the date of such withdrawal, remove any samples of the cotton involved then in the possession of the Department of Agriculture.

SEC. 12. Samples not removed in accordance with this regulation shall be disposed of in accordance with section 6 of regulation 4.

REGULATION 6—CLASSIFICATION

SECTION 1. The classification of all cotton samples shall be according to the universal standards or other official cotton standards of the United States in effect at the time.

SEC. 2. All cotton for which requests for classification or comparison shall be pending shall be classified, as far as practicable, in the order in which proper samples thereof, ready for such classification or comparison, shall have been delivered to the board whose duties include the examination thereof, except as otherwise provided in these regulations or when the chairman of the board or the chief of the bureau shall find that an emergency exists and shall order otherwise, but the informal classification of samples shall yield precedence to the classification and certification of cotton in accordance with regulation 5 or with the adjustment of disputes in Form B determinations.

SEC. 3. Classification shall not proceed until the samples, after being delivered to the board, shall have been exposed for such length of time as in the judgment of the chairman shall be sufficient to put them in proper condition for the purpose.

SEC. 4. Such classification shall proceed as rapidly as possible, but not when light or other conditions make uncertain the accuracy of the results to be obtained.

SEC. 5. If a sample drawn from one portion of a bale is lower in grade or shorter in length than one drawn from another portion of such bale, except as otherwise provided in these regulations, the classification of the bale shall be that of the sample showing the lower grade or shorter length.

SEC. 6. If cotton be reduced in value, by reason of the presence of extraneous matter of any character or irregularities or defects below its grade or below its apparent length of staple according to the official cotton standards of the United States, the grade or length of staple from which it is so reduced, and the grade or length of staple to which it is so reduced, and the quality or condition which so reduces its value shall be determined and stated.

SEC. 7. For the purposes of classification of any cotton or of its comparison with a type or other samples, the following terms shall be construed, respectively, to mean:

(a) *Cotton of perished staple.*—Cotton that has had the strength of fiber, as ordinarily found in cotton, destroyed or unduly reduced through exposure to the weather either before picking or after baling, or through heating by fire, or on account of water packing, or by other causes.

(b) *Cotton of immature staple.*—Cotton that has been picked and baled before the fiber has reached a normal state of maturity, resulting in a weakened staple of inferior value.

(c) *Gin-cut cotton.*—Cotton that shows damage in ginning through cutting by the saws, to an extent that reduces its value more than two grades.

(d) *Reginned cotton.*—Cotton that has passed through the ginning process more than once, and cotton that, after having been ginned, has been subjected to a cleaning process and then baled.

(e) *Repacked cotton.*—Cotton that is composed of factors', brokers', or other samples, or of loose or miscellaneous lots

collected and rebaled, or cotton in a bale which is composed of a part of a larger bale or of two or more smaller bales or parts of bales.

(f) *False packed cotton*.—Cotton in a bale (1) containing substances entirely foreign to cotton; (2) containing damaged cotton in the interior with or without any indication of such damage upon the exterior; (3) composed of good cotton upon the exterior and decidedly inferior cotton in the interior, in such manner as not to be detected by customary examination; or (4) containing pickings or linters worked into the bale.

(g) *Mixed packed cotton*.—Cotton in a bale which in the samples drawn therefrom (1) shows a difference of more than two grades if of the same color; or (2), if the same grade but of different color, shows a difference of more than two color gradations; or (3) shows a difference of two or more grades and two or more color gradations; or (4) shows a difference in length of staple exceeding $\frac{3}{32}$ of an inch.

(h) *Water-packed cotton*.—Cotton in a bale that has been penetrated by water during the baling process, causing damage to the fiber, or a bale that through exposure to the weather or by other means, while apparently dry on the exterior, has been damaged by water in the interior.

REGULATION 7—SAMPLE OR TYPE COMPARISON

SECTION 1. When a comparison of cotton samples with other actual samples or with a type without a statement of the true classification is requested, the procedure and methods shall be as outlined in this regulation.

SEC. 2. Such comparison may be requested in respect to grade and/or staple or any physical characteristics of the cotton involved, including any of the component qualities embodied in the grade, but no comparison shall be made except in respect to the qualities specified in the request.

SEC. 3. The methods of submitting samples and types to the Department of Agriculture for examination and comparison shall be as prescribed in regulation 4.

SEC. 4. In the comparison of cotton samples with other actual samples or with a type in respect to grade and/or staple, the true classification of such samples and types as to grade and/or staple length, in accordance with the official cotton standards of the United States, shall, where necessary in the opinion of the board, be determined and stated, and when appropriate the opinion or decision of the board shall be stated in further detail in accordance with section 5 and 6 of this regulation.

SEC. 5. *Paragraph 1*. In the examination and comparison of samples with other samples and/or types of uniform grade, staple length, and/or other quality, the opinion or decision of the board shall be expressed as described in this section, as follows:

Par. 2. For each bale of the cotton involved of which the grade is equal to the type or corresponding sample, by the words "grade equal."

Par. 3. For each bale of the cotton involved of which the staple is equal to the type or corresponding sample, by the words "staple equal."

Par. 4. For each bale of the cotton involved which is equal to the type or corresponding sample in any other respect in which an opinion is requested, by the word "equal", together with other words necessary to indicate the nature of the equality.

Par. 5. For each bale of the cotton involved of which the grade is below or above that of the type or corresponding sample, by the words "grade deficient" or "grade better", as the case may be, together with a statement of the amount of deficiency or superiority as measured by the grades of the universal standards.

Par. 6. For each bale of the cotton involved of which the length of staple is less or more than that of the type or corresponding samples, by the words "staple deficient" or "staple better", as the case may be, together with a statement of the amount of deficiency or excess length as measured in fractions of an inch.

Par. 7. For each bale of the cotton involved which is not equal to or which is better than the type or corresponding

sample in any other respect or in respect to any of the component qualities embodied in the grade, by the word "deficient" or "better", together with other necessary words indicating the nature of the deficiency or superiority.

SEC. 6. *Paragraph 1*. In the examination and comparison of samples with a type in which more than one grade, staple length, or quality of another kind are represented, the opinion or decision of the board shall be expressed as prescribed in this section as follows:

Par. 2. If the proportions of each grade are the same in the samples as in the type, the cotton shall be said to be "equal in grade."

Par. 3. If the proportions of each staple length are the same in the samples as in the type, the cotton shall be said to be "equal in staple length."

Par. 4. If the proportions of the other qualities in question are the same in the samples as in the type, the cotton shall be said to be "equal" in respect to the qualities in question.

Par. 5. If the proportions of any grade, staple length, and/or other qualities, including the component qualities of the grade, are more or less than the corresponding proportion in the type, the board shall indicate the bales which are better than the type, those equal to the type, and those which are deficient, and the amount of any superiority or deficiency in each case as measured by the official standards of the United States.

REGULATION 8—CERTIFICATES AND MEMORANDA, FORMS A, B, AND C

SECTION 1. As soon as practicable after the classification of cotton has been completed by a board of cotton examiners, there shall be issued a cotton class certificate of the appropriate kind showing the results of such classification.

SEC. 2. When an informal classification has been made of any samples submitted for the purpose, the results of such classification may be stated in a Form A memorandum. Such memorandum shall not be deemed to be a final certificate within the meaning of section 4 of the Act.

SEC. 3. When the samples of any cotton involved in a dispute shall, by mutual agreement of the parties to such dispute or by their duly authorized agents, have been referred to a board for classification or for comparison with a type or with other samples, the chairman of the board shall issue an adjustment certificate known as a Form B certificate. Each form B certificate shall show the true classification as determined in accordance with regulation 6, or the results of such comparison made as provided in regulation 7, in respect to the qualities in dispute of the cotton involved. Such certificate, when issued in the first instance by the appeal board of review examiners, or in other cases when it has been once reviewed under regulation 9, shall be deemed as between the parties to the dispute a final certificate within the meaning of section 4 of the act, but no Form B certificate issued in the United States shall be deemed to be final in any respect when inconsistent with a valid Form C certificate covering the same cotton which has been issued under section 4 of this regulation. The original Form B certificate shall be furnished to the party submitting the samples, and an exact copy of the certificate shall be furnished to the other party to the dispute or to his agent at the address given in the stipulation.

SEC. 4. When cotton has been submitted for sampling under supervision and for classification as provided in regulation 5, there shall be issued a cotton class certificate known as a Form C certificate. Each Form C certificate shall show the true classification of the cotton in the respects specified in the request. Such certificate, when it has been once reviewed in accordance with regulation 9, shall be deemed to be a final certificate as to the classification shown, within the meaning of section 4 of the act, in all cases except when superseded by a certificate or award made as provided in regulation 16.

SEC. 5. Upon the written request of a holder of a cotton class certificate issued under these regulations, a new certificate shall be issued, without the reclassification of the cotton, to take the place of the former certificate for any cotton covered thereby, when necessary on account of the

breaking or splitting of a lot or otherwise for the business convenience of such holder: *Provided*, That in any case where a part of a lot of cotton for which Form C certificate has been issued is removed from the certificated stock of any market the chairman of the board of cotton examiners or the supervisor of inspection may upon request cancel from said certificate the bales so removed. In any case where a new certificate is requested in accordance with this section the former certificate shall be surrendered for cancellation, and such new certificate shall bear a new number and the date of its issuance and the date of original certification and shall otherwise comply with these regulations.

Sec. 6. Upon the written request of the last holder of a valid Form C certificate or of a Form B certificate and a showing to the satisfaction of the chairman of the board which issued such certificate that it has been lost or destroyed and, if lost, that diligent effort has been made to find it without success, a new certificate shall be issued without the reclassification of the cotton. Such new certificate shall bear the same number and date of issuance as the lost or destroyed certificate and shall include a statement to the effect that it is a duplicate issued in lieu of the lost or destroyed original, as the case may be.

Sec. 7. For good cause any certificate issued under this regulation shall be surrendered to the chairman of the board which issued it, upon his request or upon the request of the chief of the bureau, and a new certificate complying with these regulations may be issued in substitution therefor. If such certificate be not surrendered upon such request, it shall nevertheless be invalid for the purposes of the act and these regulations.

REGULATION 9—REVIEWS

SECTION 1. Except as otherwise provided, in these regulations, a review by the appeal board of review examiners of the classification or comparison of the cotton covered by a certificate may be had as provided in this regulation.

Sec. 2. No review shall be granted of the classification represented in a Form A memorandum.

Sec. 3. The holder of a valid Form C certificate may have a review of the classification of the cotton covered thereby by filing written application for review within one year following the date shown in such certificate, provided the samples of the cotton shall not have been withdrawn. Each such application shall be filed with the secretary of the board which issued such Form C certificate.

Sec. 4. *Paragraph 1.* Either party to a dispute in which the samples involved have been submitted for examination and/or comparison may apply for the review of classification and/or comparison represented in a Form B certificate, except in those cases where the Form B certificate was issued by the appeal board of review examiners in the first instance. Each such application shall be filed with the secretary of the board which made the original classification and/or comparison and shall be accompanied by a remittance of the costs in the proper form and amount as provided in regulation 14. The time allowed for the filing of such application shall be the same for both parties and as follows:

Par. 2. If both parties to the dispute are located and doing business within the United States, fifteen (15) full calendar days following the date of the certificate.

Par. 3. If either of the parties is located and doing business in a foreign country, thirty (30) full calendar days following the date of the certificate.

Sec. 5. Immediately upon the filing of an application for review, the secretary of the board which performed the original classification and/or comparison shall send the samples involved, together with a copy of the original request and the application for review to the secretary of the appeal board of review examiners at Washington, D. C.

Sec. 6. Unless the use of new samples shall be necessary, a review pursuant to this regulation shall be handled on the basis of the samples of the cotton involved in the possession of the board.

Sec. 7. The classification of any bale shown by the original cotton class certificate shall be changed only when it shall appear that such classification was clearly erroneous.

Sec. 8. If the classification of all the cotton as shown by the cotton class certificate be found to be correct, there shall be placed on the certificate a notation which shall be signed by the chairman of the board and dated, to the effect that the classification of the cotton covered by such certificate has been reviewed and determined to be as stated in such certificate. Thereupon the certificate shall be returned to the person who requested the review. If the certificate be a Form B certificate, the other party to the dispute shall be advised in writing that the original classification has been confirmed.

Sec. 9. If the classification of any bale of cotton as shown by the certificate shall be changed, such certificate shall be canceled and there shall be issued in lieu thereof a new certificate showing the classification of each bale as determined upon such review. There shall be incorporated in such certificate a statement to the effect that the classification of the cotton covered thereby has been reviewed and determined to be as stated in such certificate. Such certificate shall bear a new number and the date of its issuance and shall be delivered to the person who requested the review, and, if a Form B certificate, an exact copy shall be mailed to the other party to the dispute.

Sec. 10. So far as applicable sections 8 and 9 of this regulation shall likewise apply to reviews of the comparison of samples with types of Form B determinations, and in these cases each party shall be furnished a copy of the certificates showing the decision of the appeal board.

Sec. 11. In case a review is desired of the classification of any cotton represented in a certificate issued by a licensed classifier, the procedure shall be as provided in section 20 of regulation 11.

Sec. 12. Any application for review may be withdrawn by the applicant at any time before the review classification of the cotton covered thereby has been completed, subject to the payment of such fees, if any, as may be assessed pursuant to regulation 14.

REGULATION 10—SUPERVISION OF TRANSFERS OF COTTON

SECTION 1. Whenever the owner or custodian of any cotton inspected and sampled for classification pursuant to regulation 5, or for which he holds valid Form C certificates, desires to transfer such cotton to a different place for the purpose of having it made available for delivery upon a contract made in accordance with section 5 of the United States cotton futures act at the place to which it is to be removed, the procedure shall be as outlined in this regulation. Conformity to this procedure shall not be necessary in the case of the transfer of cotton between different warehouses when such transfer is effected under the supervision of an exchange inspection bureau or a representative of the bureau authorized for the purpose. In such cases the exchange inspection bureau shall report the facts to the board in accordance with section 2 of regulation 5.

Sec. 2. The person who made the request for the classification, or the holder of a Form C certificate, shall file with the secretary of the board with which the classification request was filed, or which issued the certificate, or, if at a point at which there is no board, with the supervisor of inspection at that point, a written request for the supervision of such transfer. Such request shall be in such form as the chief of the bureau shall prescribe. It shall properly identify the cotton and state the respective locations from and to which the cotton is to be transferred. If a Form C certificate for such cotton has previously been issued by the board, the holder thereof shall surrender such certificate to the board for cancellation before such transfer shall take place. No single request for supervision of transfer shall cover both cotton of which the classification has been reviewed and that of which the classification has not been reviewed; nor shall the same request cover both tenderable and untenderable cotton; and no single transfer lot shall include more than 50 bales.

Sec. 3. As soon as practicable after the filing of the request, the chairman of the board of cotton examiners or the supervisor of inspection shall assign to it a transfer number. The owner of the cotton shall thereupon have such number legibly branded upon all bales covered by such transfer request. As soon as practicable thereafter the person filing such request shall make the cotton available to a supervisor or deputy supervisor of cotton inspection or a cotton examiner, who shall examine each bale of cotton covered by the transfer request, and shall attach to it, if found to be properly branded, a durable tag or seal provided for the purpose by the bureau. Such tag or seal shall remain the property of the United States after being so attached while the bale is under the supervision of the Department of Agriculture. No person, unless authorized by the bureau, shall remove or in any way tamper with such attached tag or seal or shall otherwise interfere with any person employed under the act in the performance of his duties, while the cotton is under supervision of the bureau.

Sec. 4. Thereupon there shall be issued to the person requesting the same a transfer certificate in form prescribed for the purpose by the chief of the bureau, properly identifying the cotton according to such tags or seals, and the other means of identification in the possession of the bureau, showing the respective locations from which and to which the cotton is to be transferred, the classification of the cotton as previously determined, and whether or not such classification has been reviewed.

Sec. 5. When the cotton shall have been delivered for storage at the place of its destination, the transfer certificate shall be surrendered to the chairman of the board at such place or to such other official as the chief of the bureau shall designate for the purpose. Thereupon a supervisor of cotton inspection, or a cotton examiner, or other representative of the bureau authorized for the purpose, shall examine each bale of cotton covered by such transfer certificate. If he finds that the entire lot of cotton represented by the transfer certificate has been preserved unbroken and that the identity of the bales has been properly preserved, there shall be issued to the person requesting the same a cotton class certificate or certificates, complying with these regulations and valid for use under the United States cotton futures act, at such destination, without the reclassification of the cotton, except that whenever the exchange at the point of destination shall have put into effect a system of handling cotton and samples thereof approved for the purpose by the chief of the bureau, under which a board of cotton examiners may place its certificate of classification directly on the storage or press receipt covering and properly identifying the cotton involved, the preservation unbroken of the entire lot represented by the transfer certificate shall not be required.

Sec. 6. Supervision of transfers in accordance with this regulation shall not be granted, nor shall any certificate be issued, with respect to any bale which is found to be in such condition that its classification is different from that shown by the Form C certificate, unless such bale shall be reinspected and, if necessary, reclassified in accordance with these regulations.

REGULATION 11—LICENSED CLASSIFIERS

SECTION 1. *Paragraph 1.* Applications for licenses to classify cotton under section 3 of the act shall be made to the chief of the bureau on forms furnished for the purpose by him.

Par. 2. Each such application shall be in English and shall be signed by the applicant, shall be verified by him under oath or affirmation administered by a duly authorized officer, and shall contain or be accompanied by (a) satisfactory evidence that he has passed his twenty-first birthday and that he is an actual resident of the continental United States, (b) satisfactory evidence of his training and experience in the actual classification of cotton, (c) a statement of the standards for the cotton for the classification of which a license is desired, (d) a statement by the applicant that he agrees to comply with and abide by the terms of the act and these regulations so far as they may relate to him, and (e) such

other information as the chief of the bureau may deem necessary.

Par. 3. The applicant shall furnish such additional information as the Secretary or the chief of the bureau shall at any time find to be necessary to the consideration of his application.

Sec. 2. Each applicant for a license as a classifier and each licensed classifier shall, when requested, submit to an examination or test to show his ability to classify cotton, and each applicant who already holds a license under this act shall also make available for inspection copies of the standards for classification used or to be used by him.

Sec. 3. Examinations of applicants for licenses shall cover the classification of cotton in accordance with any or all of the standards listed below (except that no examination will be given nor license issued for determining length of staple only to an applicant who does not already hold a license for grading), and each license under the act and each identification card shall specify the standards with respect to which it is issued:

(a) The official cotton standards of the United States for grades and colors of American upland cotton.

(b) The official cotton standards of the United States for grades and colors of American-Egyptian cotton.

(c) The official cotton standards of the United States for length of staple not over $1\frac{1}{8}$ inches.

(d) All of the official cotton standards of the United States for length of staple.

Any license hereafter issued which does not authorize the licensee to determine both the grade of American upland cotton and all lengths of staple, or the grade of American-Egyptian cotton and all lengths of staple, shall be conspicuously marked "Limited license."

Sec. 4. Examination of licensees, when required, shall cover the classification of cotton with respect to any or all of the standards specified in their licenses. In addition any licensee who makes the necessary application and pays the fee specified in section 12 of regulation 14 may be examined and licensed with respect to the classification of cotton, according to any of the foregoing standards for which he does not already hold a license.

Sec. 5. The period for which a license may be issued shall be from the first day of August until and including the thirty-first day of July following. Renewals shall be for not more than one year beginning with the first day of August of each year: *Provided*, That licenses issued on and after June 1 of each year shall be for the period ending on July 31 of the following year.

Sec. 6. It shall be a condition of the licensing of any cotton classifier under this regulation, and of the retention by him of a license, that during the active cotton season each year he shall be engaged mainly in or in connection with the classification of cotton; that all cotton classified by him shall be graded and stapled in accordance with the official cotton standards of the United States; that his sample and type comparisons, if any, shall be truly and accurately made; and that he shall not use his license or allow the same to be used for any improper purpose.

Sec. 7. Whenever any classifier licensed under the act and in accordance with these regulations shall classify and/or certificate any cotton or samples in consideration of a stated fee, the fee charged shall be reasonable and shall be in accordance with a schedule previously submitted to and approved by the chief of the bureau.

Sec. 8. Each licensed classifier shall keep for a period of one year in a place accessible to interested persons a copy of each certificate issued by him under these regulations.

Sec. 9. Each licensed classifier shall keep, or there shall be kept for him, for a period of at least a year a record of the classification of each individual bale of cotton classified by him: *Provided*, That this requirement shall apply only to cotton actually owned, received, or handled by the person for whom such service is performed, bought or sold by him or his employer: *Provided further*, That where any licensed classifier shall serve on a committee in the classification of

any cotton, such record shall show the classification of such cotton and the participation of each licensed classifier engaged in such classification. Each licensed classifier shall permit any officer or agent of the bureau, authorized by the chief of the bureau for the purpose, to inspect or examine, on any business day during the usual hours of business, his books, papers, records, and accounts relating to the performance of his duties under the Act and these regulations.

Sec. 10. Each licensed classifier shall, from time to time when requested by the bureau, make reports, on forms furnished for the purpose by the bureau bearing upon his activities as such licensed classifier.

Sec. 11. Every person licensed under the act shall immediately furnish the chief of the bureau any information which comes to the knowledge of such person tending to show that any provision of the act or the regulations has been violated.

Sec. 12. Pending investigation the Secretary may, whenever he deems necessary, suspend the license of a licensed classifier temporarily without hearing. Upon written request and a satisfactory statement of reasons therefor submitted by the licensed classifier, the Secretary or the chief of the bureau may, without a hearing, suspend or cancel the license issued to such licensed classifier. The Secretary or the chief of the bureau may, after opportunity for hearing when possible has been afforded in the manner prescribed in this section, suspend or cancel a license issued to a licensed classifier when such licensed classifier (a) has ceased to perform services as such classifier, (b) has knowingly or carelessly classified cotton improperly, (c) has violated or evaded any provisions of the act or the regulations thereunder so far as the same may relate to him, (d) has used his license or allowed it to be used for any improper purposes, or (e) has in any manner become incompetent or incapacitated to perform the duties of such licensed classifier. Before the license of any licensed classifier is finally suspended or revoked pursuant to section 3 of the act, such licensed classifier shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be accorded if requested in accordance with section 14 of this regulation.

Sec. 13. If a license issued to a licensed classifier is suspended, revoked, or canceled such license shall be returned to the Bureau. At the expiration of any period of suspension of such license, unless in the meantime it be revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, and it shall be returned to the licensed classifier to whom it was originally issued.

Sec. 14. For the purpose of a hearing under the act or this regulation, the licensee involved shall be allowed a reasonable time, fixed by the Secretary or by an official of the Department of Agriculture designated by him for the purpose, within which affidavits and other proper evidence may be submitted. If requested by the licensee within such time, an oral hearing, of which reasonable notice shall be given, shall be held before and at the time and place fixed by the Secretary or an official of the Department of Agriculture designated by him for the purpose. The testimony of the witnesses at such oral hearing shall be upon oath or affirmation administered by the official before whom the hearing is held when required by him. Such oral hearing may be adjourned by him from time to time. After reasonable notice to all parties concerned, the deposition of any witness may be taken at a time and place and before a person designated for the purpose by the Secretary or an official of the Department of Agriculture authorized by the Secretary. Every written entry in the records of the Department of Agriculture made by an officer or employee thereof in the course of his official duty, which is relevant to the issue involved in a hearing, shall be admissible as prima facie evidence of the facts stated therein without the production of such officer or employee. Copies of all papers and all the evidence submitted or considered in such hearing shall be made a part

of the records of the Department of Agriculture. The records and, when there has been an oral hearing other than by the Secretary, the recommendation of the official holding such oral hearing shall be transmitted to the Secretary for his consideration. Each party shall pay all expenses contracted by him in connection with any hearing under this section.

Sec. 15. Upon satisfactory proof of the loss or destruction of a license issued to a licensed classifier, a duplicate thereof may be issued under the same or a new number, in the discretion of the Secretary.

Sec. 16. No person shall in any way represent himself to be a classifier licensed under the act unless he holds an unsuspended, unrevoked, and uncanceled license issued under the act.

Sec. 17. Each class certificate issued under the act by a licensed classifier shall be in a form approved for the purpose by the chief of the bureau and shall embody within its written or printed terms—

- (a) The caption "Licensed cotton classifier's certificate."
- (b) The serial number assigned to it.
- (c) Whether it is an original, a duplicate, or other copy.
- (d) The date and place of issuance.
- (e) That the certificate is issued by a classifier licensed under the United States Cotton Standards Act and regulations thereunder.
- (f) A list of the standards with respect to which the classifier is licensed.
- (g) The exact location of the cotton at the time of classification.

(h) A statement in accordance with the facts in each case, either (1) that the classifier knows the samples upon which his classification is based to be true and correct samples of the cotton involved; or (2) that the samples were drawn by a sampler licensed under the United States Cotton Standards Act, as amended, or under the United States Warehouse Act; or (3) in other cases in which the classifier does not know that the samples are truly representative of the cotton involved, a statement to the effect that the certificate covers the grade or other class of such samples only, submitted for classification and represented as having been drawn from the bales described therein, in which case the name and address of the person who submitted the samples shall be stated, and the certificate shall carry the notation "Special sample certificate."

(i) The identification of each bale of cotton by the tag number or mark by which the bale was identified at the time the sample was taken.

(j) The grade, length of staple, or other class of each bale or sample of cotton covered thereby.

(k) The signature of the licensed classifier.

In addition, the class certificate may include any other matter not inconsistent with the act or these regulations.

Sec. 18. A certificate issued by a licensed classifier shall in no case be deemed a final certificate within the meaning of section 4 of the act. The certificate of a board covering any cotton represented in a licensed cotton classifier's certificate shall at once invalidate and supersede a licensed classifier's certificate as to such classification.

Sec. 19. The shipment, sale, or consignment of any cotton or the sale or hypothecation of any warehouse receipts, compress receipts, or bills of lading representing any cotton covered by a licensed classifier's certificate shall render such certificate null and void unless the certificate be attached to the warehouse receipts, bills of lading, or invoices by which the cotton is moved or sold or by which title to the cotton is passed or hypothecated.

Sec. 20. In case a review is desired of the classification of any cotton represented in a valid certificate issued by a licensed classifier as provided in section 17 of this regulation, the holder of such certificate shall surrender the same, together with samples of the cotton, to a board and receive in its stead a certificate signed by the chairman of such board. The certificate of the board issued in lieu of the licensed classifier's certificate in accordance with this section shall

be subject to review by the appeal board of review examiners, provided a review would have been granted if the classification had been performed originally by a board.

Sec. 21. In the event any licensed classifier shall find that any cotton has been inconsistently classified by two or more licensed classifiers, he shall thereupon bring the matter to the attention of the board of supervising cotton examiners, which board shall review all the facts obtainable and, if possible, determine the classification of the cotton. The board may examine or requisition such samples of the cotton in question as may be in the hands of such licensed classifiers, or, in the discretion of the chairman may request that new samples be drawn, if obtainable. In the event samples are not obtainable, the board may, in its judgment sufficient facts are available, decide which of the inconsistent classifications shall be sustained. The records of the licensed cotton classifiers concerned shall be corrected to show the findings of the board.

REGULATION 12—LICENSED SAMPLERS

SECTION 1. *Paragraph 1.* Applications for licenses to sample cotton shall be made to the Chief of the Bureau of Agricultural Economics on forms furnished for the purpose by him.

Par. 2. Each such application shall be in English and shall be signed by the applicant, shall be verified by him under oath or affirmation, administered by a duly authorized officer, and shall contain or be accompanied by (a) satisfactory evidence that he has passed his 21st birthday and that he is an actual resident of the continental United States, (b) satisfactory evidence of his experience in the handling and sampling of cotton, (c) a statement by the applicant that he agrees to comply with and abide by the terms of the law and these regulations so far as they may relate to him, and with instructions issued from time to time by the Chief of the Bureau governing the sampling of cotton, and (d) such other information as the Chief of the Bureau may deem necessary.

SEC. 2. *Paragraph 1.* Each applicant for a license to sample cotton shall, as a condition to the granting thereof, execute and file with the Chief of Bureau a good and sufficient bond to the United States to secure the faithful performance of his duties as a licensed sampler under the terms of the Act, as amended, and these regulations. Said bond shall be in such form and amount, not less than \$1,000, and shall have such surety or sureties as shall be approved by the Chief of the Bureau, subject to service of process in suits on the bond within the State, district, or territory, in which such licensee shall perform services as a licensed cotton sampler. Any person injured by the breach of any obligation to secure which a bond is given under this paragraph shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach.

Par. 2. If the Chief of the Bureau finds that the existence of conditions warrants such action, there shall be added to the amount previously required under paragraph 1 of this section such additional amount as he shall deem necessary.

SEC. 3. The period for which a license may be issued under this regulation shall be from the first day of August until and including the 31st day of July following. Renewals shall be for one year, beginning with the first day of August of each year: *Provided*, That licenses or renewals issued on and after June 1 of any year shall be for the period ending on July 31 of the following year.

SEC. 4. It shall be a condition of the renewal of any license hereunder that the licensed sampler shall file a new bond in the required amount with, and that such bond shall be approved by, the Chief of the Bureau or his authorized representative, provided that in the discretion of the Chief of the Bureau or his authorized representative a properly executed instrument in form approved by him amending, extending, or continuing in force and effect the obligations of a valid bond previously filed by the licensed sampler and otherwise complying with this regulation may be filed in lieu of a new bond.

SEC. 5. No bond, amendment, or continuation thereof shall be deemed accepted for the purposes of this regulation until

it has been approved by the Chief of the Bureau or his authorized representative.

SEC. 6. Each applicant for a license as a sampler and each licensed sampler, whenever requested by an authorized agent of the Bureau, shall submit to an examination or test to show his ability properly to perform the duties for which he is applying for a license or for which he has been licensed, and each such applicant or licensee shall furnish the Bureau any information requested at any time in regard to his sampling of cotton.

SEC. 7. Each licensed sampler shall keep his license conspicuously posted at the place where he functions as a sampler or in such other place as may be approved by the Bureau.

SEC. 8. Each licensed sampler, when requested, shall without discrimination, as soon as practicable and upon reasonable terms, sample any cotton if the same be made available to him under conditions that will permit proper sampling. Each such licensee shall give preference to those who request his services as such over persons who request his services in any other capacity, excepting only the services required of licensed classifiers under the Act.

SEC. 9. Each licensed sampler shall be provided with seals and with tags and samplers' certificates approved or furnished by the Chief of the Bureau or his representative for identifying the samples of cotton and for certifying the condition of the cotton represented by such samples. There shall be clearly written or printed on the face of each certificate (a) the number thereof; (b) a suitable caption; (c) the warehouse or other location of the cotton involved; (d) the identification number of the bale from which the sample was drawn; (e) the date on which the sample was drawn, and (f) a statement indicating that the sample was drawn by a sampler licensed in accordance with the United States Cotton Standards Act, as amended. The use of such tags and certificates shall be in conformity with instructions issued from time to time by the Chief of the Bureau.

SEC. 10. Each official sample taken from a bale of cotton by a licensed sampler shall be drawn, prepared, and identified in such manner as may be required by the Chief of the Bureau. Each bale shall be sampled from both the top side and the bottom side, not less than 3 ounces of cotton to be drawn from each side. The head of the bale shall be properly inspected and any conditions not fully indicated by the sample shall be specified by the licensed sampler in the certificate accompanying such sample.

SEC. 11. Each licensed sampler shall carefully handle each official sample in such manner as not to cause loss of sand or other foreign material therefrom or any change otherwise in its representative character.

SEC. 12. Each licensed sampler shall permit any authorized officer or agent of the Bureau to inspect at any time his books, papers, records and accounts relating to the performance of his duties under this regulation.

SEC. 13. Pending investigation, the Secretary may, whenever he deems necessary, suspend the license of a sampler temporarily without a hearing. Upon a written request and a satisfactory statement of reasons therefor submitted by the licensee or when the licensee has ceased to perform the services for which licensed, the Secretary or the Chief of the Bureau may, without a hearing, suspend or revoke the license issued to such licensee. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed herein, suspend or revoke a license issued to a sampler when such licensee has, in any manner, become incompetent or incapacitated to perform his duties as such licensee or has ceased to perform services as a cotton sampler or has violated or evaded any provision of the Act, as amended, or this regulation so far as the same may relate to him. Before the license of any sampler is finally suspended or revoked for failure of the licensee to comply with the Act, as amended, or this regulation, such licensee shall be furnished by the Secretary or his designated representative a statement specifying the charges and shall be allowed a reasonable time in which he may answer the same in writing and/or apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 11, section 14.

SEC. 14. In case a license issued to a sampler is suspended or revoked by the Secretary or by the Chief of the Bureau such license shall be returned to the Department. At the expiration of any period of suspension of such license, unless in the meantime it be revoked, the dates of beginning and termination of such suspension shall be endorsed thereon, it shall be returned to the person to whom it was originally issued, and it shall be posted as prescribed in section 7 of this regulation.

SEC. 15. Upon satisfactory proof of the loss or destruction of a license issued to a sampler hereunder, a new license may be issued under the same or a new number.

SEC. 16. Each licensed sampler, when requested, shall make reports on forms furnished for the purpose by the Bureau bearing upon his activities as such licensee.

SEC. 17. No person shall in any way represent himself to be a sampler licensed under the Act, as amended, unless he holds an unsuspended and unrevoked license issued thereunder.

SEC. 18. It shall be a condition of the issuance of a license to any cotton sampler under this regulation that the licensee shall not draw any official sample from any cotton in which he or his employer is financially interested.

REGULATION 13—OFFICIAL COTTON STANDARDS

SECTION 1. Paragraph 1. Practical forms of any of the official cotton standards of the United States enumerated in this paragraph, each certified under the seal of the United States Department of Agriculture and under the signature of the Secretary, thereto affixed by himself or by some other official or employee of the department thereunto duly authorized by him, and in the case of the standards for grade and color accompanied by photographs representing the cotton in such practical forms on the date of certification, will be furnished to any person requesting the same, upon prepayment of the cost thereof as determined by the Secretary, subject to the other conditions of this section.

Standards for grades of American upland cotton as revised effective August 20, 1936, as follows:

- No. 2 or Strict Good Middling.
- No. 3 or Good Middling.
- No. 4 or Strict Middling.
- No. 5 or Middling.
- No. 6 or Strict Low Middling.
- No. 7 or Low Middling.
- No. 8 or Strict Good Ordinary.
- No. 9 or Good Ordinary.
- No. 3, Tinged, or Good Middling Tinged.
- No. 4, Tinged, or Strict Middling Tinged.
- No. 5, Tinged, or Middling Tinged.
- No. 6, Tinged, or Strict Low Middling Tinged.
- No. 7, Tinged, or Low Middling Tinged.

Standards for grades and colors of American-Egyptian cotton, as follows:

- Grade No. 1.
 - Grade No. 2.
 - Grade No. 3.
 - Grade No. 4.
 - Grade No. 5.
- Standards for length of staple, as follows:

American Upland Cotton

3/4 inch.	1 1/8 inches.
1 1/8 inch.	1 3/8 inches.
7/8 inch.	1 7/8 inches.
1 1/8 inch.	1 7/8 inches.
1 1/4 inch.	1 3/4 inches.
1 1/2 inch.	1 3/2 inches.
1 inch.	1 7/8 inches.
1 1/2 inches.	1 3/4 inches.
1 7/8 inches.	1 3/8 inches.
1 3/4 inches.	1 1/2 inches.

American-Egyptian Cotton

1 1/2 inches.	1 5/8 inches.
1 7/8 inches.	1 3/4 inches.

Tentative standards for preparation of American upland long staple cotton:

- Strict Middling A Preparation.
- Strict Middling B Preparation.
- Strict Middling C Preparation.
- Middling A Preparation.
- Middling B Preparation.
- Middling C Preparation.
- Strict Low Middling A Preparation.
- Strict Low Middling B Preparation.
- Strict Low Middling C Preparation.

Par. 2. Each application for practical forms of the official cotton standards shall be upon a blank furnished or approved by the bureau, shall be signed by the applicant, and shall be accompanied by certified check, draft, post-office money order, or express money order, payable to the "U. S. Department of Agriculture," in an amount sufficient to cover the cost of the forms requested, and shall incorporate the following conditions:

(a) That no practical form of any of the official cotton standards or of the tentative standards for the preparation of long-staple cotton shall be considered or used as representing such standards after the date of its cancellation in accordance with this section or in any event after the expiration of 18 months following the date of its certification: *Provided*, That sets of practical forms stored, protected, and preserved in accordance with certain agreements for the adoption of universal standards may be used for such periods as may be prescribed in such agreements.

(b) That said practical forms and the photographs accompanying them shall be subject to inspection on any business day, between the hours of 9 a. m. and 4 p. m., by the Secretary or by an officer or agent of the Department of Agriculture authorized by the chief of the bureau.

(c) That the signature of the Secretary certifying to any practical forms, or any photograph of any type or sample of said practical forms accompanying the same, or both, may be canceled if it be found, upon such inspection, either that any of said forms for any reason misrepresents the official cotton standards or that any such photograph has been altered or mutilated.

SEC. 2. Whenever any of the official cotton standards shall have been adopted as universal standards by an association or exchange located in a country other than the United States, the name of such association or exchange may be shown on the outside of the box or container.

SEC. 3. Paragraph 1. The containers of the original universal standards and other official cotton standards of the United States, whenever such official standards are represented by practical forms, shall be marked as prescribed in the order or orders of their establishment, wrapped, and sealed with wax seals. When so marked, wrapped, and sealed they shall be deposited in a suitable vault or in a steel safe or safes, which safe or safes shall be kept sealed with an imprinted seal. The dies used to seal the first reserve set of the universal standards shall be deposited in the Treasury of the United States subject to the order of the Secretary of Agriculture; those used to seal the other official cotton standards of the United States shall remain in the custody of the chief of the bureau. Such safes shall be sealed in the presence of the solicitor of the department and the chief of the bureau, or of persons temporarily acting in their stead, and shall thereafter be opened only in the presence of the same and upon written order of the Secretary or of the person acting in his stead.

Par. 2. As soon as practicable after the second Monday in March 1939 and after the second Monday in March of each third year thereafter there shall be prepared two full sets of practical forms or copies of the universal standards for grades and colors of American upland cotton, which shall be known as "reserve sets" and which, upon the certification and recommendation of qualified experts, shall be certified by the Secretary as true copies of the original standards as and when established. Such "reserve sets" shall be inclosed in metal-lined cases, likewise sealed in the presence of the solicitor of the department and the chief of the bu-

reau, or of persons temporarily acting in their stead. One such set, to be known as the "first reserve set", shall then be delivered to agents of the Treasury Department of the United States to be deposited in the United States Treasury, and the other, to be known as the "second reserve set", shall be deposited in the vaults of the bureau in the immediate control and custody of the chief of the bureau. Such "reserve sets" shall remain so deposited until such time as they shall be required for examination, reproduction, and use, as set forth in paragraph 3 of this section. When so required they shall be withdrawn only upon the order of the Secretary or of the person temporarily acting in his stead. The seals upon the cases and containers of the practical forms shall be broken only in the presence of the solicitor of the department and the chief of the bureau, or persons temporarily acting in their stead, and experts qualified in the classification of American upland cotton authorized to be present.

Par. 3. As soon as practicable after the opening, as provided in paragraph 2, of the "first reserve set", two new "reserve sets" shall be prepared by comparison with the "first reserve set", which shall be taken to represent so far as possible the original standards as and when established, and which shall, in turn, be numbered, incased, sealed, and stored in the manner prescribed in paragraph 2. The "first reserve set" of the preceding 3-year period shall then be again sealed and shall remain in the custody of the chief of the bureau as a permanent record. If, upon the opening and examination of the "first reserve set" as herein provided, it shall appear that such set has undergone any substantial change, the "second reserve set" shall, for the purposes of this paragraph, be used in its stead. If the "second reserve set" is not so needed, it shall be retained by the bureau as a permanent record.

REGULATION 14—FEES AND COSTS

SECTION 1. All fees for services of classification, comparison, certification, or review by a board of examiners shall be paid at the time of filing the request for the service desired, except that in the discretion of the Chief of the Bureau bills may be delivered to persons from whom payment for fees or expenses or for the supervision of transfers may become due. Such bills shall be rendered as soon as practicable after the fifteenth and the last day of each month for amounts due and unpaid on such dates. When necessary, in the discretion of the chairman of the board or the supervisor of inspection, any bill may be rendered at an earlier date for any fees then due from the person to whom such bill may be rendered. Payment of any such bill shall be made as soon as possible after the rendition thereof, but in any event not later than the expiration of two weeks thereafter.

Sec. 2. Paragraph 1. For the classification and certification of any cotton or samples, whether informal or otherwise, or for the review of a licensed cotton-classifier's certificate, the person requesting the classification or review shall pay a fee, as follows, except as provided in paragraph 3 of this section:

(a) If the classification is with respect to grade only, at the rate of 15 cents a bale.

(b) If the classification is with respect to staple only, at the rate of 15 cents a bale.

(c) If the classification is with respect to any other single quality, at the rate of 15 cents a bale.

(d) For all Form C determinations and in other cases where the classification is with respect to two or more of the qualities specified in (a), (b), or (c), at the rate of 25 cents a bale.

Par. 2. When a comparison is requested of any samples with a type or with other samples, the fees prescribed in paragraph 1 of this section shall apply to every sample involved, including each of the samples of which the type is composed, except that no charge shall be made for the classification of a type composed of less than 10 samples.

Par. 3. The fees provided for in paragraph 1 of this section may be waived as to the classification and certification or the review of the classification of any cotton for the account of any charitable or philanthropic organization where such cotton is intended to be used under an Act or joint resolution of

Congress for the relief of public distress or to be exchanged for goods to be so used: To demonstrate the classification of cotton according to the official cotton standards, the Chief of the Bureau may authorize for limited periods of time, in designated localities, the informal classification of samples submitted for the purpose and the issuance without charge of Form A memoranda evidencing such classification, but such samples shall be disposed of as provided in section 6 of regulation 4 unless claimed and removed by the person submitting the same, at or about the time of classification.

Sec. 3. For each new certificate issued in substitution for a prior certificate at the request of the holder thereof, on account of the breaking or splitting of the lot of cotton covered thereby or otherwise for his business convenience, the person requesting such substitution shall pay a fee of 25 cents when the number of bales covered by the new certificate is 10 or less, or a fee of 50 cents when the number of bales covered by such certificate is more than 10. In cases where a part of a lot of cotton represented by any one certificate is removed from the certificated stock of any market and the bales so removed are canceled from such certificate at the request of the holder thereof, in accordance with section 5 of regulation 3, no charge shall be made for such cancellation unless the holder requests the return of the official samples representing the bales so canceled in which event a service charge of 10 cents will be assessed for each certificate involved.

Sec. 4. For the review of the classification or comparison of any cotton the fee shall be 30¢ per bale where two or more qualities are involved, and 20¢ per bale where a single quality is involved. Such fees shall cover the review classification or comparison and any expense incident to forwarding and returning samples, whether the review is performed in Washington, D. C., or by a committee of the appeal board functioning temporarily in the field.

Sec. 5. No fee shall be collected for a new cotton class certificate issued in lieu of a prior certificate solely for the purpose of correcting clerical errors therein or for the purpose of substituting a new form applicable to outstanding certificates or without an application therefor.

Sec. 6. When the request for the classification or comparison of any cotton or an application for review shall be withdrawn after the classification of such cotton has been started pursuant thereto, the person filing the same shall pay the fee prescribed by section 2 of this regulation as to any such cotton already classified.

Sec. 7. Whenever the supervision of the inspection and sampling or of the transfer of any cotton shall be performed at a place other than that where a board or supervisor of cotton inspection is regularly located, the person making request for the classification or the supervision of the transfer of the cotton shall pay, in addition to the costs elsewhere prescribed in this regulation, 5 cents for each bale involved.

Sec. 8. The expense of inspection and sampling, the preparation of the samples, and the delivery of such samples, to the classification room of the board, or other place specifically designated for the purpose by the chief of the bureau or by the chairman of such board, shall be borne by the party requesting the classification.

Sec. 9. For the supervision of the transfer of cotton in accordance with regulation 10, including such new certificates incidental thereto as may be necessary for the delivery of such cotton upon a contract made in accordance with section 5 of the United States cotton futures act, without its reclassification, the applicant for such transfer supervision shall pay a fee of 30 cents per bale.

Sec. 10. Whenever the holder of a Form C certificate covering cotton located at a place which has been designated as a point of delivery on futures contracts shall, without change in the place of storage of such cotton, surrender such certificate and request in lieu thereof a certificate or certificates valid for use in the delivery of such cotton upon a contract under section 5 of the United States cotton futures act, he shall pay a service fee of 10 cents for each bale involved.

Sec. 11. If requested by the secretary of the board or supervisor of inspection with whom a request is required to

be filed or by the chief of the bureau, the person from whom any payment under this regulation may become due shall make an advance deposit to cover such payment in such amount as may be necessary in the judgment of the official requesting the same.

Sec. 12. For the examination of an applicant for a license to classify cotton in accordance with regulation 11, the fee shall be \$10, but no additional charge shall be made for the issuance of a license to an applicant found to be properly qualified. For each renewal of a classifier's license the fee shall be \$5. For the issuance of a cotton sampler's license under regulation 12 the applicant shall pay a fee of \$5 and for each renewal a fee of \$3.

Sec. 13. Paragraph 1. The cost of any of the practical forms of the universal standards or other official cotton standards of the United States for grade or color enumerated in section 1, regulation 13, shall be at the rate of \$5 each, f. o. b. Washington, D. C., for shipments within the continental United States, and \$6.25 each, delivered to destination, for shipments outside the continental United States.

Par. 2. The costs specified in paragraph 1 of this section shall likewise apply in cases where new samples are furnished in replacement of old samples in any box of the practical forms returned to the department for the purpose, except that when the number of new samples so furnished is five or less in one box the cost shall be at the rate of 40 cents for each sample.

Par. 3. The cost of any of the practical forms of the official cotton standards of the United States for length of staple enumerated in section 1, regulation 12, shall be at the rate of \$1 each, f. o. b. Washington, D. C., for shipments within the continental United States, and \$1.25 each, delivered to destination, for shipments outside the continental United States.

Sec. 14. Practical forms of the tentative standards for preparation of American upland long-staple cotton will be furnished to any person, upon prepayment of the costs thereof, which shall be at the rate of \$3 each, f. o. b. Washington, D. C., for shipment within the continental United States, and \$4 each, delivered to destination, for shipment outside the continental United States:

Sec. 15. Any payment or advance deposit under this regulation shall be by certified check or by draft or post-office or express money order, payable to the order of the "United States Department of Agriculture", and may not be made in cash except in cases where the total payment or deposit does not exceed \$1.

Sec. 16. The cost of practical forms of the universal standards or other official cotton standards which may hereafter be established shall be such as the Secretary of Agriculture may determine.

Sec. 17. Nothing in these regulations shall be construed to void or modify any claim which a person or party requesting and paying for a service may have against any other person or party for the payment of part or all of such costs.

Sec. 18. In the discretion of the chief of the bureau, limited numbers of copies of the practical forms of any of the official standards, and specially prepared exhibits illustrating any of such standards, may be loaned to educational and other institutions for demonstrational purposes.

REGULATION 15—AMERICAN COTTON LINTERS.

SECTION 1. In so far as applicable, and not inconsistent with this regulation, the provisions of the foregoing regulations relating to the organization and functions of boards of cotton examiners; requests for classification and comparison; submission and disposition of samples in Form A and Form B determinations and the submission of cotton, supervision and sampling in Form C determinations; classification; sample and type comparison; certificates and memoranda, Forms A, B, and C, shall likewise apply to the organization and functions of boards of cotton linters examiners and to the submission and disposition of samples of linters in Form A and Form B determinations and the submission of bales of linters in Form C determinations; the classification of linters; sample and type comparison of linters; and certificates and memoranda evidencing the classification and com-

parison of linters: *Provided*, That each sample of American cotton linters submitted to a board of cotton linters examiners for classification and/or comparison shall weigh not less than ½ pound, shall be wrapped separately, and shall contain a coupon or tag by which the identity of the bale from which it is drawn may be determined; that the head of the bale shall be properly inspected, and any conditions not fully indicated by the samples shall be specified by the inspector or the sampler of the linters in a written memorandum to the board which shall accompany the samples; and such samples shall be drawn in the following manner:

Condenser system linters.—Three layers shall be drawn from each head of each bale, each layer to be approximately 6 by 8 inches in size. The six layers in each such sample shall be considered in equal proportions as representative of the variations in quality in the bale from which drawn.

Flue system linters.—One sample shall be drawn from the top side of each bale and one from the bottom side (the surface layer shall not be included), which said samples, wrapped together and weighing not less than ½ pound, shall constitute one sample for the purposes of this regulation.

SEC. 2. *Boards of cotton linters examiners.*—There shall be located at Washington, D. C., and, when necessary, in the opinion of the chief of the bureau, at any other point that he shall designate for the purpose, a board of cotton linters examiners. The members of all boards and the chairman of each shall be designated for the purpose by the chief of the bureau.

SEC. 3. *Requests for classification and comparison.*—For each lot or mark of linters which the applicant desires classified or compared separately he shall make a separate written request specifying which one of the following forms of service is desired:

(1) *Form A determination.*—The informal classification or comparison, or both, of samples submitted for the purpose. Such informal classification or comparison shall be evidenced by a Form A memorandum which shall not be subject to review or appeal.

(2) *Form B determination.*—The formal classification or comparison, or both, of samples submitted by mutual agreement of two or more parties to a dispute. The classification or comparison in such cases shall be evidenced by a Form B certificate which shall be subject to review as provided in this regulation.

(3) *Form C determination.*—The formal classification of bales of linters, to be sampled under the supervision of a supervisor of inspection. The classification in such cases shall be evidenced by a Form C certificate which shall be subject to review as provided in this regulation.

SEC. 4. *Classification.*—All requests for classification in the United States shall be filed with the secretary of the board of cotton linters examiners at Washington, D. C., or with the supervisor of inspection at the place where the linters is located.

Where in the classification of any bale of linters the variation in quality and/or color is found to be less than that embraced in any single grade, or greater than that of any standard grade but not greater than that of two adjacent grades, such linters shall be described in appropriate terms indicating the degree of variation in quality and/or color.

SEC. 5. *Reviews.*—One review only of the classification or comparison of any linters, evidenced by a Form B certificate or a Form C certificate, may be had in general conformity with regulation 9, which such review shall be handled by the board of cotton linters examiners at Washington, D. C.

SEC. 6. *Licensed classifiers.*—Subject, in general, to the terms and conditions of regulation 11, any person may, upon presentation of evidence of competency, be licensed to grade or classify linters and to certificate the grade or other class thereof in accordance with the official standards of the United States for American cotton linters.

SEC. 7. *Fees and costs.*—The provisions of regulation 14 relating to fees and costs shall, so far as applicable, apply to services performed with respect to linters, but the fee for the classification with respect to grade, character, and color,

or for the comparison of any linters shall be at the rate of 20 cents for each bale or sample involved.

Sec. 8. For the review of the classification or comparison of any linters the applicant shall pay a fee of 20 cents per bale.

Sec. 9. For the examination of an applicant for a license to classify linters the fee shall be \$10, but no additional charge shall be made for the issuance of a license to an applicant found to be properly qualified. For each renewal of such a license the fee shall be \$5.

Sec. 10. Practical forms of the official standards of the United States for American cotton linters will be furnished to any person, subject to the general terms and conditions specified in regulation 13 with respect to the practical forms of the official cotton standards of the United States, and upon prepayment of the costs thereof, which shall be at the rate of \$5 each, f. o. b. Washington, D. C., for shipments within the continental United States, and \$6.25 each, delivered to destination, for shipments outside the continental United States: *Provided*, That no practical form of any of the official standards of the United States for American cotton linters hereafter issued shall be considered as representing any of said standards after the date of its cancellation in accordance with these regulations, or, in any event, after the expiration of 12 months following the date of its certification.

Sec. 11. Three expositor types, illustrating the staples and characters of linters as embraced in each of the grades 1 to 6, inclusive, of the official standards of the United States for American cotton linters, will be supplied to each purchaser of copies of said official standards. To the extent that facilities permit, additional expositor types will be furnished to any such purchaser of copies of said standards, or to any other person, at the rate of \$1.00 each (\$3.00 for each grade), f. o. b. Washington, D. C., for shipment within the continental United States, and \$1.25 each (\$3.75 for each grade), delivered to destination, for shipment outside the continental United States.

REGULATION 16—ADJUSTMENT OF DISPUTES ARISING FROM CONTRACTS FOR THE SHIPMENT OF COTTON FROM THE UNITED STATES

SECTION 1. *Paragraph 1.* When an association or exchange located in a country other than the United States shall adopt any of the official cotton standards of the United States and when the members of the committee of such association or exchange having final jurisdiction in the matter of appeals have been designated as cotton examiners by the chief of the bureau, such committee may be constituted for the purposes of this act a board of the Department of Agriculture and authorized to act as follows:

Par. 2. In so far as the exchange has adopted the universal standards, the committee may pass upon the classification of cotton involved in a dispute between a party in the United States and a party without the United States to a contract made under the rules of the association or exchange.

Par. 3. The submission of samples of cotton involved in such a dispute to such association or exchange or such committee in accordance with the rules of the association or exchange shall be deemed to be a submission to the Department of Agriculture.

Par. 4. Determinations of classification made by the boards so constituted shall be final. When so provided in the articles, rules, or by-laws of the association or exchange, such determinations may be evidenced by awards. If an award is made which does not state the classification, such board will, upon request of the owner or custodian of the cotton and the payment of a reasonable additional fee, issue a certificate showing in detail the true classification for grade and color of such cotton, based upon a comparison of the samples with the universal standards or with a type or other samples on which the cotton has been sold, as the case may be.

Sec. 2. The manner of procedure in submitting and handling samples, in classification, and in instituting and conducting arbitrations and appeals shall be as prescribed in the articles, by-laws, and rules of the association or exchange.

REGULATION 17—PUBLICATIONS

SECTION 1. Publications under the act and these regulations may be made in service and regulatory announcements of the bureau and by such other means as the chief of the bureau shall from time to time designate for the purpose.

[F. R. Doc. 1852—Filed, August 20, 1936; 3:13 p. m.]

Bureau of Biological Survey.

ORDER

PERMITTING AND REGULATING FISHING WITHIN THE WHITE RIVER MIGRATORY WATERFOWL REFUGE, ARKANSAS

Pursuant to regulations 1 and 2 of the regulations of the Secretary of Agriculture of May 7, 1930, governing the administration of Federal wildlife refuges, it is hereby ordered until further notice that fish may be taken for commercial purposes under permit issued by the resident officer in charge and without permit for sport or for family use when and as permitted by the laws and regulations of Arkansas from waters within the White River Migratory Waterfowl Refuge, established by Executive Order No. 7173, dated September 4, 1935, subject to the following conditions and restrictions:

1. *Permit and license.*—Prior to the issuance of a permit to fish for commercial purposes on the refuge, the applicant for the privilege and persons fishing for sport or for family use without a permit shall be in possession of a valid State fishing license, if such license is required, and shall exhibit it to the resident officer in charge or his duly authorized representative; and any person to whom has been issued a Federal permit to fish for commercial purposes shall carry such permit on his person when exercising the privileges thereunder, and shall upon demand exhibit it to any State or Federal officer authorized to enforce State or Federal fishing laws or regulations: *Provided*, That fishing shall be done in such manner as will not interfere with the objects for which the refuge was established.

2. *Routes of travel.*—Persons entering the refuge for fishing purposes shall follow such routes of travel as shall from time to time be designated by the officer in charge.

3. *Camp sites and fires.*—Camping on the refuge will be permitted on designated camp sites under permit issued by the officer in charge or his authorized representative, and the lighting of fires on any area of the refuge other than on such designated camp sites is prohibited. Campers shall completely extinguish camp fires before leaving the camp area, and shall smother with earth or extinguish with water all embers so that there will be no danger of reignition. Special care must be observed to prevent lighted matches, cigars, cigarettes, or pipe ashes from being dropped in grass or other inflammable material.

4. *Suspension of fishing privileges.*—Whenever it shall appear that because of intensive fishing or other causes the supply of fish in any area or areas of the waters open to fishing is becoming excessively reduced, the Chief, Bureau of Biological Survey, may in his discretion, within three days after giving notice to that effect, terminate commercial and family or sport fishing in such area or areas as may in his judgment be so affected; and all outstanding permits to fish for commercial purposes in such area or areas shall thereupon become null and void.

5. *Reports.*—Each permittee authorized to take fish on the refuge for commercial purposes, shall within 10 days after the expiration or termination of his permit submit to the officer in charge, or his representative, a report correctly stating the kinds of fish and the quantity of each kind taken.

6. *Revocation of permits.*—Any permit issued under this Order may be revoked by the issuing officer for non-compliance with the terms thereof, for nonuse, or for violation of any law or regulation applicable to the refuge, or for violation of any State or Federal law or regulation protecting fish or other wildlife or the nests or eggs of birds on

the refuge; and it is subject at all times to discretionary revocation by the Secretary of Agriculture.

7. *Firearms*.—The carrying or being in possession of firearms of any description on the refuge is not permitted.

[SEAL] W. R. GREGG, *Acting Secretary*.

AUGUST 21, 1936.

[F. R. Doc. 1867—Filed, August 21, 1936; 11:56 a. m.]

DEPARTMENT OF COMMERCE.

Patent Office.

[Order No. 3366]

CHANGE IN THE RULES OF PRACTICE

AUGUST 12, 1936.

Acting under the provisions of Section 483 of the Revised Statutes (U. S. C., title 35, sec. 6) and with the approval of the Secretary of Commerce, Rule 79 of the Rules of Practice of the Patent Office is amended by changing in line 9 "four months" to *six months*. This rule to read as follows:

A design patent may be obtained by any person who has invented any new, original, and ornamental design for an article of manufacture, not known or used by others in this country before his invention thereof, and not patented or described in any printed publication in this or any foreign country before his invention thereof, or more than two years prior to his application, and not caused to be patented by him in a foreign country on an application filed more than six months before his application in this country, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, upon payment of the fees required by law and other due proceedings had, the same as in cases of inventions or discoveries.

This amendment is for the purpose of making this rule conform to Section 4887, R. S. (U. S. C., Title 35, sec. 32), as amended by the Act of Congress, approved June 19, 1936.

[SEAL] CONWAY P. COE, *Commissioner*.

[F. R. Doc. 1853—Filed, August 21, 1936; 10:33 a. m.]

[Order No. 3367]

CHANGE IN THE RULES RELATING TO TRADE-MARKS

AUGUST 12, 1936.

Acting under the provisions of Section 483 of the Revised Statutes (U. S. C., title 35, sec. 6) and with the approval of the Secretary of Commerce, Rule 27 of the Rules relating to Trade-Marks, lines 10 and 11, "four months" is changed to *six months*. The rule now reads as follows:

An application for registration of a trade-mark under the act of February 20, 1905, as amended, filed in this country by any person who has previously regularly filed in any foreign country which, by treaty, convention, or law, affords similar privileges to the citizens of the United States an application for registration of the same trade-mark, shall be accorded the same force and effect as would be accorded to the same application if filed in this country on the date on which application for registration of the same trade-mark was first filed in such foreign country. Provided, That such application be filed in this country within six months from the date on which the application was first filed in such foreign country.

This amendment is for the purpose of making this rule conform to Section 4 of the Trade-Mark Act as amended by the Act of Congress, approved June 20, 1936.

[SEAL] CONWAY P. COE, *Commissioner*.

[F. R. Doc. 1854—Filed, August 21, 1936; 10:33 a. m.]

FEDERAL TRADE COMMISSION.

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, W. A. Ayres, Robert E. Freer.

[Docket No. 2628]

IN THE MATTER OF DALLAS E. WINSLOW, INC., TRADING AS DURANT MOTOR CAR COMPANY

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41);

It is ordered, that W. W. Sheppard, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, that the taking of testimony in this proceeding begin on Tuesday, August 25, 1936, at 10 o'clock in the forenoon of that day, eastern standard time, in room 921, Federal Building, Detroit, Mich.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary*.

[F. R. Doc. 1855—Filed, August 21, 1936; 10:45 a. m.]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, W. A. Ayres, Robert E. Freer.

[Docket No. 2782]

IN THE MATTER OF BROWN & HALEY, A CORPORATION

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41);

It is ordered, that Henry M. White, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, that the taking of testimony in this proceeding begin on Wednesday, September 23, 1936, at three o'clock in the afternoon of that day (Pacific Standard Time), in Room 801, Federal Building, Seattle, Washington.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and receive evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary*.

[F. R. Doc. 1856—Filed, August 21, 1936; 10:45 a. m.]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, W. A. Ayres, Robert E. Freer.

[Docket No. 2800]

IN THE MATTER OF CANTERBURY CANDY MAKERS, INC., A CORPORATION

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41);

It is ordered, that Henry M. White, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered that the taking of testimony in this proceeding begin on Wednesday, September 23, 1936, at eleven o'clock in the forenoon of that day (Pacific standard time), in Room 801, Federal Building, Seattle, Washington.

Upon completion of testimony for the Federal Trade Commission the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL]

OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 1857—Filed, August 21, 1936; 10:45 a. m.]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, W. A. Ayres, Robert E. Freer.

[Docket No. 2833]

IN THE MATTER OF IMPERIAL CANDY COMPANY, A CORPORATION
ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41);

It is ordered that Henry M. White, an examiner of this Commission, be, and he hereby is, designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered that the taking of testimony in this proceeding begin on Thursday, September 24, 1936, at eleven-thirty in the forenoon of that day (Pacific standard time), at 801 Federal Building, Seattle, Washington.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL]

OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 1858—Filed, August 21, 1936; 10:46 a. m.]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, W. A. Ayres, Robert E. Freer.

[Docket No. 2834]

IN THE MATTER OF ROGERS CANDY COMPANY, A CORPORATION
ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41):

It is ordered that Henry M. White, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered that the taking of testimony in this proceeding begin on Wednesday, September 23, 1936, at two o'clock in the afternoon of that day (Pacific Standard Time), at 801 Federal Building, Seattle, Washington.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL]

OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 1859—Filed, August 21, 1936; 10:45 a. m.]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, W. A. Ayres, Robert E. Freer.

[Docket No. 2838]

IN THE MATTER OF GLADE CANDY COMPANY
ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. Section 41);

It is ordered that Charles P. Vicini, an examiner of this Commission, be, and he hereby is, designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered that the taking of testimony in this proceeding begin on Wednesday, September 9, 1936, at eleven o'clock in the forenoon of that day (mountain standard time), in room 220 of the Federal Building, Salt Lake City, Utah.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL]

OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 1860—Filed, August 21, 1936; 10:46 a. m.]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, W. A. Ayres, Robert E. Freer.

[Docket No. 2853]

IN THE MATTER OF F. L. MCWETHY

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41);

It is ordered that W. W. Sheppard, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered that the taking of testimony in this proceeding begin on Monday, August 24, 1936, at ten o'clock in the forenoon of that day (central standard time) at the Post Tavern Hotel, Battle Creek, Michigan.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report. By the Commission.

[SEAL]

OTIS B. JOHNSON, Secretary.

[F. R. Doc. 1861—Filed, August 21, 1936; 10:47 a. m.]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 18th day of August A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, W. A. Ayres, Robert E. Freer.

[Docket No. 2890]

IN THE MATTER OF QUEEN ANNE CANDY COMPANY

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41);

It is ordered that Henry M. White, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered that the taking of testimony in this proceeding begin on Thursday, September 24, 1936, at eleven o'clock in the forenoon of that day (Pacific Standard Time), in room 801, Federal Building, Seattle, Washington.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report. By the Commission.

[SEAL]

OTIS B. JOHNSON, Secretary.

[F. R. Doc. 1862—Filed, August 21, 1936; 10:47 a. m.]

INTERSTATE COMMERCE COMMISSION.

ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 14th day of August A. D. 1936.

[Docket No. BMC 29807]

APPLICATION OF VALLEY EXPRESS CO. FOR AUTHORITY TO OPERATE AS A COMMON CARRIER

In the Matter of the Application of Valley Express Co., of 1235 G Street, Fresno, Calif., for a Certificate of Public Convenience and Necessity (Form BMC-1), Authorizing Operation as a Common Carrier by Motor Vehicle in the

Transportation of Commodities Generally, in Interstate Commerce, from and between Points in All the States and the District of Columbia, Except Florida, Maine, Michigan, New Hampshire, Vermont, and West Virginia, Over Regular Routes

A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions, or officials of the States involved in this application.

It appearing, That the above-entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

It is ordered, That the above-entitled matter be and it is hereby, referred to Examiner W. T. Croft for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

It is further ordered, That this matter be set down for hearing before Examiner W. T. Croft, on the 18th day of September A. D. 1936, at 9 o'clock a. m. (standard time), at the Federal Building, Fresno, Calif.;

It is further ordered, That notice of this proceeding be duly given;

And it is further ordered, That any party desiring to be notified of any change in the time or place of the said hearing (at his own expense if telegraphic notice becomes necessary) shall advise the Bureau of Motor Carriers of the Commission, Washington, D. C., to that effect by notice which must reach the said Bureau within 10 days from the date of service hereof and that the date of mailing of this notice shall be considered as the time when said notice is served.

By the Commission, division 5.

[SEAL]

GEORGE B. MCGINTY, Secretary.

[F. R. Doc. 1863—Filed, August 21, 1936; 11:50 a. m.]

ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 14th day of August A. D. 1936.

[Docket No. BMC 59074]

APPLICATION OF SYSTEM ARIZONA EXPRESS SERVICE, INC., FOR AUTHORITY TO OPERATE AS A COMMON CARRIER

In the Matter of the Application of System Arizona Express Service, Inc., of 1817 Industrial Street, Los Angeles, Calif., for a Certificate of Public Convenience and Necessity (Form BMC 1), Authorizing Operation as a Common Carrier by Motor Vehicle in the Transportation of Commodities Generally, in Interstate Commerce, in the States of California, Arizona, New Mexico and Texas, Over the Following Routes

Route No. 1.—Between Los Angeles, Calif., and Phoenix, Ariz.
Route No. 2.—Between Los Angeles, Calif., and Tucson, Ariz.
Route No. 3.—Between Los Angeles, Calif., and El Paso, Tex.

Also between points in the States of California, Arizona, New Mexico, and Texas, over irregular routes.

A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions or officials of the States involved in this application.

It appearing, That the above entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935, to refer to an examiner:

It is ordered, That the above-entitled matter be, and it is hereby, referred to Examiner W. T. Croft for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

ton, D. C., its counsel concurring and it appearing proper to grant the request;

It is ordered, pursuant to rule VI of the Commission's Rules of Practice under the Securities Act of 1933, as amended, that the said hearing be continued to 10:00 o'clock in the forenoon of the 28th day of August 1936 at the same place and before the same Trial Examiner.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1870—Filed, August 21, 1936; 12:45 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 20th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE TIDEWATER ET AL.—STURTEVANT FARM, FILED ON AUGUST 10, 1936, BY LEIGH J. SESSIONS CORPORATION, RESPONDENT

ORDER TERMINATING PROCEEDING AFTER AMENDMENT

The Securities and Exchange Commission finding that the offering sheet filed with the Commission, which is the subject of this proceeding, has been amended, so far as necessary, in accordance with the Suspension Order previously entered in this proceeding;

It is ordered, pursuant to Rule 341 (d) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the amendment received at the office of the Commission on August 19, 1936, be effective as of August 19, 1936; and

It is further ordered, that the Suspension Order, Order for Hearing, and Order Designating a Trial Examiner, heretofore entered in this proceeding, be and the same hereby are revoked and the said proceeding terminated.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1869—Filed, August 21, 1936; 12:45 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 20th day of August A. D. 1936.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE BRITISH-AMERICAN-CLARK FARM, FILED ON AUGUST 14, 1936, BY T. G. THOMPSON, RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A)) AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

1. In that Item 13, Division II, states that the three main formations in the Oklahoma City field are closely allied with producing formations in other fields but that in the Oklahoma City field they lie at greater depths, carry larger gas volumes, with attendant high pressures, are thicker, somewhat more porous and more highly saturated. It is also stated that this difference will undoubtedly assure a greater ultimate recovery of oil per acre than is usual in most fields. There is nothing said about what other fields or producing formations therein are referred to nor is it pointed out that these circumstances mentioned pertain to the older part of the Oklahoma City field, although the tract in question is in the newer north extension;

2. In that nothing is said in Item 13, Division II, about the gas volumes and pressures in the north extension, wherein they are much lower than in the older Oklahoma City field;

3. In that it is stated in Item 13, Division II, that it appears that the north extension to the Oklahoma City field will prove to be the most, or at least one of the most, prolific areas in the entire field;

4. In that the figure showing the total production is not given in Item 15, Division II;

5. In that the range of gravity which should be stated in Item 18 (b), Division II, is omitted;

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 19th day of September 1936 that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered, that Robert P. Reeder, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered, that the taking of testimony in this proceeding commence on the 4th day of September 1936, at 2:00 o'clock in the afternoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 1868—Filed, August 21, 1936; 12:45 p. m.]

Tuesday, August 25, 1936

No. 117

PRESIDENT OF THE UNITED STATES.

EXECUTIVE ORDER

AMENDMENT OF SECTION 2 OF EXECUTIVE ORDER NO. 7305 OF FEBRUARY 28, 1936, ALLOCATING FUNDS TO THE FARM CREDIT ADMINISTRATION, ETC.

By virtue of and pursuant to the authority vested in me by the Emergency Relief Appropriation Act of 1935 (49 Stat. 115), Section 2 of Executive Order No. 7305 of February 28, 1936, allocating funds to the Farm Credit Administration and prescribing rules and regulations for the making of emergency crop loans, is hereby amended to read as follows:

2. The amount which may be lent to any one borrower (inclusive of any loan or loans heretofore granted to such borrower under the provisions of the above Act and this Executive Order) shall not exceed the sum of \$200.00, except that the amount which may be lent to any one borrower for the production of winter wheat (inclusive of any loan or loans as aforesaid) shall not exceed the sum of \$400.00, and each applicant for a loan shall establish to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such conditions as the Governor may prescribe, that the applicant is unable to procure

