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Regulations

TITLE 7—AGRICULTURE

Chapter VII—Production and Marketing Administration (Agricultural Adjustment)

PART 701—NATIONAL AGRICULTURAL CONSERVATION PROGRAM

SUBPART—1947

Sec.

AUTHORITY: §§ 701.801 to 701.812, inclusive, issued under Secs. 7 to 17, inclusive, of Soil Conservation and Domestic Allocation Act, as amended (49 Stat. 1148, 16 U.S.C. 590g–590q).

Payments will be made for participation in the 1947 Agricultural Conservation Program (hereinafter referred to as the 1947 program) in accordance with the provisions of this subpart and such modifications thereof as may hereafter be made.

§ 701.801 *Distribution and control of funds*—(a) *State funds.* Funds available for conservation practices will be distributed among States on the basis of (1) the acreage of woodland, cropland, orchard land, noncrop pastureland and rangeland; (2) the number of farms; (3) the number of farms with less than 40 acres of cropland; and (4) conservation needs,

(b) *Control of funds.* The State Committee will establish a limit on expenditures for each county. The county committee, in accordance with the method approved by the State Committee, will determine the amount of assistance to be made available to each farm taking into consideration the county limit on expenditures and the conservation needs of the county and of the individual farms.

(c) *Adjustments.* If the total estimated earnings under the program exceed the total funds available for payment, payments will be reduced equitably in States where the estimated earnings exceed the amount available for use in the State.

§ 701.802 *Conservation practices, rates of payment, pooling agreements and State or Federal aid*—(a) *Conservation practices*—(1) *Basis for approval.* Except as provided in subparagraph (2) of this paragraph, the conservation practices for which payment will be made in any State or Area will be those practices recommended by the State committee and approved by the Field Service Branch, Production and Marketing Administration (hereinafter referred to as the Field Service Branch), as practices best adapted to achieve sound soil and water conservation and use which will not be carried out in desired volume unless payments are made therefor. Practices to be approved will include only those which maintain or increase soil fertility; control and prevent soil erosion caused by wind or water; encourage conservation and better agricultural use of water; or conserve and increase range and pasture forage.

(2) *Local adaptation of practices.* In order to encourage the performance of practices which are needed most on all farms or on groups of farms in a county, the county committee with the approval of the State committee may designate from the practices approved for the State or area those practices which will be applicable on all farms or designated groups of farms in the county. In addition, where a local conservation problem exists for which an appropriate soil-building or soil and water conservation practice is not included in the practices approved for the State by the Field Service Branch, the county committee may recommend and the State committee approve such a practice for payment in the county.

(b) *Rates of payment.* In any area the rate of payment for carrying out any practice approved by the Field Service Branch shall be the rate recommended by the State committee and approved by the Field Service Branch. The rate of payment for a local practice approved by the State committee in accordance with subparagraph (2) of paragraph (a) shall

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FEDERAL REGISTER

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be the rate recommended by the county committee and approved by the State committee. The rates of payment for the application of lime, phosphate, potash, gypsum, other minor elements, and mulching materials shall not exceed 70 percent of the estimated average cost of the materials on a farmyard delivery basis. The rates of payment for construction and engineering practice shall not exceed 80 percent of the estimated average cost of construction. The rates of payment for other practices shall not exceed 80 percent of the estimated average cost of performing the practices except where a higher rate of payment is justified on the basis of need for the practice in the area, or lack of familiarity on the part of the farmers with the practice.

(c) *Pooling agreements.* Producers in any local area may agree in writing, with approval of the county and State committees, to perform designated amounts of practices which the State committee determines are necessary to conserve or improve the agricultural resources of the community. For purposes of payments, practices carried out under such an approved written agreement will be regarded as having been carried out on the farms of the producers who performed the practices.

(d) *Practices carried out with State or Federal aid.* The extent of any practice shall not be reduced because it is carried out with materials or services furnished by the Field Service Branch or by any agency of a State to another agency of the same State. In other cases of State or Federal aid, the total extent of any practice performed shall be reduced for purposes of payment by the percentage of the total cost of the practice which the county committee determines was furnished by a State or Federal agency.

§ 701.803 *Division of payments*—(a) *Conservation practice payments.* The payment earned in carrying out practices with conservation materials or services shall be credited to the producer to whom the materials or services are furnished. Payment for practices performed with conservation materials and services shall have priority over payment for other practices. The payment earned in carrying out other practices shall be paid to the producer who carried out the practices. If more than one producer contributed to the carrying out of such practices, the payment shall be divided in the proportion that the county committee determines the producers contributed to the carrying out of the practices. In making this determination, the county committee shall take into consideration the value of the labor, equipment, or material contributed by each producer toward the carrying out of each practice on a particular acreage, assuming that each contributed equally unless it is established to the satisfaction of the county committee that their respective contributions thereto were not in equal proportion. The furnishing of land will not be considered as a contribution to the carrying out of any practice.

(b) *Death, incompetency, or disappearance of producer.* In case of death, incompetency, or disappearance of any producer, his share of the payment shall be paid to his successor, determined in accordance with the provisions of the regulations in ACP–122, as amended. (5 F.R. 2875, 6 F.R. 1647, 4430, 9 F.R. 12237)

§ 701.804 *Increase in small payments.* The payment computed for any person with respect to any farm shall be increased as follows:

(a) Any payment amounting to 71 cents or less shall be increased to $1.

(b) Any payment amounting to more than 71 cents but less than $1, shall be increased by 40 percent.

(c) Any payment amounting to $1 or more shall be increased in accordance with the following schedule:

Amount of payment computed:	*Increase in payment*
$1.00 to $1.99	$0.40
$2.00 to $2.99	.80
$3.00 to $3.99	1.20
$4.00 to $4.99	1.60
$5.00 to $5.99	2.00
$6.00 to $6.99	2.40
$7.00 to $7.99	2.80
$8.00 to $8.99	3.20
$9.00 to $9.99	3.60
$10.00 to $10.99	4.00
$11.00 to $11.99	4.40
$12.00 to $12.99	4.80
$13.00 to $13.99	5.20
$14.00 to $14.99	5.60
$15.00 to $15.99	6.00
$16.00 to $16.99	6.40
$17.00 to $17.99	6.80
$18.00 to $18.99	7.20
$19.00 to $19.99	7.60
$20.00 to $20.99	8.00
$21.00 to $21.99	8.20
$22.00 to $22.99	8.40
$23.00 to $23.99	8.60
$24.00 to $24.99	8.80
$25.00 to $25.99	9.00
$26.00 to $26.99	9.20
$27.00 to $27.99	9.40
$28.00 to $28.99	9.60
$29.00 to $29.99	9.80
$30.00 to $30.99	10.00
$31.00 to $31.99	10.20
$32.00 to $32.99	10.40
$33.00 to $33.99	10.60
$34.00 to $34.99	10.80
$35.00 to $35.99	11.00
$36.00 to $36.99	11.20
$37.00 to $37.99	11.40
$38.00 to $38.99	11.60
$39.00 to $39.99	11.80
$40.00 to $40.99	12.00
$41.00 to $41.99	12.10
$42.00 to $42.99	12.20
$43.00 to $43.99	12.30
$44.00 to $44.99	12.40
$45.00 to $45.99	12.50
$46.00 to $46.99	12.60
$47.00 to $47.99	12.70
$48.00 to $48.99	12.80
$49.00 to $49.99	12.90
$50.00 to $50.99	13.00
$51.00 to $51.99	13.10
$52.00 to $52.99	13.20
$53.00 to $53.99	13.30
$54.00 to $54.99	13.40
$55.00 to $55.99	13.50
$56.00 to $56.99	13.60
$57.00 to $57.99	13.70
$58.00 to $58.99	13.80
$59.00 to $59.99	13.90
$60.00 to $185.99	14.00
$186.00 to $199.99	(1)
$200.00 and over	(2)

[1] Increase to $200.
[2] No increase.

§ 701.805 *Payments limited to $10,000*—(a) *Individuals, partnerships, and estates.* The total of all payments made in connection with the 1947 program to any individual, partnership, or estate with respect to farms, ranching units, and turpentine places located within a single State, territory, or possession, shall not exceed the sum of $10,000.

(b) *Others.* The total of all payments made in connection with the 1947 program to any person other than an individual, partnership, or estate with respect to farms, ranching units, and turpentine places in the United States (including Alaska, Hawaii, and Puerto Rico shall not exceed the sum of $10,000.

(c) *Evasion.* All or any part of any payment which has been or otherwise would be made to any person under the 1947 program may be withheld or required to be refunded if he has adopted

or participated in adopting any scheme or device designed to evade, or which has the effect of evading, the provisions of this section.

§ 701.806 *Conservation materials and services*—(a) *Availability.* Liming materials, phosphates, seeds and other farming materials or services may be furnished by the Field Service Branch to producers for carrying out approved practices.

Title to any material distributed by the Field Service Branch either directly or through purchase orders, shall vest in the Field Service Branch until the material is applied or planted or all charges for the material are satisfied.

(b) *Cost to producer in cash.* The producer shall pay that part of the material or service established by the Field Service Branch which is in excess of the credit for the use of the material or service in carrying out approved practices. The small payment increase on an amount equivalent to the credit value of properly used conservation materials and services may be advanced as a credit against that part of the cost required to be paid by the producer.

(c) *Deduction.* A deduction shall be made for materials or services furnished by the Field Service Branch from the payment of the producer to whom the material or service is furnished. The deduction shall be the sum of the credit value of the conservation materials and services furnished and any amount of small payment increase advanced to the producer, except that where the cost to the Field Service Branch is less than the credit rate, the deduction shall be equal to the cost. If the producer misuses any material or service furnished, an additional deduction equal to the original amount of the deduction, excluding any amount of small payment increase advanced to the producer, for the material or service misused shall be made. If the deduction for the materials or services exceeds the payment for the producer to whom the material or service is furnished, the amount of the difference shall be paid by the producer to the Treasurer of the United States.

Any producer to whom materials are furnished shall be responsible to the Field Service Branch for any damage to the materials unless he shows that the damage was caused by circumstances beyond his control. If materials are abandoned or not used during the program year, they may at the option of the Field Service Branch be transferred to another producer or otherwise disposed of by the Field Service Branch at the expense of the producer who abandoned or failed to use the materials, or retained by the producer for use in a subsequent program year.

§ 701.807 *General provisions relating to payments*—(a) *Breaking out permanent vegetative cover.* In any area designated by the Field Service Branch as an area subject to serious wind erosion, a deduction of $3.00 shall be made for each acre of native sod or any other permanent vegetative cover broken out during the 1947 program year without the approval of the county committee if the county committee finds, in accordance with standards approved by the State committee that the land broken out is not suited to the continuing production of cultivated crops and will become a wind erosion hazard to the community. The deduction shall be made from the payment of the person responsible for breaking out the land after the payment has been increased in accordance with the provisions of § 701.804.

(b) *Failure to maintain practices under previous programs.* If the county committee determines that any conservation practice carried out under previous agricultural conservation programs is not maintained in accordance with good farming practices or the effectiveness of any such practice is destroyed during the 1947 program year, a deduction shall be made for the extent of the practice destroyed or not maintained. The deduction rate shall be the 1947 practice rate, or if the practice is not offered in 1947 the practice rate in effect during the year the practice was performed. The deduction shall be made from the payment of the person responsible for destroying or not maintaining the practice after the payment has been increased in accordance with the provisions of § 701.804.

(c) *Practices defeating purposes of programs.* If the State committee finds that any producer has adopted or participated in any practice which tends to defeat the purposes of the 1947 or previous programs, it may withhold or require to be refunded all or any part of any payment which has been or would be computed for such person.

(d) *Depriving others of payment.* If the State committee finds that any person has employed any scheme or device (including coercion, fraud, or misrepresentation), the effect of which would be or has been to deprive any other person of any payment under the program, it may withhold, in whole or in part, from the person participating in or employing such a scheme or device, or require him to refund in whole or in part, the amount of any payment which has been or would otherwise be made to him in connection with the 1947 program.

(e) *Failure to carry out approved erosion control measures.* Payment will not be made to any person with respect to any farm which he owns or operates in a county if the county committee finds that he has been negligent and careless in his farming operations by failing to carry out approved erosion-control measures on land under his control to the extent that any part of such land has become an erosion hazard during the 1947 program year to other land in the community.

(f) *Payment computed and made without regard to claims.* Any payment or share of payment shall be computed and made without regard to questions of title under State law; without deduction of claims for advances (except as provided in paragraph (g) of this section, and except for indebtedness to the United States subject to set-off under orders issued by the Secretary) and without regard to any claim or lien against any crop, or proceeds thereof, in favor of the owner or any other creditor.

(g) *Assignments.* Any person who may be entitled to any payment in connection with the 1947 program may assign his payment in whole or in part as security for cash loaned or advances made for the purpose of financing the making of a crop in 1947. No assignment will be recognized unless it is made in writing on Form ACP–69 and in accordance with the instructions in ACP–70.

§ 701.808 *Application for payment*—(a) *Persons eligible to file applications.* An application for payment with respect to a farm may be made by any producer who is entitled to share in the payment determined for the farm, except where his only payment is earned with conservation materials or services furnished by the Field Service Branch and the entire small payment increase, if any, earned by the use of the materials or services has been advanced to the producer.

(b) *Time and manner of filing applications and information required.* Payment will be made only upon application submitted on the prescribed form to the county office. Where conservation materials or services are furnished by the Field Service Branch there need be reported on the application for payment with respect to such materials and services only the total credit and deduction value of the materials and services furnished. Payment may be withheld from any person who fails to file any form or furnish any information required with respect to any farm which such person is operating or renting to another. Any application for payment may be rejected if any form or information required of the applicant is not submitted to the county office within the time fixed by the regional director, which time shall not be later than December 31, 1948. At least 2 weeks' notice to the public shall be given of the expiration of a time limit for filing prescribed forms or required information, and any time limit fixed shall afford a full and fair opportunity to those eligible to file the form or information within the period prescribed. Such notice shall be given by mailing notice to the office of each county committee and making copies available to the press.

§ 701.809 *Appeals.* Any producer may, within 15 days after notice thereof is forwarded to or made available to him, request the county committee in writing to reconsider its recommendation or determination in any matter affecting the right to or the amount of his payment with respect to the farm. The county committee shall notify him of its decision in writing within 15 days after receipt of written request for reconsideration. If the producer is dissatisfied with the decision of the county committee he may, within 15 days after the decision is forwarded to or made available to him, appeal in writing to the State committee. The State committee shall notify him of its decision in writing within 30 days after the submission of the appeal. If he is dissatisfied with the decision of the State committee, he may, within 15 days after its decision is forwarded to or made available to him request the regional director to review the decision of the State committee.

Written notice of any decision rendered under this section by the county

or State committee shall also be issued to each other producer on the farm who may be adversely affected by the decision.

§ 701.810 *State and regional bulletins, instructions, and forms.* The Field Service Branch is authorized to make determinations and to prepare and issue State and regional bulletins, instructions and forms required in administering the 1947 program.

§ 701.811 *Definitions.* For the purposes of the 1947 program:

(a) *Officials.* (1) "Secretary" means the Secretary of Agriculture.

(2) "Director" means the Director of the Field Service Branch.

(3) "Regional Director" means the official in the Field Service Branch charged with the administration of the agricultural conservation programs in a region.

(4) "State Committee" means the group of persons designated within any State to assist in the administration of the agricultural conservation programs in that State.

(5) "County Committee" means the group of persons elected within any county to assist in the administration of the agricultural conservation programs in that county.

(b) *Regions.* (1) "Northeast Region" means the area included in the States of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

(2) "East Central Region" means the area included in the States of Delaware, Kentucky, Maryland, North Carolina, Tennessee, Virginia, and West Virginia.

(3) "Southern Region" means the area included in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas.

(4) "North Central Region" means the area included in the States of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

(5) "Western Region" means the area included in the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming.

(c) *Farm.* Farm means all adjacent or nearby farm or rangeland under the same ownership which is operated by one person, including also:

(1) Any other adjacent or nearby farm or rangeland which the county committee, in accordance with the instructions issued by the Field Service Branch determines is operated by the same person as part of the same unit in producing range livestock or with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other lands; and

(2) Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the county in which the principal dwelling is situated, or if there is no dwelling thereon it shall be regarded as located in the county in which the major portion of the farm is located.

(d) *Miscellaneous.* (1) "Person" means an individual, partnership, association, corporation, estate, or trust, or other business enterprise or other legal entity, and wherever applicable, a State, a political subdivision of a State, or any agency thereof.

(2) "Producer" means any person who as landlord, tenant or sharecropper, participates in the operation of a farm.

§ 701.812 *Authority, availability of funds, and applicability*—(a) *Authority.* The program is approved pursuant to the authority vested in the Secretary of Agriculture under section 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act (49 Stat. 1148, 16 U.S.C. 590g to 590q), as amended, and is contingent upon legislative authority to the Secretary to exercise after December 31, 1946, the powers now conferred on him by section 8 of the act.

(b) *Availability of funds.* The provisions of the 1947 program are necessarily subject to such legislation as the Congress of the United States may hereafter enact; the making of the payments herein provided is contingent upon such appropriation as the Congress may hereafter provide for such purpose; and the amounts of such payments will necessarily be within the limits finally determined by such appropriation.

The funds provided for the 1947 program will not be available for the payment of applications filed in the county office after December 31, 1948.

(c) *Applicability.* The provisions of the 1947 program contained herein, except § 701.805, are not applicable to (1) Hawaii, Puerto Rico, and Alaska; (2) any department or bureau of the United States Government or any corporation wholly owned by the United States; and (3) grazing lands owned by the United States which were acquired or reserved for conservation purposes or which are to be retained permanently under Government ownership, including, but not limited to, grazing lands administered under the Taylor Grazing Act or by the Forest Service or the Soil Conservation Service of the United States Department or Agriculture or by the Bureau of Biological Survey of the United States Department of the Interior.

The program is applicable to (1) privately owned lands; (2) lands owned by a State or political subdivision or agency thereof; (3) lands owned by corporations which are partly owned by the United States, such as Federal Land Banks and Production Credit Associations; (4) lands temporarily owned by the United States or a corporation wholly owned by it, which were not acquired or reserved for conservation purposes including lands administered by the Farm Security Administration, the Reconstruction Finance Corporation, the Home Owners' Loan Corporation, or the Federal Farm Mortgage Corporation, or by any other Government agency designated by the Field Service Branch; (5) any cropland farmed by private persons which is owned by the United States or a corporation wholly owned by it; and (6) Indian lands except that where grazing operations are carried out on Indian lands administered by the Department of the Interior, such lands are within the scope of the program only if covered by a written agreement approved by the Department of the Interior giving the operator an interest in the grazing and forage growing on the land and a right to occupy the land in order to carry out the grazing operations.

Done at Washington, D. C., this 22d day of August 1946.

Witness my hand and the seal of the Department of Agriculture.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46-14985; Filed, Aug. 26, 1946; 11:14 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders)

PART 933—ORANGES, GRAPEFRUIT, AND TANGERINES GROWN IN THE STATE OF FLORIDA

HANDLING OF ORANGES, GRAPEFRUIT, AND TANGERINES

AUTHORITY: §§ 933.0 to 933.14, inclusive, issued under 48 Stat. 31, 670, 675; 49 Stat. 750; 50 Stat. 246; 7 U. S. C. 601 et seq.

§ 933.0 *Findings and determinations.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and the rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR, Cum. Supp., 900.1 *et seq.*) as amended, a public hearing was held at Lakeland, Florida, on March 25, 1946, upon certain proposed amendments to the marketing agreement and to the order regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida. It is hereby found upon the evidence introduced at such hearing, said findings being in addition to the findings made upon the basis of the evidence introduced at the hearing held at Lakeland, Florida, on said order on December 12, 1938, and in addition to the other findings made prior to or at the time of the original issuance of said order (which are hereby ratified and affirmed, save only as such findings are in conflict with the findings hereinafter set forth), that:

(a) The issuance of this order as hereby amended and all of the terms and conditions hereof will tend to effectuate the declared policy of the act;

(b) The agreement amending the marketing agreement regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, executed by the Secretary on the ---------- day of ----------, 1946, upon which the aforesaid public hearing was held at Lakeland, Florida, was signed by handlers (excluding cooperative associations of producers who were not engaged in processing, distributing, or shipping the fruit covered by this order as hereby amended) who, during the 1944–45 season, handled not less than fifty (50) percent of the volume of oranges, not less than fifty (50) percent of the volume of grapefruit, and not less than fifty (50) percent of the volume of tangerines grown in the State of Florida, marketed during said season in the current of interstate or foreign commerce or so as directly to burden, obstruct, or affect such commerce;

(c) This order as hereby amended regulates the handling of such fruit in the same manner as the aforesaid marketing agreement as amended, and this order as hereby amended is applicable only to persons in the respective classes of industrial and commercial activities as specified in the said marketing agreement as amended; and

(d) The issuance of this order as hereby amended is favored by at least two-thirds (⅔) of the producers who participated in a referendum on the question of its approval and who, during the 1944–45 season (which is hereby determined to be a representative period) were engaged in the production for market of oranges, grapefruit or tangerines grown in the State of Florida.

Order Relative to Handling

It is hereby ordered that such handling of oranges, grapefruit, and tangerines grown in the State of Florida as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects interstate or foreign commerce in such fruit, shall, from the effective time hereof, be in compliance with the term and conditions of this order as hereby amended.

§ 933.1 *Definitions.* As used herein the following terms have the following meanings:

(a) "Secretary" means the Secretary of Agriculture of the United States of America.

(b) "Act" means Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended.

(c) "Person" means an individual, partnership, corporation, association, business trust, legal representative, or any organized group of individuals.

(d) "Fruit" means the following types of citrus fruit grown in the State of Florida: (1) Citrus Sinensis, Osbeck, commonly called "oranges"; (2) Citrus Grandis, Osbeck, commonly called "grapefruit"; (3) Citrus Nobilis Deliciosa, commonly called "tangerines"; and (4) Temple oranges.

(e) "Variety" or "varieties" means any one or more of the following classifications or groupings of citrus fruit: (1) early and midseason oranges, including Navel and other types commonly called "round oranges," except Valencia, Lue Gim Gong, and similar late-maturing oranges of the Valencia type; (2) Valencia, Lue Gim Gong, and similar late-maturing oranges of the Valencia type; (3) Temple oranges; (4) Marsh and other seedless grapefruit, excluding pink grapefruit; (5) Duncan and other seeded grapefruit, excluding pink grapefruit; (6) pink seedless grapefruit; (7) pink seeded grapefruit; and (8) tangerines.

(f) "Producer" means any person engaged in the production of fruit.

(g) "Handler" is synonymous with "shipper" and means any person (except a common carrier for another person), whether as owner, agent, or otherwise, who first ships fruit in fresh form or who first causes such fruit to be shipped.

(h) "Pack" means to wash, grade, size, or place fruit (whether or not wrapped) into any container whatsoever; but such term shall not include the harvesting of fruit.

(i) "Ship" means to sell, deliver, transport, offer for transportation, or ship in the current of interstate commerce or commerce with Canada, or so as directly to burden, obstruct, or affect such commerce.

(j) "Standard packed box" means a unit of measure equivalent to one and three-fifths (1⅗) United States bushels of fruit, whether in bulk or in any container.

(k) "Fiscal period" means the period of time from August 1 of any year until July 31 of the following year, both dates inclusive.

(l) "District" means any of the following areas in the State of Florida:

(1) "Citrus District One" shall include the Counties of Hillsborough, Pinellas, and Manatee.

(2) "Citrus District Two" shall include the Counties of Citrus, Sumter, Lake, Hernando, and Pasco.

(3) "Citrus District Three" shall include the Counties of Alachua, Putnam, St. Johns, Flagler, Marion, Levy, Seminole, Duval, Nassau, Baker, Union, Bradford, Columbia, Clay, Gilchrist, Dixie, Lafayette, Suwannee, Hamilton, Madison, Taylor, Jefferson, Leon, Wakulla, Gadsden, Liberty, Franklin, Gulf, Calhoun, Jackson, Bay, Washington, Holmes, Walton, Okaloosa, Santa Rosa, and Escambia, and County Commissioner's Districts One, Two, and Three of Volusia County.

(4) "Citrus District Four" shall include the Counties of Orange and Osceola.

(5) "Citrus District Five" shall include the Counties of Brevard, Indian River, St. Lucie, Martin, Palm Beach, Broward, and Dade, and County Commissioner's Districts Four and Five of Volusia County.

(6) "Citrus District Six" shall include the Counties of Sarasota, Hardee, Highlands, Okeechobee, Glades, DeSoto, Charlotte, Lee, Handry, Collier, and Monroe.

(7) "Citrus District Seven" shall include the County of Polk.

§ 933.2 *Administrative bodies*—(a) *Designation of committees.* A Growers Administrative Committee and a Shippers Advisory Committee are hereby established. The membership shall be selected in accordance with the provisions of this section.

(b) *Growers Administrative Committee membership and term of office.* The Growers Administrative Committee shall consist of eight (8) members, each of whom shall have an alternate, all of whom shall be producers who shall not be handlers or employed by handlers. The term of office of members and alternate members shall begin on the first day of August and continue for one (1) year and until their successors are selected and have qualified. The consecutive terms of office of a member shall be limited to three terms: *Provided,* That such limitation shall be effective only to members who serve three consecutive terms expiring on or after July 31, 1947. The terms of office of alternate members shall not be so limited. The members, their alternates, and their respective successors shall be nominated by producers and selected by the Secretary as hereinafter provided.

(c) *Nomination of Members for Growers Administrative Committee.* (1) The Secretary shall give public notice of a meeting of producers in each district to be held not later than July 10 of each year, for the purpose of making nominations for members and alternate members of the Growers Administrative Committee. The Secretary shall prescribe uniform rules to govern such meetings and the balloting thereat. The chairman of each meeting shall publicly announce at such meeting the names of the persons nominated and the total number of votes cast for each, and the chairman and secretary of each such meeting shall transmit to the Secretary their certificate as to the number of votes so cast, the names of the persons nominated, and such other information as the Secretary may request. All nominations shall be submitted to the Secretary on or before the 20th day of July.

(2) Producers in each of District One, Two, Three, Four, Five, and Six shall nominate at least four (4) producers (two (2) of whom shall be affiliated with bona fide cooperative marketing organizations) for a member and an alternate member of the Growers Administrative Committee. Producers in District Seven shall nominate at least eight (8) producers (four (4) of whom shall be affiliated with bona fide cooperative marketing organizations) for two (2) members and two (2) alternate members of the said committee. All nominees shall be producers in the district from which they are nominated. In voting for nominees, each producer shall be entitled to cast one (1) vote in each of the districts in which he is a producer.

(d) *Selection of members of Growers Administrative Committee.* In selecting the members and alternate members of the Growers Administrative Committee, the Secretary shall select one (1) member and one (1) alternate member from the nominees of each of Districts One, Two, Three, Four, Five, and Six and two (2) members and two (2) alternate members from District Seven. At least three (3) such members and their alternates shall be affiliated with bona fide cooperative marketing organizations.

(e) *Shippers Advisory Committee membership and term of office.* The Shippers Advisory Committee shall consist of eight (8) members, each of whom shall have an alternate, all of whom shall be handlers. The term of office of members of the Shippers Advisory Committee and their alternates shall begin on the first day of August and continue for one (1) year and until their successors are selected and have qualified. The consecutive terms of office of a member shall be limited to three terms: *Provided*, That such limitation shall be effective only to members who serve three consecutive terms expiring on or after July 31, 1947. The terms of office of alternate members shall not be so limited. The members, alternate members, and their respective successors shall be nominated by handlers and shall be selected by the Secretary as hereinafter provided.

(f) *Nominations of members for Shippers Advisory Committee.* (1) The Secretary shall give public notice of a meeting for bona fide cooperative marketing organizations which are handlers, and a meeting for other handlers, to be held not later than July 10 of each year, for the purpose of making nominations for members and alternate members of the Shippers Advisory Committee. The Secretary shall prescribe rules to govern each such meeting and balloting thereat. The chairman of each such meeting shall publicly announce the results of the voting and the names of the nominees selected. The said chairman and the secretary of each such meeting shall transmit to the Secretary their certificates showing the information so announced and such other information as the Secretary may request. All nominations shall be submitted to the Secretary on or before the 20th day of July.

(2) Nomination of at least nine (9) persons for at least three (3) members and alternate members shall be made by bona fide cooperative marketing organizations which are handlers. Nominations of at least fifteen (15) persons for not more than five (5) members and alternate members shall be made by handlers other than bona fide cooperative marketing organizations. In voting for nominees each handler shall be entitled to cast but one (1) vote, which shall be weighted by the volume of fruit shipped by such handler during the then current fiscal period.

(g) *Selection of members of Shippers Advisory Committee.* In selecting the members and their alternate members of the Shippers Advisory Committee, the Secretary shall select at least three (3) members and their alternates from the nominees made by bona fide cooperative marketing organizations which are handlers. The remaining number of members and their alternates shall be selected from the nominees made by handlers other than cooperative marketing organizations, and at least three (3) such members and their alternates shall be handlers who are likewise producers.

(h) *Failure to nominate.* In the event nominations for a member or alternate member of either committee are not made pursuant to the provisions of this section, the Secretary may select such member or alternate member without regard to nominations.

(i) *Acceptance of membership.* Any person selected by the Secretary as a member or alternate member of the Growers Administrative Committee or the Shippers Advisory Committee shall qualify by filing a written acceptance with the Secretary within ten (10) days after being notified of such selection.

(j) *Inability of members to serve.* (1) An alternate for a member of the Growers Administrative Committee or the Shippers Advisory Committee shall act in the place and stead of such members (i) in his absence, or (ii) in the event of his removal, resignation, disqualification, or death, and until a successor for his unexpired term has been selected.

(2) In the event of the death, removal, resignation, or disqualification of any person selected by the Secretary as a member or an alternate member of either committee, a successor for the unexpired term of such person shall be selected by the Secretary. Such selection may be made without regard to the provisions hereof as to nominations.

(k) *Powers of Growers Administrative Committee.* The Growers Administrative Committee, in addition to the power to administer the terms and provisions hereof, as herein specifically provided, shall have power (1) to make, only to the extent specifically permitted by the provisions hereinafter contained, administrative rules and regulations; (2) to receive, investigate and report to the Secretary complaints of violations hereof; and (3) to recommend to the Secretary amendments hereto.

(l) *Duties of Growers Administrative Committee.* It shall be the duty of the Growers Administrative Committee:

(1) To select a chairman from its membership, and to select such other officers and adopt such rules and regulations for the conduct of its business as it may deem advisable;

(2) To keep minutes, books, and records which will clearly reflect all of its acts and transactions, which minutes, books, and records shall at all times be subject to the examination of the Secretary;

(3) To act as intermediary between the Secretary and the producers and handlers;

(4) To furnish the Secretary with such available information as he may request;

(5) To appoint such employees as it may deem necessary and to determine the salaries and define the duties of such employees;

(6) To cause its books to be audited by one or more certified or registered public accountants at least once for each fiscal period, and at such other times as it deems necessary or as the Secretary may request, and to file with the Secretary copies of all audit reports;

(7) To prepare and publicly issue a monthly statement of financial operations of the committee;

(8) To provide an adequate system for determining the total crop of each variety of fruit, and to make such determinations, including determinations by grade and size, as it may deem necessary, or as may be prescribed by the Secretary, in connection with the administration of § 933.4;

(9) To perform such duties in connection with the administration of section 32 of the Act to Amend the Agricultural Adjustment Act and for other purposes, Public Act No. 320, 74th Congress, as amended, as may from time to time be assigned to it by the Secretary; and

(10) To notify the members of the Shippers Advisory Committee in the same manner as it notifies its own members of its intention to meet to consider recommendations required of such committee pursuant to § 933.4 or § 933.5 of this chapter.

(m) *Duties of Shippers Advisory Committee.* It shall be the duty of the Shippers Advisory Committee. (1) To select a chairman from its membership, and to select such other officers and adopt such rules and regulations for the conduct of its business as it may deem advisable;

(2) To keep minutes, books, and records which will clearly reflect all of its acts, which minutes, books, and records shall at all times be subject to the examination of the Secretary; and

(3) To notify the members of the Growers Administrative Committee in the same manner as it notifies its own members of the time at which it will meet to make the recommendations required by §§ 933.4 or 933.5.

(n) *Compensation and Expenses of Committee members.* The members of each committee, and alternate members when acting as members, shall serve without compensation but may be reimbursed for expenses necessarily incurred by them in the performance of their duties hereunder.

(o) *Procedure of committees.* (1) Five (5) members of a committee shall be necessary to constitute a quorum.

(2) For any decision or recommendation of either committee to be valid, five (5) concurring votes shall be necessary, and the votes of each member cast for or against any recommendations made pursuant hereto shall be duly recorded. Each member must vote in person.

(3) The Growers Administrative Committee shall give to the Secretary the same notice of meetings of the committees as is given to the members thereof.

(p) *Right of the secretary.* The members of the committees (including successors and alternates), and any agent or employee appointed or employed by the committees, shall be subject to removal or suspension by the Secretary at any time. Each and every order, regulation, decision, determination, or other act of both committees shall be subject to the continuing right of the Secretary to disapprove of the same at any time and upon his disapproval shall be deemed null and void, except as to acts done in reliance thereon or in compliance therewith.

(q) *Funds.* (1) All funds received by the Growers Administrative Committee pursuant to any provision hereof shall be used solely for the purposes herein specified and shall be accounted for in the manner herein provided.

(2) The Secretary may, at any time, require the Growers Administrative Com-

mittee and its members to account for all receipts and disbursements.

(3) Upon the removal or expiration of the term of office of any member of the Growers Administrative Committee, such member shall account for all receipts and disbursements and deliver all property and funds, together with all books and records, in his possession, to his successor in office, and shall execute such assignments and other instruments as may be necessary or appropriate to vest in such successor full title to all of the property, funds, and claims vested in such member pursuant hereto.

§ 933.3 *Expenses and assessments*—(a) *Expenses.* The Growers Administrative Committee is authorized to incur such expenses as the Secretary finds may be necessary to carry out the functions of both committees hereunder during each fiscal period. The funds to cover such expenses shall be acquired by the levying of assessments upon handlers as hereinafter provided.

(b) *Assessments.* (1) Each handler shall pay to the Growers Administrative Committee, upon demand, such handler's pro rata share of the expenses which the Secretary finds will be necessarily incurred by the Growers Administrative Committee for the maintenance and functioning during each fiscal period of the committees established hereunder. Each handler's share of such expenses shall be that proportion thereof which the total quantity of fruit shipped by such handler during the applicable fiscal period is of the total quantity of fruit shipped by all handlers during the same fiscal period. The Secretary shall fix the rate of assessment per standard packed box of fruit.

(2) At any time during or after the fiscal period, the Secretary may increase the rate of assessment so that the sum of money collected pursuant to the provisions of this section shall be adequate to cover the said expenses. Such increase shall be applicable to all fruit shipped during the given fiscal period. In order to provide funds to carry out the functions of the committee established hereunder, handlers may make advance payment of assessments.

(c) *Handler's accounts.* (1) If at the end of a fiscal period it shall appear that assessments collected are in excess of expenses incurred, each handler entitled to a proportionate refund shall be credited with such refund against the operations of the following fiscal period unless he demands payment of the sum due him, in which case such sum shall be paid to him.

(2) The Growers Administrative Committee may, with the approval of the Secretary, maintain in its own name or in the name of its members a suit against any handler for the collection of such handler's pro rata share of the said expense.

§ 933.4 *Regulation by grades and sizes*—(a) *Marketing policy.* (1) Before making any recommendations pursuant to this section for any variety of fruit, the Growers Administrative Committee and the Shippers Advisory Committee shall, with respect to the regulations permitted by this section, submit to the Secretary a detailed report setting forth an advisable marketing policy for such variety for the then current shipping season. Such report shall set forth the proportion of the remainder of the total crop of such variety of fruit (determined by the Growers Administrative Committee to be available for shipment during the remainder of the shipping season of such variety) deemed advisable by the Shippers Advisory Committee and the Growers Administrative Committee to be shipped during such season.

(2) In determining each such marketing policy and advisable proportion, the committees shall give due consideration to the following factors relating to citrus fruit produced in Florida and in other States: (i) the available crop of each variety of citrus fruit in Florida, and in other States, including the grades and sizes thereof, which grades and sizes in Florida shall be determined by the Growers Administrative Committee pursuant to § 933.2; (ii) the probable shipments of citrus fruit from other States; (iii) the level and trend in consumer income; (iv) the prospective supplies of competitive commodities; and (v) other pertinent factors bearing on the marketing of fruit.

(3) In addition to the foregoing, the committees shall set forth a schedule of proposed regulations for the remainder of the shipping season for each variety of fruit for which recommendations to the Secretary pursuant to this section are contemplated. Such schedules shall recognize the practical operations of harvesting and preparation for market of each variety and the change in grades and sizes thereof as the respective seasons advance. In the event it is deemed advisable to alter such marketing policy or advisable proportion as the shipping season progresses, in view of changed demand and supply conditions with respect to fruit, the said committees shall submit to the Secretary a report thereon.

(4) The Growers Administrative Committee shall notify producers and handlers of the contents of such report by publishing a summary thereof in daily newspapers, selected by the said committee, of general circulation in the citrus producing districts of Florida.

(b) *Recommendation for regulations.* (1) Whenever the Shippers Advisory Committee deems it advisable to regulate any variety pursuant to this section, the said committee shall recommend the particular grades and sizes or either thereof deemed by it advisable to be shipped. In making such determination, the said committee shall give due consideration to the following factors relating to the citrus fruit produced in Florida and in other States: (i) Market prices, including prices by grades and sizes of the fruit for which regulation is recommended; (ii) amount on hand at the principal markets, as evidenced by supplies on track; (iii) maturity, conditions, and available supply, including the grade and size thereof in the producing areas; (iv) other pertinent market information; and (v) the level and trend in consumer income. The Shippers Advisory Committee shall promptly report the recommendations so made, with supporting information, to the Growers Administrative Committee, which committee shall, in turn, submit the same to the Secretary, together with its own recommendations and supporting information respecting the factors hereinbefore enumerated.

(2) The failure of the Shippers Advisory Committee to make a recommendation, after having received notice of the intention of the Growers Administrative Committee to meet for the purpose of receiving such recommendation with respect to regulations authorized by this section, shall not preclude the Growers Administrative Committee from submitting recommendations and supporting information to the Secretary.

(3) The Growers Administrative Committee shall give at least twenty-four (24) hours notice of any meeting to consider the recommendation of regulations pursuant to this section, by publication in daily newspapers, selected by the said committee, of general circulation in the citrus producing districts of Florida. The said committee shall give the same notice of any such recommendation, at least forty-eight (48) hours before the time that it is recommended that such regulation becomes effective, and shall mail a copy of such notice to each handler who has filed his address with said committee for this purpose.

(c) *Regulation by the Secretary.* Whenever the Secretary shall find from the recommendations and reports of the Shippers Advisory Committee and the Growers Administrative Committee, or from other available information, that to limit the shipment of any variety to particular grades and sizes would tend to effectuate the declared policy of the act, he shall so limit the shipment of such variety during a specified period or periods. Prior to the beginning of any such regulation the Secretary shall notify the Growers Administrative Committee of the regulation issued by him, which committee shall notify all handlers, by publication in daily newspapers, selected by the said committee, of general circulation in the citrus producing districts of Florida: *Provided,* That when the regulation as issued is different from the recommendation of the committee, notice thereof shall be given also by mailing a copy thereof to each handler who has filed his address with said committee for this purpose.

(d) *Grading and certification.* Whenever the Secretary issues a regulation respecting a variety of a type of fruit pursuant to this section, no handler, during the effective time thereof, shall ship any variety of such type of fruit which has not been inspected by an authorized inspector of the Federal-State Inspection Service. Each handler who ships any variety of such fruit during such period shall promptly submit to the Growers Administrative Committee a copy of the Federal-State Inspection certificate issued by such inspector.

(e) *Exemptions.* (1) In the event any variety is regulated pursuant to this section, the Growers Administrative Committee shall issue one (1) or more exemption certificates to any producer who furnishes adequate evidence to the said committee that he will be prevented from having as large a proportion of such

variety of his fruit shipped during the remainder of the shipping season for the variety, as the proportion announced by the said committee pursuant to paragraph (a) of this section. Such exemption certificates shall permit such producer to have a quantity of the particular variety of fruit shipped as will permit such producer to have the said proportion of such variety of his fruit shipped during the remainder of the shipping season thereof. The Growers Administrative Committee shall adopt and announce the procedural rules by which such exemption certificates will be issued to producers. The Secretary shall have the right to modify, change, or alter any such procedural rules and any exemption granted under this section.

(2) Before issuing an exemption certificate to any producer for any variety of fruit, the Growers Administrative Committee shall determine (i) the producer's remaining crop of the variety, and the grades and sizes thereof, and (ii) the total quantity of such variety the producer has disposed of during the season, and the grades and sizes thereof.

§ 933.5 *Regulation of shipments*—(a) *Recommendation for regulations.* (1) Whenever the Shippers Advisory Committee deems it advisable to limit, pursuant to this section, the shipment of the total quantity of any variety or varieties, by prohibiting the shipment thereof, the said committee shall recommend the period during which the shipment of any such variety or varieties shall be so limited. In making such determination, the said committee shall give due consideration to the following factors relating to citrus fruit: (i) market prices, including prices of each variety for which such limitation of shipments is recommended; (ii) amount on hand at the principal markets, as evidenced by supplies on track; (iii) maturity, condition, and available supply in the producing areas; (iv) other pertinent market information; and (v) the level and trend in consumer income. The Shippers Advisory Committee shall promptly report the recommendation so made, with supporting information, to the Growers Administrative Committee, and said committee shall, in turn, submit the same to the Secretary, together with its own recommendation and supporting information respecting the factors hereinbefore enumerated.

(2) The failure of the Shippers Advisory Committee to make a recommendation, as aforesaid, after having received notice of the intention of the Growers Administrative Committee to meet for the purpose of receiving such recommendation with respect to regulations authorized by this section, shall not preclude the Growers Administrative Committee from submitting recommendations and supporting information to the Secretary.

(3) The Growers Administrative Committee shall give at least twenty-four (24) hours notice of any meeting to consider the recommendation of regulations pursuant to this section, by publication in daily newspapers, selected by the said committee, of general circulation in the citrus production districts of Florida. The said committee shall give the same notice of any such recommendation, at least forty-eight (48) hours before the time that it is recommended that such regulation become effective, and shall mail a copy of such notice to each handler who has filed his address with said committee for this purpose.

(b) *Regulation by the Secretary.* (1) Whenever the Secretary shall find from the recommendations and reports of the Shippers Advisory Committee and the Growers Administrative Committee, or from other available information, that to limit the shipment of the total quantity of any variety or varieties, by prohibiting the shipment thereof, would tend to effectuate the declared policy of the act, he shall so limit the shipment of such variety or varieties during a specified period or periods. No regulations issued pursuant to this section shall be effective during any fiscal period with respect to any variety (i) for more than two (2) periods, (ii) for more than a total of fourteen (14) days, and (iii) during any period other than December 20 to January 20, both dates inclusive.

(2) Prior to the effective date of any such regulation the Secretary shall notify the Growers Administrative Committee of the regulation issued by him, and said committee shall notify all handlers, by publication in daily newspapers, selected by said committee, of general circulation in the citrus producing districts of Florida: *Provided*, That when the regulation, as issued, is different from the recommendation of the committee, notice thereof shall be given also by mailing a copy thereof to each handler who has filed his address with said committee for this purpose.

(3) Whenever any variety is regulated pursuant to this section, no such regulation shall be deemed to limit the right of any person to sell or contract to sell such variety.

(c) *Fruit packed during period of regulation.* In the event that any variety is regulated pursuant to this section, no handler shall ship any fruit of such variety which was packed during the effective period of such regulation.

§ 933.6 *Handlers reports*—(a) *Manifest report.* The Growers Administrative Committee may request information from each handler regarding the variety, grade, and size of each standard packed box of fruit shipped by him and may require such information to be mailed or delivered to the said committee or its duly authorized representative, within twenty-four (24) hours after such shipment is made, in a manner or by such method as the said committee may prescribe, and upon such forms as may be prepared by it.

(b) *Other information.* Upon request of the Growers Administrative Committee, made with the approval of the Secretary, every handler shall furnish such committee, in such manner and at such times as it prescribes, such other information as will enable it to perform its duties hereunder.

§ 933.7 *Fruit not subject to regulation.* Nothing contained herein shall be construed to authorize any limitation of the right to ship fruit by express or parcel post or for (a) consumption by charitable institutions or distribution by relief agencies, or (b) conversion into by-products, or (c) export to foreign countries other than Canada, or (d) consumption within the State of Florida, nor shall any assessment be levied on fruit so shipped. The Growers Administrative Committee may prescribe adequate safeguards to prevent fruit shipped for such purpose from entering commercial fresh fruit channels of trade contrary to the provisions hereof. The term "by-product", as used herein, includes all processed and manufactured products of fruit, including canned or bottled fruits and fruit juices: *Provided*, That fruit shipped for conversion into fruit juices without further processing or treatment to render the same bona fide manufactured or processed products, as above described, shall be deemed fresh fruit and shall be subject to all regulations herein contained.

§ 933.8 *Compliance.* Except as provided herein, no person shall ship fruit the shipment of which has been prohibited by the Secretary in accordance with the provisions of §§ 933.4 or 933.5 of this chapter.

§ 933.9 *Effective time and termination*—(a) *Effective time.* The provisions hereof shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until terminated in one of the ways hereinafter specified.

(b) *Termination.* (1) The Secretary may at any time terminate the provisions hereof by giving at least one (1) day's notice by means of a press release or in any other manner which he may determine.

(2) The Secretary shall terminate the provisions hereof at the end of any fiscal period whenever he finds that such termination is favored by a majority of producers who, during the preceding fiscal period, have been engaged in the production for market of fruit: *Provided*, That such majority have, during such period, produced for market more than fifty (50) percent of the volume of such fruit produced for market, but such termination shall be effective only if announced on or before July 31 of the then current fiscal period.

(3) The provisions hereof shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

(c) *Proceedings after termination.* (1) Upon the termination of the provisions hereof, the then functioning members of the Growers Administrative Committee shall continue as joint trustees, for the purpose of liquidating the affairs of the said committee, of all the funds and property then in the possession of or under control of such administrative committee, including claims for any funds unpaid or property not delivered at the time of such termination.

(2) The said trustees (i) shall continue in such capacity until discharged by the Secretary, (ii) shall, from time to time, account for all receipts and disbursements or deliver all property on hand, together with all books and records of the Growers Administrative Committee and of the joint trustees, to such person as the Secretary may direct; and (iii) shall, upon the request of the

Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title and right to all of the funds, property, and claims vested in the Growers Administrative Committee, or the joint trustees pursuant hereto.

(3) Any funds collected pursuant to § 933.3 of this chapter, over and above the amounts necessary to meet outstanding obligations and expenses necessarily incurred during the operation hereof and during the liquidation period, shall be returned to handlers as soon as practicable after the termination hereof. The refund to each handler shall be represented by the excess of the amount paid by him over and above his pro rata share of the expenses.

(4) Any person to whom funds, property, or claims have been transferred or delivered by the Growers Administrative Committee or its members, pursuant to this section, shall be subject to the same obligations imposed upon the members of said committee and upon the said joint trustees.

§ 933.10 *Duration of immunities.* The benefits, privileges, and immunities conferred upon any person by virtue hereof shall cease upon its termination, except with respect to acts done under and during the existence hereof.

§ 933.11 *Agents.* The Secretary may, by designation in writing, name any person, including any officer or employee of the Government, or name any bureau or division in the United States Department of Agriculture, to act as his agent or representative in connection with any of the provisions hereof.

§ 933.12 *Derogation.* Nothing contained herein is, or shall be construed to be in derogation or in modification of the rights of the Secretary or of the United States (a) to exercise any powers granted by the act or otherwise, or (b) in accordance with such powers, to act in the premises whenever such action is deemed advisable.

§ 933.13 *Personal liability.* No member or alternate of the committee, nor any employee or agent thereof, shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any handler or to any other person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member, alternate, or employee, except for acts of dishonesty.

§ 933.14 *Separability.* If any provision hereof is declared invalid, or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder hereof or the applicability thereof to any other person, circumstance, or thing shall not be affected thereby.

Issued at Washington, D. C., this 27th day of August 1946, to be effective on and after 12:01 a. m., e. s. t., September 1, 1946.

[SEAL] CHARLES F. BRANNAN,
Acting Secretary of Agriculture.

[F. R. Doc. 46-15226; Filed, Aug. 28, 1946; 11:15 a. m.]

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Federal Security Agency

[Docket No. FDC-43]

PART 36—SHELLFISH, DEFINITIONS AND STANDARDS OF IDENTITY, QUALITY, AND FILL OF CONTAINERS

Correction

In Federal Register Document 46-14928, appearing at page 9331 of the issue for Tuesday, August 27, 1946, the third line of § 36.10 should read "ters, shucked oysters are the class of foods each of which".

TITLE 24—HOUSING CREDIT

Chapter I—Federal Home Loan Bank Administration

[Order 1]

DELEGATION TO CERTAIN OFFICERS JOINTLY CERTAIN POWERS, DUTIES AND FUNCTIONS FORMERLY EXERCISED BY FEDERAL HOME LOAN BANK BOARD, BOARD OF TRUSTEES OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AND BOARD OF DIRECTORS OF HOME OWNERS' LOAN CORPORATION, OR ANY MEMBER THEREOF

FEBRUARY 27, 1942.

Pursuant to the authority contained in Executive Order No. 9070 dated February 24, 1942, all powers, duties, and functions vested in the Federal Home Loan Bank Commissioner by Executive Order No. 9070 dated February 24, 1942, or otherwise, may also be exercised and administered by the following persons for the functions hereinafter enumerated:

(1) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any member thereof, with respect to the operations of or under the Governor of the Federal Home Loan Bank System, Review Committee, Examining Division, the Comptroller, and the Financial Advisor, and any Budget operations in connection with any of these functions may be exercised and administered by the Governor or an Executive Assistant to the Commissioner when designated in writing by the Governor.

(2) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation and the Board of Trustees of the Federal Savings and Loan Insurance Corporation, or any member thereof, with respect to the operations of or under the General Manager of the Federal Savings and Loan Insurance Corporation may be exercised and administered by the General Manager of the Federal Savings and Loan Insurance Corporation or by an Executive Assistant to the Commissioner when designated in writing by the General Manager, except that powers, duties, and functions formerly exercised by the Board of Trustees of the Federal Savings and Loan Insurance Corporation with respect to settlement of Insurance, contributions or loans to, or purchases of assets of, insured institutions shall be exercised and administered jointly by the General Manager of the Federal Savings and Loan Insurance Corporation, and the Governor of the Federal Home Loan Bank System.

(3) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation, or any Member thereof, with respect to the operations of or under the General Manager of the Home Owners' Loan Corporation may be exercised and administered by the General Manager of the Home Owners' Loan Corporation or by an Executive Assistant to the Commissioner when designated in writing by the General Manager.

(4) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any member thereof, with respect to the operations of or under the Secretary, Director of Public Relations, and Director of Research and Statistics may be exercised and administered by an Executive Assistant to the Commissioner.

(5) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any member thereof, with respect to the operations of or under the Director of Personnel, Auditor, and, except as otherwise provided herein, the Budget Officer may be exercised and administered by an Executive Assistant to the Commissioner:

Provided, however, That any exercise of powers, duties, and functions pursuant to the delegations hereinabove made shall contain the specific approval of the General Counsel or any member of the legal staff designated, with the approval of the Federal Home Loan Bank Commissioner, by the General Counsel in writing.

(6) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any Member thereof, with respect to the operations of or under the General Counsel and the Legal Department may be exercised and administered by the General Counsel or such Associate General Counsel or Assistant General Counsel as the General Counsel may designate.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15121; Filed, Aug. 27, 1946; 11:56 a. m.]

[Order 2]

DELEGATION TO CERTAIN OFFICERS JOINTLY, CERTAIN POWERS, DUTIES, AND FUNCTIONS OF ADOPTING, AMENDING AND REPEALING RULES AND REGULATIONS

FEBRUARY 27, 1942.

Pursuant to the authority contained in Executive Order No. 9070 dated Februaru 24, 1942, the following delegations of functions, powers, and duties vested in me as Federal Home Loan Bank Commissioner by said Executive order, or otherwise, and by the provisions of the Federal Home Loan Bank Act, as amended, the Home Owners' Loan Act of 1933, as amended, and Title IV of the National Housing Act, as amended, are hereby made:

(a) To: (1) The Governor or Deputy Governor, Federal Home Loan Bank System, and

(2) General Counsel, or an Associate General Counsel, or an Assistant General Counsel, and

(3) An Executive Assistant to the Commissioner,

jointly, the powers, duties, and functions of adopting, amending, and repealing the rules and regulations for the Federal Home Loan Bank System and the rules and regulations for the Federal Savings and Loan System.

(b) To: (1) The General Manager or Deputy General Manager, Home Owners' Loan Corporation, and

(2) General Counsel, or an Associate General Counsel, or an Assistant General Counsel, and

(3) An Executive Assistant to the Commissioner,

jointly, the powers, duties, and functions of adopting, amending, and repealing the rules and regulations of the Home Owners' Loan Corporation.

(c) To: (1) The General Manager or Deputy General Manager, Federal Savings and Loan Insurance Corporation, and

(2) General Counsel, or an Associate General Counsel, or an Assistant General Counsel, and

(3) An Executive Assistant to the Commissioner,

jointly, the powers, duties, and functions of adopting, amending, and repealing the rules and regulations for Insurance of Accounts.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15122; Filed, Aug. 27, 1946; 11:56 a. m.]

[Bulletin 43]

AUTHORIZATION TO SECRETARY OF FEDERAL HOME LOAN BANK ADMINISTRATION TO CONDUCT CERTAIN OF ITS PURCHASE AND SUPPLY OPERATIONS

AUGUST 1, 1945.

Pursuant to the authority vested in the Federal Home Loan Bank Commissioner, it is hereby ordered as follows:

(1) The Secretary shall conduct the purchase and supply operations of the Federal Home Loan Bank Administration, which shall include but shall not be limited to the authority to procure, obtain, purchase, subscribe for, lease, exchange, or otherwise acquire, and to sell, rent, exchange, supply, or otherwise dispose of, furniture, fixtures, equipment, supplies, forms, stationery, books of reference, other books, newspapers, periodicals, duplicating, printing, binding, and other personal property and services (other than personal services) for the Federal Home Loan Bank Administration, to do any combination of any of the said matters, to make contracts or agreements for the doing of, or with respect to, any of the foregoing, and to issue bills of lading. Any such operations may be direct, or through or with the Government Printing Office or the Procurement Division of the United States Treasury Department, or otherwise.

(2) The Secretary is hereby granted authority to execute or approve any purchase orders, requisitions, contracts, agreements, leases, and other instruments or writings necessary or appropriate for the carrying out of the purposes or provisions of this bulletin.

(3) In cases other than Legal Department cases, each transaction entered into under the authority hereinbefore conferred which is for the account of any of the following departments or offices, namely, the office of an Executive Assistant to the Commissioner or Assistant to the Commissioner, the Personnel Department, or the Budget Office, shall be upon the request or approval of the head of such department or office, and each transaction entered into under the authority hereinbefore conferred which is for the account of the Office of the Governor or for the account of any department or office under the supervision of the Governor shall be upon the request or approval of the Governor. In Legal Department cases, each transaction entered into under the authority hereinbefore conferred shall be upon the request or approval of the General Counsel. Any such request or approval may be by approval of a requisition or otherwise.

(4) Notwithstanding the foregoing provisions hereof, the Secretary shall, except as otherwise provided by the terms of such request or approval, have authority to determine, before, at, or after such request or approval, all matters involved in or relating to such transactions, including but not limited to the nature, terms, and conditions of the transaction, the price or consideration, the manner, terms, and conditions of entering into such transaction, and the manner, terms, and conditions of performance thereof or of payment, in advance or otherwise, therefor.

(5) The authority hereinbefore conferred shall be exercised in conformity with such laws and regulations as are from time to time binding upon the Federal Home Loan Bank Administration: *Provided*, That where the applicability of any such law or regulation to the Federal Home Loan Bank Administration or to the transaction, or otherwise, depends upon any determination or other action, the Secretary is hereby granted authority, to the full extent to which such authority may be granted, to make or cause to be made such determination or to take or cause to be taken such action.

(6) Any function or authority hereinbefore conferred upon the Secretary may be exercised also by an Assistant Secretary. Any function or authority hereinbefore conferred upon any other person may be exercised also by such person or persons as have been or may be designated in writing by the person upon whom such function or authority is hereinbefore conferred.

(7) Nothing herein contained shall (a) confer upon any person any authority, not otherwise vested in such person, to approve or certify any payment voucher of the Federal Home Loan Bank Administration or (b) impair any function or authority of the General Counsel, or of any Associate General Counsel, Assistant General Counsel, or Assistant to the General Counsel, or of any member of the Legal Department.

(8) Nothing herein contained shall impair the operation of Order No. 1 or Order No. 2, both dated February 27, 1942, Order No. 1219, dated April 13, 1943, or Order No. 4170, dated June 9, 1945, or any amendment or amendments of any of said orders.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15120; Filed, Aug. 27, 1946; 11:59 a. m.]

[Order 270]

DELEGATION OF CERTAIN POWER OF FEDERAL HOME LOAN BANK COMMISSIONER TO GOVERNOR OF THE FEDERAL HOME LOAN BANK SYSTEM

MAY 20, 1942.

Pursuant to the authority contained in Executive Order No. 9070, dated February 24, 1942, the power vested in the Federal Home Loan Bank Commissioner by said Executive order to approve the purchase and/or sale of obligations of the United States or other securities by Federal home loan banks, as required by § 4.1 of the rules and regulations for the Federal Home Loan Bank System, may also be exercised by the Governor of the Federal Home Loan Bank System.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15124; Filed, Aug. 27, 1946; 11:56 a. m.]

[Order 822]

ABOLISHMENT OF CERTAIN COMMITTEE AND DELEGATING TO SPECIFIED OFFICERS AUTHORITY FOR EXERCISE OF CERTAIN POWERS, DUTIES AND FUNCTIONS VESTED IN FEDERAL HOME LOAN BANK COMMISSIONER AND RELATING TO THE FEDERAL HOME LOAN BANK ADMINISTRATION, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION OR HOME OWNERS' LOAN CORPORATION

NOVEMBER 25, 1942.

(I) The Review Committee is hereby abolished.

(II) Pursuant to the authority contained in Executive Order No. 9070, dated February 24, 1942, all powers, duties, and functions vested in the Federal Home

Loan Bank Commissioner, and relating to the Federal Home Loan Bank Administration, Federal Savings and Loan Insurance Corporation, or Home Owners' Loan Corporation, by Executive Order No. 9070, dated February 24, 1942, or otherwise, may also be exercised and administered by the following as to the matters hereinafter enumerated:

(a) By the Governor or by an Executive Assistant to the Commissioner when designated in writing by the Governor:

(1) Applications for membership in Federal home loan banks.

(2) Permission to organize Federal associations.

(3) Petitions for Federal charter.

(4) Applications for conversion to Federal charter.

(5) Withdrawals from membership in Federal home loan banks.

(6) Transfers of stock in Federal home loan banks.

(7) Sales plans and practices of insured institutions and Federal associations.

(8) Joint occupancy of office quarters.

(9) Approvals relative to fidelity bond coverage of insured institutions and Federal associations.

(10) Bonds covering safe deposit business.

(11) Approval of Operating Agreements.

(12) Waivers and cancellations of Home Owners' Loan Corporation investment retirement requests.

(13) Purchases of assets where no increase in insurable accounts is involved.

(14) Sales of loans by insured institutions and Federal associations.

(15) Applications by Federal associations for permission to make small apartment house loans.

(16) Investments by Federal associations in office buildings.

(17) Voluntary dissolutions of Federal associations.

(18) Extensions, modifications, and continuations of trust agreements by insured institutions and Federal associations.

(19) Removals from membership in Federal home loan banks.

(20) Approvals of other loan plans for Federal associations.

(21) Amendments of Federal association charters.

(22) Amendments of Federal association by-laws.

(23) Lending territory and maximum loans of insured institutions and Federal associations.

(24) Requests for Home Owners' Loan Corporation investment.

(25) Applications for branch and agency offices.

Provided, however, That the above shall not be applicable with respect to powers, duties, and functions constituting action by or on behalf of the Federal Savings and Loan Insurance Corporation which affects insured institutions in receivership.

(b) By the General Manager of the Federal Savings and Loan Insurance Corporation or by an Executive Assistant to the Commissioner when designated in writing by the General Manager:

(1) Applications for insurance of accounts.

(2) Releases of escrowed shares.

(3) Mergers, consolidations, and purchases of assets requiring approval under § 301.17 of the rules and regulations for Insurance of Accounts.

(4) Amendments to by-laws of state-chartered insured institutions.

(5) Amendments to charters or articles of incorporation of state-chartered insured institutions.

(6) Designations of reserve as Federal Insurance Reserve.

(7) Permissions to state-chartered insured institutions to make "small" loans.

(8) Forms of certificates and passbooks of state-chartered insured institutions.

(c) *Provided, however,* That any exercise of powers, duties, and functions pursuant to this order shall contain the specific approval of the General Counsel or any member of the legal staff designated, with the approval of the Federal Home Loan Bank Commissioner, by the General Counsel in writing: *Provided further,* That the exercise of powers, duties, and functions pursuant to the above provisions of this order shall not include the conduct of hearings which may be granted or ordered on any matter enumerated above, any such hearing to be held by the Commissioner or a trial examiner or hearing officer appointed by the Commissioner or by the General Counsel: *Provided further,* That the exercise of powers, duties, and functions pursuant to this order shall not extend to the adoption, amendment, or repeal of regulations which shall be governed by the provisions of Order No. 2, dated February 27, 1942.

(III) Except to the extent that it conflicts with the above, Order No. 1, dated February 27, 1942, shall continue in full force and effect.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15134; Filed, Aug. 27, 1946; 11:56 a. m.]

[Order 2639]

APPOINTMENT OF ASSISTANT SECRETARY OF FEDERAL HOME LOAN BANK ADMINISTRATION TO EXERCISE AUTHORITY OF SECRETARY OF SAID ADMINISTRATION

JUNE 30, 1944.

It is hereby ordered, That, effective July 1, 1944, Harry W. Caulsen, Assistant Secretary, is transferred from the Home Owners' Loan Corporation to the Federal Home Loan Bank Administration, with the title of Assistant Secretary to the Federal Home Loan Bank Administration, without change in grade, salary, or official station.

The position of the said Harry W. Caulsen, Assistant Secretary to the Federal Home Loan Bank Administration, is hereby placed in the Administrative Department, without change in other departmental or organizational designation.

It is further ordered, That any authority, duty, or function, on behalf of the Federal Home Loan Bank Administration or otherwise, which the Secretary to the Federal Home Loan Bank Administration is authorized to exercise or perform, may be exercised or performed by Harry W. Caulsen as Assistant Secretary.

It is further ordered, That this order shall not affect or impair any authorization, appointment, delegation, designation, or deputization heretofore made by or to the said Harry W. Caulsen, individually or as Assistant Secretary or otherwise, and whether by the name of Harry W. Caulsen, H. Caulsen, or otherwise. Nothing contained in this order shall affect or impair the operation of the resolutions adopted by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation on August 30, 1939, relating to the authority, duties, and functions of the aforesaid Harry W. Caulsen, therein described as H. Caulsen. The said Harry W. Caulsen may at his option sign any instrument or writing as H. Caulsen.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15135; Filed, Aug. 27, 1946; 11:56 a. m.]

[Order 3026]

DELEGATION OF AUTHORITY TO SPECIFIED OFFICERS CONCERNED WITH FEDERAL HOME LOAN BANK ADMINISTRATION, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AND HOME OWNERS' LOAN CORPORATION

OCTOBER 24, 1944.

Paragraph II of Federal Home Loan Bank Administration Order No. 822, dated November 25, 1942, is hereby amended to read as follows:

II. Pursuant to the authority contained in Executive Order No. 9070, dated February 24, 1942, all powers, duties, and functions vested in the Federal Home Loan Bank Commissioner, and relating to the Federal Home Loan Bank Administration, Federal Savings and Loan Insurance Corporation, or Home Owners' Loan Corporation, by Executive Order No. 9070, dated February 24, 1942, or otherwise, may also be exercised and administered by the following as to the matters hereinafter enumerated:

(a) By the Governor or by an Executive Assistant to the Commissioner when designated in writing by the Governor:

(1) Applications for membership in Federal home loan banks.

(2) Permission to organize Federal associations.

(3) Petitions for Federal charter.

(4) Applications for conversion to Federal charter.

(5) Withdrawals from membership in Federal home loan banks.

(6) Transfers of stock in Federal home loan banks.

(7) Sales plans and practices of insured institutions and Federal associations.

(8) Joint occupancy of office quarters.

(9) Approval of Operating Agreements.

(10) Waivers and cancellations of Home Owners' Loan Corporation investment retirement requests.

(11) Purchases of assets where no increase in insurable accounts is involved.
(12) Sales of loans by insured institutions and Federal associations.
(13) Applications by Federal associations for permission to make small apartment house loans.
(14) Investments by Federal associations in office buildings.
(15) Voluntary dissolutions of Federal associations.
(16) Extensions, modifications, and continuations of trust agreements by insured institutions and Federal associations.
(17) Removals from membership in Federal home loan banks.
(18) Approvals of other loan plans for Federal associations.
(19) Amendments of Federal association charters.
(20) Amendments of Federal association by-laws.
(21) Lending territory and maximum loans of insured institutions and Federal associations.
(22) Requests for Home Owners' Loan Corporation investment.
(23) Applications for branch and agency offices.

Provided, however, That the above shall not be applicable with respect to powers, duties, and functions constituting action by or on behalf of the Federal Savings and Loan Insurance Corporation which affects insured institutions in receivership.

(b) By the General Manager of the Federal Savings and Loan Insurance Corporation or by an executive assistant to the Commissioner when designated in writing by the General Manager:

(1) Applications for insurance of accounts.
(2) Releases of escrowed shares.
(3) Mergers, consolidations, and purchases of assets requiring approval under § 301.17 of Chapter III of the rules and regulations for Insurance of Accounts.
(4) Amendments to by-laws of state-chartered insured institutions.
(5) Amendments to charters or articles of incorporation of state-chartered insured institutions.
(6) Designations of reserve as Federal Insurance Reserve.
(7) Permissions to state-chartered insured institutions to make "small" loans.
(8) Forms of certificates and passbooks of state-chartered insured institutions.
(9) Approvals relative to fidelity bond coverage of insured institutions and Federal associations.
(10) Bonds covering safe deposit business.
(11) Approvals of declaration of dividends by insured institutions under § 301.12 (e) of Chapter III of the rules and regulations for Insurance of Accounts.

(c) *Provided, however,* That any exercise of powers, duties, and functions pursuant to this order shall contain the specific approval of the General Counsel or any member of the legal staff designated, with the approval of the Federal Home Loan Bank Commissioner, by the General Counsel in writing: *Provided further,* That the exercise of powers, duties, and functions pursuant to the above provisions of this order shall not include the conduct of hearings which may be granted or ordered on any matter enumerated above, any such hearing to be held by the Commissioner or a trial examiner or hearing officer appointed by the Commissioner or by the General Counsel: *Provided further,* That the exercise of powers, duties, and functions pursuant to this order shall not extend to the adoption, amendment, or repeal of regulations which shall be governed by the provisions of Order No. 2, dated February 27, 1942.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15136; Filed, Aug. 27, 1946; 11:57 a. m.]

[Order 4170]

DELEGATION OF CERTAIN POWERS, DUTIES AND FUNCTIONS OF FEDERAL HOME LOAN BANK COMMISSIONER

JUNE 9, 1945.

Supplementing and amending Orders No. 1 and No. 2 dated February 27, 1942 in connection with the delegation of certain powers, duties and functions of the Federal Home Loan Bank Commissioner.

Effective on and after the date of this order, J. Francis Moore, Secretary, is hereby authorized also to exercise and administer all powers, duties, and functions which may be exercised and administered by an Executive Assistant to the Commissioner under Order No. 1, dated February 27, 1942, and orders now or hereafter issued supplementary or amendatory thereto: *Provided, however,* That any exercise of said powers, duties, and functions shall contain the specific approval of the General Counsel.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15137; Filed, Aug. 27, 1946; 11:57 a. m.]

[Order 4397]

DELEGATION OF CERTAIN POWERS, DUTIES AND FUNCTIONS OF THE FEDERAL HOME LOAN BANK COMMISSIONER

AUGUST 28, 1945.

Effective September 1, 1945, all responsibility, authority, and functions of the Governor, or of any Deputy Governor or Assistant Governor, of the Federal Home Loan Bank System with respect to the maintenance of any records or information relative to investments by Home Owners' Loan Corporation in savings and loan associations, and all functions in connection with such investments, other than investment of further funds, are transferred to the General Manager of the Home Owners' Loan Corporation. Any operations in connection with the foregoing, other than such investment of further funds, shall be operations within the meaning of paragraph numbered 3 of Order No. 1 dated February 27, 1942: *Provided, however,* That this order shall not confer upon any person or persons any power or authority, not otherwise vested in such person or persons, to alter, amend, or repeal the rules and regulations for the Federal Savings and Loan System, or any portion thereof. All inquiries within the organization with regard to the status of any of the investments aforesaid shall be directed to the General Manager of the Home Owners' Loan Corporation.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15138; Filed, Aug. 27, 1946; 11:57 a. m.]

[Order 4779]

DELEGATION OF CERTAIN POWERS, DUTIES AND FUNCTIONS OF FEDERAL HOME LOAN BANK COMMISSIONER

JANUARY 11, 1946.

Supplementing and amending Orders No. 1 and No. 2 dated February 27, 1942 in connection with the delegation of certain powers, duties and functions of the Federal Home Loan Bank Commissioner.

Any and all powers, duties, and functions which now or hereafter may be exercised or administered by the Governor may be exercised and administered also by an Acting Governor, including, without limitation on the foregoing, the powers, duties, and functions which may be exercised and administered by the Governor under Orders No. 1 and No. 2, dated February 27, 1942, and orders now or hereafter issued supplementary or amendatory thereto.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15139; Filed, Aug. 27, 1946; 11:58 a. m.]

[Order 5057]

APPOINTMENT OF ASSISTANT SECRETARY OF FEDERAL HOME LOAN BANK ADMINISTRATION TO EXERCISE AUTHORITY OF SECRETARY OF SAID ADMINISTRATION

MARCH 22, 1946.

Effective immediately, Albert V. Ammann is hereby designated and appointed Assistant Secretary to the Federal Home Loan Bank Administration. The said Albert V. Ammann shall serve as such without any compensation additional to that received as Assistant Chief Supervisor.

Any power, authority, duty, or function vested in or exercisable by the Secretary to the Federal Home Loan Bank Administration, or by J. Francis Moore, individually or as Secretary or otherwise, and whether by the name J. Francis Moore or otherwise, may also be exercised by Albert V. Ammann, Assistant Secretary. The said Albert V. Ammann may at his option sign any instrument or writing as A. V. Ammann.

Notwithstanding any of the foregoing provisions of this order, nothing in this order shall confer upon the said Albert V. Ammann any power, authority, duty, or function conferred by Federal Home Loan Bank Administration Order No. 4170, of this chapter, dated June 9, 1945, or by Federal Home Loan Bank Admin-

istration Bulletin No. 43, dated August 1, 1945.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15140; Filed, Aug. 27, 1946; 11:58 a. m.]

[Order 5063]

DELEGATION OF FUNCTIONS, POWERS AND DUTIES OF FEDERAL HOME LOAN BANK COMMISSIONER

MARCH 25, 1946.

Harold Lee is hereby appointed and designated Deputy Federal Home Loan Bank Commissioner, and shall serve as such without compensation additional to that otherwise received from the Federal Home Loan Bank Administration.

It is hereby ordered, That all functions, powers, and duties vested in or exercisable by me as Federal Home Loan Bank Commissioner may be exercised also by Harold Lee, Deputy Federal Home Loan Bank Commissioner, to whom such functions, powers, and duties are hereby delegated.

This order shall be effective immediately.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15141; Filed, Aug. 27, 1946; 11:58 a. m.]

[Order 5224]

RECORDS OF FEDERAL HOME LOAN BANK ADMINISTRATION

MAY 10, 1946.

Authorizing certain officers to act pursuant to 24 CFR and supps. 7.3 (c).

Pursuant to paragraph (c) of § 7.3 of this chapter of the rules and regulations for the Federal Home Loan Bank System the Governor and the General Counsel are hereby severally authorized to grant any written authorization or approval required or permitted by said paragraph (c).

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15142; Filed, Aug. 27, 1946; 11:58 a. m.]

[Order 5255]

APPOINTMENT OF ASSISTANT SECRETARY OF FEDERAL HOME LOAN BANK ADMINISTRATION TO EXERCISE AUTHORITY OF THE SECRETARY OF SAID ADMINISTRATION

MAY 20, 1946.

Effective immediately, Ray E. Dougherty is hereby designated and appointed Assistant Secretary to the Federal Home Loan Bank Administration. The said Ray E. Dougherty shall serve as such without any compensation additional to that received as Associate General Counsel.

Any power, authority, duty, or function vested in or exercisable by the Secretary to the Federal Home Loan Bank Administration, or by J. Francis Moore, individually or as Secretary or otherwise, and whether by the name J. Francis Moore or otherwise, may also be exercised by Ray E. Dougherty, Assistant Secretary.

Notwithstanding any of the foregoing provisions of this order, nothing in this order shall confer upon the said Ray E. Dougherty any power, authority, duty, or function conferred by Federal Home Loan Bank Administration Order No. 4170, dated June 9, 1945, or by Federal Home Loan Bank Administration Bulletin No. 43, dated August 1, 1945.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15143; Filed, Aug. 27, 1946; 11:58 a. m.]

[Order 5485]

AUTHORIZATION OF CERTAIN POWERS, DUTIES, AND FUNCTIONS TO BE EXERCISED BY OFFICER OF FEDERAL HOME LOAN BANK ADMINISTRATION

AUGUST 7, 1946.

Any of the powers, duties, and functions vested in or exercisable by the Governor of the Federal Home Loan Bank System may also be exercised by a Deputy Governor, except those powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation, or any member thereof, which may be exercised and administered by said Governor only with the specific approval of the General Counsel, and except any power, duty, or function which would not be exercisable by said Governor in the absence of Federal Home Loan Bank Administration Order No. 5460 dated July 29, 1946.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15144; Filed, Aug. 27, 1946; 11:58 a. m.]

Chapter II—Federal Savings and Loan System

[Order 4407]

PART 203—OPERATION

REQUIREMENTS FOR AUDITS

SEPTEMBER 5, 1945.

The following minimum requirements for audits by auditors other than members of the Examining Division of this Administration are hereby approved under the provisions of § 203.2 of the rules and regulations for the Federal Savings and Loan System:

(1) The audit shall be made by a qualified accountant who is not a director, officer or employee of the Federal association audited, or by a firm of accountants no member of which is a director, officer or employee of such association: *Provided*, That such accountant or firm is approved by the Chief Examiner of the Federal Home Loan Bank Administration.

(2) The scope of audit shall include:

(a) Verification of assets,

(b) Determination of the extent of the liabilities,

(c) Verification of income and other receipts, ascertaining that receipts are properly recorded and deposited,

(d) Verification that expenses and disbursements are proper,

(e) Satisfactory verification of investors' accounts by direct correspondence (at least 10% in number, the total of which shall be not less than 10% of the aggregate dollar amount of all investors' accounts), exceptions, if any, being reported,

(f) Satisfactory verification of borrowers' accounts by direct correspondence (at least 10% in number, the total of which shall be not less than 10% of the aggregate dollar amount of all borrowers' accounts), exceptions, if any, being reported,

(g) Verification of compliance with reserve requirements under § 301.12 of Chapter III of this title of the rules and regulations for Insurance of Accounts, and with Charter requirements.

(h) Analysis of the system of internal check and control, with appropriate comments regarding its adequacy or inadequacy; also an analysis of the accounting system with appropriate comments as to any material exception to or deviation from sound accounting practice.

(3) The audit shall contain a certificate by the accountant that in his opinion the statements contained in the report are correct.

Federal Home Loan Bank Administration Order No. 2867, dated September 11, 1944, is hereby rescinded.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15117; Filed, Aug. 27, 1946; 11:57 a. m.]

PART 209—INTERPRETATIVE OPINIONS

AUGUST 27, 1946.

The interpretations set forth in the sections of this part have heretofore been formulated and adopted by the Federal Home Loan Bank Board and/or the Federal Home Loan Bank Administration, for the guidance of the public in connection with the Rules and Regulations for the Federal Savings and Loan System, the provisions of the Home Owners' Loan Act of 1933, as amended, and other relevant provisions of law and regulation. There appears, in connection with each of the sections hereinafter set forth, cross-references to the provisions of the Rules and Regulations for the Federal Savings and Loan System and pertinent provisions of the forms of charter and bylaws under which Federal savings and loan associations operate, as appear in Chapter II, Title 24 of the Code of Federal Regulations and Supplements thereto, of which this is a part.

Sec.

AUTHORITY: §§ 209.1 to 209.64, inclusive, issued under Administrative Procedure Act, Public No. 404, approved June 11, 1946.

§ 209.1 *Transferred share account; dividend credit or payment; bonus credit*—(a) *Opinion.* The transferee of a share account in a Charter K Federal association has the same rights as to dividend credits or payments and bonus credits as the transferor would have had if such transfer had not been made. Under the provisions of sections 7, 9 and 10 of Charter K, no cessation of dividend credits or payments or bonus continuity may be effected by a Federal association because of a transfer of a share account. (Ch. K, secs. 7, 9, 10) (See 24 CFR and Supps, 202.9 (a))

§ 209.2 *Blanket mortgages exceeding $20,000; 15% loan limitation*—(a) *Opinion.* If a large-scale loan (in excess of $20,000) has the following characteristics, a Federal savings and loan association is not required to include such mortgage loan in the computation of the 15% of assets limitation set forth in section 5 (c) of Home Owners' Loan Act of 1933, as amended:

(1) Such loan represents the blanketing of several loans, none of which would have exceeded $20,000, which could have been made upon the several separate units of property which secure the large-scale loan.

(2) The part of the loan apportionable to each of such units of property is not in excess of $20,000.

(3) Each of such units of property is a home or combination home and business property, or will become such a property as a result of the loan. (H.O. L.A., sec. 5 (c); Ch. K sec. 13) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Section 5 (c) of Home Owners' Loan Act of 1933, as amended, in connection with the lending power of Federal associations upon homes or combination home and business properties states as follows: "That not more than $20,000 shall be loaned on the security of a first lien *upon any one such property*" [Italics supplied.] It may be that in certain cases a Federal association will desire to make a home loan to one borrower secured by a group of individual properties, each of which consists of a home or combination home and business property. Provided the property securing each of these individual loans does not exceed $20,000 in amount, the association could make separate loans on each unit secured by a separate instrument. It appears clear that when the act states that not more than $20,000 shall be loaned on the security of a first lien upon any one such property, it contemplates individual property units which comprise as to each unit a complete home or combination home and business property. The provisions of section 13 of Charter K relating to this matter are to be construed as parallel to the provisions of section 5 (c) of the act and subject to the same interpretation.

Since this is so and since a Federal association could under the example above given have made, for instance, ten loans to one borrower, each secured by such a separate home property, there would seem to be no reason why the association might not secure these ten loans by a single blanket instrument covering all of the properties involved. Such procedure would reduce recordation and other charges. However, it should be noted that in each particular instance, the facts involved should clearly show that the loan, if in excess of $20,000, is secured by different complete home or combination home and business properties, and that the part of the loan apportionable to each of such units is not in excess of $20,000. In addition to the actual lay-out of each of the individual properties, one of the strongest kinds of evidence which would show the loan to be one of the type under discussion would be express provisions in the security instrument clearly setting forth that the properties secured by such instrument could be released therefrom as individual parcels.

It should further be noted that no such blanket instrument, if in excess of $20,000 in amount, would be eligible collateral to secure advances from a Federal home loan bank under the provisions of section 10 (b) of the act. Therefore, it would appear advisable, in the event an association made a loan of this type, if it intended to retain the loan in its own portfolio, that the release clauses in the instrument should be sufficiently broad to permit the Federal association to compel the release of individual properties from the blanket instrument and the giving back of a separate security instrument covering each such property in order that these separate loans will thereafter be eligible for advances under the Federal Home Loan Bank Act.

§ 209.3 *Definition of "amortized loans"*—(a) *Opinion.* Section 14 (a) of Charter K describes an amortized loan within the meaning of the charter. Under this section, monthly payments may be either equal or unequal but must be sufficient to retire the debt, interest and principal, within twenty years. No loan contract under this section can provide for any subsequent monthly installment in an amount larger than any previous monthly installment.

The amortization payments required by Charter K must be applied monthly, first to interest on the unpaid balance of the debt and the remainder to the

reduction of the debt until the same is paid in full. These provisions require monthly application of such payments, thus requiring monthly computation of interest on the unpaid balance in all such cases.

As stated above, no amortized loan made under Charter K may provide for a subsequent monthly payment in excess of any previous monthly installment. Similarly, no amortized loan under either charter can require an additional payment on principal at any time during the life of the loan regardless of whether such extra payment takes the place of, or is in addition to, the regular monthly installment. (Ch. K, sec. 14) (See 24 CFR and Supps., 202.9 (a))

§ 209.4 *Voting rights; number of votes*—(a) *Opinion.* Members of an association having a charter in the form of Charter K shall be entitled to vote at any meeting of members in accordance with the following provisions: (1) A borrowing member who owns no share account may cast one vote at any meeting of members, except that persons who became borrowing members of record after the end of the calendar month next preceding the date of the meeting of members may not vote. A borrowing member who owns one or more share accounts of record on the books of the association at the end of the calendar month next preceding the date of the meeting of members may vote as a share account holder at any meeting of members the number of votes which the participation value of his share accounts of record on such date would entitle him to vote, and in addition cast one vote as a borrowing member, but may not cast more than 50 votes. (2) A member owning one or more share accounts of record at the end of the calendar month next preceding the date of the meeting of members may cast a number of votes equal to one vote for each $100 (plus one vote for the fraction over $100, if any) of the participation value of his share accounts on the record date and may not cast more votes than he was entitled to cast on the record date, even though the member has subsequently invested an additional amount in the association. No member of a Charter K Federal association may cumulate his votes. The right to cumulate votes is not granted by statute, regulations, the charter or bylaws. (Ch. K, sec. 4) (See 24 CFR and Supps., 202.9 (a))

§ 209.5 *One Federal association investing in another Federal association*—(a) *Opinion.* A Federal savings and loan association does not possess the corporate power to invest its funds in shares of another Federal savings and loan association. However, a Federal association has the incidental power to acquire shares of another Federal association in a salvage operation. (H.O.L.A., sec. 5 (c); Ch. K, sec. 13) (See 24 CFR and Supps., 202.9 (a))

§ 209.6 *Abolition of bonus plan*—(a) *Opinion.* After adopting a bonus plan as provided in section 10 of Charter K, a Federal association operating under Charter K may abolish its bonus plan by a vote of its members to repeal the section of its bylaws providing for such bonus plan; and such amendment to its bylaws will be effective without the approval of the Federal Home Loan Bank Board. Such action by the members abolishes the bonus plan as to savings share accounts opened after the date of such repeal of the bonus plan but does not affect the bonus plan as to savings share accounts opened prior to such date. (Ch. K, sec. 10; Bylaws (1936), sec. 10) (See 24 CFR and supps., 202.9 (a), (b))

(b) *Discussion.* Section 10 of Charter K provides that "in order to stimulate systematic thrift and to provide regular funds for the financing of homes, the members, by bylaw provision, may obligate the association to pay a cash bonus as follows: * * * The members, by amendment of the bylaws, may abolish the bonus plan as to savings share accounts opened after the date of such repeal of the bonus plan." The Legal Department is of the opinion that this quoted language confers upon the members of a Charter K association full power to adopt and abolish the bonus plan provided for in section 10 of Charter K, and the action of the members regarding the bonus plan is effective without the approval of the Board. The language of Charter K is not ambiguous and contains no condition regarding Board approval of action by the members regarding the bonus plan.

Section 10 of the Bylaws (1936) provides that amendments shall be subject to the approval of the Board, and shall be ineffective until such approval shall be given, except that, without the approval of the Board, the time of day for convening the annual meeting may be fixed at any hour not earlier than 10 a. m. nor later than 9 p. m. and a new section providing for a bonus may be added. This section of the bylaws does not confer additional power upon the members of such an association regarding the bonus plan, but merely restates the power given to the members by their charter to adopt the bonus plan without the approval of the Board. The fact that a similar provision was not placed in the bylaws regarding the abolition of the bonus plan cannot limit the members' power, which is granted by the charter, to abolish the bonus plan without the approval of the Board.

It must be noted that action by the members to abolish the bonus plan cannot be retroactive, i. e. the bonus plan can be abolished as to savings share accounts opened after the date of the action of the members to abolish the bonus plan, but cannot be abolished as to savings share accounts opened prior to such date unless the consent of the holder of each such account is obtained.

§ 209.7 *Terms of employment; hiring for definite period*—(a) *Opinion.* The provisions of the charter and bylaws under which Federal savings and loan associations operate (Charter K, secs. 3 and 5; Bylaws (1936), secs. 6 (c) and 10) provide that officers and employees of a Federal association are removable at any time. Therefore, no Federal association may properly enter into an agreement to employ any person as an officer or employee for a stated or definite period of time. (Ch. K, secs. 3 and 5; Bylaws (1936), secs. 6 (c) and 10) (See 24 CFR and Supps. 202.9 (a), (b))

§ 209.8 *Directors; qualifications*—(a) *Opinion.* Under the provisions of section 5 of Charter K, directors of a Federal savings and loan association shall be elected from the membership of the association. When a director ceases to be a member, he ceases to be a director.

The only member of a Federal association who may act as a director is a member who is a natural person. A directorate therefore cannot be held by a corporation, association, or partnership.

A transferee whose transfer is not recorded on the books of the association is not eligible. Under Charter K the association may treat as eligible for directorship only holders of record of share accounts.

Because a director of an association is a trustee, there is an implied requirement that the natural person elected from the membership be a person worthy of the trust; such worthiness for the trust is a continued requirement of eligibility to hold such office and such requirement underlies the provision of law which permits a director to be removed for cause. Additional special qualifications for directors may have been fixed by the bylaws of a particular association.

The question of whether a holder of a joint account or a joint borrower is eligible to serve as a director is a difficult one. It is the tendency of general business practice to treat these accounts as separate and distinct from the individuals composing them. Section 301.1 (c) of Chapter III of this title of the Federal Savings and Loan Insurance Corporation rules and regulations, for instance, treats the joint accounts as being separate from the accounts of the individual joint tenants for the purpose of determining the maximum insurance that can be held by each individual. The statute governing the Federal Deposit Insurance Corporation allows a similar determination in the fixing of the amount of insurance each individual joint tenant can have. Careful search reveals but one case upon this point, Schmidt v. Mitchell (1897) 101 Ky. 570, 41 S. W. 929, and here the eligibility of such a director was assumed. In this case one George L. Peter was one of three joint executors in an estate which had not been distributed. He appeared at an election and cast the vote of the stock belonging to the estate for himself as director. It was claimed that while the office of executor may be filled by more than one person all the executors make but one officer and that, therefore, George L. Peter had no right to revoke a previous proxy given by one of his coexecutors. The court held that George L. Peter had such a right and being the only one of the executors in attendance at the election, represented the estate; and that his vote was decisive, the other joint holders not being present at the meeting and objecting. The court then passed upon the eligibility of George L. Peter to serve as director. It discussed the question of whether he was a stockholder inasmuch as he held no stock in his own name upon the books of the Corporation. The court then held that until

distribution the stock of a decedent is unadministered assets in the hands of the personal representatives and the legal title is in them. The court was not bothered by the fact that he was one of three joint executors and made no comment upon this fact at this point in the case. Charter K does not treat joint account holders and joint borrowers separately from the individuals composing them. Under Charter K a joint account holder or joint borrower is qualified to serve as a director. Of course, this ruling would permit each of several joint account holders or joint borrowers to be eligible for election as directors but this would be a matter for determination by the members at the time of the election. (Ch. K, sec. (5) (See 24 CFR and Supps., 202.9 (a))

§ 209.9 *Loans on improved real estate other than home or combination home and business property; percentage of appraised value*—(a) *Opinion.* The following provision in section 14 of Charter K does not permit an association to lend in excess of 50% of the value of the security of improved real estate other than home or combination home and business property upon approval by the Board but without being authorized by members of the association: "All loans on the security of real estate shall be made in accordance with this section unless the Federal Home Loan Bank Board approves another loan plan upon application from the association for such approval."

The following provision is found in section 13 of Charter K:

* * * The association may lend an amount not exceeding 75 percent of the value of the security of a home or combination home and business property, and may lend an amount not exceeding 50 percent of the value of the security of other improved real estate, provided that the association may lend a higher percentage of the value of any such security when authorized by the members of the association and by regulations made by the Federal Home Loan Bank Board.

This provision requires authorization of the membership before an association may lend in excess of 50% of the value of the security of other improved real estate. It is a specific provision not one of the parts of the "loan plan" detailed in section 14 and is not nullified or affected by the above-mentioned general provision in section 14.

The further question is presented whether § 203.10 (d) of the Rules and Regulations for the Federal Savings and Loan System allows an association to lend in excess of 50% of the value of the security of improved real property other than home or combination home and business property. It does not. A possible interpretation is that after members of a Federal association have authorized loans to be made in an amount exceeding 75% of the value of the home property securing the loan such Federal may make any first mortgage loan insured by Federal Housing Administration whether on home or combination home and business property or on other improved real property. So construed, however, it would allow a Federal association whose members have approved lending an amount in excess of 75% of the value of such home property to lend in excess of 50% of the value of the security of other improved real estate without approval of the membership. The regulation so construed would be contrary to the charter. Inasmuch as regulations as well as statutes should be construed so that they are valid the authorization in this section as now written does not permit a Federal association to lend in excess of 50% of the value of the security of other improved real estate even though lending has been approved by the membership in excess of 75% on home property. In other words, loans exceeding 50% of the value of the security of other improved real estate can only be made when authorized by the members of the association and by regulations made by the Federal Home Loan Bank Board, and then only within the 15% limitation provided for loans on such securities. (Ch. K, secs. 13, 14.) (See 24 CFR and Supps., 203.10 (d); 202.9 (a))

§ 209.10 *Dividends; accounts repurchased or noticed for repurchase—Opinion.* Charter K (section 9) provides for the declaration and payment of dividends as of June 30 and December 31 of each year. Charter K expressly provides that all dividends shall be declared as of said dates. Charter K (section 12) provides that dividends upon a share account to the extent of the amount of the application to repurchase all or part thereof, shall be discontinued while such share account remains upon the repurchase list. Under Charter K, if there has been an application to repurchase, the amount thereof is to be deducted from the latest previous share payments and dividends are not to be computed upon this amount for the time it remained with the association since the last dividend date. Accordingly, if an application to repurchase the entire account has been made, no dividends will be payable thereon at any dividend date following the application for repurchase. (Ch. K, secs. 9, 12.) (See 24 CFR and Supps., 202.9 (a))

§ 209.11 *Bonus plan; eligible shares including pledged shares — Opinion.* Under section 10 of Charter K for Federal savings and loan associations, only savings share accounts which have been begun since the number entered into an agreement to make regular monthly share payments of a specified amount on such savings share account until the participation value thereof shall equal either 100 times or 200 times the agreed monthly payment, are eligible under the short-term or the long-term bonus plan. Of course, the members, by bylaw provision, must have obligated the association to pay a cash bonus and the bonus is only payable if the other provisions of such section 10 are complied with. The fact that shares which are otherwise eligible under any of the bonus plans have been pledged for a loan from the association (whether a share account or a real estate loan) is immaterial. The fact that shares are pledged does not make them ineligible under any of the bonus plans. (Ch. K, sec. 10) (See 24 CFR and Supps., 202.9 (a))

§ 209.12 *Filing charter and bylaws with State governments; effect of not filing on deed and contracts*—(a) *Opinion.* A Federal association is not a foreign corporation in any State in the Union and consequently is not legally required to comply with the statutory provisions of such State relating to qualifications by foreign corporations in order to do business in such State. See Eby v. Northern Pacific Railway Company, 13 Phila. (Pa.) 161; Claflin v. Houseman, 93 U. S. 130, 23 L. ed. 833; Commissioner v. Texas & Pacific Railway Co., 98 Pa. 90; Texas & Pacific Railway Co. v. Weatherby, 41 Tex. Civ. App. 409, 92 S. W. 58; 14–A Corpus Juris, sec. 3924; Fletcher's Cyc. of the Law of Private Corps., secs. 4043, 8291; 69 A. L. R. 1340, 1346–8; 88 A. L. R. 871, 873–877.

Consequently, failure to comply with any such requirements could not in any way affect the validity of any contracts or deeds entered into by a Federal savings and loan association in any State in the Union. Furthermore, any law which attempted to make any such contracts or deeds void for failure to comply with such statutory provisions would be void as in contravention of section 6 of the Constitution of the United States, which provides, in effect, that the laws of the United States shall be the supreme law of the land. Section 5 of Home Owners' Loan Act of 1933 empowers these Federal associations to make real estate loans within all the territory located within 50 miles of their home offices, and, with respect to 15% of their assets, to make real estate loans located anywhere in the United States. In connection with accepting funds from investors, there are no territorial limitations on Federal associations. Any statute of a State, therefore, which attempted to contravene such grant of power to these associations would under such section of the United States Constitution, be void. See Farmers' and Mechanics' Nat. Bank v. Dearing, 91 U. S. 29, 23 L. ed. 196; Union Pacific Railway Co. v. Peniston, 18 Wall. 5, 21 L. ed. 787; First National Bank of Louisville v. Kentucky, 9 Wall. 353, 19 L. ed. 701. As was pointed out in McClellan v. Chipman, 164 U. S. 347, 41 L. ed. 461, Federal corporate instrumentalities operating within a State are not amenable to State laws which expressly conflict with the laws of the United States, frustrate the purpose for which such instrumentalities are created, or which impair such instrumentalities' efficacy to discharge the duties imposed upon them by the laws of the United States. (H.O.L.A., sec. 5 (a))

§ 209.13 *Social Security Act amendments of 1939*—(a) *Opinion.* On January 1, 1940, by virtue of Social Security Act Amendments of 1939, all Federal savings and loan associations and their employees will be subject to the Social Security Act and the taxes imposed in connection therewith by sections 1400, 1410 and 1600 of the Internal Revenue Code. Federal associations are made subject to such Act by reason of the amendment to section 5 (h) of the Home Owners' Loan Act of 1933. (Section 909 of the Social Security Act Amendments of 1939) (H.O.L.A., sec. 5 (h))

§ 209.14 *Charter E rights continued after adoption of Charter K*—(a) *Opinion.* Outstanding share accounts created pursuant to Federal Charter E continue to be known and treated as provided in

Federal Charter E, although the association has adopted a Federal Charter K, until the same are voluntarily exchanged for either an investment share account or a savings share account. A Federal association which has obtained a Federal Charter K as an amendment to Federal Charter E should retain the original Federal Charter E. Among other things, the Federal Charter E will enable the association to know at all times the rights of the shareholders who have not exchanged their shares for either an investment or savings share account. (Char. K, sec. 6) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Federal Charter K, section 6, provides that outstanding share accounts created pursuant to Federal Charter E shall continue to be known and treated as provided in Federal Charter E at the time each such share account was created until a holder of any such outstanding share account has voluntarily consented to exchange such outstanding share account for either an investment share account or a savings share account issued under Federal Charter K. For example, a holder or subscriber of shares issued under Federal Charter E continues to be entitled to cast one vote for each share held or subscribed, but not exceeding fifty votes; the vested rights regarding bonuses of the holders of outstanding share accounts issued under Federal Charter E continue; and the provisions in Federal Charter E regarding the retention of dividends must be applied when any such outstanding shares are repurchased. Any holder of outstanding share accounts which were issued under Federal Charter E may request at any time that his shares be exchanged for an investment or savings share account issued under Federal Charter K.

The Board has informally indicated that it did not desire the surrender of Federal Charter E when an association obtains a Federal Charter K as an amendment. It is recommended that each such association make a notation on its Federal Charter E as follows: "This charter has been amended by the issuance of Federal Charter K No. __ by the Federal Home Loan Bank Board on _____, 19__."

§ 209.15 *N. H. A. Title I Class 3 loans up to 95%*—(a) *Opinion.* If the members of a Charter K Federal association have authorized the making of Title I loans in excess of 75% of appraised value, and if, pursuant to § 203.10 (d) of the rules and regulations for the Federal Savings and Loan System, the Board has acknowledged receipt of the association's application for the privilege of using the loan plans provided by the National Housing Act, as amended, it is the opinion of the Legal Department that such Charter K association may make 95% Title I Class 3 loans. (H.O.L.A., sec. 5 (c); Ch. K, sec. 13; Fed. Reg. 203.10 (b), (d)) (See 24 CFR and Supps., 202.9 (a); 203.10 (b))

§ 209.16 *Collection of rents from mortgaged properties and payment of water bills, taxes, and other maintenance expenses on such properties*—(a) *Opinion.* A Federal association may collect rent from mortgaged properties owned by a borrower of the association when such borrower has moved out of the locality and when the rents are to be applied on the borrower's indebtedness to the association. A Federal association may pay the water bills, taxes, and other maintenance expenses on the mortgaged properties on which such collections are being made. (Ch. K, sec. 3) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* It may be safely stated that any corporation which has the authority to make loans has compensating powers to secure repayment of such loans. Federal associations have such incidental powers as ordinary corporations have and may use all reasonable means to recover payment on the loans they have made. The rents collected will be applied on a borrower's indebtedness which will directly reduce the amount of loans outstanding.

Since the Federal association holds the mortgage on the property on which the payment of water bills, taxes, and other maintenance expenses are to be made, the payment of these expenses will assist in protecting the security held by the association. Taxes become a lien on the land if not paid. If water bills are not paid, no water will be furnished and the property will be rendered more difficult to rent or sell. The security will be jeopardized by a failure to make repairs currently or to pay insurance premiums. The authority to make payments of this nature is analogous to the power of corporations generally to secure collection of their loans and debts.

It is noted that when a Federal association exercises powers not specifically granted in its charter, it should take cognizance of the fact that any deviation from the usual or ordinary course of business of the association is more likely to be sustained by the courts if merely casual, temporary, or incidental rather than as a regular or permanent part of its business. (Fletcher Cyc. Corp. (Perm. Ed.), section 2490)

§ 209.17 *National Housing Act, Title I, loans; share account or real estate security*—(a) *Opinion.* Under present regulations a Charter K association may make loans insured under Title I of the National Housing Act if the loans are secured by shares in the association or by first liens on home properties. (H. O. L. A., sec. 5 (c); Ch. K, secs. 13, 14; Fed. Reg. 203.10 (d)) (See 24 CFR and Supps., 202.9 (a); 203.10 (d))

(b) *Discussion.* Charter K contains no provision setting a minimum maturity for loans made by a Charter K association.

Section 203.10 (d) of this chapter of the rules and regulations for the Federal Savings and Loan System permits an association, after application to the Board, to use for its first mortgage loans the Title I and Title II loans plans set forth in the National Housing Act, as amended, in addition to the plans set forth in section 14 of Charter K (as modified by regulations), but does not permit an association to forego the fundamental security of a share account or of a first lien, as required by section 5 (c) of the Home Owners' Loan Act. This regulation, in referring to the "National Housing Act as amended" includes amendments made from time to time, not merely the amendments of the Act that were in force when the regulation was adopted.

§ 209.18 *Voting rights; trust accounts*—(a) *Opinion.* If an account has been opened in the name of "A in trust for B", the trustee "A" is entitled to cast the votes. Section 7 of Charter K provides that the association may treat the holder of record of share accounts as the owner for all purposes.

If a $5,000 account has been opened in the name of "A in trust for B" and "A" has a $5,000 account in his own name, the trustee "A" may cast 50 votes for each account.

If a $5,000 account has been opened in the name of "A in trust for B" and "B" has a $5,000 account in his own name, "B" may cast only 50 votes. Assuming that under the circumstances it would be possible for "B", the beneficiary, to vote in lieu of his trustee, still "B" can not cast more than 50 votes under the prohibition in Charter K, as his ownership as beneficiary and as an individual is an ownership in the same right and capacity. (Ch. K, sec. 4) (See 24 CFR and Supps., 202.9 (a))

§ 209.19 *Publication of notice of annual meetings*—(a) *Opinion.* A notice of an annual meeting which is printed in a house organ would meet the requirements of a published notice pursuant to § 203.19 of this chapter if such house organ were mailed at the proper time and if the notice contained the name of the association, the place of the annual meeting and the time when such meeting is to convene provided the notice was in proper form. The notice should, however, be in form which would make it readily identifiable as a notice. In other words, if a house organ had a two-page article on some general matter and scattered through such article the substance of the notice was incorporated, such would not be a proper notice in compliance with § 203.19. The purpose of this section is to make certain that the members actually receive notice. Compliance with the regulation, therefore, necessitates the notice being in such form as to be identifiable as a notice. (See 24 CFR and Supps., 203.19)

§ 209.20 *Charging fees for the following services: collections from vendee of property mortgaged to the association; service of loans not held or originated by the association; collection of rents from mortgaged properties and payment of water bills, taxes, and other maintenance expenses on such properties*—(a) *Opinion.* A Federal association may charge a fee for performing the following services where the acts are such as to be proper for Federal associations to perform: collections by Federal association from vendee of property mortgaged to such association (see Opinion No. B61); service of loans not held or originated by the association (see Opinion No. B62); collection of rents from mortgaged properties and payment of water bills, taxes, and other maintenance expenses on such properties (see Opinion No. C16). (Fed. Reg. 203.13 (d); Ch. K, sec. 3) (See 24 CFR and Supps., 203.13 (d); 202.9 (a))

(b) *Discussion.* Where a corporation has the power to perform a service it has the further incidental power to make a reasonable charge for the service unless specifically or inferentially prohibited from so doing.

§ 209.21 *Commissions to directors, officers, employees and agents; loan and insurance commissions*—(a) *Opinion.* Commissions to directors, officers, employees, or agents for writing insurance on the real estate securing loans of a Federal association are not prohibited by § 203.10 (c) of this chapter. The cost of insurance is a necessary initial cost in connection with a loan from a Federal association, and therefore directors, officers, employees, or agents are not prohibited from receiving insurance commissions.

This section does prohibit directors, officers, and employees, but not agents, from receiving fees or other compensation in connection with procuring loans made by the association. Agents may regularly be compensated for procuring loans made by the association, and such compensation may be by way of a commission on the loans procured. (Fed. Reg. 203.10 (c); Ch. K, sec. 5) (See 24 CFR and Supps., 203.10 (c); 202.9 (a))

§ 209.22 *Meaning of "employee"*—(a) *Opinion.* Whether or not a person is an employee of a Federal association depends upon the facts in each case. The two basic tests for determining whether or not a person is an employee are (1) continuity and regularity of services performed, and (2) whether a quantity or time service during hours determined by the association is being purchased. The form which the remuneration takes and the name by which the payment is called are not the determinative factors. (See 24 CFR and Supps., 203.10 (c))

(b) *Discussion.* The following are some yardsticks to apply in determining whether or not a person is an employee of a Federal association. It is noted that all employees are agents but all agents are not employees. A person is not an employee merely because he renders legal or other services to the association. If paid solely on a fee or commission basis, he is not an employee. If paid on a retainer basis (not, in fact, in lieu of salary), he is not an employee. If paid on a salary or salary retainer basis, he is an employee. If an attorney or other person renders legal or other services during regular fixed hours, and remuneration is measured directly by the number of working hours on a weekly or monthly routine basis, remuneration is, in fact, a salary and the recipient is an employee. If an attorney or other person renders legal or other services on his own time, free from control of his working hours by the association and remuneration is not measured directly by the number of working hours, but rather by quantity or quality of services rendered, remuneration is, in fact, not a salary but is a fee or retainer.

§ 209.23 *Political contributions*—(a) *Opinion.* Federal associations may not make political contributions to anyone seeking a national office. Section 251 or Title 2 of the United States Code provides in effect that any such political contribution by any corporation organized under Federal law is prohibited, that any corporation which violates this section is subject to a fine of not more than $5,000, and that any officer or director of a corporation who consents to any such contribution is subject to a fine of not more than $5,000 or imprisonment for not more than one year, or both. (Ch. K, sec. 3) (See 24 CFR and Supps., 202.9 (a))

§ 209.24 *Applicability of Federal Regulation 203.0 (d)*—(a) *Opinion.* Section 203.10 (d) of this chapter does not allow an association to lend in excess of 50% of the value of the security of "improved real estate" other than home property. This regulation deals only with loans upon "home property." It does not permit a Federal association, whose members have approved lending an amount in excess of 75% of the value of "home property," to lend in excess of 50% of the value of "improved real estate" other than home property, without approval of the members. (See 24 CFR and Supps., 203.10 (d))

§ 209.25 *Fifty-mile lending area*—(a) *Opinion.* The 50-mile lending limitation upon Federal associations means that certain restrictions must be observed in connection with loans made beyond 50 miles on a direct line from the association's home office. The measuring of this area disregards the lines of States, counties, towns or other political subdivisions. When an association moves its home office, its normal lending area is changed, i. e. although its present loans outside the new 50-mile area may be retained, any new loans made by the association are subject to the new 50-mile area limitations. (H. O. L. A., sec. 5 (c); Fed. Reg. 203.12; Ch. K, sec. 13) (See 24 CFR and Supps., 203.12; 202.9 (a))

(b) *Discussion.* The language of subject limitation is not ambiguous and means exactly what it says, i. e. "within 50 miles of their home office." It is apparent that Congress in considering the 50-mile lending limitation came to the conclusion that it might be unwise to make it a definite and rigid limitation. Accordingly, it modified the limitation by excepting 15% of the association's assets from the rule.

In other words, the normal lending operations of a Federal association are to be conducted within a circular area. This circle has its center at the institution's home office and has a radius of 50 miles. In determining this lending area all lines of States, counties, towns or other political subdivisions are disregarded. For example, a Federal association whose home office is located in "Jonesboro" is limited to a 50-mile radius which passes through the center of "Jamestown". Such association may make loans in the area of Jamestown which is within the 50-mile area as part of its normal lending area, but any loans made in the part of Jamestown which is beyond the 50-mile area must be made as loans falling in the 15% exception to the 50-mile lending limitation.

If an institution moves its home office its normal lending area is necessarily changed. The Board is without discretion with regard to the 50-mile lending limitation for this limitation is fixed by section 5 (c) of the Home Owners' Loan Act. It is noted that the Board may approve the moving of a home office although it will mean that the association has more than 15% of its assets loaned on security beyond the new 50-mile lending area. In such cases, however, the association will not be able to make loans under the 15% exception to its normal lending operations until its present loans outside the new 50-mile area and in excess of $20,000 have been reduced below 15% of the assets of the association.

§ 209.26 *Liability of directors for loans made in violation of charter provisions*—(a) *Opinion.* A director is liable for loans made in violation of charter provisions except in case of an honest mistake due to obscurity or ambiguity of the provisions of the charter, or except where a director has used reasonable diligence and ordinary care to ascertain the facts as distinguished from the charter provisions and has been misinformed. If a charter provision is ambiguous, a director may be under duty to obtain advice of competent counsel. The courts will be more likely to find the mistake to be honest and not due to lack of care or prudence if the advice of competent legal counsel is secured.

A director would be liable for a loan made on unimproved property if he knew or should have known that the property was unimproved, but if he exercised reasonable care or such care as a reasonably prudent man would be expected to exercise under such circumstances, he would not be liable for a mistake with respect to the facts. A director is, of course, liable only for his own acts or omissions and to render him liable in any event for acts in violation of charter provisions it must be found that he voted therefor, participated therein, connived thereat, or negligently omitted to perform his duty.

The liability of a director for a loan made to a director, officer, or employee not on his bona fide home, is the same as the liability set forth in the answer to the preceding question. (Ch. K, secs. 5, 13, 14) (See 24 CFR and Supps., 202.9 (a))

§ 209.27 *Advertising; use of coin banks*—(a) *Opinion.* Federal Charter K associations may legally buy and use coin banks for advertising programs such as the following: The association purchases a supply of coin banks and contracts with a sales organization for a house-to-house canvass, the salesmen explaining the operations of the association and attempting to sell the banks to the prospective customers. On making a sale, a receipt is issued to the purchaser stating that, upon the opening of an account in the association and the accumulation of a certain amount within a prescribed time limit, the association will repurchase the coin bank from the investor upon written request therefor. The salesmen are compensated by the association upon the basis of the number of banks sold and, except for the sales price of the coin bank, the salesmen do not collect any additional money from the purchaser, nor do the salesmen ac-

cept funds intended for the purchase of share accounts in the association. (Ch. K, sec. 3) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Any bonus paid by a Federal Charter K association to any of its investors must be governed by the provisions of section 10 of Charter K. Accordingly, an association cannot under any circumstances refund to an investor the amount he has paid for his bank merely because the said investor accumulates a certain amount in a share account in an association within a prescribed time or complies with some similar condition as such refund would constitute a bonus payment not in accordance with the above-cited charter provisions. The association may, if it and the investor so desire, repurchase from the investor the coin bank, paying therefor not in excess of the amount the investor has paid for such bank. A repurchase such as this is not a bonus as title to the bank is then vested in the association and the bank may be used again by the association for another such program if it so desires.

The receipt form to be used by the solicitors upon sale of coin banks to prospective investors need not be in any prescribed form but, as a matter of policy, should contain time limits as to opening of the share account and also as to repurchase of the bank.

§ 209.28 *Purchase of loans from affiliated institution*—(a) *Opinion.* A Federal association is not authorized, without prior Board approval, to purchase loans from a liquidating corporation which holds the assets which were segregated at the time the Federal association was converted. Such a liquidating corporation is "an affiliated institution" within the meaning of § 203.13 (b) of the Federal Regulations. (See 24 CFR and Supps., 203.13 (b))

(b) *Discussion.* Prior to September 1, 1939, § 203.13 (b) of the Federal Regulations read in part as follows: "* * * no Federal association may purchase any mortgage from an affiliated institution or from an institution in liquidation, or of a type that it is not authorized to make originally, without the prior approval of the Board". It was held under this regulation that a liquidating corporation organized to receive unacceptable assets in connection with the reorganization and conversion of an association was "an affiliated institution". An amendment to this section on September 1, 1939, deleted the words "or from an institution in liquidation". The intimate connection between the converted association and the above-discussed type of liquidating corporation is well-known. Such liquidating corporation does not cease to be an affiliated institution because it exists solely to liquidate the segregated assets. The same reasons which operate to require prior Board approval in the case of loans purchased from other affiliated institutions would also seem to exist in the case of purchases from such a liquidating corporation. It must be held, therefore, that the amendment of September 1, 1939, to § 203.13 (b) of this chapter was not intended to permit a Federal association to purchase loans from its own liquidating corporation without prior Board approval.

§ 209.29 *Duties of branch offices and agencies*—(a) *Opinion.* A place of business of a Federal association is a branch office if the association receives share account payments and loan payments (not merely for transmission to another office of the association) at such office, if the association issues share account books or certificates of membership at such office, and if the association closes loans at such office. A place of business of a Federal association is merely an agency if the association receives payments on share accounts or loans at such office only for transmission to another office of the association. It is noted that an agency may be authorized to perform the essential clerical functions involved in closing loans, including the delivery of the check and execution of the final papers, but cannot be authorized to issue share account books or membership certificates or to approve loans. Either a branch office or an agency may receive applications for membership with proper signature cards) and subscriptions for share accounts.

Prior written approval of the Board must be obtained before establishing or moving either a branch office or an agency, except that temporary and incidental agencies may be created for individual transactions and for special temporary purposes without such approval.

Officers or employees stationed in an agency are not authorized to direct the work of agents of the association, but any agency may provide space for occupancy by agents of the association when such agents are performing any duties pursuant to direction by the home office or a branch office. Complete detailed permanent records of business transacted at an agency are not required to be maintained at any agency. However, each agent shall keep an original record of each transaction performed by him at any agency of the association and shall report to the home office or a branch office as promptly as is required for the proper transaction of such business. (See 24 CFR and Supps. 203.16 (b), (c), (e))

(b) *Discussion.* All branch offices and agencies of the Federal association are subject to direction from the home office. Advertising or soliciting activities, tending to stimulate loans from the association, may be conducted at branch offices and at agencies whenever directed by the home office.

The duties of a branch office are much greater than those of an agency; when loans have been properly approved by the board of directors, an association may close such loans at either a branch office or agency.

Section 203.16 (c) of this chapter provides that no agency "shall be established or maintained by a Federal association without prior written approval of the Board, except that temporary and incidental agencies may be created for individual transactions and for special temporary purposes without such approval." Therefore, a place of business other than the home or a branch office may be used to transact any single piece of business of the association without prior written approval of the Board. The repeated handling of individual transactions at such a place of business, however, constitutes such place of business an agency and requires prior written approval of the Board. Whether or not the purpose of using a place of business, other than the home or a branch office, to transact association business is in fact a "special temporary purpose" must be determined from the circumstances of each case. The continuous conduct of normal association business is not a "special temporary purpose."

Section 203.16 (e) of this chapter requires that, if a Federal association proposes to move any branch office to a location beyond the immediate vicinity of such office, prior written approval of the Board must be obtained. It is noted that although an agency is not an office within the meaning of this part, the Board's authorization to establish and maintain an agency at a stated place would be violated if such agency were moved from its immediate vicinity without obtaining the approval of the Board to do so.

§ 209.30 *Qualification as fiscal agent of the United States under Treasury Department circular No. 568* [1]—(a) *Opinion.* Mr. John H. Fahey, Chairman of the Federal Home Loan Bank Board, in letter dated October 12, 1936 advised that Federal savings and loan associations had been designated to act as fiscal agents of the United States for certain purposes. No Federal savings and loan association, however, shall perform any acts as fiscal agent of the United States, or advertise in any manner that it is authorized to perform any such acts until it has qualified for employment as provided in Treasury Department Circular No. 568. To assist an association in qualifying for such service, the following suggestions are made:

An association having an aggregate membership of 500 or more, including both investing and borrowing members, is eligible to qualify for one or both types of fiscal service, i. e., for the sale of United States Savings Bonds and for the collection of delinquent accounts arising out of insurance and loan transactions of the Federal Housing Administrator under Title I of the National Housing Act.

An association having an aggregate membership of less than 500, including both investing and borrowing members, is eligible to qualify for the collection of delinquent accounts arising out of insurance and loan transactions of the Federal Housing Administrator under Title I of the National Housing Act, but not for the sale of United States Savings Bonds.

The amount of the bond required to qualify an association for both types of fiscal service, or for the sale of United States Savings Bonds only, is $5,000, and to qualify for servicing accounts of the Federal Housing Administrator, the amount of the bond is $1,000.

[1] This opinion was rendered prior to the effective date of Treasury Department Circular No. 657, dated April 15, 1941. For the effect of Treasury Department Circular No. 657, see the note at the bottom of page 109.

The Federal Housing Administrator advises that the services of the Federal savings and loan associations qualified for performing fiscal service for the Government will be availed of only when there is specific need for their assistance and that there will be no compensation for such service. Likewise, no compensation is allowed for the sale of United States Savings Bonds.

Either of the following types of bonds is required to be executed and submitted in connection with qualifying as a fiscal agent of the United States under the Treasury Department Circular No. 568:

(1) Treasury Department Bond, Form 286, Revised 12–29–36, (When Surety is a Corporation).

(2) Treasury Department Bond, Form 287 (Where Collateral Security is Pledged in Lieu of Surety), together with Power of Attorney and Agreement which must accompary bond, Form 287, and is identical with the required Form E, page 10 of Treasury Department Circular No. 154, Revised.

A certified copy of the resolution of the association's board of directors authorizing the execution of all documents in connection with the qualification of an association for fiscal service must accompany the bond documents.

The enclosed documents should be properly executed in accordance with the association's current bylaws and as indicated on the bond documents. The corporate seal of the association should be affixed in all necessary instances.

The Treasury Department will not accept documents of this type unless they are free of erasures.

Bonds executed on Treasury Department Bond Form 286, Revised 12–29–36, should be submitted to the Federal Home Loan Bank Board, Washington, D. C., together with premium receipt and certified copy of resolution, for the approval of the Legal Department and transmittal to the Treasury Department.

Bonds executed on Treasury Department Bond Form 287, together with power of attorney and agreement and certified copy of resolution should be submitted with the collateral tendered. Collateral pledged in lieu of surety should be deposited in the Federal Reserve Bank of the district in which the association is located or forwarded the Treasurer of the United States, Division of Securities, Treasury Department, Washington, D. C.

A custody receipt will be issued the association for the collateral pledged. (See Treasury Department Circular No. 154, Revised, secs. II and III.)

SOLICITATION OF APPLICATIONS FOR UNITED STATES SAVINGS BONDS

Applications for United States Savings Bonds must not be solicited or received from any person who is not a member of the association, when it is acting as a fiscal agent.

ADVERTISING FISCAL AGENCY

(a) Advertising fiscal agency in connection with the sale of United States Savings Bonds to members:

When advised that the association has been qualified by the acceptance of its bond by the Secretary of the Treasury, it may advertise by any medium, including letterhead, newspaper, magazine, circular or booklet, radio, electric or other signs, or by any window or office inscription or display, the fact that the association is a fiscal agent of the United States for limited purposes. Care must be taken, however, that the advertising is limited to a correct statement of the limited fiscal agency powers.

The following sentence may be used for such advertising:

This institution is a fiscal agent of the United States in connection with the sale of United States Savings Bonds to its members.

In some of the advertising it may be desirable to abbreviate, in which event the following words may be used:

Fiscal agent of the United States in connection with the sale of United States Savings Bonds to members.

No other terminology may be used.

(b) Advertising fiscal agency in connection with the collection of FHA Title I (Modernization) Accounts:

The Federal Housing Administrator has advised that Federal savings and loan associations should not advertise in any public form the fact that they are qualified to serve as fiscal agents of the United States, under the provisions of Treasury Department Circular No. 568, in connection with collections of delinquent accounts arising out of insurance and loan transactions of the Federal Housing Administrator under Title I of the National Housing Act. If an association is actually engaged in such work for the Administration it may, of course, advise parties with whom it deals in such matters that it represents the Federal Government in this connection. (Treasury Department Circular No. 568) (See 24 CFR and Supps., 202.9 (a), 3)

§ 209.31 *Escheat of unclaimed accounts*—(a) *Opinion.* A Federal association cannot usurp its "unclaimed" accounts for its general purposes. If an institution desires to discontinue such accounts, it may notify the holders of such accounts that their accounts are being redeemed. After a reasonable time, such accounts that are still unclaimed may be placed in a special account held solely for the purpose of paying any future claims of such holders. In the case of converted associations, unclaimed accounts which were on the books of the association at the time of conversion became Federal share accounts upon conversion and, as such, must be treated in the same manner as other Federal share accounts are treated. There is no legal authority for converted associations transferring to their reserve accounts unclaimed accounts which were on the association's books at the time of conversion. (Ch. K, secs. 7, 11) (See 24 CFR and Supps., 202.9 (a))

§ 209.32 *Adoption of bonus plan*—(a) *Opinion.* Federal Charter K associations may adopt either or both of the bonus plans provided for in section 10 of Charter K by vote of the members of the association without further Board approval. The members of the association cannot delegate the right to adopt a bonus plan to the directors or to any other persons. It is noted that when the members vote to adopt a bonus plan such bonus plan will apply only to accounts opened after the adoption of such plan, unless such action is in connection with an amendment of Federal Charter E to Federal Charter K. (Fed. Reg. 203.14; Ch. K, sec. 10; Bylaws (1936), sec. 10) (See 24 CFR and Supps., 203.14; 202.9 (a), (b))

(b) *Discussion.* Federal Charter K, section 10, provides that "In order to stimulate systematic thrift and to provide regular funds for the financing of homes, the members by bylaw provision, may obligate the association to pay a cash bonus." Sole power of adoption of the bonus plan is vested in the members. Federal Regulation 203.14 prescribes the exact resolution which the members may adopt in order to amend the bylaws of an association so as to obligate the association to pay a bonus. The members cannot delegate to the directors or officers any power to put a bonus plan into effect because the charter requires that the members "obligate" the association to pay a bonus. The power of the directors to amend the bylaws does not include power with respect to the bonus amendment.

Section 10 of Bylaws (1936) expressly provides that a new section for a bonus plan may be added without further Board approval. This section of the bylaws does not confer additional power upon the members regarding a bonus plan, but merely restates the power given to the members by Federal Charter K to adopt a bonus plan without the approval of the Board.

Further, it is noted that action by the members to adopt a bonus plan cannot be retroactive. A bonus plan cannot relate to any savings share account which was issued prior to the time that (1) the bonus plan was adopted by the members, and (2) the holder of an account has entered into a written agreement to make the regular stipulated monthly payments on his savings share account.

When a Federal Charter K is adopted as an amendment of Federal Charter E bonus rights are not interrupted if the members, by bylaw provision, adopt a bonus plan at the same time the charter is amended and if the holder of any account eligible for a bonus signs a new bonus agreement as required under Federal Charter K. Federal Charter K, section 6, specifically recognizes that outstanding share accounts under Federal Charter E may be exchanged for investment or savings share accounts under Federal Charter K, permitting persons eligible for a bonus under a Federal Charter E to continue their investment program without interrupting their rights to a bonus but does not apply retroactively to the bonus plan adopted by the members under Federal Charter K. It is merely a continuance of the bonus plan which was compulsory upon the association under Federal Charter E.

§ 209.33 *Reserve accounts other than reserve for bonus; required transfers*—(a) *Opinion.* Federal Charter K associations must comply with the requirements of Charter K, the Federal Regulations and the Insurance Regulations in the matter of building up reserves.

Charter K, the Federal Regulations and the Insurance Regulations provide for certain minimum transfers to reserves. It is noted that any association may transfer amounts in excess of these minimum requirements.

The reserve requirements which Federal Charter K associations must comply with are the following:

(1) Section 9 of Charter K requires that if and whenever the association's aggregate reserves are not equal to at least 10% of its share capital, including subscriptions by the Secretary of the Treasury and the Home Owners' Loan Corporation, the association must credit, at each dividend date, to aggregate reserves at least 5% of the net earnings for that period. "Aggregate reserves" includes the Federal insurance reserve and any other reserve to which unknown losses may be charged, but does not include any reserve for bonus.

It is noted that any credits to the Federal insurance reserve or any other reserve that is one of the "aggregate reserves" may be considered part of the 5% of net earnings required to be credited at each dividend date. For example, if the amount credited to the Federal insurance reserve on a dividend date is less than 5% of the net earnings of an association for the dividend period although the amount credited complies with the requirements stated in subparagraph (2) of this paragraph, and if no credits are required to other reserves (except the bonus reserve) Section 9 of Charter K demands that an additional amount equal to only the difference between the amount credited to the Federal insurance reserve and 5% of the net earnings for the dividend period be credited to "aggregate reserves". This additional amount may be credited, in the discretion of the association, either to the Federal insurance reserve or to some other reserve that is one of the association's aggregate reserves.

It is further noted that the requirements of Charter K are not cumulative, i. e., each six months' period must be considered without regard to any previous or future six months' period. If at any dividend date an association has no net earnings or has a net deficit, the Charter K requirement that a certain percentage of the earnings of the association be transferred to aggregate reserves becomes ineffective and is never revived. Likewise, an association cannot consider a deficit for any prior six months' period as a part of the operating expenses of any current six months' period.

(2) A Charter K association must credit on each dividend date, except as hereinafter stated, to its Federal insurance reserve one-half of an annual amount equal to three-tenths of 1% of the aggregate of its insured accounts standing on its books at the beginning of each fiscal year until this reserve is equal to at least 5% of all insured accounts. If at any time such reserve falls below 5% of all insured accounts (for example, by charging losses against the reserve or by increasing the amount of insured accounts), such semi-annual credits must be resumed until such reserve again equals at least 5% of all insured accounts.

It is noted that if the Federal insurance reserve equals or exceeds, by reason of credits in excess of the annual requirements, a sum aggregating credits of three-tenths of 1% of the insured accounts annually required to be credited since the date of insurance of accounts, as above set forth, then additional credits will not be required so long as such excess continues. In other words, excess credits to the Federal insurance reserve on any prior dividend date may be subtracted from the above requirements on any subsequent dividend date so long as such excess continues.

(3) Section 203.4 of this chapter requires that Charter K associations maintain a reserve for uncollected interest equivalent to all interest in default more than 90 days, and requires the accrual monthly of interest on all loans. Converted associations which have heretofore accrual interest but have not maintained such a reserve may, with the approval of the Board, be permitted a reasonable time for the accumulation of such reserve.

In addition to the above-mentioned reserves which every Charter K association must maintain, § 203.17 of this Chapter provides that the Board may require that a special reserve or reserves be set up equal to any depreciation in value of the assets of any Federal association. The Board may require that such reserve be set up from either undivided profits or any existing reserve from which funds may legally be so transferred, or both. (Ch. K, Sec. 9) (See 24 CFR and Supps., 203.4; 203.17; 202.9 (a))

§ 209.34 *Purchase of real estate*—(a) *Opinion.* The following real estate purchases are legal for a Federal association: (1) An office buliding within the charter limitations (see Fed. Char. K, sec. 3); (2) at a foreclosure or analogous sale if the association has a lien or claim on such real estate; (3) a purchase and concurrent sale when the purpose is to provide the funds for home or other real-estate financing within the limitations which affect real estate loans; (4) real estate acquired in satisfaction of a debt, or in connection with salvaging the value of the property, or in exchange for other real estate owned. All such real estate purchases must be consistent with the objects and purposes of the association, i. e., to promote thrift and to provide for sound and economical financing of homes, and must be incidental to, or necessary for, the accomplishment of such objects and purposes. (Ch. K, sec. 3) (See 24 CFR and Supps. 202.9 (a))

(b) *Discussion.* It is well settled law that the mere fact that a particular business or transaction will be beneficial to a corporation and greatly increase its profits does not give the corporation the authority to engage therein. Many transactions, although beneficial to the business of the corporation, are too remote from its objects and purposes to be deemed reasonably within its implied powers. The following provision in Federal Charter K, section 3, expressly authorizes the purchase of real estate but also restricts this right to purchases consistent with the objects, purposes, and powers of the association: "The association may purchase, hold, and convey real and personal estate consistent with its objects, purposes, and powers." What is and what is not too remote must be determined from the facts of each case. The Legal Department has set out above in the paragraph entitled "Opinion" some of the general types of real estate purchases which are consistent with the objects and purposes of a Federal association. However, each proposed purchase must be tested to see whether or not there is some reason for the particular purchase to be excluded from the above-mentioned types of real estate purchases.

§ 209.35 *Officer's right to hold two offices*—(a) *Opinion.* No person may hold more than two offices in a Federal association at the same time and some officers can hold only one office in a Federal association at any one time.

Charter K, sec. 5, provides:

> The offices of secretary and treasurer may be held by the same person, and a vice president may also be either the secretary or the treasurer.

This quoted provision is the only provision permitting a person to serve in a dual capacity as an officer of a Federal association and therefore the only two offices that may be simultaneously held are the following: secretary and treasurer, vice president and secretary and vice president and treasurer. The president of a Federal association can not simultaneously serve as secretary of the association. (Ch. K, sec. 5) (See 24 CFR and Supps., 202.9 (a))

§ 209.36 *Directors; changing number of and removing directors*—(a) *Opinion.* Only the members of a Federal association, not the board of directors, may increase or decrease the number of directors of such association. But the board of directors may fill any vacancies in the directorate, including vacancies created if the members have voted to increase the number of directors but have failed to elect directors to the newly created positions. In decreasing the number of directors, the members cannot cut short the term of office of any director then in office. A director can be removed before the expiration of his term of office only for cause. When cause exists, the board of directors has the power to remove a director for such cause. (Ch. K, sec. 5.) (See 24 CFR and Supps. 202.9 (a))

(b) *Discussion.* Federal Charter K provides that a Federal association shall have not less than five nor more than fifteen directors and that the number of directors shall be determined and elected by the members by ballot from the membership for periods of three years, but with provision for the election of approximately one-third of the board of directors each year. At the first meeting of members the number of directors determined by the members shall be elected to serve only until the first annual meeting. At the first annual meeting the directors shall be elected for such term as will put into effect the provision that approximately one-third of the board of directors shall be elected each year thereafter. No power is given to the directors to increase or decrease the number of directors. If the members increase the number of directors and fail to elect

directors to fill the vacancy, the directors may fill each vacancy by electing a director to serve until the next annual meeting of members, at which time a director shall be elected by the members to fill the vacancy for the unexpired term of that class of directors.

The members may re-determine the number of directors at any annual meeting or at any special meeting called for that purpose. There is no limitation on the power of members to increase the number of directors except that the number of directors cannot exceed fifteen. Upon any increase in the number of directors by the members, the directors so elected shall be classified so that each of the three classes shall always contain as nearly equal numbers as possible.

The number of directors cannot be decreased to less than five and the power of the members to decrease the board of directors is limited further to the power to decrease the number of directors by the number of directors whose terms have expired. The members have no power by a decrease in the number of directors to cut short the term of office of any director then in office. The principle of classification shall be observed in connection with a decrease in the number of directors, so that by proper action at the next two annual meetings each of the three classes shall contain as nearly equal numbers as possible. For example, if there are nine directors, the terms of three of which expire at the next annual meeting, the terms of three expiring at the second annual meeting thereafter, and three at the third annual meeting thereafter, if the members at the next annual meeting decrease the number of directors to seven, only one director is to be elected for three years. The term of three directors will expire at the next annual meeting, at which time (if the number of directors be not again changed) two directors should be elected for three years and one director for two years, so that the seven directors will at that time be classified as follows: the term of three directors will expire at the next annual meeting, the term of two directors will expire in two years, the term of two directors will expire in three years. Unless there be further change in the number of directors, election and rotation may then proceed normally.

Removal of directors cannot be accomplished by decreasing the number of directors. The term of office of directors of any class cannot be cut short in connection with increasing or decreasing the number of directors. Directors may be removed before the expiration of their term of office only for cause. The board of directors has the power to remove a director for cause because all the powers of a Federal association not expressly reserved by the Charter to the members have been delegated to the board of directors. When cause for removal of any director appears to exist, the board of directors may proceed to remove a director after preferring charges against such director and hearing any defense such director desires to make in person or by counsel. Such action by the board of directors should be formally taken and the charges should be properly recorded in the minutes of the association. The director charged with cause for removal has a right to know the charges and to a reasonable opportunity after reasonable notice to refute such charges. Proper protection of the association requires that the charges be delivered to such director in writing with a written notice of a date set for the hearing by the board of directors of evidence tending to establish or refute the charges. Such action by the board of directors should be taken only upon advice of counsel that the charges, if substantiated, constitute legal cause for removal. If the board of directors, after hearing, votes to remove the director, such action should be recorded in the minutes of the association and a copy of such resolution or resolutions delivered to the director removed, whereupon his office shall become vacant and the board may proceed to fill such vacancy as provided by the charter.

§ 209.37 *Use of term "savings account"*—(a) *Opinion.* A Federal association has the right to refer to investments in it as savings accounts. (H.O.L.A., sec. 5 (a); Ch. K, sec. 6) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Congress created Federal savings and loan associations in order to provide local mutual thrift institutions in which people could invest their funds and in order to provide for the financing of homes. In the words of Congress and in the history of this type of institution a Federal association is a thrift institution. Thrift is a synonym for savings and, therefore, these institutions are "savings institutions". Referring to the thrift entrusted to them by the public as savings accounts is an apt, correct description which is an aid to the conduct of their legitimate business.

§ 209.38 *Attachment of share accounts*—(a) *Opinion.* Share accounts in a Federal association are subject to attachment and execution just as the stock in an ordinary corporation may be subject to attachment and execution. (Ch. K, secs. 6, 7) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* The statutes of some States subject shares of stock in corporations to attachment and execution. Although share accounts in a Federal association have many features that distinguish them from ordinary corporation stock, such share accounts fall within the operation of a statute authorizing attachment and execution of corporation stock. The fact that the share accounts are in a Federal association, chartered not by any State but by the Federal government, would not in itself exempt such share accounts from attachment or execution. In analogous cases dealing with national banks, the courts have held that shares in a national bank may be taken under attachment or execution under a State statute to the same extent as any other shares, in the absence of any legislation by Congress to the contrary.

§ 209.39 *Purchase of office building*—(a) *Opinion.* A Federal Charter K association may purchase an office building or buildings for the transaction of its own business, without obtaining Board approval, provided the amount so invested does not exceed the sum of the association's "undivided profits and reserve accounts". In determining the amount that a Federal association may invest in its office building or buildings, the words "undivided profits and reserve accounts" mean at any given date the sum of the following: (1) the aggregate amount of all reserves for losses, and such portion of income collected in advance as is not subject to refund, but excluding any contra reserve required to be set up as a condition for conversion or pursuant to § 203.17 of this chapter; and (2) the amount of the undivided profits account of the association, to wit, the accumulation of transfers on previous dividend dates to the undivided profits account, less amounts declared as dividends out of the amounts remaining from previous periods in the undivided profits account.

It is noted that in purchasing real estate for office purposes, if an association intends to move any office from its "immediate vicinity" or intends to establish a branch office, prior approval by the Board of such action is necessary under § 203.16 (e) of this chapter before the purchase of such real estate will be a legal investment for office purposes. (Ch. K, sec. 3) (See 24 CFR and Supps., 202.9 (a))

§ 209.40 *Commissions on sales of accounts*—(a) *Opinion.* A Federal association can employ on a commission basis and pay salesmen to sell share accounts in the association. It is noted, however, that § 301.7 of chapter III of this title adopted by the Federal Savings and Loan Insurance Corporation limits the amount of commissions that may be paid to such salesmen. (Ch. K, sec. 7) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Federal Charter K, Section 7, forbids the charging, directly or indirectly, of any membership, admission, repurchase, withdrawal, or any other fee or sum of money, to members for the privilege of becoming, remaining, or ceasing to be a member of the association.

This provision does not prevent the association from hiring salesmen to solicit share accounts on a commission basis and to pay such commissions. If such sales commissions are an expense of the association, and are not charged in any way to the member, Federal Charter K does not prohibit their payment.

It is noted, however, that all Federal associations must be insured by the Federal Savings and Loan Insurance Corporation. This Corporation has the right to make regulations regarding sales plans and practices of institutions insured by it. Section 301.7 of chapter III of this title of the Insurance Regulations has been promulgated by this Corporation and limits the amount of commissions which a Federal association may pay.

§ 209.41 *Capacity to become a member*—(a) *Opinion.* Federal Charter K, section 7, permits minors, married women, trustees, joint tenants, partnerships, associations and corporations to become members of a Federal association. Whether or not such persons have the capacity to become members of a Federal association depends upon the State

laws governing the contracts of such persons. (Ch. K, sec. 7) (See 24 CFR and Supps. § 202.9 (a))

(b) *Discussion.* Federal Charter K, section 7, provides that share accounts of a Federal association may be purchased and held absolutely by, or in trust for, any person, including an individual, male, female, adult or minor, single or married, partnership, association, and corporation. It further provides that two or more persons may hold share accounts jointly in any manner permitted by law. In other words, Federal Charter K permits all such persons to become members of the association.

Whether or not all of such persons discussed above have the capacity to become members of a Federal association is entirely another question. The capacity of such persons to become members of a Federal association must be determined by the law under which the particular person is contracting. For example, in order to determine whether or not a corporation may invest in a share account of a Federal association, the law under which the particular corporation operates, including its charter and bylaws, must be examined.

§ 209.42 *Borrowing power; pledged shares*—(a) *Opinion.* In determining the extent of a Federal association's borrowing power share accounts pledged in connection with share account loans and share accounts pledged in connection with any other transaction are part of the share capital of a Federal association and must be added to the unpledged share accounts. (Ch. K, secs. 6, 8) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Federal Charter K, section 8, provides that: "The association shall have power to obtain advances of not more than an amount equal to one-half of its share capital on the date of the advance.", and Federal Charter K, section 6, provides that: "The share capital of the association shall consist of the aggregate of payments upon share accounts and dividends credited thereto less redemption and repurchase payments." This latter provision (Federal Charter K, section 6) makes no distinction between share accounts which have been pledged and unpledged share accounts. Such pledged share accounts constitute part of the share capital of the association just as much as do unpledged share accounts, and should, therefore, be included when determining share capital of the association for the purpose of considering applications for advances.

§ 209.43 *Dividends on inactive accounts*—(a) *Opinion.* An inactive share account, within the meaning of Federal Charter K, section 9, is one which has a participation value of $5.00 or less and one upon which no payments have been made and no application for repurchase has been filed within the six months' period preceding a dividend date. A Federal association is not required to credit dividends on inactive accounts. (Ch. K, sec. 9) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Federal Charter K, section 9, provides that "the association shall not be required to credit dividends on inactive share accounts of $5.00 or less". A share account is "inactive" within the meaning of this provision when its participation value is $5.00 or less and when no payments have been made and no application for repurchase has been filed in connection with such account within the six months' period preceding any date upon which dividends are to be declared. This would seem to be the clear intent of the word "inactive" as used in Federal Charter K, inasmuch as such six months' period is the period of time used in determining the amount of dividend which shall be credited to each separate share account.

§ 209.44 *Advertising and promotional expenses*—(a) *Opinion.* A Federal association may legally pay as expenses of the association reasonable sums in promoting the increase of savings invested in the association, and in promoting borrowings from the association by any mode of promotion or advertising which reasonably tends to the accomplishment of such increase in the volume of thrift or of home financing. Any legitimate and well-recognized mode of advertisings, including the free distribution of calendars or other objects of use to present or prospective investors or borrowers may be used which tend to remind such person of the services of the institution. An association may incur and pay any reasonable expense in obtaining thrift investments and loans; including, for example, the cost of postage, the fee for money orders, and the exchange on checks used to transmit savings or other funds to the institution. (Ch. K, sec. 9) (See 24 CFR and Supps., 202.9 (a))

§ 209.45 *Determination of date of investment*—(a) *Opinion.* A Federal association may establish different dates in various months as the determination date for investments which shall participate in earnings as if invested on the first of the month, provided the association does not fix any such date later than the tenth of the month (or the next succeeding business day if the tenth is a Sunday or a legal holiday); but the use of such power is subject to supervisory review by the Board. In fixing any such determination date an institution cannot differentiate between accounts which are similar in all respects except that their participation values are different, i. e., an institution cannot establish a determination date for accounts of less than $1,000 and a different determination date for accounts in excess of $1,000. However, a different determination date may be fixed for investment share accounts than the date fixed for savings share accounts. (Ch. K, sec. 9) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Federal Charter K, section 9, provides that: "The date of investment shall be the date of actual receipt of such share payments by the association, unless the board of directors fix a date, not later than the tenth of the month, for determining the date of investment of payments on either investment or savings share accounts or on both types of share accounts. Share purchases, affected by such determination date, received by the association on or before such determination date, shall receive dividends as if invested on the first of such month. Share payments, affected by such determination date, received subsequent to such determination date, shall receive dividends as if invested on the first of the next succeeding month."

The Legal Department is of the opinion that this language permits a Federal association to establish different dates in various months as the determination date. For example, an institution may, if it so desires, provide that the date of investment shall be the date of actual receipt in the months of February, March, April, May, June, August, September, October, November, and December, and any investments made between the first and the tenth of January and July shall receive dividends as if invested on the first of such months. As institution may desire to make such a provision as an additional inducement to members to invest dividends received from the association or from any other source or surplus moneys arising from Christmas gifts or Christmas Savings Clubs.

The above quoted provisions of Federal Charter K, section 9, clearly indicate that payments may be divided into the classes of investment share accounts and savings share accounts for the purpose of fixing a determination date upon one or the other, or a determination date may be made to apply to both. Since these two classes have been set out by the charter, it is reasonable to conclude that any other classification of payments which would arbitrarily contravene the classification as set forth, must be prohibited. Any resolution adopted by an association which arbitrarily classified payments into those under $100 and those over $100 and fixes a determination date only as to the former would, therefore, be void because it would violate the above quoted provisions of the charter. Likewise, any attempt to fix different determination dates for payments on accounts of less than $1,000 and for payments on accounts of more than $1,000, would be a classification of accounts in violation of the Federal charter.

§ 209.46 *Borrowing member; transferee of mortgaged property*—(a) *Opinion.* The transferee of property mortgaged to a Federal association does not automatically become a borrowing member of the association, nor does the transferor of such mortgaged property automatically cease to be a borrowing member of such association. The transferee is substituted for the transferor and becomes a borrowing member of the association only if the transferee assumes the mortgage loan and the association, at the request of the transferor and of the transferee, accepts the transferee as a member. (Ch. K, sec. 4) (See 24 CFR and Supp. 202.9 (a))

(b) *Discussion.* Federal Charter K, Section 4, provides that all borrowers from such an association shall be deemed and held to be members thereof. The transferee of property mortgaged to a Federal association may fall into any of the following classes:

(1) Transferee assumes the mortgage debt and the association releases the

transferor. The transferee will be a member.

(2) Transferee assumes the mortgage debt, but transferor remains liable to the association for such debt. The transferee will become a member if it is agreeable to the association to transfer such member.

(3) Transferee does not assume the mortgage debt. The transferee is not a borrower from the association and the transferor remains the borrower from the association although the transferor no longer owns the property securing the debt. The transferor, not the transferee, is the member of the association.

It is noted that the above discussion does not prevent a transferee of property on which a Federal association has a mortgage from becoming a member of the association by the purchase of shares.

§ 209.47 *Pledged accounts*—(a) *Opinion.* Pledging an account that is otherwise eligible for a bonus will not affect the bonus rights of such account. (Ch. K. secs. 7, 10). (See 24 CFR and Supps. 202.9 (a))

(b) *Discussion.* Federal Charter K makes no distinction between accounts which have been pledged and accounts which have not been pledged. The fact that shares which are otherwise eligible under any of the bonus plans have been pledged for a loan from the association (whether a share account or a real estate loan) is immaterial. If an account is eligible for a bonus before it is pledged, the fact that it is subsequently pledged does not make it ineligible for either of the bonus plans.

§ 209.48 *Rights regarding repurchases*—(a) *Opinion.* Federal Charter K, section 12, provides for repurchases of share accounts. An association may pay repurchases upon receipt of an application therefor or require not more than thirty days' notice. An association must apply at least one-third of its receipts from its investors and borrowers to pay off the applications for repurchases on file for thirty days or more. It is noted, however, than an association may apply, if it so desires, more than one-third of its receipts to applications for repurchases. Even though an institution is on a restricted basis, it may pay not exceeding $100 to any one shareholder in any one calendar month in any order. An association cannot make a contract binding the association to repurchase at some stated time or on some schedule other than that provided in its charter. (Ch. K, sec. 12). (See 24 CFR and Supps. 202.9 (a))

(b) *Discussion.* A Federal association may pay all repurchase applications as soon as received. But an association, if it desires, can refuse to pay repurchase applications upon receipt and may require that all repurchase applications be filed for a period of not exceeding thirty days before paying them. At the end of that time, if the association has on hand sufficient funds (either from receipts or from borrowings) to meet all applications which have been on file for thirty days, it can pay them all in full. If the association does not have on hand sufficient funds (either from receipts or from borrowings) to pay all such applications in full, the association is required to apply at least one third of its receipts from investors and from borrowers to repurchase these applications in the order in which they have been filed; except that when it is operating on this basis, the association can only pay, as a maximum, $1,000 to each of these repurchase applications on file and then go on to the next one, filing each one as paid at the end of the list of applications. Of course, when such application is reached again, the association must pay out another $1,000 on such application, etc. The thirty-day period discussed above applies to an actual lapse of thirty days; if the association required a thirty-day notice period and an application were filed on the 15th of one month, the thirty-day period would fall in the middle of the ensuing month.

It is noted that even though an institution is on a restricted basis, it may pay not exceeding $100 to any one shareholder in any one calendar month in any order. This provision is not a mandatory provision but is optional with the board of directors of an association. It is an exception to the general requirement of repurchasing in order on the $1000 basis and is expressly provided for in the charter. Not exceeding $100 may be repurchased pursuant to this exception regardless of whether the person receiving the repurchase intends to repurchase out of dividends which have been credited to his account during such month or to repurchase out of sums he has actually paid into the association in cash. Dividends, as soon as they are credited to the share account, become a part of such account and, for the purpose of the limitations on repurchase discussed herein are treated solely as a part of the share account.

All repurchases by an association must be made from receipts and borrowings and must be made in accordance with the association's charter. An association cannot make a definite promise to repurchase shares at the end of a stipulated time. In fact, such a contract would be repugnant to the entire repurchase plan provided in Federal Charter K, section 12, for it would permit an association to give some shareholders preferences, which are not permitted by the charter, in regard to repurchases.

§ 209.49 *Responsibility of directors regarding loans; appraisals* — (a) *Opinion.* The directors of Federal associations are responsible for the proper conduct of such associations. Loans must be approved either by the directors or by a person or committee of persons authorized by the directors to approve loans. The directors or other authorized persons must adhere to the applicable statutes, regulations, charter and bylaws regarding the percentage of appraised value that may be loaned by the association on the security of real estate. All real estate loans must be based upon signed appraisals of at least two qualified persons selected by the board of directors. If an appraiser of the Federal Housing Administration or if an appraiser of any other public or private organization is selected by the board of directors of a Federal association as one of the association's appraisers, the signed appraisal of such person may be used as one of the required appraisals. (Ch. K, secs. 5, 13) (See 24 CFR and Supps., 202.9 (a))

§ 209.50 *Salvage operations* — (a) *Opinion.* A Federal association in disposing of real estate owned may retain purchase money mortgages in excess of 75% of the appraised value of such real estate when the same is sold, may acquire assets that otherwise would not be legal investments for the association, and may improve and rehabilitate unimproved real estate if such action is for the best interests of the association. (H.O.L.A., sec. 5 (c); Ch. K, sec. 13) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Federal savings and loan associations are not authorized to lend on mortgages or to invest in mortgages more than 75% of the value of the property securing such mortgage. However, when a Federal savings and loan association has made such a mortgage and in the process of the collection of the same has foreclosed upon the security and brought the same to sale, the association has power to buy the real estate at the sale if such be necessary to protect its interest. Having bought the real estate at the sale, it is the duty of the association to sell the same and realize finally on the security, and in doing so, it is its duty to make the kind of a sale which is best for the association, all things considered. It is not in doing so engaged in making an investment, but is engaged in an effort to salvage an investment. It may, therefore, sell for any proportion of the total purchase price in cash with remainder payable on the best terms it can secure, and such balance of the purchase price may be secured by a purchase money mortgage, vendor's lien, or other legal instrument which will best protect the association. In such a salvage operation, it is the duty of the association to do what is best for the association. It may be that the association is offered part cash and part in other property in which originally the association would not be authorized to invest, but if such is the best salvage of the investment, the association may accept the offer.

It is not customary in the law for mortgage institutions to be authorized specifically to do all of the things which they may do in salvaging investments. On the other hand, it is a fundamental principle of law that institutions of this character and trustees generally have inherent power and a duty to do in a salvage operation whatever is best for the institution or the beneficiary of the trust. These Federal associations are not specifically authorized to do all of the things that may be necessary in salvaging operations, and yet, as in the case of other mortgage institutions and as in the case of trustees, they have an inherent power and a positive duty in an effort to salvage an investment to protect the fund by doing what is best for the fund in a salvage operation.

§ 209.51 *Loans to directors, officers, or employees*—(a) *Opinion.* Under Federal Charter K, Section 13 a Federal association cannot make a real estate loan to a

director, officer or employee except upon the home or combination home and business property owned and occupied by such borrowing director, officer or employee. If a director, officer or employee has more than one such bona fide home, an association may make a loan on each such bona fide home. It is noted that a loan upon which a director, officer, or employee is secondarily liable is not a loan to a director, officer or employee within the meaning of Federal Charter K; but a loan made to a corporation which is a mere business conduit of a director, officer or employee, a loan made to a straw person who holds the property securing the loan for a director, officer or employee, and a loan made to a partnership where one or more of the partners is a director, officer or employee of the association are all loans to a director, officer or employee within the meaning of Federal Charter K. (See Opinion No. B22 for determining who is an employee of an association.) A loan to a director, officer, or employee that is legal at the time it is made does not become an illegal loan if the director, officer or employee later sells the property securing the loan. An association cannot sell any of its real estate owned to a director, officer or employee and carry the financing thereon unless the property will become the bona fide home and residence of the director, officer or employee as a result of such sale. (Ch. K, sec. 13.) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* A person may have more than one home or residence although the law does not permit a person to have more than one domicile. The prohibition in Federal Charter K, Section 13 regarding loans to directors, officers or employees does not limit the association to one loan to each such person. Nor does Federal Charter K, Section 13 require year-round occupancy of property by a director, officer or employee in order to make such property eligible as security for a loan. Therefore, if an officer, director or employee has two or more bona fide homes or residences, the association may make a loan on each such home or residence. The season of the year or other circumstances might determine when a person will occupy one of his homes and when he will occupy another of his homes.

Although a director, officer or employee of an association cannot obtain a loan from the association, except as provided in Section 13 of Federal Charter K, there is no provision which would prevent a director, officer, or employee from becoming secondarily liable, for example as surety, on a loan to a person who is not a director, officer or employee of the association. So long as the director, officer, or employee has no interest in the property mortgaged, either directly or indirectly, there would be no legal objection to such a transaction.

If a loan is made to a corporation in which a director, officer or employee of the Federal association is also a director or officer of the mortgagor corporation, the loan will be illegal if the facts in the particular case are such that a court would disregard the corporate fiction and look to the director, officer or employee of the Federal association as the ultimate party responsible. A court will disregard the corporation entity when it is being used to circumvent the law or when the Corporation is the mere alter ego, or business conduit, of the director, officer or employee; but the mere fact that such person holds a majority of the stock of the mortgagor corporation would not of itself be sufficient to cause a court to disregard the corporate entity of the mortgagor corporation. Since a partnership ordinarily has no legal entity apart from its members, a loan to a partnership ordinarily is a loan to the partners and will be illegal if one of the partners is a director, officer or employee of the lending Federal association. The same conclusion must be reached in regard to any other type of joint enterprise that has no legal existence apart from its members.

There is no provision that a director, officer or employee who has a loan with a Federal association must not sell the real estate securing such loan. Nor is there any requirement that such person must liquidate such loan prior to a sale of such property. Federal Charter K, section 13, regarding loans to directors, officers or employees is complied with if its terms are met at the time the loan is made. Therefore, a loan to a director, officer or employee of an association, which was legal at the time it was made, does not become illegal merely because such person moves his residence to other premises.

It is noted that the prohibition in Federal Charter K, section 13, regarding loans to directors, officers and employees applies not only to loans upon properties owned by such persons, but also to sales by the association of property to such persons if the association finances any part of such sale. An association cannot sell any of its real estate owned to a director, officer or employee and retain a purchase money lien or take back a purchase money mortgage or other instrument to secure the purchase price unless the transaction, as a result of such sale, will comply with Federal Charter K, section 13; for example, the buyer of the property will use the property as a bona fide home.

§ 209.52 *Loans to holders of leaseholds*—(a) *Opinion.* A Federal association may lend money upon the security of a first lien upon a leasehold which constitutes an estate in home property or combination home and business property. (H.O.L.A., sec. 5 (c); Ch. K, sec. 13) (See 24 CFR and Supps. 202.9 (a))

(b) *Discussion.* Section 5 (c) of the Home Owners' Loan Act of 1933 must be construed, in order to arrive at the intent of the Congress, in the light of other Federal legislation in the home mortgage field. The Federal Home Loan Bank Act and the Home Owners' Loan Act of 1933 both recognize as first mortgages, first liens upon fee simple titles or first liens upon leases extending or renewable automatically for a period of fifty years or more. The leaseholds recognized are only long-term leases which constitute an estate in real estate. First liens upon such leaseholds would constitute "first liens upon homes or combination of homes and business property" within the meaning of section 5 (c) of the Home Owners' Loan Act.

§ 209.53 *Investments in stocks, bonds or other securities*—(a) *Opinion.* A Federal association cannot legally invest in securities other than obligations of, or obligations guaranteed as to principal and interest by, the United States, bonds of a Federal home loan bank, and stock of a Federal home loan bank. Other securities, which have been legally acquired by a converted association before such conversion or which are legally acquired in a salvage operation, but which are not legal investments for a Federal association, can be held for a reasonable time and, in a salvage operation, can be exchanged for any other securities. When such other securities are once sold for cash, proceeds of such sale must be used for the purposes and in the manner provided for in the association's charter and bylaws. (H.O.L.A., sec. 5 (c); Ch. K, sec. 13) (See 24 CFR and Supps., 202.9 (a))

§ 209.54 *Obtaining lien upon share account to secure share loan*—(a) *Opinion.* Federal Charter K, Section 13, provides that in the case of share account loans, the association shall obtain a lien upon, or a pledge of, a share account. The simplest and surest method of obtaining a lien upon a share account is by a contract specifically pledging such share account and by delivery to the association of the certificate evidencing such account. Other methods of obtaining a lien would have to be examined as to their legal sufficiency and validity. (H.O.L.A., sec. 5 (c); Ch. K, sec. 13) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* There may be ways other than through a pledge of a share account to create a lien upon a share account. The discussion below relates only to creating a valid pledge of a share account. If an association does not wish to obtain pledges of share accounts in connection with share account loans, any other method used that will give the institution a valid lien upon the share account is sufficient.

In general, a pledge of property is valid only if delivery has been made to the pledgee. This is to prevent disputes between an intended pledgee and some bona fide purchaser for value from the pledgor or some creditor of the pledgor. At the time a share account loan is made, the association should require delivery to it of the membership certificate, passbook, or other evidence of the borrower's investment in the association. Even in those cases in which the association has so worded its certificate that it need not recognize any purchaser unless his name has been entered on the books, the general rule should be applied and the certificate evidencing pledged share accounts should be delivered to the association, if the association is to be completely protected.

§ 209.55 *Waiver of lien*—(a) *Opinion.* A Federal association has legal power to waive any lien held by it when in the bona fide judgment of the board of directors the benefit to the association resulting from such waiver is at least equal

to the value of the lien to the association. (Ch. K, sec. 13) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* Ordinarily a corporation may compromise debts and claims upon such terms, for such consideration, and to obtain such benefit as the board of directors in its bona fide judgment determines is for the best interests of the corporation. The board of directors of a Federal association are empowered to compromise debts and claims. In connection with compromising debts or claims, the board of directors of a Federal association may waive any lien held by it within the terms of the rule of law stated above. The board of directors of a Federal association may, however, under any other circumstances, waive any lien held by it when in the bona fide judgment of the board of directors the benefit resulting therefrom is at least equal to the value of the lien to it. Such power exists, not only with respect to first liens upon real estate or liens upon share accounts, but also with respect to any other lien held by a Federal association.

§ 209.56 *Meaning of terms used in section 5 (c) of the Home Owners' Loan Act*—(a) *Opinion.* The following is the Legal Department's construction of the key words and phrases used in subsection (c) of section 5 of the Home Owners' Loan Act.

(1) A "home" is real estate upon which there is located a dwelling or dwellings for not more than four families. The dwelling or dwellings must be a structure or structures of a type ordinarily considered a permanent dwelling or dwellings for a family in the community in which located. The type of structure, not the particular use to which it is being put at a particular time, is the most important element in determining whether or not it is home property. Such property does not cease to be home property because of the incidental use of it for minor business purposes so long as the principal use of the property is for residence purposes. An example of home property is a nine-room house, constructed for occupancy of one family, but which is currently operated as a rooming and boarding house in which more than four families are living. It is also noted that more than four dwellings may be included in one loan if the loan is secured by a blanket mortgage conforming to the requirements set forth in Opinion No. B2.

(2) "Combination of home and business property" refers to real property which is used in part for residence purposes and used in part for business purposes. The residence use must be a substantial residence use and the requirement is not satisfied by a pretense of residence use such as the temporary use of a store for sleeping purposes. If the residence use is substantial, in good faith, and habitable as a home, then any amount of business use may be permissible; but it is not combination home and business property if it is improved with dwellings for more than four families. Some examples to illustrate the meaning of this phrase are the following:

(i) A home on a farm is a combination home and business property.

(ii) A tourist camp, containing four or more one-room tourist cottages with a store building and office in which the owner or operator of the camp makes his residence may be combination home and business property. If the structure in which the owner or operator of the camp makes his residence is a home, this property is not improved with dwellings for more than four families because one-room tourist cottages are not homes.

(iii) A fourteen-room hotel operated by the owner who lives in one of the rooms but in which each room is a structure primarily for use by transients and not by a family as a permanent dwelling is not combination home and business property because there is a total absence of the home part although at least one individual does make his permanent residence on the premises.

(iv) A business property and dwelling included in the same loan, where the dwelling is in no way adjacent to the business property, cannot be combination home and business property if there are two distinctive properties, i. e., a business property and a home property. Merely combining these two properties in one loan does not change the type of property.

(3) The term "within fifty miles of their home office" means within fifty miles of the home office as fixed in the charter of the association on a direct line from such office. (See Opinion No. B25.)

(4) The $20,000 limitation in said section 5 (c) of the Home Owners' Loan Act relates to a single loan upon a single such property (see Opinion No. B2 for right to lend on blanket mortgages). Contiguous lots may constitute one piece of property. If there is a loan on one of several contiguous lots and the other lots are vacant, the entire property is home property.

(5) The exception in secton 5 (c) of the Home Owners' Loan Act authorizes the lending by an association of not exceeding 15 per centum of its assets on "other improved real estate" without regard to the $20,000 limitation and without regard to the 50-mile limit, but secured by a first lien thereon.

(6) Any portion of the assets of such association may be invested in obligations of the United States or the stocks or bonds of the Federal home loan banks. (See Opinion No. B53)

(7) "Continue to make loans in the territory in which it made loans while operating under State charter" means the lending area actually used before conversion; and each case, therefore, stands on the facts relating to the particular institution concerned. It is noted that this language does not necessarily give a converted association the right to lend in all of the area that its State charter permitted prior to conversion. However, this provision does release an institution from the 50-mile limit to the extent stated. Loans made within this extended area upon home or combination home and business property are made under the general lending powers of the association, not under the 15% limitation on its lending powers.

(8) "First lien" means a lien created by any instrument (whether a mortgage, deed of trust or land contract), which instrument makes the real estate described therein, with or without the necessity of a change of possession, specific security (either by reserving title to such real estate or by creating a lien thereon, or by any other method) for the performance of any legal duty or the payment of any obligation, either present or to arise in the future, provided the instrument is of such nature that, in the event of a default, the real estate described in such instrument could be subjugated to the satisfaction of such legal duty or obligation with the same priority as a first mortgage or a first deed of trust in the jurisdiction where the real estate is located. Federal associations were intended to operate throughout the United States, and the term "first lien" is clearly intended not to be interpreted as referring to the technical form of instrument, but to refer to the dignity of the instrument which a Federal association should obtain to secure obligations to it. The association is required to secure such examination of titles and such other evidence that the instruments offered will create first liens as is customary in the community where the real estate is located. Such a first lien may be upon a fee simple title or upon the type of leasehold discussed in Opinion No. B52. It is also noted that an association may make second mortgage loans if the association holds a first mortgage, or its equivalent, on the same property, if there are no intervening liens, and if the security is of such value that the two loans combined would be a good loan. An association can sell any such first mortgage only if it sells its second mortgage on the same property at the same time. (See 24 CFR and Supps., 203.13 (d))

(9) "Improved real estate" means real estate (including home property, combination home and business property, and any other property) which has been so improved by reason of a structure thereon or other improvement that it would be sound security for a loan because, by reason of its condition, it is not only marketable, but is capable of producing income reasonably in relation to the payment of interest upon and the amortization of the loan secured thereby, and all other loan charges. (H.O.L.A., sec. 5 (c); Ch. K, sec. 13) (See 24 CFR and Supps., 202.9(a))

§ 209.57 *Incidental and implied powers: acting as insurance agent; joining trade associations; making non-political contributions*—(a) *Opinion.* Federal Charter K, Section 3, provides in part that, in addition to the expressly enumerated powers, "the association shall have power to do all things reasonably incident to the accomplishment of its express objects and the performance of its express powers." The objects of a Federal association are to promote thrift and to provide for the sound and economical financing of homes.

Under the incidental and implied powers granted by Federal Charter K, Section 3, a Federal association may: (1) Use its funds for membership in savings and loan leagues, chambers of commerce and other similar organizations; (2) make contributions to community funds;

(3) make contributions to organizations engaged in advertising and promoting savings and loan business; and (4) act as an insurance agent where no reasonable other means of insuring property exists in the community. (Ch. K, sec. 3) (See 24 CFR and Supps., 202.9 (a))

(b) *Discussion.* To justify any more or less unusual act by an association as being within its incidental or implied powers, it must be shown that such operation is incidental to or necessary for the accomplishment of the association's express objects and powers. In other words, it must clearly appear that the proposed action is reasonably connected with the association's efforts to promote thrift and home ownership by providing a convenient and safe method for savings and investing money and by providing for the sound and economical financing of homes. The mere fact that a particular operation would prove beneficial to the association is not sufficient. Reasonable connection with the objects for which the association was incorporated must be shown, but the determination of what is and what is not too remote must depend upon the facts of each particular case. The exercise of incidental corporate power is subject to supervision and regulation by the Federal Home Loan Bank Board.

In regard to the specific functions enumerated in the above paragraph entitled "Opinion" it is noted that:

1. Under its incidental and implied powers, a Federal association would have authority to expend its funds for membership in savings and loan leagues, chambers of commerce and other similar organizations when such memberships are reasonably to the best interests of the association. Such affiliations give members up-to-date information as to changing business conditions, new ideas as to management and operation and an opportunity to cooperate in developing sound and economical general policies to be pursued.

(2) Contributions to the support of community funds are ordinarily within the express or implied powers of Federal associations when such contributions are reasonably to the best interests of such associations. Such contributions are in effect a method of advertising and also the support of the community from such funds has a direct relationship to the promotion of thrift and the development of home ownership. Unless some method is provided whereby the unfortunate of a community may be cared for, the general thrift of the community and the development of home ownership is seriously retarded. Therefore, such contributions are ordinarily legal.

(3) Contributions in support of organizations engaged in advertising and promoting savings and loan business are clearly within the power of Federal associations as one of the legitimate methods of advertising. Any advertising material which tends to make the inhabitants of a community conscious of the facilities and usefulness of savings and loan associations must redound to the benefit of each such association in that community.

(4) Insurance protection is essential to sound lending. If there is no reasonable other means of causing property securing loans to be properly insured, a Federal association could act as an insurance agent for such action would be deemed necessary for the accomplishment of the lending purposes. But, under ordinary circumstances, a Federal association has no power, either express or implied, to act as an insurance agent even though such agency was for the limited purpose of affording insurance protection for properties securing loans made by the association.

§ 209.58 *Example of "other loan plans"*—(a) *Opinion.* Paragraph (a) of Federal Charter K, section 14, provides that monthly installments on loans must begin not later than thirty days after the date of the advance of the loan and that, in the case of construction loans, the first payment shall not be later than four months after the date of the first advance. If the Board approves a loan plan, upon application from the association, which provides that the first payment upon a loan shall be at some time other than the time stated in paragraph (a) of Federal Charter K, section 14, a Federal association can make loans without complying with the provisions of paragraph (a) of Federal Charter K, section 14. No amendment to the charter is required in order to have such a loan plan approved and consequently no action by the members is necessary. It is noted that § 203.10 (d) of this chapter provides for obtaining the Board's approval of a loan plan in which the first payment of a construction loan may be made six months after the date of the first advance. (Ch. K, sec. 14) (See 24 CFR and Supp., 202.9 (a))

(b) *Discussion.* The last sentence of Federal Charter K, section 14, provides that the Board may approve loan plans, other than those provided in paragraphs (a) and (b) of section 14 of Federal Charter K, upon application from the association for such approval. It is noted that the directors of an association, not the members, are the proper persons to apply to the Board for approval of a new loan plan. The provision regarding when the first payment is due on a loan is one part of a loan plan, just as the provisions regarding the number of years of amortization, the period of time between payments, etc., are other parts of a loan plan (but the percentage of value of real estate that can be loaned is not a part of a loan plan, see Opinion No. B9). Since the time that the first payment is due is a part of a loan plan, it may be included as part of a loan plan submitted for Board approval under the last sentence of Federal Charter K, section 14, and no amendment to the charter is required in order to validly adopt such loan plan.

§ 209.59 *Prepayment of loan; penalty provision regarding prepayments*—(a) *Opinion.* Federal Charter K, section 14, permits a borrower to prepay his loan, in whole or in part. An association may include in its loan contract a provision that any prepayment of a loan must be made on a payment date provided in the loan contract as a payment date for a regular installment payment. If such prepayment is equal to or exceeds 20% of the original principal amount of the loan, the association can charge penalty interest in an amount equal to not more than 90 days' interest on the amount of any such prepayment; provided the loan contract makes provision for charging such penalty interest and provided the prepayment does not pay off the loan in full during a four months' notice period, after which period the stipulated rate of interest on the loan is to be increased as permitted in § 203.11 of this chapter. It is noted that (1) an association may waive the collection of any penalty interest at the time of any prepayment although the loan contract makes provision for charging penalty interest, and (2) a Federal association may comply with the requirement of the Federal Housing Administration that a mortgage loan which is insured by it must provide for a charge equivalent to 1% of the original principal amount of the mortgage loan for the privilege of prepaying such loan in full. (Ch. K, sec. 14) (See 24 CFR and Supps. 202.9 (a))

(b) *Discussion.* The Federal Housing Administration's rules and regulations require that whenever a mortgagor pays off an insured mortgage in full prior to maturity, the mortgages must collect from such mortgagor a premium charge of 1% of the original principal amount of the mortgage. This charge is collected by the mortgagee for payment to the Federal Housing Administration as a premium in connection with insurance, and is not collected by the mortgagee as a bonus or penalty for permitting the mortgagor to prepay a loan. In regard to penalty interest, Federal Charter K, section 14, relates solely to additional interest or similar charges which are retained by the mortgagee. The charge required by the Federal Housing Administration is not this type of charge. Therefore, a Federal association may comply with the above discussed requirement of the Federal Housing Administration without violating its charter.

§ 209.60 *Postponement of first payment of construction loans; F. H. A. loan plans*—(a) *Opinion.* Federal Charter K associations which have not obtained general permission, pursuant to § 203.10 (d) of this chapter to use F. H. A. loan plans, may obtain authority to provide for a six-month postponement of the first payment on construction loans by taking advantage of the following provisions in § 203.10 (d) of this chapter: "The Board also approves, from the date it acknowledges receipt of the application of a Federal association having Charter K for the privilege of making construction loans in which the first payment shall not be later than 6 months after the date of the first advance, but otherwise subject to the provisions of section 14 of Charter K, as another loan plan which such Federal association is authorized to use."

Where the Board has acknowledged receipt of an application by a Federal Charter K association, pursuant to § 203.10 (d) of this chapter, for permission to use the loan plans provided by

the National Housing Act, as amended, such association may provide in its F. H. A.-insured home mortgages for any maturity permitted by the Federal Housing Administrator and for postponement of first payment for any number of months permitted by the Federal Housing Administrator.

As to the general question regarding the effect of the F. H. A. loan plan provisions of § 203.10 (d) of this chapter on provisions of the charter and regulations, it may be said generally that § 203.10 (d) of this chapter is directed chiefly, although not exclusively, to features of loans by Federal associations that are provided for in section 14 of Federal Charter K, namely: maturity, amortization, time of interest payment, time of first payment, assignment of rents, rate of interest, premiums and fees, prepayment, and payment of insurance, taxes, assessments, Governmental levies, maintenance and repairs. The 50-mile limitation appearing in section 13 of Federal Charter K is applicable to F. H. A.-insured loans by Federal Charter K associations using F. H. A. loan plans; the percentage of value that may be loaned in such loans is limited by § 203.10 (d). It is noted that the F. H. A. loan plan provisions of § 203.10 (d) relate to first mortgages on home properties, not to loans on other improved real estate. (See Opinion No. B9) (Ch. K, secs. 13, 14) (See 24 CFR and Supps., 203.10 (d); 202.9 (a))

§ 209.61 *Collections by Federal association from vendee of property mortgaged to such association*—(a) *Opinion.* A Federal Charter K association has incidental powers permitting it to make collections, at the request of the borrower, of payments from the vendee of property that the borrower has mortgaged to the association, which payments are to be applied on the mortgage indebtedness of such borrower. (Ch. K, sec. 3) (See CFR and Supps., 202.9 (a))

(b) *Discussion.* It is assumed that the Federal association made the loan originally and that the property mortgaged to secure the loan was then sold on contract to the individual from whom the collection is to be made. If the purchaser has assumed the obligation to pay the Federal association, the collection, being that of its own debt, is clearly proper. If the debt to the Federal association has not been assumed by the purchaser of the mortgaged property, a Federal association, in collecting payments when due, is taking a reasonable means of securing repayment of the debt owing to it. Corporations have broad incidental powers to collect debts. This principle is illustrated in Fletcher Cyc. Corporations (Perm. Ed.) at section 2490, wherein it is stated: "* * * If a corporation is a creditor, it may do many things to protect its rights which it could not otherwise do. The courts are very liberal in holding all reasonable accounts of a corporation in connection with its collection of debts to be within its powers, and there is little conflict in the decisions. * * *" It may be safely stated that any corporation which has the authority to make loans has compensating powers to secure repayment of such loans. Federal associations have such incidental powers as ordinary corporations have and may use all reasonable means to recover payment on the loans they have made.

§ 209.62 *Service of loans not held or originated by the association*—(a) *Opinion.* Where an investor in a Federal association has sold property and instructed the vendee to make payments on the purchase price to the credit of the investor's share account, § 203.13 (d) forbids the association to commit itself to make collection of such payments. (See 24 CFR and Supps., 203.13 (d))

(b) *Discussion.* This obligation which has arisen between the purchaser of this property and the vendor was not one which originated with the Federal association. Hence, if the Federal association in making collections of this nature has committed "itself to service loans not held by it unless originated by it," such activities would appear to be prohibited by the following provision in § 203.13 (d) of this chapter: "No association shall commit itself to service loans not held by it unless originated by it and in no event in an aggregate amount in excess of its share capital on the last day of the month next preceding any service commitment." Whether the Federal association has "committed" itself within the meaning of the above regulation to service an obligation of this nature is a matter of fact for determination in each instance. Where the association does not send out either collection or delinquent notices and does not attempt to enforce the collection of the installment payments and the association has not assumed any obligation or responsibility to make or enforce or attempt to make or enforce collection of such payments, it does not "commit" itself within the meaning of this regulation. The mere consent to accept payments from a borrower and to apply such payments to a creditor's share account does not constitute a service commitment within the meaning of § 203.13 (d) of this chapter.

§ 209.63 *Title examination in connection with small loans under Title III of the Servicemen's Readjustment Act of 1944*—(a) *Opinion.* A Federal association operating under Charter K which has complied with the requirements of § 203.10 (d) or § 203.21 of this chapter of the rules and regulations for the Federal Savings and Loan System relating to loan plans, practices and procedures now or hereafter provided by the Administrator of Veterans' Affairs may legally accept as evidence of a first lien an affidavit by a veteran in lieu of an attorney's opinion, title certificate or other proof of such lien to the extent and in the manner provided by § 36.4030 (a) of Title 36 of the Regulations of the Veterans' Administration, under Title III of the Servicemen's Readjustment Act of 1944, which provides in part "That in the case of applications pursuant to section 501 (b) of the act an affidavit by the veteran may be accepted in lieu of such certificate if the amount of the loan does not exceed $500." It is to be noted that Opinion B56 points out that a Federal association "may make second mortgage loans if the association holds a first mortgage, or its equivalent, on the same property, if there are no intervening liens." Such an affidavit by the veteran may likewise be accepted in connection with such latter type mortgage loans within the limitations above prescribed. (See 24 CFR and Supps., 202.9 (a), (d); 203.10 (d), 203.21)

§ 209.64 *Lending on homes and combination home and business properties; restrictions as to territory and amount*—(a) *Opinion.* A Federal association, originally incorporated as such, may make loans, including loans for more than $20,000, on homes or combination home and business properties beyond fifty miles from its home office, and may make loans for amounts in excess of $20,000 on such properties located within fifty miles of such office, but such loans are within the category of the "15 per centum of the assets" limitations set forth in section 5 (c) of the Home Owners' Loan Act of 1933, as amended, and substantially similar limitations appearing in the particular association's Charter. The same principles are applicable to Federal associations which have converted from State-chartered institutions, except that the "15 per centum of the assets" limitation is not applicable to loans for not more than $20,000 on homes or combination home and business properties located in territory in which the particular institution made loans while operating under a State charter. In so far as other territory beyond fifty miles from the home office of a converted Federal association is concerned, all loans made therein fall within the "15 per centum of the assets" limitation. It should be noted, however, that in connection with these types of loans, the requirements of § 301.11 of the Rules and Regulations for Insurance of Accounts are applicable and a Federal association must obtain the approval of the Insurance Corporation before making such loans on real estate situated beyond fifty miles from its principal office in territory other than that in which the association was operating on June 27, 1934. (See 24 CFR and Supps., 202.9 (a) 13; 203.10; 203.12)

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15115; Filed, Aug. 27, 1946; 12:04 p. m.]

Chapter III—Federal Savings and Loan Insurance Corporation

[Order 1]

DELEGATION TO CERTAIN OFFICERS JOINTLY CERTAIN POWERS, DUTIES AND FUNCTIONS FORMERLY EXERCISED BY THE FEDERAL HOME LOAN BANK BOARD, THE BOARD OF TRUSTEES OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AND THE BOARD OF DIRECTORS OF THE HOME OWNERS' LOAN CORPORATION, OR ANY MEMBER THEREOF

FEBRUARY 27, 1942.

Pursuant to the authority contained in Executive Order No. 9070 dated February 24, 1942, all powers, duties, and functions vested in the Federal Home Loan Bank Commissioners by Executive Order

No. 9070 dated February 24, 1942, or otherwise, may also be exercised and administered by the following persons for the functions hereinafter enumerated:

(1) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any Member thereof, with respect to the operations of or under the Governor of the Federal Home Loan Bank System, Review Committee, Examining Division, the Comptroller, and the Financial Advisor, and any Budget operations in connection with any of these functions may be exercised and administered by the Governor or an Executive Assistant to the Commissioner when designated in writing by the Governor.

(2) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation, or any Member thereof, with respect to the operations of or under the General Manager of the Federal Savings and Loan Insurance Corporation may be exercised and administered by the General Manager of the Federal Savings and Loan Insurance Corporation or by an Executive Assistant to the Commissioner when designated in writing by the General Manager, except that powers, duties, and functions formerly exercised by the Board of Trustees of the Federal Savings and Loan Insurance Corporation with respect to settlement of insurance, contributions or loans to, or purchase of assets of, insured institutions shall be exercised and administered jointly by the General Manager of the Federal Savings and Loan Insurance Corporation, and the Governor of the Federal Home Loan Bank System.

(3) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation, or any member thereof, with respect to the operations of or under the General Manager of the Home Owners' Loan Corporation may be exercised and administered by the General Manager of the Home Owners' Loan Corporation or by an Executive Assistant to the Commissioner when designated in writing by the General Manager.

(4) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any Member thereof, with respect to the operations of or under the Secretary, Director of Public Relations, and Director of Research and Statistics may be exercised and administered by an Executive Assistant to the Commissioner.

(5) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any Member thereof, with respect to the operations of or under the Director of Personnel, Auditor, and, except as otherwise provided herein, the Budget Officer may be exercised and administered by an Executive Assistant to the Commissioner:

Provided, however, That any exercise of powers, duties, and functions pursuant to the delegations hereinabove made shall contain the specific approval of the General Counsel or any member of the legal staff designated, with the approval of the Federal Home Loan Bank Commissioner, by the General Counsel in writing.

(6) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any member thereof, with respect to the operations of or under the general counsel and the legal department may be exercised and administered by the general counsel or such associate general counsel or assistant general counsel as the general counsel may designate.

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 46-15123; Filed, Aug. 27, 1946; 12:01 p. m.]

[Order 2]

DELEGATION TO CERTAIN OFFICERS JOINTLY CERTAIN POWERS, DUTIES AND FUNCTIONS OF ADOPTING, AMENDING AND REPEALING RULES AND REGULATIONS

FEBRUARY 27, 1942.

Pursuant to the authority contained in Executive Order No. 9070 dated February 24, 1942, the following delegations of functions, powers, and duties vested in me as Federal Home Loan Bank Commissioner by said Executive order, or otherwise, and by the provisions of the Federal Home Loan Bank Act, as amended, the Home Owners' Loan Act of 1933, as amended, and Title IV of the National Housing Act, as amended, are hereby made:

(a) To: (1) The Governor or Deputy Governor, Federal Home Loan Bank System, and

(2) General Counsel, or an Associate General Counsel, or an Assistant General Counsel, and

(3) An Executive Assistant to the Commissioner,

jointly, the powers, duties, and functions of adopting, amending, and repealing the rules and regulations for the Federal Home Loan Bank System and the rules and regulations for the Federal Savings and Loan System.

(b) To: (1) The General Manager or Deputy General Manager, Home Owners' Loan Corporation, and

(2) General Counsel, or an Associate General Counsel, or an Assistant General Counsel, and

(3) An Executive Assistant to the Commissioner,

jointly, the powers, duties, and functions of adopting, amending, and repealing the rules and regulations of the Home Owners' Loan Corporation.

(c) To: (1) the General Manager or Deputy General Manager, Federal Savings and Loan Insurance Corporation, and

(2) General Counsel, or an Associate General Counsel, or an Assistant General Counsel, and

(3) an Executive Assistant to the Commissioner,

jointly, the powers, duties, and functions of adopting, amending, and repealing the rules and regulations for Insurance of Accounts.

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 46-15133; Filed, Aug. 27, 1946; 12:01 p. m.]

[Order 618]

AUTHORIZATION TO CERTAIN OFFICERS OF THE FEDERAL HOME LOAN BANKS TO ACT AS AGENTS OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AND RELATING TO THEIR DESIGNATION

FEBRUARY 1, 1943.

The officers of the Federal Home Loan Banks and any employees thereof designated by the Governor of the Federal Home Loan Bank System are authorized to act as agents of the Federal Savings and Loan Insurance Corporation for the purposes and in the manner designated at § 2.5 (b) (3) of Chapter I of this title of the rules and regulations for the Federal Home Loan Bank System.

The presidents of the Federal Home Loan Banks and any officers or employees other than, or in addition to, the presidents, designated by the Governor of the Federal Home Loan Bank System are authorized to act as agents of the Federal Savings and Loan Insurance Corporation, under the direction of the Governor of the Federal Home Loan Bank System, for the purposes and in the manner designated at § 2.5 (b) (4) of the rules and regulations for the Federal Home Loan Bank System.

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 46-15126; Filed, Aug. 27, 1946; 12:01 p. m.]

[Bulletin 19]

AUTHORIZATION TO SECRETARY OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION TO CONDUCT CERTAIN OF ITS PURCHASE AND SUPPLY OPERATIONS

AUGUST 1, 1945.

Pursuant to the authority vested in the Federal Home Loan Bank Commissioner, it is hereby ordered as follows:

(1) The Secretary shall conduct the purchase and supply operations of the Federal Savings and Loan Insurance Corporation, which shall include but shall not be limited to the authority to procure, obtain, purchase, subscribe for, lease, exchange, or otherwise acquire,

and to sell, rent, exchange, supply, or otherwise dispose of, furniture, fixtures, equipment, supplies, forms, stationery, books of reference, other books, newspapers, periodicals, duplicating, printing, binding, and other personal property and services (other than personal services) for the Corporation, to do any combination of any of the said matters, to make contracts or agreements for the doing of, or with respect to, any of the foregoing, and to issue bills of lading. Any such operations may be direct, or through or with the Government Printing Office or the Procurement Division of the United States Treasury Department, or otherwise.

(2) The Secretary is hereby granted authority to execute or approve any purchase orders, requisitions, contracts, agreements, leases, and other instruments or writings necessary or appropriate for the carrying out of the purposes or provisions of this bulletin.

(3) In cases other than Legal Department cases, each transaction entered into under the authority hereinbefore conferred shall be upon the request or approval of the General Manager, except where the transaction is for the account of a department or office not under the supervision of the General Manager, in which event the transaction shall be upon the request or approval of the head of such department or office. In Legal Department cases, each transaction entered into under the authority hereinbefore conferred shall be upon the request or approval of the General Counsel. Any such request or approval may be by approval of a requisition or otherwise.

(4) Notwithstanding the foregoing provisions hereof, the Secretary shall, except as otherwise provided by the terms of such request or approval, have authority to determine, before, at, or after such request or approval, all matters involved in or relating to such transactions, including but not limited to the nature, terms, and conditions of the transaction, the price or consideration, the manner, terms, and conditions of entering into such transaction, and the manner, terms, and conditions of performance thereof or of payment, in advance or otherwise, therefor.

(5) The authority hereinbefore conferred shall be exercised in conformity with such laws and regulations as are from time to time binding upon the Corporation: *Provided*, That where the applicability of any such law or regulation to the Corporation or to the transaction, or otherwise, depends upon any determination or other action, the Secretary is hereby granted authority, to the full extent to which such authority may be granted, to make or cause to be made such determination or to take or cause to be taken such action.

(6) Any function or authority hereinbefore conferred upon the Secretary may be exercised also by an Assistant Secretary. Any function or authority hereinbefore conferred upon any other person may be exercised also by such person or persons as have been or may be designated in writing by the person upon whom such function or authority is hereinbefore conferred.

(7) Nothing herein contained shall (a) confer upon any person any authority, not otherwise vested in such person, to approve or certify any payment voucher of the Corporation or (b) impair any function or authority of the General Counsel, or of any Associate General Counsel, Assistant General Counsel, or Assistant to the General Counsel, or of any member of the Legal Department. Except as otherwise authorized by the General Manager, nothing herein contained shall apply to any transaction entered into by the Corporation as conservator, receiver, or other legal custodian, or entered into by the Corporation under Section 406 of the National Housing Act as now or hereafter in force.

(8) Nothing herein contained shall impair the operation of Order No. 1 or Order No. 2, both dated February 27, 1942, Order No. 714, dated April 13, 1943, or Order No. 1560, dated June 9, 1945, or any amendment or amendments of any of said orders.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15119; Filed, Aug. 27, 1946; 12:03 p. m.]

[Order 504]

ABOLISHMENT OF CERTAIN COMMITTEE AND DELEGATING TO SPECIFIED OFFICERS AUTHORITY FOR THE EXERCISE OF CERTAIN POWERS, DUTIES AND FUNCTIONS VESTED IN THE FEDERAL HOME LOAN BANK COMMISSIONER AND RELATING TO THE FEDERAL HOME LOAN BANK ADMINISTRATION, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION OR HOME OWNERS' LOAN CORPORATION

NOVEMBER 25, 1942.

(I) The Review Committee is hereby abolished.

(II) Pursuant to the authority contained in Executive Order No. 9070, dated February 24, 1942, all powers, duties, and functions vested in the Federal Home Loan Bank Commissioner, and relating to the Federal Home Loan Bank Administration, Federal Savings and Loan Insurance Corporation, or Home Owners' Loan Corporation, by Executive Order No. 9070, dated February 24, 1942, or otherwise, may also be exercised and administered by the following as to the matters hereinafter enumerated:

(a) By the Governor of the Federal Home Loan Bank System or by an executive assistant to the Commissioner when designated in writing by the Governor:

(1) Applications for membership in Federal home loan banks.

(2) Permission to organize Federal associations.

(3) Petitions for Federal charter.

(4) Applications for conversion to Federal charter.

(5) Withdrawals from membership in Federal home loan banks.

(6) Transfers of stock in Federal home loan banks.

(7) Sales plans and practices of insured institutions and Federal associations.

(8) Joint occupancy of office quarters.

(9) Approvals relative to fidelity bond coverage of insured institutions and Federal associations.

(10) Bonds covering safe deposit business.

(11). Approval of Operating Agreements.

(12) Waivers and cancellations of Home Owners' Loan Corporation investment retirement requests.

(13) Purchases of assets where no increase in insurable accounts is involved.

(14) Sales of loans by insured institutions and Federal associations.

(15) Applications by Federal associations for permission to make small apartment house loans.

(16) Investments by Federal associations in office buildings.

(17) Voluntary dissolutions of Federal associations.

(18) Extensions, modifications, and continuations of trust agreements by insured institutions and Federal associations.

(19) Removals from membership in Federal home loan banks.

(20) Approvals of other loan plans for Federal associations.

(21) Amendments of Federal association charters.

(22) Amendments of Federal association by-laws.

(23) Lending territory and maximum loans of insured institutions and Federal associations.

(24) Requests for Home Owners' Loan Corporation investment.

(25) Applications for branch and agency offices.

Provided, however, That the above shall not be applicable with respect to powers, duties, and functions constituting action by or on behalf of the Federal Savings and Loan Insurance Corporation which affects insured institutions in receivership.

(b) By the General Manager or by an Executive Assistant to the Commissioner when designated in writing by the General Manager:

(1) Applications for insurance of accounts.

(2) Releases of escrowed shares.

(3) Mergers, consolidations, and purchases of assets requiring approval under § 301.17 of the Rules and Regulations for Insurance of Accounts.

(4) Amendments to by-laws of state-chartered insured institutions.

(5) Amendments to charters or articles of incorporation of state-chartered insured institutions.

(6) Designations of reserve as Federal Insurance Reserve.

(7) Permissions to state-chartered insured institutions to make "small" loans.

(8) Forms of certificates and passbooks of state-chartered insured institutitons.

(c) *Provided, however,* That any exercise of powers, duties, and functions pursuant to this order shall contain the specific approval of the General Counsel or any member of the legal staff designated, with the approval of the Federal Home Loan Bank Commissioner, by the General Counsel in writing: *Provided further,* That the exercise of powers, duties, and functions pursuant to the

above provisions of this order shall not include the conduct of hearings which may be granted or ordered on any matter enumerated above, any such hearing to be held by the Commissioner or a trial examiner or hearing officer appointed by the Commissioner or by the General Counsel: *Provided further*, That the exercise of powers, duties, and functions pursuant to this order shall not extend to the adoption, amendment, or repeal of regulations which shall be governed by the provisions of Order No. 2, dated February 27, 1942.

(III) Except to the extent that it conflicts with the above, Order No. 1, dated February 27, 1942, shall continue in full force and effect.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15125; Filed, Aug. 27, 1946; 12:01 p. m.]

[Order 1263]

APPOINTMENT OF ASSISTANT SECRETARY OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION TO EXERCISE AUTHORITY OF THE SECRETARY OF SAID CORPORATION

JUNE 30, 1944.

It is hereby ordered, That, effective July 1, 1944, Harry W. Caulsen, Assistant Secretary to the Federal Home Loan Bank Administration, shall be and serve as Assistant Secretary of the Federal Savings and Loan Insurance Corporation without any compensation additional to that received as Assistant Secretary to the Federal Home Loan Bank Administration.

It is further ordered that any authority, duty, or function, on behalf of the Federal Savings and Loan Insurance Corporation or otherwise, which the Secretary of the Corporation is authorized to exercise or perform, may be exercised or performed by Harry W. Caulsen as Assistant Secretary.

It is further ordered, That this order shall not affect or impair any authorization, appointment, delegation, designation, or deputization heretofore made by or to the said Harry W. Caulsen, individually or as Assistant Secretary or otherwise, and whether by the name of Harry W. Caulsen, H. Caulsen, or otherwise. Nothing contained in this order shall affect or impair the operation of the resolutions adopted by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation on August 30, 1939, relating to the authority, duties, and functions of the aforesaid Harry W. Caulsen, therein described as H. Caulsen. The said Harry W. Caulsen may at his option sign any instrument or writing as H. Caulsen.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15127; Filed, Aug. 27, 1946; 12:02 p. m.]

[Order 1358]

DELEGATION OF AUTHORITY TO SPECIFIED OFFICERS CONCERNED WITH THE FEDERAL HOME LOAN BANK ADMINISTRATION, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AND HOME OWNERS' LOAN CORPORATION

OCTOBER 24, 1944.

Paragraph II of Federal Savings and Loan Insurance Corporation Order No. 504, dated November 25, 1942, is hereby amended to read as follows:

(II) Pursuant to the authority contained in Executive Order No. 9070, dated February 24, 1942, all powers, duties, and functions vested in the Federal Home Loan Bank Commissioner, and relating to the Federal Home Loan Bank Administration, Federal Savings and Loan Insurance Corporation, or Home Owners' Loan Corporation, by Executive Order No. 9070, dated February 24, 1942, or otherwise, may also be exercised and administered by the following as to the matters hereinafter enumerated:

(a) By the Governor of the Federal Home Loan Bank System or by an Executive Assistant to the Commissioner when designated in writing by the Governor:

(1) Applications for membership in Federal home loan banks.

(2) Permission to organize Federal associations.

(3) Petitions for Federal charter.

(4) Applications for conversion to Federal charter.

(5) Withdrawals from membership in Federal home loan banks.

(6) Transfers of stock in Federal home loan banks.

(7) Sales plans and practices of insured institutions and Federal associations.

(8) Joint occupancy of office quarters.

(9) Approval of Operating Agreements.

(10) Waivers and cancellations of Home Owners' Loan Corporation investment retirement requests.

(11) Purchases of assets where no increase in insurable accounts is involved.

(12) Sales of loans by insured institutions and Federal associations.

(13) Applications by Federal associations for permission to make small apartment house loans.

(14) Investments by Federal associations in office buildings.

(15) Voluntary dissolutions of Federal associations.

(16) Extensions, modifications, and continuations of trust agreements by insured institutions and Federal associations.

(17) Removals from membership in Federal home loan banks.

(18) Approvals of other loan plans for Federal associations.

(19) Amendments of Federal association charters.

(20) Amendments of Federal association by-laws.

(21) Lending territory and maximum loans of insured institutions and Federal associations.

(22) Requests for Home Owners' Loan Corporation investment.

(23) Applications for branch and agency offices.

Provided, however, That the above shall not be applicable with respect to powers, duties, and functions constituting action by or on behalf of the Federal Savings and Loan Insurance Corporation which affects insured institutions in receivership.

(b) By the General Manager or by an Executive Assistant to the Commissioner when designated in writing by the General Manager:

(1) Applications for insurance of accounts.

(2) Releases of escrowed shares.

(3) Mergers, consolidations, and purchases of assets requiring approval under § 301.17 of the Rules and Regulations for Insurance of Accounts.

(4) Amendments to by-laws of state-chartered insured institutions.

(5) Amendments to charters or articles of incorporation of state-chartered insured institutions.

(6) Designations of reserve as Federal Insurance Reserve.

(7) Permissions to state-chartered insured institutions to make "small" loans.

(8) Forms of certificates and passbooks of state-chartered insured institutions.

(9) Approvals relative to fidelity bond coverage of insured institutions and Federal associations.

(10) Bonds covering safe deposit business.

(11) Approvals of declaration of dividends by insured institutions under § 301.12 (e) of the Rules and Regulations for Insurance of Accounts.

(c) *Provided, however*, That any exercise of powers, duties, and functions pursuant to this order shall contain the specific approval of the General Counsel or any member of the legal staff designated, with the approval of the Federal Home Loan Bank Commissioner, by the General Counsel in writing: *Provided further*, That the exercise of powers, duties, and functions pursuant to the above provisions of this order shall not include the conduct of hearings which may be granted or ordered on any matter enumerated above, any such hearing to be held by the Commissioner or a trial examiner or hearing officer appointed by the Commissioner or by the General Counsel: *Provided further*, That the exercise of powers, duties, and functions pursuant to this order shall not extend to the adoption, amendment, or repeal of regulations which shall be governed by the provisions of Order No. 2, dated February 27, 1942.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15128; Filed, Aug. 27, 1946; 12:02 p. m.]

[Order 1560]

DELEGATION OF CERTAIN POWERS, DUTIES, AND FUNCTIONS OF FEDERAL HOME LOAN BANK COMMISSIONER

JUNE 9, 1945.

Supplementing and amending Orders No. 1 and No. 2 dated February 27, 1942

in connection with the delegation of certain powers, duties, and functions of the Federal Home Loan Bank Commissioner.

Effective on and after the date of this order, J. Francis Moore, Secretary, is hereby authorized also to exercise and administer all powers, duties, and functions which may be exercised and administered by an Executive Assistant to the Commissioner under Order No. 1, dated February 27, 1942, and orders now or hereafter issued supplementary or amendatory thereto: *Provided, however,* That any exercise of said powers, duties, and functions shall contain the specific approval of the General Counsel.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15129; Filed, Aug. 27, 1946; 12:02 p. m.]

[Order 1746]

DELEGATION OF CERTAIN POWERS, DUTIES, AND FUNCTIONS OF FEDERAL HOME LOAN BANK COMMISSIONERS

JANUARY 11, 1946.

Supplementing and amending Orders No. 1 and No. 2 dated February 27, 1942 in connection with the delegation of certain powers, duties and functions of the Federal Home Loan Bank Commissioner.

Any and all powers, duties, and functions which now or hereafter any be exercised or administered by the Governor may be exercised and administered also by an Acting Governor, including, without limitation on the foregoing, the powers, duties, and functions which may be exercised and administered by the Governor under Orders No. 1 and No. 2, dated February 27, 1942, and orders now or hereafter issued supplementary or amendatory thereto.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15130; Filed, Aug. 27, 1946; 12:02 p. m.]

[Order 1814]

DELEGATING FUNCTIONS, POWERS AND DUTIES OF THE FEDERAL HOME LOAN BANK COMMISSIONER

MARCH 25, 1946.

Harold Lee is hereby appointed and designated Deputy Federal Home Loan Bank Commissioner, and shall serve as such without compensation additional to that otherwise received from the Federal Home Loan Bank Administration.

It is hereby ordered, That all functions, powers, and duties vested in or exercisable by me as Federal Home Loan Bank Commissioner may be exercised also by Harold Lee, Deputy Federal Home Loan Bank Commissioner, to whom such functions, powers, and duties are hereby delegated.

This order shall be effective immediately.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15131; Filed, Aug. 27, 1946; 12:03 p. m.]

[Order 1634]

PART 301—INSURANCE OF ACCOUNTS

REQUIREMENTS FOR AUDITS

SEPTEMBER 5, 1945.

The following minimum requirements for audits by auditors other than members of the Examining Division of the Federal Home Loan Bank Administration are hereby approved under the provisions of § 301.14 of the rules and regulations for Insurance of Accounts:

(1) The audit shall be made by a qualified accountant who is not a director, officer or employee of the insured institution audited, or by a firm of accountants no member of which is a director, officer or employee of such institution, *Provided,* That such accountant or firm is approved by the Chief Examiner of the Federal Home Loan Bank Administration.

(2) The scope of audit shall include:

(a) Verification of assets,

(b) Determination of the extent of the liabilities,

(c) Verification of income and other receipts, ascertaining that receipts are properly recorded and deposited,

(d) Verification that expenses and disbursements are proper,

(e) Satisfactory verification of investors' accounts by direct correspondence (at least 10% in number, the total of which shall be not less than 10% of the aggregate dollar amount of all investors' accounts), exceptions, if any, being reported,

(f) Satisfactory verification of borrowers' accounts by direct correspondence (at least 10% in number, the total of which shall be not less than 10% of the aggregate dollar amount of all borrowers' accounts), exceptions, if any, being reported,

(g) Verification of compliance with reserve requirements under § 301.12 of the rules and regulations for Insurance of Accounts, and, if a Federal savings and loan association, with the requirements of such association's Charter,

(h) Analysis of the system of internal check and control, with appropriate comments regarding its adequacy or inadequacy; also an analysis of the accounting system with appropriate comments as to any material exception to or deviation from sound accounting practice.

(3) The audit shall contain a certificate by the accountant that in his opinion the statements contained in the report are correct.

Federal Savings and Loan Insurance Corporation Order No. 1313, dated September 11, 1944, is hereby rescinded.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15118; Filed, Aug. 27, 1946; 12:02 p. m.]

[Order 1853]

PART 301—INSURANCE OF ACCOUNTS

RIGHT OF HEARING

Pursuant to paragraph (e) of § 301.20 of the rules and regulations for the Federal Savings and Loan Insurance Corporation the General Manager and the General Counsel are hereby severely authorized to grant any written authorization or approval required or permitted by said paragraph (e).

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15132; Filed, Aug. 27, 1946; 12:03 p. m.]

PART 303—INTEPRETATIVE OPINIONS

INTERPRETATIONS OF PROVISIONS OF PERTINENT STATUTES, RULES AND REGULATIONS

AUGUST 27, 1946.

The interpretations set forth in the sections of this part have heretofore been formulated and adopted by the Federal Savings and Loan Insurance Corporation, for the guidance of the public in connection with the rules and regulations for insurance of accounts, the provisions of the National Housing Act, as amended, and other relevant provisions of law and regulation. There appears, in connection with each of the sections hereinafter set forth, cross-references to the provisions of the rules and regulations for Insurance of Accounts, as appear in Chapter III, Title 24 of the Code of Federal Regulations and Supplements thereto, of which this is a part.

Sec.

AUTHORITY: §§ 303.1 to 303.19, inclusive, issued under Administrative Procedure Act, Public No. 404, Approved June 11, 1946.

§ 303.1 *Insured accounts in several institutions*—(a) *Opinion.* A person may be a member of any number of different insured institutions and his accounts of an insurable type in each such institution will be entitled to insurance not in excess of $5,000. Congress did not limit insurance to any one person to $5,000 but provided that the investments of any one person in any one institution shall not be insured in excess of $5,000. (N.H.A., sec. 405 (a)) (See 24 CFR and Supps., 301.1 (e))

§ 303.2 *Insurance of joint and trust accounts*—(a) *Opinion.* In connection with the insurance of joint accounts and of trust accounts (under the provisions of § 301.1 of this chapter) many insured institutions have made inquiries as to the scope of the insurance of joint accounts and trust accounts. So that there may be a better understanding, the following analysis, with illustrations, has been prepared by the Legal Department of the Federal Savings and Loan Insurance Corporation:

Without prejudice of the rights and without modification of the duties of the Insurance Corporation with respect to the settlement of insurance in accordance with law, the following illustrations are given of the insurability by the Federal Savings and Loan Insurance Corporation of individual, joint, and trust accounts in a single insured institution. On the date of default of an insured institution, the status of ownership of an insured account is determined in accordance with the investment contract and the law of the State in which the contract is made, as affected by the law of the State or States having jurisdiction over the activities of the contracting parties. Ownership, as so determined, will control the settlement of insurance pursuant to Title IV of the National Housing Act.

(1) *Joint accounts with a right of survivorship.* Whether or not a particular account is a joint account depends upon the investment contract and the law of the State governing the contract between the joint owners. In the following examples, it is assumed that a joint account with the right of survivorship, and not a tenancy in common, is created by an investment by two or more persons in an account designated as held by two or more persons "as joint tenants". To create by contract a joint account with a right of survivorship, when permitted by State law, the certificates evidencing the investment should certify that, for example, John Doe and Richard Roe, as joint tenants, with a right of survivorship and not as tenants in common hold the account.

A, B, and C may, at the same time, hold the following accounts in a single insured institution and each account will be insured by the Federal Savings and Loan Insurance Corporation up to $5,000:

Account No. 1:	
A	A holds such account and is the member.
Account No. 2:	
B	B holds such account and is the member.
Account No. 3:	
C	C holds such account and is the member.
Account No. 4:	
A, B, and C as joint tenants	A, B, and C hold such account and are deemed one member as though they formed a partnership.
Account No. 5:	
A and B as joint tenants	A and B hold such account and are deemed one member as though they formed a partnership.
Account No. 6:	
A and C as joint tenants	A and C hold such account and are deemed one member as though they formed a partnership.
Account No. 7:	
B and C as joint tenants	B and C hold such account and are deemed one member as though they formed a partnership.

The insurance statute limits the insurance to any one insured member in any one insured institution to $5,000. An insured member of an insured institution may be either an individual, a partnership, an association, or a corporation. Under Part 301 of this chapter, a joint account is insured as a partnership account and the joint holders of such account constitute one member as though they were a partnership. In regard to the joint accounts mentioned above, a different member of the institution holds each such joint account on the basis stated, to wit: A and B constituting a single member is a different member from A and C constituting a single member. But there is no difference, for insurance purposes, between Account No. 5, above, and "B and A as joint tenants". One member, namely, A and B as though they formed a partnership, holds both accounts; and insurance on the aggregate amount of money invested in these two accounts will be limited to $5,000.

It is to be noted, however, that if all the joint holders of a joint account die except one, the joint account would cease to exist and the individual account which would remain in its stead would be treated in the same manner as any other individual account, i. e., if the survivor already held an individual account of $5,000, his total insurance would be limited to $5,000 regardless of how many individual accounts such individual holds. But until there is a death or the joint account is otherwise terminated, the insured status of a joint account is on the partnership basis.

A husband and a wife, as joint tenants with a right of survivorship create a tenancy by the entirety. It would be well for the certificate of investment to state the marital relationship.

The laws of each State should be examined to be sure that the investment contract for a joint account creates under State laws the legal relations intended by the parties.

An association proposing to open a joint account with a right of survivorship should protect itself by obtaining a written agreement signed by the joint account holders that the association is authorized to act without further inquiry in accordance with writings bearing the signature of any one of the joint account holders and that any one of the joint account holders who shall first act shall have power to act in all matters related to the membership in the association or with regard to the joint account, whether the other person or persons jointly owning the account be living or not. Such an agreement should authorize the association to pay the withdrawal or repurchase or redemption value of such joint account in whole or in part to any one of the joint account holders who shall first act, and that any such payment or a receipt or acquittance signed by any one of the joint account holders shall be a valid and sufficient release and discharge of the association.

(2) *Trust accounts.* Insured accounts may be held in trust. Since the beneficiaries and not the trustees of trust accounts are the real insured parties in interest, for the purpose of insurance, the beneficiaries and not the trustees are insured. Under Part 301 of this chapter, one trustee may, therefore, hold as trustee any number of insured accounts for any number of disclosed beneficiaries provided the accounts of such beneficiaries are carried separately. If there is but one individual, association, or corporation that is the beneficiary of the trust, the account is insured as an individual, association, or corporation account respectively; and if there are joint owners with the right of survivorship, who are beneficiaries of a trust account, the account is insured as a partnership account. Further to illustrate this matter, a trust account entitled "X as trustee for A" is insured as an individual account on the same basis as Account No. 1, above, would be insured; likewise, the trust account entitled "X as trustee for A, B, and C as joint tenants" is insured as a partnership account on the same basis as Account No. 4, above, would be insured. The maximum insurance on the aggregate amount of money invested in Account No. 1, above, and "X as trustee for A" would be $5,000. For insurance purposes, the beneficial interest in both of such accounts is held by the same person, namely, by A. Likewise, the maximum insurance on the aggregate amount of money invested in Account No. 4, above, and "X as trustee for A, B, and C as joint tenants" would be $5,000. For insurance purposes, the beneficial interest in both of such accounts is held by the same persons, namely, by A, B, and C as though they formed a partnership.

For insurance purposes, there is no difference between different accounts held by the same person whether absolutely or beneficially under a trust; and the total insurance to any one member, irrespective of how many different accounts such member holds (either absolutely or beneficially under a trust or trusts) in any single insured institution, is limited to $5,000. Therefore, if A holds Account No. 1, above, in which account A has invested $4,000, and if A also holds some other account in this same institution in which account A has invested $3,000, the maximum insurance on the $7,000 so invested is $5,000.

The laws of some States contain special provisions with regard to trust accounts in savings and loan associations and each insured institution should provide for obtaining appropriate special agreements required or permitted by such special provisions of State law if

the association proposes to take advantage thereof in connection with issuing trust accounts.

(3) *Accounts held by tenants in common.* Tenants in common hold by several and distinct titles, with unity of possession. No privity of estate exists between them. The qualities of their estates may be different and their interest in the account may be unequal. Each tenant in common is, for insurance purposes, a different member of an insured institution. Subject to the limitation that the total insurance which any insured member may have in any one insured institution is an aggregate amount not in excess of the $5,000, whether the insured member has one or more insurable accounts, the interest of a tenant in common in such an account is insured to the same extent as it would have been had the value of his interest in such amount been represented by a separate account. Example: A and B hold an account of $10,000 as tenants in common and A's undivided interest in such account is $4,000 and B's undivided interest is $6,000. If A holds no other account, his undivided interest of $4,000 would be insured. If A holds another account of $2,000, A's total insurance would be $5,000, $1,000 of the $4,000 undivided interest in the account held as a tenant in common or $1,000 of the individual account of $2,000 being uninsured. Whether or not B holds any other account in the association his total insurance would be $5,000.

In order that the records of each insured institution will show the amount of insurance of each tenant in common, if any, the following records are necessary: When and if an account for tenants in common is opened, each tenant in common must certify in writing either the dollar amount of undivided interest of each tenant in common in such account or must certify the proportion which the undivided interest of each tenant in common bears to the whole account. Whenever additional payments are made on such account held by tenants in common, a signed statement must be obtained from the person making such payment as to whether such payment increases the undivided interest of such tenant in common or of another tenant in common or increases the undivided interest of each tenant in common in the proportion fixed by the prior certificate of each of the tenants in common stating the proportion of the account each tenant in common holds. To create a tenancy in common the certificate of investment should certify that John Doe and Richard Roe as tenants in common hold the account.

Associations which propose to open accounts held by tenants in common should require such tenants in common to sign necessary agreements to provide for the release of the association upon the signature of one account-holder, if that be permissible under State law and deemed desirable by the insured institution. In any event, upon execution of an application for such an account, the tenants in common should be required to stipulate expressly in what manner and by what signatures the association is to be released in connection with such account. (N. H. A., sec. 405 (a)) (See 24 CFR and Supps., 301.1 (b), (c))

§ 303.3 *Insurance of dividends*—(a) *Opinion.* The Insurance Corporation protects not only payments on insured accounts, but also dividends credited to insured accounts and dividends apportionable to insured accounts after having been apportioned to a series in serial associations. (N.H.A., secs. 405 (a), (b)) (See 24 CFR and Supps., 301.1 (e))

(b) *Discussion.* Under the provisions of Title IV of the National Housing Act and of part 301 of this chapter, the amount of insurance to which each insured member will be entitled attaches at the time any insured institution defaults. The term "default" is defined by section 401 (d) of the act as meaning "an adjudication or other official determination of a court of competent jurisdiction or other public authority pursuant to which a conservator, receiver, or other legal custodian is appointed for an insured institution for the purpose of liquidation."

§ 303.4 *Insurance of creditor obligations*—(a) *Opinion.* The scope of the Insurance Corporation's liability is set forth in section 405 of the National Housing Act and does not include ordinary creditors. Section 406 (b) of the act provides that: "in any event the Corporation shall pay the insurance as provided in section 405 and all valid credit obligations of such association." This quoted language means that in the event the Insurance Corporation is appointed receiver for an insured institution in default, all valid creditor obligations of such institution should be paid out of the assets of such institution. This language does not mean that the Insurance Corporation will pay such obligations out of its own funds. A creditor of an insured institution, as in the case of a creditor of an uninsured institution, must look to the assets of the insured institution for the recovery of the debt. To hold otherwise would make section 406 (b) of the National Housing Act inconsistent with the rest of the act. (N.H.A., secs. 405 (b), 406 (b)) (See 24 CFR and Supps., 301.1 (d))

§ 303.5 *Bonded officer delegating duties to personal employee*—(a) *Opinion*—(1) *State-chartered insured institutions.* In the case of State-chartered insured institutions the right of an officer to delegate his duties is controlled entirely by the terms of employment of such officer made pursuant to State law. If such officer may so delegate his duties to a personal employee, Part 301 of this chapter would require that such personal employee be covered by a bond. The usual terms of employment of officers would prohibit any delegation by an officer of his control over or access to the cash or securities of an institution to a person in such officer's own employ, whether or not the personal employee of such officer is covered by bond.

(2) *Federal Charter K Associations.* A person who is not an employee of a Federal association cannot legally be permitted by an officer of the association to have access to or control over cash or securities of the association. It is a violation of the terms of employment for any officer of a Federal association to permit a "stranger" to the association (not employed by it) to have access to its cash or securities. A person accepting an office in a Federal association must be required to fulfill the duties of such office. Any delegation of his control over or access to cash or securities of a Federal association would be unauthorized and, therefore, bonding the "stranger" would not be sufficient to correct the matter. (See 24 CFR and Supps., 301.16 (a))

§ 303.6 *Use of Insurance Corporation's seal*—(a) *Opinion.* An insured institution cannot use a copy of the seal of the Insurance Corporation in its advertisements without the permission of the Insurance Corporation and no such permission has been given. The use of this seal by anyone other than the Insurance Corporation would be an unauthorized use of the seal unless permission had been obtained to use the same. (N.H.A., sec. 403 (b) (See 24 CFR and Supps., 301.7 (e))

§ 303.7 *Meaning of "true copy"*—(a) *Opinion.* The words "true copy," as used in referring to the copies of fidelity bonds required to be filed with the Federal home loan banks under § 301.16 (a) of this chapter, import an entire copy with all blanks filled in, including the names of signing officers and their corporate titles. The copy may be typewritten or may be a duplicate of the original bond, although a duplicate original is preferable. Certification of the copy is not required by Part 301, of this chapter. (See 24 CFR and Supps., 301.16 (a))

§ 303.8 *Advertising "insurance by an instrumentality of the United States Government"*—(a) *Opinion.* The Federal Savings and Loan Insurance Corporation is the means adopted by Congress to provide insurance of the public's investments in savings and loan institutions. This Corporation was created and made an instrumentality of the United States by section 402 (c), Title IV, of the National Housing Act. Therefore, an institution whose accounts are insured by the Federal Savings and Loan Insurance Corporation may advertise that its accounts are insured by an instrumentality of the United States Government. (N.H.A., secs. 402 (c), 403 (b)) (See 24 CFR and Supps., 301.7 (e))

§ 303.9 *Advertising dividend rate*—(a) *Opinion.* An insured institution may advertise that it has paid annually a certain rate of dividend for a certain number of years if such statement is true. (N.H.A., sec. 403 (b)) (See 24 CFR and Supps., 301.7 (e))

(b) *Discussion.* Any advertisement which is inaccurate in any particular or which in any way misrepresents services, contracts, investments or financial condition is a violation of § 301.7 (e) of this chapter. For example, an insured institution, whether or not it is a member of the Federal Home Loan Bank System, cannot advertise that insurance carries with it membership in the Bank System. Such a statement is inaccurate, for the National Housing Act does not require that an institution be a member of the

Bank System in order to qualify for insurance. However, there is no objection to an insured institution advertising the rate of dividend that it has been paying so long as such advertisements are not inaccurate or misleading.

§ 303.10 *Meaning of "member"*—(a) *Opinion.* The word "member" as used in § 301.8 (a) of this chapter must be interpreted as follows:

(1) *State-chartered institutions.* The word "member" used in the regulations in this chapter means whatever the law of the State of the insured institution makes such word mean. For example, if membership is limited by State law to shareholders, the word "member" as applied to such insured institutions means shareholder; if the State law does not make depositors members, then for insured institutions in such State, the word "member" does not include depositors.

(2) *Federal Associations.* The word "member" used in the regulation in this part is defined in Federal Charter K, Section 4, as "all holders of share accounts of the association and all borrowers therefrom". (See 24 CFR and Supps., 301.8 (a))

§ 303.11 *Purchase of real estate mortgages beyond 50-mile area; FHA Title II mortgages* — (a) *Opinion.* The provisions of subsections (c) and (d) of § 301.11 of this chapter are applicable not only to loans made by an insured institution upon the security of real estate located more than 50 miles from the institution's principal office, but also to purchases of mortgages, including Title II FHA mortgages, on real estate located beyond such 50-mile area. (N.H.A., sec. 403 (b)) (See 24 CFR and Supps., 301.11 (c), (d))

(b) *Discussion.* Sections 301.11 (c) and (d) of this chapter were adopted pursuant to the provisions of section 403 (b) of the National Housing Act, which act provides that: "Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond fifty miles from its principal office except with the approval of, and pursuant to regulations of, the Corporation, but any applicant which, prior to the date of enactment of this act, has been permitted to make loans beyond such fifty mile limit may continue to make loans within the territory in which the applicant is operating on such date; * * *." This act of Congress expresses Congress' purpose to vest in the Insurance Corporation certain regulatory power over investments by insured institutions in mortgages upon real estate located beyond 50 miles from their principal offices, whether such investments were by way of making real estate loans or by way of purchasing loans from other persons. To construe otherwise the provisions under discussion would be to construe them into nothingness since, if they had no application to such mortgages acquired by purchase rather than by origination, insured institutions could carry on their entire operations beyond 50 miles from their principal offices without being subject to this regulatory power by the Insurance Corporation and utterly defeat the purposes intended by such provisions.

§ 303.12 *Loans on real estate; FHA Title I loans*—(a) *Opinion.* Whether or not an FHA Title I loan is a "loan on real estate" within the meaning of these words in Part 301 of this chapter depends upon whether or not the insured institution is prohibited by its charter or bylaws, or by the laws under which it operates, from making an unsecured loan. State-chartered institutions and Federal associations are discussed separately below:

(1) *State-chartered institutions.* If a State-chartered institution has no power under the State law, its charter or its bylaws to make an FHA Title I loan unless it also takes as security a first lien on real estate, such a loan will be subject to all the provisions of the insurance regulations regarding loans on real estate. However, if a State-chartered institution has the power to make FHA Title I loans without taking any real estate security, such a loan will not be subject to the provisions of Part 301 of this chapter regarding loans on real estate even though the institution takes as additional security a first lien on real estate.

(2) *Federal associations.* Federal associations are prohibited under section 5 (c) of Home Owners' Loan Act of 1933, as amended, from making FHA Title I loans unless they take as security a first lien on real estate that meets the requirements of this act. Such loans are subject to Part 301 of this chapter regarding loans on real estate. (See 24 CFR and Supps., 301.11 (a))

§ 303.13 *Designation by State-chartered institution of existing reserve as Federal insurance reserve*—(a) *Opinion.* Each State-chartered insured institution must maintain a reserve, pursuant to the requirements of § 301.12 of this chapter, for the sole purpose of absorbing losses. This Federal insurance reserve may be set up as a new reserve; or an existing reserve, which has been irrevocably established for the sole purpose of absorbing losses may be designated as such Federal insurance reserve. In order for a State-chartered insured institution to effectively designate an existing reserve as its Federal insurance reserve, the institution must obtain the written approval of the Board of Trustees of the Insurance Corporation. (N.H.A., sec. 403 (b)) (See 24 CFR and Supps., 301.12 (b))

§ 303.14 *Meaning of "amount of all accounts"; "Creditor Obligations"*—(a) *Opinion.* The Federal Savings and Loan Insurance Corporation bases its insurance premium upon the total amount of all accounts of the insured members plus any creditor obligations of the insured institution.

The "amount of all accounts of the insured members" includes all free and all pledged accounts of an insurable type of shareholders, depositors, and holders of investment certificates including investments held by the United States Treasury and the Home Owners' Loan Corporation; and the actual amounts is used, whether or not any of such accounts exceeds $5,000.

A "creditor obligation" for the purposes of section 404 (a) of the National Housing Act, means that a debtor-creditor relationship has been created to pay an unconditional obligation of a sum certain, either on demand or at a definite time. Therefore, such items as reserves for unearned interest, trusts or contracts to pay funds for the benefit of borrowers, and loans in process are not creditor obligations. But dividends declared but not paid or credited on guarantee stock and the unpaid subscription to Federal home loan bank stock are creditor obligations. It is noted that until the entire bonus is earned by a member, no part of a bonus reserve is either part of an account of an insured member or a creditor obligation and, therefore, does not figure in the determination of the insurance premium to be paid by an institution. (N.H.A., sec. 404 (a)) (See 24 CFR and Supps., 301.13 (a))

(b) *Discussion.* In clarifying the meaning of the phrase "amount of all accounts of the insured members" the Board of Trustees of the Federal Savings and Loan Insurance Corporation adopted § 301.13 (a) of this chapter which provides that the base for calculating insurance premiums is "the total amount of all accounts of an insurable type plus all obligations to its creditors determined from the last report of the insured institution filed with the Corporation." The reason underlying the difference between the statutory language, "amount of all accounts of the insured members", and the regulatory language, "total amount of all accounts of an insurable type", is the following: An insured member is any member holding insured accounts (see § 301.1 (b) of this chapter). An insured member may, however, also hold accounts which are not of an insurable type as, for example, permanent non-withdrawable stock. The Corporation construes that it was not the intent of the statute to access a premium upon stock not of an insurable type, particularly as permanent guarantee or reserve fund stock operates as a cushion or protection to insurable withdrawable deposits and, therefore, to the Corporation. However, it is noted that insurance premiums are assessed upon the total of all accounts of an insurable type whether or not any such accounts exceed $5,000.

The Corporation insures only accounts of an insurable type, i. e., withdrawable or repurchasable accounts. Mortgage retirement shares are insured, for although they may be pledged such accounts are of an insurable type. The fact that the holder of mortgage retirement shares cannot withdraw such shares while they are pledged as security for his mortgage loan does not prevent the insurance of such shares for it does not destroy the withdrawable character of such shares. Any shares of an association which are of a withdrawable type may become temporarily non-withdrawable if they be pledged for an obligation to the association or if notice provisions prevent immediate withdrawal. Such temporary non-withdrawability does not change the character or type of the shares and, therefore, would not make such shares non-insurable. Such mort-

gage retirement shares, being insurable, would also be figured in the base for determining the insurance premium. It is noted that if payments on account of mortgage indebtednesses are immediately applied directly on reduction of a mortgage and not credited to a share account which is pledged as security for the mortgage debt, there would be no mortgage retirement share account to insure, and such account would, therefore, not exist for assessment of insurance premium.

In determining what is a "creditor obligation", care must be used to distinguish between an unconditional obligation to pay a sum certain, either on demand or at a definite time, which creates a debtor-creditor relationship, and a mere contract or trust which will subject an institution to damages if the contract or trust is not performed. For example, advance payments by borrowers for taxes and insurance premiums usually do not constitute creditor obligations. Such payments are normally handled in one of four ways, to wit: (1) By placing the payments in a share account in the borrower's name and withdrawing the same therefrom when taxes and insurance premiums thereon become due; (2) by applying advance payments as a direct credit against the borrower's indebtedness to the association, the association paying or advancing funds to be used in paying taxes and insurance premiums when the same become due and then charging such amounts to the borrower's indebtedness; (3) by holding such payments in a special trust account, earmarked for the sole purpose of paying taxes and insurance premiums; and (4) by holding such payments in an open account carried on its books as, for example, "advance payments by borrowers for taxes and insurance premiums". As none of the above methods of carrying such payments creates a debtor-creditor relationship, none constitutes creditor liabilities. It is noted that the share account method will affect the insurance premium because payments credited to a borrower's share account will increase the "amount of all accounts of the insured members."

Another example of the difference between a "creditor obligation" and a contract duty is in the matter of loans in process. When an institution closes a loan in the ordinary course of business and advances a portion of the money, carrying the balance in its statement as "due borrowers", the amount carried as "due borrowers" does not constitute a creditor obligation. If the institution refuses to make any additional advances thereunder, the borrower could not sue for the money. In such a case, the institution might be subjected to an action for breach of the contract to make additional advances.

Various reserves are often thought to be "creditor obligations" whereas in fact they are merely offsets against assets. For example, some FHA Title I loans have included the interest that will become due on such loans in the face of the notes taken from the borrowers. As an offset to this unearned interest, associations create an account which is carried under their liabilities and usually captioned "unearned interest". Such reserves are not creditor obligations within the meaning of section 404 (a) of the National Housing Act.

Nor does the term "creditor obligation" include items which the institution must pay from a business standpoint, but which the institution is not legally obligated to pay. For example, an institution may own property that is subject to a mortgage but the institution has not assumed the mortgage. From a business standpoint an institution may find it advantageous to pay the mortgage and save the property from being foreclosed although the institution is not obligated legally to pay the mortgage debt. Only legal obligations are included in the base for assessing insurance premiums.

The term "creditor obligation" does, however, include such items as dividends declared but not paid or credited on guarantee stock and any unpaid subscription on Federal home loan bank stock. The dividends paid on guarantee stock are usually paid in cash and become the property of the shareholder just as much in the case of guarantee stock as in the case of insured shares or stock of an ordinary commercial corporation. If cash dividends are declared on guarantee stock, such dividends become creditor obligations of the association to the same extent that cash dividends declared on insured accounts are creditor obligations, and to the same extent that cash dividends declared on stock of an ordinary business corporation are creditor obligations, i. e., such dividends are creditor obligations from the date such dividends are declared although they may be made payable at a future date. Likewise, the unpaid subscription to Federal home loan bank stock constitutes a creditor liability because it is an unconditional obligation to pay a sum certain at a fixed future date or at fixed future dates.

§ 303.15 *Bonds for agents*—(a) *Opinion.* Section 301.16 (b) of this chapter provides that, in lieu of the bond provided in § 301.16 (a) of this chapter: "* * * in the case of agents appointed by an insured institution, the bond may be provided in an amount at least twice the average monthly collections of such agents, provided such agents shall be required to make settlement with the insured institution at least monthly, and provided such bond is approved by the board of directors of the insured institution. No bond need be obtained for any agent which is an insured institution or a bank insured by the Federal Deposit Insurance Corporation." The provisions of § 301.16 (a) of this chapter, regarding the filing of copies of the bond and regarding giving notice to the bank before cancelling or terminating a bond, are applicable to individual bonds obtained under § 301.16 (b) of this chapter, for such bonds are in lieu of the bonds required by § 301.16 (a) of this chapter. (See 24 CFR and Supps., 301.16 (a), (b))

§ 303.16 *Persons required to be bonded*—(a) *Opinion.* Section 301.16 (a) of this chapter requires that: "Each insured institution shall provide and maintain a fidelity bond in form acceptable to the Corporation covering each director, officer, or employee who has control over or access to cash or securities of the institution."

A director, officer or employee who is authorized to sign or countersign checks, notes, or other securities has "control over or access to" cash or securities within the meaning of Part 301 of this chapter and must be bonded.

Trustees under deeds of trust, executed to secure loans made by insured institutions, do not have "control over or access to" cash or securities of such institutions within the meaning of Part 301 of this chapter and need not be bonded.

The word "securities", as used in the above-quoted §301.16 (a) of this chapter, would include any type of instrument that an insured institution might possess in the ordinary course of its business which could be disposed of by a person having access thereto, with a resulting financial loss to the institution. (See 24 CFR and Supps., 301.16 (a))

(b) *Discussion.* The Legal Department is of the opinion that a director, officer or employee who must countersign checks of an institution is a director, officer or employee who has control over or access to cash or securities of the association within the meaning of Part 301 of this chapter. So far as the supervisory authority is concerned, it cannot be determined which officer of an institution may be the last officer to sign a check, or under what circumstances such last signature or countersignature is accomplished. It is, therefore, necessary, in order to comply with Part 301 of this chapter, to bond all officers of an institution who sign checks of the institution.

The word "securities" is not a word of art having a distinct meaning in all circumstances. The meaning is controlled by the context in which the word is used and also by the purpose apparently intended to be accomplished by the writing in which it appears. 56 Corpus Juris 1279 states that: "The term being generic, includes in its broadcast sense, or in its ordinary acceptance, every interest or right, whether legal or equitable, absolute or contingent, attached to, or which is a charge upon specific property, or which entitles the owner thereof to be paid out of specific property; so that it has been held to include bills of exchange; bond, for the payment of money; certificates of stock, or of deposit; deposit in savings banks, or in savings departments of trust companies; freehold ground-rents; gold and silver certificates, and notes of the United States; promises to pay money; promissory notes, and other evidences of debt, or indebtedness, or of property, such as stocks, common and preferred; and stocks, funds, and shares; hence it is not confined to documents which give a charge upon some specific property; nor is it necessarily limited to secured debts." In this connection it is pertinent to observe that the Board has approved specifically the use by insured institutions of Savings and Loan Blanket Bond, Standard Form No. 22, by resolution of January 12, 1939; and this bond contains

definitions of the types of property which it covers.

§ 303.17 *Bonds when operating safe deposit vaults*—(a) *Opinion.* Section 301.16 (c) of this chapter requires bond coverage with respect to the operation of any safe deposit business "in a manner and amount satisfactory to the Corporation". These quoted words give the Corporation discretion to prescribe the form and the amount of coverage it deems reasonably satisfactory with respect to any safe deposit business transacted by an insured institution. It is noted that Savings and Loan Blanket Bond, Standard Form No. 22, protects the insured against any loss of property contained in customers' safe deposit boxes under such circumstances as "shall make the insured legally liable therefor", and the Corporation has been accepting as satisfactory bonds in this form. (See 24 CFR and Supps., 301.16 (c))

§ 303.18 *Periodic adjustment of fidelity bonds*—(a) *Opinion.* The requirement of § 301.16 (a) of this chapter that the coverage of fidelity bonds shall be maintained at a prescribed ratio is complied with if an institution adjusts such bond at reasonable intervals or whenever there is an extraordinarily large increase or decrease in assets. The section must be construed to be reasonable in nature, and, therefore, should not be construed to require the day to day adjustment of the coverage of such bonds. An adjustment on semi-annual closing dates of the association's books would be a reasonable period for such adjustment, subject to the exception regarding extraordinarily large increases or decreases in assets. (See 24 CFR and Supps., 301.16 (a))

§ 303.19 *Bonds for liquidating corporations*—(a) *Opinion.* Part 301 of this chapter does not require directors, officers, employees or agents of a liquidating corporation to be bonded. However, it is noted that the Insurance Corporation may have required the bonding of such persons when a plan of reorganization for any such corporation was approved. (See 24 CFR and Supps., 301.16 (a))

(b) *Discussion.* Part 301 of this chapter does not require directors, officers, employees or agents of a liquidating corporation to be bonded. This matter is controlled, if at all, by the provisions of any plan of reorganization which the Insurance Corporation may have approved for any particular institution.

In connection with bonds required by any plan of reorganization which the Insurance Corporation may have approved for any particular institution, attention is directed to § 301.16 (a) of this chapter which provides that: "The use by an insured institution of a fidelity bond which covers in addition to the directors, officers and employees of such insured institution the directors, officers or employees of any other institution, agency or business is prohibited." This provision prohibits the use of fidelity bonds to cover the directors, officers and employees of both an insured institution and a wholly owned subsidiary corporation organized for the purpose of holding and liquidating slow assets. Therefore, even if the plan of reorganization approved by the Insurance Corporation requires that directors, officers and employees of the liquidating corporation be bonded, these employees and the employees of the insured institution cannot be covered by one bond.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15116; Filed, Aug. 27, 1946; 12:03 p. m.]

[Order 1530]

AUTHORIZATION TO DEPUTY GENERAL MANAGER TO EXERCISE CERTAIN POWERS, DUTIES AND FUNCTIONS OF THE GENERAL MANAGER

APRIL 17, 1945.

The Deputy General Manager is hereby authorized to exercise any of the powers, duties, and functions with which the General Manager is vested, except the powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation, or any member thereof, with respect to the operations of, or under the General Manager of the Federal Savings and Loan Insurance Corporation which may be exercised and administered by the General Manager only with the specific approval of the General Counsel.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15268; Filed, Aug. 28, 1946; 11:33 a. m.]

Chapter IV—Home Owners' Loan Corporation

[Order 1]

DELEGATION TO CERTAIN OFFICERS JOINTLY CERTAIN POWERS, DUTIES AND FUNCTIONS FORMERLY EXERCISED BY THE FEDERAL HOME LOAN BANK BOARD, THE BOARD OF TRUSTEES OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AND THE BOARD OF DIRECTORS OF THE HOME OWNERS' LOAN CORPORATION, OR ANY MEMBER THEREOF

FEBRUARY 27, 1942.

Pursuant to the authority contained in Executive Order No. 9070 dated February 24, 1942, all powers, duties, and functions vested in the Federal Home Loan Bank Commissioner by Executive Order No. 9070 dated February 24, 1942, or otherwise, may also be exercised and administered by the following persons for the functions hereinafter enumerated:

(1) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any member thereof, with respect to the operations of or under the Governor of the Federal Home Loan Bank System, Review Committee, Examining Division, the Comptroller, and the Financial Adviser, and any Budget operations in connection with any of these functions may be exercised and administered by the Governor or an Executive Assistant to the Commissioner when designated in writing by the Governor.

(2) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation, or any Member thereof, with respect to the operations of or under the General Manager of the Federal Savings and Loan Insurance Corporation may be exercised and administered by the General Manager of the Federal Savings and Loan Insurance Corporation or by an Executive Assistant to the Commissioner when designated in writing by the General Manager, except that powers, duties, and functions formerly exercised by the Board of Trustees of the Federal Savings and Loan Insurance Corporation with respect to settlement of Insurance, contributions or loans to, or purchases of assets of, insured institutions shall be exercised and administered jointly by the General Manager of the Federal Savings and Loan Insurance Corporation, and the Governor of the Federal Home Loan Bank System.

(3) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation, or any member thereof, with respect to the operations of or under the General Manager of the Home Owners' Loan Corporation may be exercised and administered by the General Manager of the Home Owners' Loan Corporation or by an Executive Assistant to the Commissioner when designated in writing by the General Manager.

(4) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any member thereof, with respect to the operations of or under the Secretary, Director of Public Relations, and Director of Research and Statistics may be exercised and administered by an Executive Assistant to the Commissioner.

(5) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any member thereof, with respect to the operations of or under the Director of Personnel, Auditor, and, except as otherwise provided herein, the Budget Office may be exercised and administered by an Executive Assistant to the Commissioner:

Provided, however, That any exercise of powers, duties, and functions pursuant to the delegations hereinabove made shall contain the specific approval of the General Counsel or any member of the legal staff designated, with the approval of the Federal Home Loan Bank Commissioner, by the General Counsel in writing.

(6) All powers, duties, and functions formerly exercised by the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation, or any member thereof, with respect to the operations of or under the general counsel and the legal department may be exercised and administered by the general counsel or such associate general counsel or assistant general counsel as the general counsel may designate.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15145; Filed, Aug. 27, 1946; 11:59 a. m.]

[Order 173]

AUTHORIZATION TO SECRETARY OF HOME OWNERS' LOAN CORPORATION TO PERFORM CERTAIN FUNCTIONS OF GENERAL MANAGER OF SAID CORPORATION RESPECTING FEDERAL HOME LOAN BANK BOARD BUILDING

MAY 13, 1942.

All responsibility, authority, and functions of the General Manager of Home Owners' Loan Corporation with respect to the operations and management of the Federal Home Loan Bank Board Building located at First Street and Indiana Avenue, Washington, D. C., including purchase of supplies and equipment, pay roll, personnel, and approval of vouchers for any of such items, and any other duties or authority heretofore imposed upon or exercised by the said General Manager with respect to said building, are hereby transferred to the Secretary; and said Secretary is hereby vested with all necessary authority to conduct the operations and management of said building and to incur and approve any necessary expense in connection therewith.

This order will be effective May 16, 1942.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15147; Filed, Aug. 27, 1946; 12:00 m.]

[Order 2]

DELEGATION TO CERTAIN OFFICERS JOINTLY CERTAIN POWERS, DUTIES AND FUNCTIONS OF ADOPTING, AMENDING AND REPEALING RULES AND REGULATIONS

FEBRUARY 27, 1942.

Pursuant to the authority contained in Executive Order No. 9070 dated February 24, 1942, the following delegations of functions, powers, and duties vested in me as Federal Home Loan Bank Commissioner by said Executive order, or otherwise, and by the provisions of the Federal Home Loan Bank Act, as amended, the Home Owners' Loan Act of 1933, as amended, and Title IV of the National Housing Act, as amended, are hereby made:

(a) To: (1) The Governor or Deputy Governor, Federal Home Loan Bank System, and

(2) General Counsel, or an Associate General Counsel, or an Assistant General Counsel, and

(3) An Executive Assistant to the Commissioner,

jointly, the powers, duties, and functions of adopting, amending, and repealing the rules and regulations for the Federal Home Loan Bank System and the rules and regulations for the Federal Savings and Loan System.

(b) To: (1) The General Manager or Deputy General Manager, Home Owners' Loan Corporation, and

(2) General Counsel, or an Associate General Counsel, or an Assistant General Counsel, and

(3) An Executive Assistant to the Commissioner.

jointly, the powers, duties and functions of adopting, amending, and repealing the rules and regulations of the Home Owners' Loan Corporation.

(c) To: (1) The General Manager or Deputy General Manager, Federal Savings and Loan Insurance Corporation, and

(2) General Counsel, or an Associate General Council, or an Assistant General Counsel, and

(3) An Executive Assistant to the Commissioner,

jointly, the powers, duties, and functions of adopting, amending, and repealing the rules and regulations for Insurance of Accounts.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15146; Filed, Aug. 27, 1946; 11:59 a. m.]

[Order 565]

ABOLISHMENT OF CERTAIN COMMITTEE AND DELEGATING TO SPECIFIED OFFICERS AUTHORITY FOR EXERCISE OF CERTAIN POWERS, DUTIES AND FUNCTIONS VESTED IN FEDERAL HOME LOAN BANK COMMISSIONER AND RELATING TO FEDERAL HOME LOAN BANK ADMINISTRATION, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION OR HOME OWNERS' LOAN CORPORATION

NOVEMBER 25, 1942.

(I) The Review Committee is hereby abolished.

(II) Pursuant to the authority contained in Executive Order No. 9070, dated February 24, 1942, all powers, duties, and functions vested in the Federal Home Loan Bank Commissioner, and relating to the Federal Home Loan Bank Administration, Federal Savings and Loan Insurance Corporation, or Home Owners' Loan Corporation, by Executive Order No. 9070, dated February 24, 1942, or otherwise, may also be exercised and administered by the following as to the matters hereinafter enumerated:

(a) By the Governor of the Federal Home Loan Bank System or by an Executive Assistant to the Commissioner when designated in writing by the Governor:

(1) Applications for membership in Federal home loan banks.

(2) Permission to organize Federal associations.

(3) Petitions for Federal charter.

(4) Applications for conversion to Federal charter.

(5) Withdrawals from membership in Federal home loan banks.

(6) Transfers of stock in Federal home loan banks.

(7) Sales plans and practices of insured institutions and Federal associations.

(8) Joint occupancy of office quarters.

(9) Approvals relative to fidelity bond coverage of insured institutions and Federal associations.

(10) Bonds covering safe deposit business.

(11) Approval of Operating Agreements.

(12) Waivers and cancellations of Home Owners' Loan Corporation investment retirement requests.

(13) Purchases of assets where no increase in insurable accounts is involved.

(14) Sales of loans by insured institutions and Federal associations.

(15) Applications by Federal asociations for permission to make small apartment house loans.

(16) Investments by Federal associations in office buildings.

(17) Voluntary dissolutions of Federal associations.

(18) Extensions, modifications, and continuations of trust agreements by insured institutions and Federal associations.

(19) Removals from membership in Federal home loan banks.

(20) Approvals of other loan plans for Federal associations.

(21) Amendments of Federal association charters.

(22) Amendments of Federal association by-laws.

(23) Lending territory and maximum loans of insured institutions and Federal associaitons.

(24) Requests for Home Owners' Loan Corporation investment.

(25) Applications for branch and agency offices.

Provided, however, That the above shall not be applicable with respect to powers, duties, and functions constituting action by or on behalf of the Federal Savings and Loan Insurance Corporation which affects insured institutions in receivership.

(b) By the General Manager of the Federal Savings and Loan Insurance Corporation or by an Executive Assistant to the Commissioner when designated in writing by the General Manager:

(1) Applications for insurance of accounts.

(2) Releases of escrowed shares.

(3) Mergers, consolidations, and purchases of assets requiring approval under § 301.17 of the rules and regulations for Insurance of Accounts.

(4) Amendments to by-laws of state-chartered insured institutions.

(5) Amendments to charters or articles of incorporation of state-chartered insured institutions.

(6) Designations of reserve as Federal Insurance Reserve.

(7) Permissions to state-chartered insured institutions to make "small" loans.

(8) Forms of certificates and passbooks of state-chartered insured institutions.

(c) *Provided, however,* That any exercise of powers, duties, and functions pursuant to this order shall contain the specific approval of the General Counsel or any member of the legal staff designated, with the approval of the Federal Home Loan Bank Commissioner, by the General Counsel in writing: *Provided further,* That the exercise of powers, duties, and functions pursuant to the above provisions of this order shall not include the conduct of hearings which may be granted or ordered on any matter enumerated above, any such hearing to be held by the Commissioner or a trial examiner or hearing officer appointed by the Commissioner or by the General Counsel: *Provided further,* That the exercise of powers, duties, and functions pursuant to this order shall not extend to the adoption, amendment, or repeal of regulations which shall be governed by the provisions of Order No. 2, dated February 27, 1942.

(III) Except to the extent that it conflicts with the above, Order No. 1, dated February 27, 1942, shall continue in full force and effect.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46–15148; Filed, Aug. 27, 1946; 12:00 m.]

[Order 953]

APPOINTMENT OF ASSISTANT SECRETARY OF HOME OWNERS' LOAN CORPORATION TO EXERCISE AUTHORITY OF SECRETARY OF SAID CORPORATION

JUNE 30, 1944.

It is hereby ordered, That, effective July 1, 1944, Harry W. Caulsen, Assistant Secretary, is transferred to the Federal Home Loan Bank Administration from the Home Owners' Loan Corporation, without change in grade, salary, or official station.

It is further ordered, That any authority, duty, or function, on behalf of Home Owners' Loan Corporation or otherwise, which the Secretary of the Corporation is authorized to exercise or perform, may be exercised or performed by Harry W. Caulsen as Assistant Secretary.

It is further ordered, That Harry W. Caulsen, Assistant Secretary to the Federal Home Loan Bank Administration, shall be and serve as Assistant Secretary of the Home Owners' Loan Corporation without any compensation additional to that received as Assistant Secretary to the Federal Home Loan Bank Administration.

It is further ordered, That this order shall not affect or impair any authorization, appointment, delegation, designation, or deputization heretofore made by or to the said Harry W. Caulsen, individually or as Assistant Secretary or otherwise, and whether by the name of Harry W. Caulsen, H. Caulsen, or otherwise. Nothing contained in this order shall affect or impair the operation of the resolutions adopted by the Federal Home Loan Bank Board, the Board of Directors of the Home Owners' Loan Corporation, and the Board of Trustees of the Federal Savings and Loan Insurance Corporation on August 30, 1939, relating to the authority, duties, and functions of the aforesaid Harry W. Caulsen, therein described as H. Caulsen. The said Harry W. Caulsen may at his option sign any instrument or writing as H. Caulsen.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46–15149; Filed, Aug. 27, 1946; 12:00 m.

[Order 1018]

DELEGATION OF AUTHORITY TO SPECIFIED OFFICERS CONCERNED WITH FEDERAL HOME LOAN BANK ADMINISTRATION, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AND HOME OWNER'S LOAN CORPORATION

OCTOBER 24, 1944.

Paragraph II of Home Owners' Loan Corporation Order No. 565, dated November 25, 1942, is hereby amended to read as follows:

II. Pursuant to the authority contained in Executive Order No. 9070, dated February 24, 1942, all powers, duties, and functions vested in the Federal Home Loan Bank Commissioner, and relating to the Federal Home Loan Bank Administration, Federal Savings and Loan Insurance Corporation, or Home Owners' Loan Corporation, by Executive Order No. 9070, dated February 24, 1942, or otherwise, may also be exercised and administered by the following as to the matters hereinafter enumerated:

(a) By the Governor of the Federal Home Loan Bank System or by an Executive Assistant to the Commissioner when designated in writing by the Governor:

(1) Applications for membership in Federal home loan banks.

(2) Permission to organize Federal associations.

(3) Petitions for Federal charter.

(4) Applications for conversion to Federal charter.

(5) Withdrawals from membership in Federal home loan banks.

(6) Transfers of stock in Federal home loan banks.

(7) Sales plans and practices of insured institutions and Federal associations.

(8) Joint occupancy of office quarters.

(9) Approval of Operating Agreements.

(10) Waivers and cancellations of Home Owners' Loan Corporation investment retirement requests.

(11) Purchases of assets where no increase in insurable accounts is involved.

(12) Sales of loans by insured institutions and Federal associations.

(13) Applications by Federal associations for permission to make small apartment house loans.

(14) Investments by Federal associations in office buildings.

(15) Voluntary dissolutions of Federal associations.

(16) Extensions, modifications, and continuations of trust agreements by insured institutions and Federal associations.

(17) Removals from membership in Federal home loan banks.

(18) Approvals of other loan plans for Federal associations.

(19) Amendments of Federal association charters.

(20) Amendments of Federal association by-laws.

(21) Lending territory and maximum loans of insured institutions and Federal associations.

(22) Requests for Home Owners' Loan Corporation investment.

(23) Applications for branch and agency offices.

Provided, however, That the above shall not be applicable with respect to powers, duties, and functions constituting action by or on behalf of the Federal Savings and Loan Insurance Corporation which affects insured institutions in receivership.

(b) By the General Manager of the Federal Savings and Loan Insurance Corporation or by an Executive Assistant to the Commissioner when designated in writing by the General Manager:

(1) Applications for insurance of accounts.

(2) Releases of escrowed shares.

(3) Mergers, consolidations, and purchases of assets requiring approval under § 301.17 of the rules and regulations for Insurance of Accounts.

(4) Amendments to by-laws of state-chartered insured institutions.

(5) Amendments to charters or articles of incorporation of state-chartered insured institutions.

(6) Designations of reserve as Federal Insurance Reserve.

(7) Permissions to state-chartered insured institutions to make "small" loans.

(8) Forms of certificates and passbooks of state-chartered insured institutions.

(9) Approvals relative to fidelity bond coverage of insured institutions and Federal associations.

(10) Bonds covering safe deposit business.

(11) Approvals of declaration of dividends by insured institutions under § 301.12 (e) of the rules and regulations for Insurance of Accounts.

(c) *Provided, however,* That any exercise of powers, duties, and functions pursuant to this order shall contain the specific approval of the General Counsel or any member of the legal staff designated, with the approval of the Federal Home Loan Bank Commissioner, by the General Counsel in writing: *Provided further,* That the exercise of powers, duties, and functions pursuant to the above provisions of this order shall not include the conduct of hearings which may be granted or ordered on any matter enumerated above, any such hearing to be held by the Commissioner or a trial examiner or hearing officer appointed by the Commissioner or by the General Counsel: *Provided further,* That the exercise of powers, duties, and functions pursuant to this order shall not extend to the adoption, amendment, or repeal of

regulations which shall be governed by the provisions of Order No. 2 of this chapter, dated February 27, 1942."

[SEAL] H. CAULSEN,
Assistant Secretary.

[F. R. Doc. 46-15150; Filed, Aug. 27, 1946; 12:04 p. m.]

[Order 1105]

DELEGATION OF CERTAIN POWERS, DUTIES AND FUNCTIONS OF FEDERAL HOME LOAN BANK COMMISSIONER

JUNE 9, 1945.

Supplementing and Amending Orders No. 1 and No. 2 dated February 27, 1942, in connection with the delegation of certain powers, duties and functions of the Federal Home Loan Bank Commissioner.

Effective on and after the date of this order, J. Francis Moore, Secretary, is hereby authorized also to exercise and administer all powers, duties, and functions which may be exercised and administered by an Executive Assistant to the Commissioner under Order No. 1, dated February 27, 1942, and orders now or hereafter issued supplementary or amendatory thereto: *Provided, however,* That any exercise of said powers, duties, and functions shall contain the specific approval of the General Counsel.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15151; Filed, Aug. 27, 1946; 12:00 m.]

[Order 1136]

DELEGATION OF CERTAIN POWERS, DUTIES AND FUNCTIONS OF FEDERAL HOME LOAN BANK COMMISSIONER

AUGUST 28, 1945.

Supplementing and amending Order No. 1 dated February 27, 1942 in connection with the delegation of certain powers, duties and functions of the Federal Home Loan Bank Commissioner.

Effective September 1, 1945, all responsibility, authority, and functions of the Governor, or of any Deputy Governor or Assistant Governor, of the Federal Home Loan Bank System with respect to the maintenance of any records or information relative to investments by Home Owners' Loan Corporation in savings and loan associations, and all functions in connection with such investments, other than investment of further funds, are transferred to the General Manager of the Home Owners' Loan Corporation. Any operations in connection with the foregoing, other than such investment of further funds, shall be operations within the meaning of paragraph numbered 3 of Order No. 1, dated February 27, 1942; *Provided, however,* That this order shall not confer upon any person or persons any power or authority, not otherwise vested in such person or persons, to alter, amend, or repeal the rules and regulations for the Federal Savings and Loan System, or any portion thereof. All inquiries within the organization with regard to the status of any of the investments aforesaid shall be directed to the General Manager of the Home Owners' Loan Corporation.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15152; Filed, Aug. 27, 1946; 12:00 m.]

[Order 1198]

DELEGATION OF CERTAIN POWERS, DUTIES, AND FUNCTIONS OF THE FEDERAL HOME LOAN BANK COMMISSIONER

JANUARY 11, 1946.

Any and all powers, duties, and functions which now or hereafter may be exercised or administered by the Governor may be exercised and administered also by an Acting Governor, including, without limitation on the foregoing, the powers, duties, and functions which may be exercised and administered by the Governor under Orders No. 1 and No. 2, dated February 27, 1942, and orders now or hereafter issued supplementary or amendatory thereto.

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 46-15153; Filed, Aug. 27, 1946; 12:00 m.]

Chapter VIII—Office of Housing Expediter

PART 801—PRIORITIES ORDERS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

[Priorities Order 1]

FINDING AND DELEGATION OF AUTHORITY

This section is issued pursuant to the Veterans' Emergency Housing Act of 1946, approved May 22, 1946, which provides for carrying out the Veterans' Emergency Housing Program.

§ 801.1 *Finding and delegation of authority*—(a) *Priorities.* The Civilian Production Administration is hereby authorized to exercise the powers and authority of the Housing Expediter under sections 4 and 7 of the Veterans' Emergency Housing Act of 1946.

(b) *Maximum sales prices.* In the judgment of the Housing Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of the Veterans' Emergency Housing Act of 1946 have risen or threaten to rise to an extent and in a manner inconsistent with the purposes of that act and it is necessary to establish maximum sales prices on housing accommodations hereafter authorized or for which priorities assistance is hereafter granted, to the extent and in the manner provided in this section and related issuances of the Housing Expediter.

(c) *Scope.* This section shall be applicable to the United States, its territories and possessions and the District of Columbia.

(Pub. Law 388, 79th Cong.)

Issued this 27th day of August 1946.

[SEAL] WILSON W. WYATT,
Housing Expediter.

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PART 801—PRIORITIES ORDERS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

[Priorities Order 2]

DELEGATION OF AUTHORITY

§ 801.2 *Delegation of authority*—(a) *What this section provides.* This section delegates to specified agencies and officials authority to process applications for priorities assistance under § 803.5 (Housing Expediter Priorities Regulation 5) and related issuances and for authorization under Civilian Production Administration Veterans' Housing Program Order 1 and to make investigations of alleged violations thereof and take certain compliance action.

(b) *Processing applications and appeals.* (1) The Federal Housing Administration (through the Federal Housing Commissioner or his designated representatives) is hereby authorized to approve or deny, in accordance with Housing Expediter Priorities Regulation 5, applications, changes in applications, and appeals which that regulation authorizes to be filed with appropriate State and District Offices of the Federal Housing Administration.

(2) The Federal Public Housing Authority (through the Federal Public Housing Commissioner or his designated representatives) is hereby authorized to approve or deny, in accordance with Housing Expediter Priorities Regulation 5, applications, changes in applications, and appeals which that regulation authorizes to be filed with appropriate regional offices of the Federal Public Housing Authority.

(3) The Department of Agriculture (through the Director of the Materials and Equipment Branch, Production and Marketing Administration, or his designated representatives) is hereby authorized to approve or deny in accordance with Housing Expediter Priorities Regulation 5, applications, changes in applications, and appeals which that regulation authorizes to be filed with appropriate County Agricultural Conservation Committees.

(4) The Director or Acting Director of the Technical Branch of the Office of the Administrator of the National Housing Agency is hereby authorized to approve or deny, in accordance with Housing Expediter Priorities Regulation 5, applications, changes in applications, and appeals which that regulation authorizes to be filed with the Technical Branch.

(5) The Federal Housing Administration, the Federal Public Housing Authority, and the Department of Agriculture shall furnish the Housing Expediter with copies of approved applications and with such reports and other information as may be requested. All general instructions and operating procedures to be issued under the delegations in this paragraph shall be submitted to the Housing Expediter for prior approval.

(c) *Investigation and enforcement.* The Office of Price Administration through the Price Administrator or his designated representatives is hereby authorized to conduct such investigations as may be necessary to ascertain violations of Priorities Regulation 33 and Housing Expediter Priorities Regulation 5 with respect to sales price, rent, cost,

construction, preferences for veterans, occupancy or disposition of dwellings, applications and the posting of placards; and where such violations are found:

(1) To institute such civil proceedings, in the name of the Price Administrator, as may be appropriate with respect to such violations, and to intervene in any civil proceedings in which such violations are involved.

(2) To revoke, deny or suspend authorization and priorities assistance under Priorities Regulation 33 and Housing Expediter Priorities Regulation 5 where the Price Administrator or his designated representatives determine, after appropriate administrative hearings, that such violations result or threaten to result in the use of materials or facilities in a manner inconsistent with the purposes of the Veterans' Emergency Housing Act of 1946.

To certify the facts of such violations to the Attorney General, whenever the Price Administrator, or his designated representatives, believe that any person is liable to punishment under the criminal laws of the United States or the provisions of the Veterans' Emergency Housing Act of 1946.

(4) To take such other action, or otherwise dispose of such violation as may be appropriate.

For the purpose of investigating and disposing of such violations, the Office of Price Administration through the Price Administrator or his designated representatives may exercise, to the extent necessary, the functions, powers, authority or discretion conferred upon the Housing Expediter by the Veterans' Emergency Housing Act of 1946 and Directive 42 of the Civilian Production Administration.

(Pub. Law 388, 79th Cong.; Pub. Law 507, 77th Cong., as amended; CPA Directive 42 (*supra*))

Issued this 27th day of August 1946.

[SEAL] WILSON W. WYATT,
Housing Expediter.

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[Priorities Reg. 5]

PART 803—PRIORITIES REGULATIONS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

AUTHORIZATION AND PRIORITIES ASSISTANCE FOR HOUSING

Par.

§ 803.5 *Authorization and priorities assistance for housing*—(a) *What this section provides.* This section provides priorities assistance to implement the Veterans' Emergency Housing Program which calls for the construction of moderate and low-cost dwelling accommodations to meet the needs of returning veterans. It also provides for giving specific authorization under the Civilian Production Administration Veterans' Housing Program Order 1 (11 F.R. 7409) to persons wishing to construct, repair, make additions or alterations to, improve, or convert, or install fixtures in housing accommodations. This section explains who may apply for authorization and for priorities assistance, the circumstances under which applications will be approved, the way in which the priorities assistance given may be used and the conditions which will be imposed on the applicant and succeeding owners as long as this section is in force. The building materials for which priorities assistance may be given under this regulation are listed in Schedule A to Civilian Production Administration Priorities Regulation 33 (11 F.R. 4085). (If a person building dwelling accommodations needs priorities assistance for materials not listed in that Schedule A, he may apply for such assistance to the Civilian Production Administration under Civilian Production Administration Priorities Regulation 28 if he qualifies under its provisions.) This section does not apply to or affect applications filed under Civilian Production Administration Priorities Regulation 33 prior to the effective date of this section or to any dwelling accommodations approved in such applications. Any supplemental applications or requests for changes in those applications which do not involve additional dwelling units shall be made in accordance with CPA Priorities Regulation 33.

(b) *Housing construction covered by this section.* (1) The following kinds of construction, alteration, or repair are included in this section where the application qualifies under paragraphs (c) and (d) or relief is granted on appeal under paragraph (m):

(i) The construction of any building in which 50% or more of the floor space involved is to be used (*a*) for family residential purposes or (*b*) for single-person residential purposes where the construction is by or under the sponsorship of an educational institution or by a public organization or where the building is a boarding or rooming house which is not primarily for transients or overnight guests. A building under this subparagraph includes subsidiary buildings on residential property where used for residential purposes, such as private garages, tool sheds, piers, greenhouses and the like, and includes dining halls and other essential residential accommodations used entirely as part of dormitory or other single-person accommodations also covered by the application. This subparagraph applies to farmhouses and other farm living accommodations and bunkhouses for transitory farm labor. It does not include any military housing or summer or winter camps or any hotels or tourist cabins primarily for transients and overnight guests.

(ii) Additions, alterations, or repairs to a building where 50% or more of the floor area involved in the proposed additions, alterations, or repairs will be used for dewelling accommodations of the kinds described above.

(2) Construction not included in this section is under the jurisdiction of the Civilian Production Administration. Also, if an application under this section involves construction, additions, alterations, or repairs of which more than 25% is non-residential in the case of applications for one-family or two-family dwellings or more than 15% in the case of other applications, a recommendation will be obtained from the Civilian Production Administration as to the essentiality of the non-residential part of the work. (As provided below, such construction may receive authorization but not priorities assistance under this section.)

APPLICATIONS

(c) *Eligibility and filing of applications*—(1) *Persons eligible.* Applications for authorization under Civilian Production Administration Veterans' Housing Program Order 1 or for priorities assistance under this section, or both, may be made by the following:

(i) A veteran who wishes to build, alter, or repair a house for his occupancy as owner. A proposed maximum sales price (except in cases of farmhouses) not to exceed $10,000 must be stated if the application covers the construction of a house, to be applicable in case of sale of the house. The estimated cost of any alteration or repair of any house, or the construction of a farmhouse, under this subparagraph may not exceed $10,000.

(ii) A person who wishes to build, complete, or convert (dwellings or other structures into) family dwelling accommodations to which veterans will be given preference in selling or renting as provided in this section. The maximum sales price for applications of this sort may not exceed $10,000 for a one-family dwelling or $17,000 for a two-family dwelling. The maximum shelter rent may not exceed $80 a month for each dwelling unit (except for conversion units for which rent need not be speciged under paragraphs (i) (3) (i) and (i) (4) (i) of this section).

(iii) A person who wishes priorities assistance to complete dwelling accommodations under construction on March 26, 1946 (and therefore exempt from CPA VHP–1), which cannot come within the preceding subparagraph either because it will be impracticable because of commitments made or construction performed to sell or rent them within the specified amounts or to give the initial preference to veterans required by that subparagraph. The governmental agency processing the application may waive the requirements stated in the preceding subparagraph where appropriate in such cases. Except in unusual circumstances, applications of this sort will not be approved if the proposed sales price is over $15,000 or if the proposed shelter rent is over $120 a month.

(iv) A person who wishes to reconstruct (or build on another site in event of total destruction) or repair dwelling accommodations destroyed or damaged

by fire, flood, tornado, or other similar disaster, where the reconstruction or repair is necessary to the continuance of year-round occupancy by the applicant or his tenant, *Provided*, That any application under this subparagraph must be made not later than 6 months after such destruction or damage. If the proposed work involves rebuilding more than half of the building (or involves building on another site) maximum sales prices or shelter rents must be stated (except in cases of farmhouses) which must be limited to $10,000 and $80 a month, respectively, except where this would result in great hardship. In cases of farmhouses, the estimated cost of construction may not exceed $10,000 except where this would result in great hardship.

(v) A person who wishes to re-erect a dwelling which must be moved because the land on which it is located has been, or is in the process of being, acquired by eminent domain (or by sale to a purchaser having the authority to acquire the land by eminent domain) *Provided*, That (*a*) the applicant establishes that the re-erected dwelling will be used for dwelling accomodations, (*b*) the applicant certifies and agrees that in re-erecting the dwelling he will reuse all of the materials in it to the extent practicable, and that no additional materials will be used except the minimum amount necessary for the re-erection, and (*c*) the local office of the agency processing the application has received a certification by an appropriate official of the agency or corporation acquiring such land stating that it has been acquired or is in the process of being acquired. An application submitted under this paragraph shall not be subject to the provisions of paragraphs (i), (j), and (k) of this section unless the dwelling is to be re-erected for sale or for rent.

(vi) A person who wishes authorization to make repairs or alterations to dwelling accommodations in order to maintain them in a habitable condition or to return them to a habitable condition, or to provide space for additional persons who are veterans or members of the immediate family of the applicant, *Provided*, That the estimated cost of the construction to provide such additional space for any such person shall not exceed $1,500. Priorities assistance will be granted under this subparagraph only for repairs necessary to return a dwelling to a habitable condition which has been vacant for at least six months for lack of such repairs, and in such cases the dwellings repaired shall be subject to the same limitations and restrictions as provided for dwellings approved under paragraph (c) (1) (ii) of this section.

(vii) A producer of a scarce material or product needed for the construction or production of dwelling accommodations, facilities or materials or needed for public health or safety, who wishes to construct, repair, or alter dwelling accommodations which are necessary to increase or maintain the production of the scarce material or product and are to be held for rent to employees of the industry producing the scarce material or product. Dwelling accommodations requested under this subparagraph will be approved only upon the recommendation of the Civilian Production Administration with respect to the need for the scarce material or product and after a determination by the Office of the Administrator of the National Housing Agency as to the necessity for the dwelling accommodations to increase or maintain the productoin of the scarce material or product. The maximum shelter rent for applications of this sort may not exceed $80 a month for the dwelling or any apartment in it. The maximum sales price may not exceed $10,000 for a one-family or $17,000 for a two-family dwelling, to be applicable in the event of sale for investment purposes.

(viii) A person who wishes to construct, repair or alter a farm dwelling where the construction, repair, or alteration is necessary to increase or maintain the production of essential food products. No sales price or rent need be stated in an application under this subparagraph, but the cost of the construction, repair or alteration of any such dwelling shall not exceed $10,000.

(ix) An educational institution (or a person under its sponsorship) or a public organization which wishes to construct, repair, or alter a dormitory or other single-person housing facility for student veterans. The application will not be approved if the maximum rent proposed is more than the amount charged for comparable accommodations in the area. If the application is made by a person under the sponsorship of an educational institution, the application must be accompanied by a letter from that institution which (*a*) requests that the application be approved, (*b*) states that there is not a sufficient number of available rooms in the community for its student veterans, and (*c*) represents that the institution will refer student veterans to the proposed accommodations as long as this section is effective.

(x) A person who wishes to construct or erect dwelling accommodations for experimental or testing purposes or to obtain materials for other experimental or testing purpose, where the proposed work is determined by the Director or Acting Director of the Technical Branch of the Office of the Administrator of the National Housing Agency to be essential to the Veterans' Emergency Housing Program. Such dwelling accommodations shall not be subject to paragraphs (i), (j), and (k) of this section unless sold or rented for dwelling purposes.

(2) *Filing application.* Applications under this section should be made on NHA Form 14–56 and filed with the appropriate State or District Office of the Federal Housing Administration, except that (i) applications covering dwelling accommodations on a farm should be filed with the appropriate County Agricultural Conservation Committee, (ii) applications by educational institutions, or persons under their sponsorship, or by public organizations (whether under paragraph (c) (1) (ix) or other paragraphs of this section) should be filed with the appropriate Regional Office of the Federal Public Housing Authority, and (iii) applications to construct or erect dwelling accommodations or to obtain materials for experimental or testing purposes should be filed with the Technical Branch of the Office of the Administrator of the National Housing Agency. Applications should not be filed unless the construction is already under way (in the case of construction started before the issuance of CPA VHP–1, March 26, 1946) or unless the applicant plans to start actual construction within 90 days of the approval of the original application. The applicant should have already obtained effective control of the land involved, and given evidence of readiness to start within 90 days (for example, by securing necessary building permits, getting assurance of financing, making arrangements for utilities and the like). The applicant must also state the proposed sales prices or rent for the accommodations, where they are required.

(3) *Construction standards.* When application is made to the Federal Housing Administration under this section for authorization or priorities assistance to build a new dwelling or dwellings for sale or rent with preference to veterans, the plans, outline specifications, and other exhibits specified in HH Form 1015 for each type of dwelling to be built, shall be attached to and made a part of the original application. Such plans, outline specifications, and other exhibits must meet or exceed the "HH Minimum Property Requirements" as defined in paragraph (o) of this section, except that such plans, outline specifications and other exhibits for multiple-family dwellings need only meet or exceed the requirements in the "HH Minimum Property Requirements" applicable to space and privacy in the dwelling units themselves. A veteran who makes application to the Federal Housing Administration for authorization or priorities assistance to build a dwelling for his occupancy as owner need not submit the plans, outline specifications, and exhibits specified in HH Form 1015, but may elect to submit them as part of the application, as provided above, in which event the applicant and the dwelling or dwellings proposed in the application shall be subject to the provisions of this subparagraph. (This permits a veteran to elect to receive a free inspection service on the construction of a house built for his occupancy as owner.) If the applicant does not make such election, he shall file with his application one copy of his contract with a contractor who has agreed to do all or part of the construction involved, unless the applicant represents that all of the construction work will be done by the applicant. Any dwelling accommodations to be built or converted under this section must meet the standards as to space, accommodations and the like which are customary in the community for year-round occupancy.

(4) *Residential purposes.* Where application is made for priorities assistance as well as authorization, at least 75% of the floor space involved in the construction, addition, alteration, or repair, in the case of one-family or two-family houses, must be for residential purposes, or at least 85% of the floor space in the case of other dwellings must be for residential purposes.

(5) *Estimated cost.* The estimated cost of construction (as approved by the Federal Housing Administration or other agency with which the application may be filed) of any dwelling, including the land and other improvements, for which a maximum sales price is required to be established under this section may not exceed the maximum sales price proposed in the application.

(d) *Approval of applications*—(1) *Requirements.* The application may be approved if (i) the available supply of building materials reserved by quota, allocation, or other means for the Veterans' Emergency Housing Program or for the appropriate kind of construction or use under the Program has not been fully committed, (ii) the conditions and requirements indicated in paragraph (c) of this section have been met, and (iii) the proposed sales prices or rents (where required) are reasonably related to the value of the proposed accommodations (taking into consideration (*a*) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (*b*) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (*c*) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941). Upon approval, the applicant will be granted an authorization to construct or an HH rating, or both. One copy of the application will be returned to the applicant bearing an application serial number.

(2) *Agreements.* An applicant who constructs, converts, alters, or repairs dwelling accommodations under this section must comply with all agreements and conditions stated in the approved application and shall do the work in accordance with the description given in the application and any attachments thereto, except where he has obtained prior written approval for a change from the Federal Housing Administration or other agency where applications under this section may be filed.

CONSTRUCTION

(e) *Use of HH rating.* The HH rating assigned for dwelling accommodations may be used only to obtain materials of the kinds listed on Schedule A to Civilian Production Administration Priorities Regulation 33 and only to obtain the minimum quantities of such materials which are needed for the dwelling accommodations as described and approved in the application. All materials obtained by using the HH rating shall be used only in the construction of the dwelling accommodations as described and approved in the application. Schedule A to Civilian Production Administration Priorities Regulation 33 explains how the rating may be applied to a purchase order, who may use the rating to obtain materials, when it expires and how it may be extended under certain circumstances. An applicant who has failed to comply with the requirements of the next paragraph may not use an HH rating under this section.

(f) *Posting of placards*—(1) *Dwellings rented or sold to veterans.* When an application is approved under this regulation, a placard or placards will be sent to the applicant indicating that the dwelling accommodations are being built under the Veterans' Emergency Housing Program. If the application covers the construction of dwelling accommodations to be rented or sold to veterans under paragraph (c) (1) (ii) or paragraph (c) (1) (ix) of this section, the placard will contain a statement to this effect and will contain spaces for the maximum sales price or rent and the application serial number. The applicant must insert in the placard or placards clearly, legibly, and permanently the application serial number and the appropriate rent or sales price, not in excess of the amount specified in the application as approved. The applicant must post a placard in front of each separate residential building on the site in a conspicuous location within 5 days after the time construction is begun and must continue to post the placard until completion of the building, and, unless all the accommodations in the building have been sold or rented to veterans in accordance with paragraph (j), for 60 days afterwards in the case of sale or 30 days afterwards in the case of rent.

(2) *Other dwellings authorized.* If the application is not based on paragraph (c) (1) (ii) or paragraph (c) (1) (ix) of this section, the placard will contain a space for the application serial number which must be inserted by the applicant. This placard must be posted in front of the building in a conspicuous location within 5 days after construction is begun, or after receipt of the placard in case of an application under (c) (1) (iii) of this section, and must remain posted until the work is completed.

(g) *Construction inspection.* When the Federal Housing Administration approves an application for authorization or priorities assistance for a dwelling which must comply with all or part of the "HH Minimum Property Requirements" it shall transmit to the applicant three postal cards (HH Form No. 1010) for use by him in reporting construction progress. The applicant shall properly fill out each card and mail it, at the stage of construction indicated on the card by the applicant, to the State or District Office of the Federal Housing Administration where his application was approved. The first card shall be mailed when construction has begun. The second card shall be mailed when the dwelling has been enclosed and roofed, structural framing completed and exposed, and roughing-in of heating, plumbing, and electric work installed and visible for inspection. The third card shall be mailed when the dwelling has been substantially completed. The Federal Housing Administration will make an inspection of the dwelling upon receipt of the second postal card referred to above and a second inspection upon receipt of the third postal card, for the purpose of determining whether the construction conforms to the plans, outline specifications, and other exhibits made a part of the application. Inspections under the National Housing Act, where applicable, may be made in place of the inspections provided in this subparagraph. An applicant who has failed to fill out and mail each card as required by this paragraph may not use an HH rating under this section and may not sell or rent the dwelling involved until such card has been filled out and mailed to the State or District Office of the Federal Housing Administration where his application was approved.

HOLDING FOR RENT

(h) *Housing required to be held for rent.* If an application as approved contains a statement or otherwise indicates that a dwelling or an apartment will be held for rent, the original applicant and any subsequent owner shall hold the dwelling or apartment for rent as long as this regulation remains in effect (but not later than December 31, 1947), except that the structure may be sold (at not more than the maximum sales price, if specified in the application) to any person for investment purposes, provided that such person shall not occupy the dwelling or apartment but shall hold it for rent in accordance with this section. Any subsequent owner of dwelling accommodations approved under paragraph (c) (1) (vii) of this section shall continue to hold them for rent to the persons described in that paragraph.

MAXIMUM SALES PRICES AND RENTS

(i) *Maximum sales prices and rents*—(1) *General.* The restrictions on sales prices and rents contained in this paragraph must be observed as long as this section remains in effect. They apply to sales prices and rents for dwellings of the kinds described below when built or converted under this section. The restrictions on sale prices contained in this section do not apply to property being sold in the course of judicial proceedings in connection with foreclosures and do not prohibit any subsequent sale of such property at or below the amount of the sales price in such proceedings. In case of any dwelling unit provided by converting a structure in a Defense Rental Area established by the Office of Price Administration the maximum rent specified in the application as approved is not the authorized amount at which the dwelling may be rented as the rents for converted units must be determined by the Office of Price Administration. Approval of a proposed sales price or rent under this section should be considered merely as a limit upon the price or rent to be charged. It should not be considered as a statement that the sales price or rent represents the value of the dwelling or the apartment for other purposes. Within 30 days of any sale, by the applicant or a subsequent owner, of any dwelling accommodations for which a maximum sales price has been established under this section, the seller shall fill out in triplicate a sales report form (NHA Form 14–39). The seller shall file the original of this form with the local area rent office of the Office of Price Administration. (If the dwelling accommodations are not in an area under OPA rent control, the seller shall send the original of the form to the nearest OPA area rent office. For requirements on filing a rent

registration form, see OPA Rent Regulation for Housing.)

(2) *One-family dwellings.* (i) An application to build or convert a one-family dwelling must contain a statement of the proposed maximum sales price, whether or not the builder proposes to sell the building, except under the conditions described in paragraphs (c) (1) (iv), (v) or (viii) of this section. If the applicant proposes to rent the building, the application must also contain a statement of the proposed maximum rent and maximum shelter rent.

(ii) An applicant or subsequent owner must not sell a one-family dwelling built or converted under this section, including the land and all improvements (including garage if provided), for more than the maximum sales price specified in the application as approved.

(iii) No person shall rent a one-family dwelling built or converted under this section for more than the maximum rent specified in the application as approved. If no rent was specified in the application for a dwelling built under this section, the person wishing to rent the dwelling may (except after the first renting in an area under Federal rent control) request the Federal Housing Administration (or other agency with which the application was filed) to set a rent on the basis of information given in the original application and any supplemental information filed, and no person shall rent the dwelling for more than the amount set. A maximum shelter rent of more than $80 a month will not be approved except where unusual hardship would result. (After the first renting of the dwelling in an area under Federal rent control, the request to set or approve a rent should be made to the OPA Area Rent Office or, in the District of Columbia, to the Administrator of Rent Control.)

(3) *Two-family dwellings.* (i) An application to build or convert a two-family dwelling must contain statements of both the proposed maximum sales price for the entire dwelling and the proposed maximum rent and maximum shelter rent for each apartment in the dwelling, whether the applicant proposed to sell or rent the dwelling or the apartments in it. However, if a person wishes to convert a one-family dwelling to a two-family dwelling and he or a continuing tenant is going to occupy part of the dwelling, a proposed maximum sales price for the entire dwelling or a proposed maximum shelter rent for the part of the dwelling to be occupied by him or the continuing tenant need not be specified.

(ii) An applicant or subsequent owner must not sell a two-family dwelling built or converted under this regulation, including land and all improvements (including garage if provided), for more than the maximum sales price specified in the application as approved.

(iii) No person shall rent an apartment in a two-family dwelling built or converted under this regulation for more than the maximum rent specified for the apartment in the application as approved. No person shall sell for the occupancy of the purchaser any apartment, undivided interest, or other right to accommodations in a part of a two-family dwelling built or converted under this section unless a proposed maximum sales price for such accommodations has been submitted to and approved in writing by the Federal Housing Administration or other agency which approved the original application. The proposed maximum sales price may be approved if it is reasonably related to the value of the accommodations (determined in accordance with paragraph (d) of this section). No person shall sell such accommodations for more than such maximum sales price.

(4) *Multiple-family dwellings.* (i) An application to build or convert a multiple-family dwelling must contain a statement of the proposed maximum rent and the proposed maximum shelter rent for each apartment or for each group of apartments having the same maximum rent. However, if a person wishes to convert a one or two-family dwelling to a multiple-family dwelling and he or a continuing tenant is going to occupy part of the dwelling, a proposed maximum shelter rent for the part of the dwelling to be occupied by him or a continuing tenant need not be specified. An application by a person who wishes to build, complete, or convert a multiple dwelling structure otherwise qualifying under this section shall not be disapproved because the owner, or his building service employee, will reside in the structure, if the accommodations to be so occupied do not exceed in floor space a normal one-family unit in the structure, and *Provided*, That such space is less than 15% of the floor space of the structure used for residential purposes.

(ii) No person shall rent an apartment in a multiple-family dwelling built or converted under this regulation for more than the maximum rent specified for the apartment in the application as approved. No person shall sell for the occupancy of the purchaser any apartment, undivided interest, or other right to accommodations in a multiple-family dwelling built or converted under this section unless a proposed maximum sales price for such accommodations has been approved as provided above in paragraph (i) (3) (iii) of this section. No person shall sell such accommodations for more than such maximum sales price.

(5) *Dormitories.* (i) An application by an educational institution (or a person under its sponsorship) or public organization for a dormitory or other single-person housing facility must contain a statement of the maximum rent to be charged each occupant.

(ii) As long as this regulation remains in effect, no person (whether the applicant or any other person) shall rent accommodations in a dormitory or other housing facility built or converted under this section for more than the maximum rent specified in the application as approved.

(6) *Requests for increases in sales prices and rents because of increased costs.* An applicant may apply by letter in triplicate to the Federal Housing Administration (or other agency with which the application was filed) for an increase in the sales price or rent approved in the application before the house is sold (i. e., before title has passed) or initially rented. The application will not be approved unless it can be shown that he has incurred additional or increased costs in the construction over which he had no control, or which could not reasonably have been anticipated by him at the time of the initial application, or unless it can be shown that he will incur additional or increased costs in the operation of rented accommodations over which he has no control, and that these increased or additional costs will make it impracticable for him to sell or rent at the price or rent approved in the application. No increase in sales price or rent will be granted in excess of the increase in construction costs, or a proper proportion thereof in the case of rent, or the increase in operating costs, as the case may be. However, no increase in sales price to an amount more than $10,000 (or $17,000 in the case of a two-family dwelling) will be granted and no increase in shelter rent to an amount more than $80 a month will be granted except where unusual hardship would result to the applicant for the increase.

(7) *Requests for increases in sales prices or rents because of improvements.* A subsequent owner or any owner-occupant of a dwelling built or converted under this regulation may apply by letter in triplicate, or by such form as may be prescribed, to the Federal Housing Administration (or other agency with which the application was filed) for an increase in the sales price or rent specified in the application, if he has made major structural changes or improvements (not including ordinary maintenance and repair) to the dwelling which would warrant an increase. No increase will be granted in excess of the cost of such changes or improvements, or a proper proportion thereof in the case of a requested increase in rent. However, no increase in sales price to an amount more than $10,000 (or $17,000 in the case of a two-family dwelling) will be granted and no increase in shelter rent to an amount more than $80 a month will be granted except where unusual hardship would result to the applicant for the increase. If an increase in rent is needed because of subsequent changes or improvements, and the accommodations have previously been rented and are in a Defense Rental Area established by the Office of Price Administration, the owner should apply to the Area Rent Office of the Office of Price Administration for an increase (or in the District of Columbia, to the Office of Administrator of Rent Control for the District of Columbia). If an increase is granted, one copy of the instrument granting the increase must be filed with the local office of the Federal Housing Administration (or other agency with which the application was filed). Upon the filing of this copy of the instrument granting the increase, the new rent granted becomes the maximum rent under this section. The right to apply for any increase in the sales price or rent specified in the application shall have no effect upon the authorized sales price or rent until the increase has been approved in writing in accordance with this section. (Under Civilian Production Administration Veterans' Housing Program

Order 1 it may be necessary to get authorization to make these changes or improvements.)

(8) *Evasion.* It shall be a violation of this section to condition a sale or rent upon the purchase of, or the agreement to purchase, any commodity, service or property interest, except where this regulation specifically permits the consideration paid for such commodity, service, or property interest to be included in or added to the maximum sales price or maximum rent. No person shall demand or receive a security deposit for or in connection with the use or occupancy of housing accommodations covered by this section. The term "security deposit," in addition to its customary meaning, includes any prepayment of rent except payment in advance of the next periodic installment of rent for a period no longer than one month but shall not include rent voluntarily prepaid subsequently by a tenant under a written lease for his own convenience.

PREFERENCES FOR VETERANS

(j) *Preferences for veterans*—(1) *General.* This paragraph tells how preferences will be given under this section to veterans in the initial or any subsequent sale or rental as long as this regulation remains in effect. Although these preferences for veterans are limited to the periods specified below, the restrictions of paragraph (i) of this section on sales prices and rents continue as long as this regulation remains in effect. The preferences for veterans provided by this paragraph do not apply to sales in the course of judicial proceedings in connection with foreclosures. Sales subsequent to such judicial sales, however, are subject to the provisions of this paragraph. The provisions of this paragraph do not apply to dwellings for which neither a maximum sales price nor a maximum rent must be stated in the application or established under this section, or to dwellings approved on applications under (c) (1) (vii) of this section, or to the initial occupancy of a dwelling or an apartment in it approved under this regulation for the occupancy of the applicant or the continued occupancy of his tenant.

(2) *One-family dwelling.* (i) An applicant who has built or converted a one-family dwelling under this section must publicly offer it for sale or for rent to veterans for their own occupancy at or below the maximum sales prices or the maximum rent specified in the application as approved. In case of sale, this offer must be made during construction and for 60 days after completion. In case of rent, this offer must be made during construction and for 30 days after completion.

(ii) If a one-family dwelling built or converted under this section is being offered for sale, the owner (whether the applicant or any subsequent owner) must not sell or otherwise dispose of it to any person other than a veteran unless he has publicly offered it for sale to veterans for at least 60 days (or during construction and for 60 days afterwards in the case of the applicant) at or below the maximum sales price specified in the application as approved.

(iii) If a one-family dwelling built or converted under this section is being offered for rent, the person offering it for rent must not rent it to any person other than a veteran unless he has publicly offered it for rent to veterans for at least 30 days (or during construction and for 30 days afterwards in the case of the applicant) at or below the maximum rent specified in the application as approved or set by the appropriate agency under this section.

(3) *Two-family dwellings.* (i) An applicant who has built or converted a two-family dwelling under this section must publicly offer it for sale or the apartments in it for rent to veterans for their own occupancy at or below the maximum sales price or the maximum rent specified in the application as approved. In case of sale, this offer must be made during construction and for 60 days after completion. In case of rent, this offer must be made during construction and for 30 days after completion.

(ii) If a two-family dwelling built or converted under this section is being offered for sale, the owner (whether the applicant or any subsequent owner) must not sell or otherwise dispose of it to any other person then a veteran unless he has publicly offered it for sale to veterans for at least 60 days (or during construction and for 60 days afterwards in the case of the applicant) at or below the maximum sales price specified in the application as approved.

(iii) If an apartment in a two-family dwelling built or converted under this section is being offered for rent, the person offering it for rent must not rent it to any person other than a veteran unless he has publicly offered it for rent to veterans for at least 30 days (or during construction and for 30 days afterwards in the case of the applicant) at or below the maximum rent specified for the apartment in the application as approved.

(4) *Multiple-family dwellings.* (i) An applicant who has built or converted a multiple-family dwelling under this section must, during construction and for 30 days after completion, publicly offer the apartments in it for rent to veterans for their own occupancy at or below the maximum rent specified in the application as approved.

(ii) No other person shall rent an apartment in a multiple-family dwelling built under this section to any person other than a veteran unless he has publicly offered the apartment for rent to veterans for at least 30 days (or during construction and for 30 days after completion) at or below the maximum rent specified in the application as approved.

(5) *Dormitories.* An applicant who has built or converted a dormitory or other single-person housing facility under this section must make the accommodations available exclusively for veterans otherwise eligible to occupy the dwelling accommodations, except that if an educational institution builds a dormitory under this section, it may make available to nonveterans 40% of the accommodations in the dormitory if it makes available to veterans an equivalent number of similar or better accommodations in other dormitories at rents not larger than the rents specified in the application as approved.

NOTICES OF RESTRICTIONS

(k) *Notices of restrictions*—(1) *Deeds.* The applicant and every person who has acquired title to a dwelling (whether completed or not) approved under paragraphs (c) (1) (ii) and (ix) of this section must, as long as this section remains in effect, include a statement in the following form in any deed, conveyance, or other instrument by which the dwelling is sold, transferred, or mortgaged to any other person:

> The building on the premises hereby sold, transferred, or mortgaged was built (converted) under Housing Expediter Priorities Regulation 5 (Application Serial No. —). Under that regulation a limit is placed on either the sales price or the rent for the premises, or both, and preferences are given to veterans of World War II in selling or renting. The premises must also be held for rent if the application as approved under that regulation contains a statement to that effect. As long as that regulation remains in effect, any violation of these restrictions by the grantee or by any subsequent owner will subject him to the penalties provided by law. The above is inserted only to give notice of the provisions of Housing Expediter Priorities Regulation 5 and neither the insertion of the above nor the regulation is intended to affect the validity of the interest hereby sold, transferred, or mortgaged.

(2) *Advertisements.* The applicant and every subsequent owner, and their agents and brokers, must, as long as this section remains in effect, include a statement in substantially the following form in any advertisement printed or published in which dwelling accommodations approved under paragraphs (c) (1) (ii) and (ix) of this section are offered for sale or for rent:

> This house (apartment) is being (was) built under the Veterans' Emergency Housing Program for sale (for rent) at or below $_____ (insert maximum sales price or rent). It is being offered for sale (for rent) only to veterans during construction and for 60 (30 in case of rent) days after completion (or for the next 60 days in case of subsequent sale or 30 days in case of subsequent rent).

OTHER PROVISIONS

(l) *Prohibition against transfer of authorization.* No person to whom an authorization has been given or an HH rating has been assigned shall transfer the authorization or rating to any other person (as distinguished from applying the rating to purchase orders) and any transfer attempted is void. If for any reason an applicant wishes to abandon construction approved under this section and another applicant wishes to continue it, the new applicant should apply to the Federal Housing Administration (or other agency with which the original application was filed) attaching to his application a statement from the former applicant (or his representatives) joining in the request for the granting of the authorization or the assignment of the rating to the new applicant.

(m) *Appeals.* Any person affected by this section who considers that compli-

ance with its provisions would result in an exceptional and unreasonable hardship on him may appeal for relief. An appeal from any provisions of this section should be filed with the appropriate local office of the Federal Housing Administration (or other agency with which the application was filed), and the appeal shall be forwarded to the Washington office of that agency for consideration, together with any recommendations made by the local office.

(n) *Amendments and supplemental applications.* An applicant may apply to the agency which approved his application for an amendment to it. If the amendment covers changes in the specifications of the proposed dwelling or dwellings or changes in the proposed sales price or rent, or a change in the construction schedule involving several buildings, the request for an amendment may be made by letter in triplicate or by such form as may be prescribed. If the request for an amendment is granted, the provisions of this section shall apply to the application as amended and approved. If the request is for permission to use the rating for dwellings listed on the original application, but not to be started within 90 days of issuance, the request should be filed on NHA Form 14–56A. If the request for an amendment requires additional buildings or dwelling units not included in the original application, a new application on NHA Form 14–56 covering the new units should be filed.

(o) *Definitions.* As used in this section:

(1) The term "veteran" shall include:

(i) A person who has served in the active military or naval forces of the United States on or after September 16, 1940, and who has been discharged or released therefrom under conditions other than dishonorable;

(ii) The spouse of a veteran (as described in the preceding subparagraph) who died after being discharged or released from service, if the spouse is living with a child or children of the deceased veteran;

(iii) A person who is serving in the active military or naval forces of the United States requiring dwelling accommodations for his dependent family;

(iv) The spouse of a person who served in the active military or naval forces of the United States on or after September 16, 1940 and who died in service, if the spouse is living with a child or children of the deceased;

(v) A citizen of the United States who served in the Armed Forces of an allied nation during World War II (and who has been discharged or released therefrom under conditions other than dishonorable) requiring dwelling accommodations for his dependent family;

(vi) A person to whom the War Shipping Administration has issued a certificate of continuous service in the United States Merchant Marine who requires dwelling accommodations for his dependent family; and

(vii) A citizen of the United States who, as a civilian, was interned or held a prisoner of war by an enemy nation at any time during World II, requiring dwelling accommodations for his dependent family.

(2) The term "maximum rent" means the total consideration paid by the tenant for the dwelling accommodations including charges paid by the tenant for tenant services specified on the application and including charges paid by the tenant for garage as specified on the application, but excluding charges covering the actual cost on a pro rata basis for gas and electricity for the tenant's domestic purposes when the application specifies that such charges will be made. Any payment, contribution, or investment required of or made by a tenant, or prospective tenant, of the dwelling unit in connection with a mutual ownership or similar plan, whether such payment, contribution, or investment be made as a lump sum or in several amounts or whether it be in the form or nature of a certificate, deposit, membership, undivided interest, or otherwise, shall be considered as part of the maximum rent.

(3) The term "maximum shelter rent" means the maximum rent, less charges for tenant services and garage. The total charges for tenant services will not be approved if more than $3 per room per month. The charge for garage will not be approved if more than $10 per month and will be allowed only for multiple-family dwellings.

(4) The term "maximum sales price" means the total consideration paid (including any charge made a condition to the sale) by the buyer for such dwelling accommodations with accompanying land and improvements, excluding only those incidental charges (which may not be charged in the first sale unless enumerated in the application as approved), such as brokerage fees or commissions or charges, which buyers or sellers of such dwelling accommodations customarily assume in the community where such accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request in connection with the sale. Any payment, contribution, or investment required of or made by an occupant or prospective occupant, other than a tenant of the dwelling unit, in connection with a mutual ownership, stock company, or other group plan, whether such payment be made as a lump sum or in several amounts or whether such payment be in the form or nature of a certificate, deposit, membership, undivided interest, or otherwise, shall be considered as part of the maximum sales price. (See paragraph (i) (3) and (4) of this section with respect to sales prices for interests in multiple-family or two-family dwellings.)

(5) The term "person" means an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

(6) The term "one-family dwelling" means a building designed for occupancy by one family and to be occupied, rented, or sold as a unit, including a detached or semi-detached house or a row house, but not including an apartment house or a two-family "one-over-one" house or a farmhouse.

(7) The term "two-family dwelling" means a building designed for occupancy by two families which, if sold, will be sold as a unit not including semi-detached or row houses covered by paragraph (o) (6) of this section.

(8) The term "multiple-family dwelling" means a building containing three or more separate living accommodations for three or more families, not including semi-detached or row houses covered by paragraphs (o) (6) or (o) (7) of this section.

(9) The term "begun construction" means to have physically incorporated at the site materials which will be an integral part of the construction.

(10) The term "convert" means to provide an additional dwelling unit or units by repair, alteration, reconstruction, or otherwise.

(11) The term "HH Minimum Property Requirements" shall be the same as the "Property Standards," "Minimum Construction Requirements," and "Minimum Requirements for Rental Housing," as established for the area and amended from time to time by the Federal Housing Administration under the National Housing Act, insofar as they apply to the structure itself and its water supply and sewage disposal systems, or as modified by rulings or standards issued by the National Housing Agency on special methods of construction or substitute materials. The "HH Minimum Property Requirements" will be made available in all State and District Offices of the Federal Housing Administration.

(p) *Communications.* All communications concerning this section should be addressed to the local office of the Federal Housing Administration or other appropriate agency indicated in paragraph (c) (2) of this section.

(q) *Violations and enforcement.* The maximum sale price, rent and other requirements of this section shall not be evaded either directly or indirectly. It shall be unlawful for any person to effect, either as principal, broker, or agent, a sale or rent of any dwelling accommodations at a price or rent in excess of the maximum sales price or the maximum rent applicable to such sale or rent under the provisions of this section, or to solicit or attempt, offer, or agree to make any such sale or rent. If any person sells housing accommodations in excess of the maximum amount authorized for such accommodations under this section, the person who buys such accommodations may, within one year from the date of the sale, bring an action for the amount by which the consideration exceeded the maximum authorized selling price, plus reasonable attorney's fees and costs as determined by the court. If the person who may bring such action has not previously done so, the Housing Expediter (or the department, agency, or officer as he shall direct) may bring an action or suit to compel restitution of the amount by which the consideration exceeded the maximum authorized selling price. Any person who wilfully violates any provision of this regulation,

and any person who knowingly makes any statement to any Department or agency of the United States, false in any material respect, or who wilfully conceals a material fact, in any description or statement required to be filed under this section, shall, upon conviction thereof, be subject to fine or imprisonment, or both. Any such person or any other person who violates any provision of this section, or any regulation or other issuance under the Second War Powers Act (56 Stat. 176, as amended) relating to priorities assistance for housing, may be prohibited from making or obtaining any further deliveries of, or from using, any materials or facilities suitable for housing construction, and may be deprived of priorities assistance for such materials or facilities.

(r) *Reports.* All persons affected by this section shall file such information and reports as may be required by the Housing Expediter (or a person or agency authorized by him to make such requests), subject to the approval of the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(Pub. Law 388, 79th Cong.; Pub. Law 507, 77th Cong., as amended; CPA Directive 41 (*supra*))

This regulation shall become effective September 10, 1946.

Issued this 27th day of August 1946.

[SEAL] WILSON W. WYATT,
Housing Expediter.

[F. R. Doc. 46-15161; Filed, Aug. 27, 1946; 4:18 p. m.]

TITLE 29—LABOR

Chapter IX—Department of Agriculture (Agricultural Labor)

[Supplement 95]

PART 1110—SALARIES AND WAGES OF AGRICULTURAL LABOR IN THE STATE OF OREGON

WORKERS ENGAGED IN HARVESTING PLUMS AND PRUNES IN CERTAIN OREGON COUNTIES

§ 1110.17 *Workers engaged in harvesting plums and prunes in Washington, Yamhill, Polk and Marion Counties, State of Oregon.* Pursuant to § 4001.7 of the regulations of the Economic Stabilization Director relating to salaries and wages issued August 28, 1943, as amended (8 F.R. 11960, 12139, 16702; 9 F.R. 6035, 14547; 10 F.R. 9478, 9628; 11 F.R. 2517) and to the regulations of the Secretary of Agriculture issued March 23, 1945 (10 F.R. 3177) entitled "Specific Wage Ceiling Regulations" and based upon a certification of the Oregon USDA Wage Board that a majority of the producers of plums and prunes in the area affected participating in hearings conducted for such purpose have requested the intervention of the Secretary of Agriculture, and based upon relevant facts submitted by the Oregon USDA Wage Board and obtained from other sources, it is hereby determined that:

(a) *Areas, crops and classes of workers.* Persons engaged in harvesting plums and prunes in Washington, Yamhill, Polk and Marion Counties, State of Oregon, are agricultural labor as defined in § 4001.1 (1) of the regulations of the Economic Stabilization Director issued on August 28, 1943, as amended (8 F.R. 11960, 12139, 16702; 9 F.R. 6035, 14547; 10 F.R. 9478, 9628; 11 F.R. 2517).

(b) *Definitions.* When used in this section:

(1) the term "picking and shaking" means complete shaking and not hand shaking preceded by mechanical shakers.

(2) The term "other harvest labor" means all labor incident to the harvesting of plums or prunes except pickers and shakers and prune dryermen and shall include but not be limited to buckers, tractor drivers, truck drivers and loaders of sleds or trucks.

(c) *Wage rates; maximum wage rates for harvesting plums and prunes.* (1) Picking of plums or prunes or both from the ground—25 cents per lug box of 56 pounds.

(2) Picking and shaking of plums or prunes or both—35 cents per lug box of 56 pounds.

(3) Other harvest labor—$1.00 per hour.

If other than a lug box of 56 pounds is used, the maximum wage rate shall not exceed the equivalent of the rates specified herein. No perquisites shall be paid in addition to the maximum wage rates specified above, except the furnishing of cabins, fuel, lights and water.

(d) *Administration.* The Oregon USDA Wage Board, located at 701 Pittock Block, Portland, Oregon, will have charge of the administration of this section in accordance with the provisions of the specific wage ceiling regulations issued by the Secretary of Agriculture on March 23, 1945 (10 F.R. 3177).

(e) *Applicability of specific wage ceiling regulations.* This section shall be deemed to be a part of the specific wage ceiling regulations issued by the Secretary of Agriculture on March 23, 1945 (10 F.R. 3177) and the provisions of such regulations shall be applicable to this section and any violation of this section shall constitute a violation of such specific wage ceiling regulations.

(f) *Effective date.* This section shall become effective at 12:01 a. m., pacific standard time, August 27, 1946.

(56 Stat. 765 (1942); 50 U. S. C. 961 et seq. (Supp. IV); 57 Stat. 63 (1943); 50 U. S. C. 964 (Supp. IV); 58 Stat. 632 (1944); Pub. Law 108, 79th Cong.; E. O. 9250, 7 F. R. 7871; E. O. 9328, 8 F. R. 4681; E. O. 9577, 10 F. R. 8087; E. O. 9620, 10 F.R. 12023; E.O. 9651, 10 F.R. 13487; E. O. 9697, 11 F. R. 1691; regulations of the Economic Stabilization Director, 8 F.R. 11966, 12139, 16702; 9 F. R. 6035, 14547; 10 F. R. 9478, 9628; 11 F. R. 2517; regulations of the Secretary of Agriclture, 9 F. R. 655, 12117, 12611; 10 F. R. 7609; 9581; 9 F. R. 831, 12807, 14206; 10 F. R. 3177; 11 F. R. 5903)

Issued this 23d day of August 1946.

[SEAL] WILSON R. BUIE,
Director, Labor Branch, Production and Marketing Administration.

[F. R. Doc. 46-15223; Filed, Aug. 28, 1946; 11:15 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter IX—Civilian Production Administration

AUTHORITY: Regulations in this chapter unless otherwise noted at the end of documents affected, issued under sec. 2 (a), 54 Stat. 676, as amended by 55 Stat. 236, 56 Stat. 177, 58 Stat. 827 and Pub. Law 270, 79th Cong., and Pub. Laws 270 and 475, 79th Cong.; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; E.O. 9599, 10 F.R. 10155; E.O. 9638, 10 F.R. 12591; CPA Reg. 1, Nov. 5, 1945, 10 F.R. 13714.

PART 903—DELEGATIONS OF AUTHORITY

[Directive 42, as Amended Aug. 27, 1946]

VETERANS' EMERGENCY HOUSING PROGRAM

Section 903.155 *Directive 42* is amended to read as follows:

Pursuant to the authority vested in the Civilian Production Administrator by Executive Order 9638 of October 4, 1945 and Housing Expediter Priorities Order 1 of August 27, 1946, it is hereby ordered, that:

§ 903.155 *Directive 42*—(a) *Delegation of authority.* The Housing Expediter and the National Housing Agency are authorized to perform the functions and exercise the power, authority and discretion conferred upon the President by the Second War Powers Act of 1942 and to perform the functions and exercise the power, authority and discretion conferred upon the Housing Expediter by the Veterans' Emergency Housing Act of 1946 with respect to the functions described below, and in so doing may impose such conditions and requirements and such terms as he may deem necessary and appropriate in the public interest and to effectuate the purposes of the Veterans' Emergency Housing Act of 1946.

(1) The Housing Expediter (or the National Housing Agency) may assign HH and HHH ratings and other priorities assistance established by and provided in Schedule A to Priorities Regulation 33 and in directions to that regulation, for the manufacture, construction, erection, alteration, repair or improvement of housing accommodations.

(2) The Housing Expediter (or the National Housing Agency) may in his discretion approve or deny all applications or appeals or take any other action under those provisions of VHP-1 or other priorities regulations, orders or directions of the Civilian Production Administration which provide that the application or appeal shall be filed wth the Housing Expediter or the National Housing Agency (or any agency acting under a delegation from either of them) or which provide that he may take the action, and may amend, revoke or supersede any such action which has been previously taken. The Civilian Production Administration Appeals Board will not hear appeals from a denial or other action by the Housing Expediter or the National Housing Agency or any agency acting under a delegation from either of them under this directive.

(3) The Housing Expediter may take any action necessary or appropriate to

enforce compliance with any regulation, order or authorization issued by him or by the National Housing Agency under this delegation. The Housing Expediter may take any action necessary or appropriate to enforce compliance with the provisions of Priorities Regulation 33 applying to sales prices, rents, cost, construction, erection, preference for veterans in the occupation or disposition of housing accommodations, applications and the posting of placards. The actions which the Housing Expediter may take for these purposes include the revocation or suspension of authorizations and priorities assistance, the issuance of suspension orders or other administrative action and the institution of, or other appropriate action with respect to, civil or criminal proceedings.

(4) The Housing Expediter may require all persons who have received authorization under VHP–1 or priorities assistance for housing accommodations to keep such records, supply such information and file such reports as he may deem necessary to carry out the purposes of this directive. The Housing Expediter may make such investigations and may make such inspections of the books, records and other writings, premises or property of such applicants or owners as he may deem necessary or appppropriate for the enforcement or administration of the functions delegated to him by this directive. In order to carry out the purposes of this directive the Housing Expediter may exercise the powers conferred by paragraphs numbered (3) and (4) in Title III of the Second War Powers Act.

(5) The Housing Expediter may issue such regulations and orders as he may deem necessary to carry out the functions delegated to him by this directive.

(b) *Scope of authority.* This directive delegates to the Housing Expediter authority to perform the functions set forth in paragraph (a) with respect to the manufacture, construction, erection, alteration or repair of housing accommodations. This includes all construction work for which an application under Veterans' Housing Program Order 1 should be filed with the Housing Expediter or with an agency acting under a delegation from him (Supplement 5 to VHP–1 sets forth these cases). This delegation also includes authority to perform the functions set forth in paragraph (a) with respect to the manufacture of prefabricated houses, panels and sections, other industrially built houses and trailers used for housing purposes.

(c) *Redelegation.* Any power delegated to the Housing Expediter by this directive may be exercised through such department, agency or officer of the U. S. Government as he shall direct.

(d) *Effect on priorities regulations of NHA.* The issuance of this revised Directive 42 shall not be construed to repeal or affect in any way delegations, regulations, orders or instructions previously issued by the National Housing Agency or by any of its delegates under former versions of Directive 42.

Issued this 27th day of August 1946.

J. D. SMALL,
Civilian Production Administrator.

[F. R. Doc. 46–15156; Filed, Aug. 27, 1946; 4:17 p. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 33, as Amended June 14, 1946, Amdt. 2]

VETERANS' EMERGENCY HOUSING PROGRAM

Section 944.54 *Priorities Regulation 33* is amended in the following respects:

1. By amending paragraph (a) to read as follows:

(a) *What this regulation does*—(1) *Effect of amendment.* Priorities Regulation 33 has been the method by which the Civilian Production Administration provided general priorities assistance for the Veterans' Emergency Housing Program. It also has been the method by which persons who wished to do construction work restricted by Veterans' Housing Program Order 1 could apply for authorization under that order, when the work was to be done on structures used for residential purposes. These applications have been made to the National Housing Agency or an agency acting for it under a delegation.

On and after September 10, 1946 all new applications in connection with housing accommodations, either for priorities for materials on Schedule A to this regulation or for authorization under VHP–1 or both, will be filed under Housing Expediter Priorities Regulation 5 or other applicable regulations of the Housing Expediter.

(2) *Effect of Priorities Regulation 33.* The provisions of paragraph (c) and paragraphs (e) through (n) of Priorities Regulation 33 will still apply to all housing accommodations built under an approved application on Forms CPA–4386 or Form CPA–4387. Applications for amendments, time extensions and the like, and also applications on Form CPA–4387, with respect to housing accommodations on an approved Form CPA–4386 may be made as provided in Priorities Regulation 33.

2. By amending paragraph (d) to read as follows:

(d) Paragraph (c) of Schedule A to Priorities Regulation 33 now contains the provisions concerning the use of HH ratings formerly in paragraph (d) of this regulation. The new provisions are applicable both to approved applications under Priorities Regulations 33 and to approved applications under Housing Expediter Priorities Regulation 5.

Issued this 27th day of August 1946.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46–15157; Filed, Aug. 27, 1946; 4:17 p. m.]

PART 1010—SUSPENSION ORDERS

[Suspension Order No. S–955, Amdt. 1]

JOE SICILIA

Joe Sicilia, 5045 Turney Road, Garfield Heights, Cuyahoga County, Ohio was suspended on August 20, 1946 by Suspension Order No. S–955 for having violated the provisions of Veterans' Housing Program Order 1 in having carried on construction without authorization from the Civilian Production Administration. The Assistant General Counsel and the Director of the Compliance Division have directed that the order be amended as follows: It is hereby ordered that:

Section 1010.955 *Suspension Order No. S–955,* issued and effective August 20, 1946 is hereby amended by substituting the following paragraph (b) for the present paragraph (b):

(b) Neither Joe Sicilia, his successors or assigns, nor any other person shall do any construction on the premises located at 5019 Turney Road, Garfield Heights, Cuyahoga County, Ohio, including putting up, completing or altering any of the structures located thereon, unless otherwise authorized in writing by the Civilian Production Administration.

Issued this 27th day of August 1946.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46–15162; Filed, Aug. 27, 1946; 4:37 p. m.]

PART 4700—VETERANS' EMERGENCY HOUSING PROGRAM

[Veterans' Housing Program Order 1, as Amended August 27, 1946]

GENERAL RESTRICTIONS ON CONSTRUCTION AND REPAIRS

The Veterans' Emergency Housing Program, set forth February 7, 1946, by the Housing Expediter in his report to the President, calls for the construction of an unprecedented number of moderate and low-cost housing accommodations to meet the needs of returning veterans. The fulfillment of requirements for the defense of the United States has created a shortage in the supply of materials and facilities required for construction, for defense, for private account and for export. It will be impossible to carry out the Veterans' Emergency Housing Program without diverting critical materials from deferrable or less essential construction. The following order is deemed necessary and appropriate in the public interest and to promote the national defense.

§ 4700.1 *Veterans' Housing Program Order 1*—(a) *What this order does.* In order to carry out the Veterans' Emergency Housing Program, this order forbids the beginning of construction and repair work on buildings and certain other structures without specific authorization under paragraph (h) of the order, with the exception of certain small jobs and other work covered by paragraphs (d), (e) and (f). The restrictions of the order apply whether or not the materials needed are on hand or are available without priorities assistance.

(b) *Structures and work covered by this order*—(1) *Kind of structures.* The restrictions of this order apply to certain kinds of work on structures. As used in the order, "structure" means any building, arena, stadium, grandstand, (including bleachers and other similar seating arrangements), pier, moving picture set

or billboard, whether of a permanent or temporary nature (however, the erection of stands or other structures which have been used before and are being erected only for a temporary purpose and are to be taken down after the temporary purpose is served is not covered by the order). The term "structure" does not include any kind of equipment or furniture that is not attached to a building or other structure, whether or not it is inside a structure. Supplement 4 to VHP–1 contains examples of things which do not fall within the term "structure" as defined above.

(2) *Kinds of work.* The restrictions of this order apply to constructing, repairing, making additions or alterations (including alterations incidental to installing any kind of equipment), improving or converting structures, or installing or relocating fixtures or mechanical equipment in structures. These terms include any kind of work on a structure which involves the putting up or putting together of processed materials, products, fixtures or mechanical equipment, if the processed materials, products, fixtures or mechanical equipment are attached to a structure and used as a functional part of the structure, or are attached so firmly to the structure that removal would injure the material, product, fixture or mechanical equipment or the structure. The laying of asphalt or other tile or linoleum cemented or otherwise attached to the structure is covered by the order. However, the following kinds of work are not covered by the order:

Greasing, overhauling or repairing existing mechanical equipment or installing repair or replacement parts in existing mechanical equipment

Sanding floors and sand blasting buildings

Painting or papering an existing structure or applying waterproofing to an existing structure by painting or spraying, where no change in the structure is made in connection with the waterproofing, painting or papering (Pointing bricks, sparkling plaster or caulking windows are not considered making a change in a structure).

Installing loose fill, blanket, or batt insulation in existing buildings or installing insulation on existing equipment or piping.

(3) *Fixtures and mechanical equipment.* In general the term "fixture" means any article attached to a building or structure and used as part of it and the term "mechanical equipment" means plumbing, heating, ventilating and lighting equipment which is attached to the building and used to operate it. Supplement 1 to VHP–1 contains lists of articles which are considered fixtures or mechanical equipment when attached to a structure in the manner described in that supplement and a list of other articles which are never considered fixtures or mechanical equipment.

(c) *Prohibited construction.* (1) No person shall begin to construct, to repair, to make additions or alterations to, to improve, to convert from one purpose to another, or to install or to relocate fixtures or mechanical equipment in, any structure, public or private, in the forty-eight States, the District of Columbia, Puerto Rico, the Virgin Islands or the Territory of Hawaii, except to the extent permitted under paragraphs (d), (e) and (f), or when and to the extent specifically authorized under paragraph (h). No person shall carry on or participate in any construction, repair work, addition, improvement, conversion, alteration, installation or relocation of fixtures or mechanical equipment prohibited by this order. The prohibitions of this paragraph apply to a person who does his own construction work, to a person who gets a contractor to do the work, to contractors, sub-contractors, architects and engineers working on a job which is being carried on in violation of this order or getting others to work on it or to supply materials for it.

(2) This order forbids the beginning of certain kinds of work. To "begin" work on a structure means to incorporate into a structure on the site materials which are to be an integral part of the structure in question. Demolition, excavation and similar site preparation do not constitute beginning construction. The order does not apply to work which was begun before the order became effective and which was being carried on on that date and which is carried on normally after that date. However, this rule only applies to the particular building or other structure begun at that time. It does not apply to any other building or structure which had not itself been begun by that date even though the two are closely related. Supplement 2 to this order contains further provisions concerning the effective date of the order and concerning the beginning of construction. It also contains examples of work which constitute beginning construction, and the examples of other work which do not constitute beginning construction.

(3) [Deleted July 2, 1946.]

(d) *Allowances for small jobs.* This order does not prohibit the performance of any separate construction, repair, alteration or installation job, the cost of which does not exceed the allowance given in Supplement 3 to VHP–1 for the particular kind of structure or job involved. Supplement 3 lists various kinds of structures and states what the small job allowance is for each kind of structure or job. Supplement 3 also contains provisions as to the method of calculating the cost of a job for the purpose of this exemption, and also provides when a job is a separate job.

(e) *Exemption for repair and maintenance work in industrial utility and transportation buildings and structures.* The prohibitions of this order do not apply to maintenance and repair work in structures covered by paragraph (b) (3) of Supplement 3 to this order. For the purpose of the exemption given by this paragraph, "maintenance" means the minimum upkeep necessary to keep a structure in sound working condition and "repair" means the restoration of a structure to sound working condition when the structure has been rendered unsafe or unfit for service by wear and tear, damage, failure of parts, or the like. However, neither maintenance nor repair includes the improvement of any structure by replacing material which is still usable with material of a better kind, quality or design. Alterations to a building or other structure covered by paragraph (b) (3) of Supplement 3, including alterations incidental to installation of equipment, are not exempted by this paragraph, and may only be done when and to the extent permitted under Supplement 3 or when specifically authorized.

(f) *Other exemptions*—(1) *Disasters.* (i) The prohibitions of this order do not apply to the minimum work necessary to prevent more damage to a building or structure (or its contents) which has been damaged by flood, fire, tornado, or similar disaster. This does not include the restoration of the structure to its former condition.

(ii) The prohibitions of this order do not apply to the repair, rebuilding or reconstruction of any house (including a farmhouse) or any farm building which was destroyed or damaged by fire, flood, tornado or similar disaster, if the total cost of the repairs, rebuilding or reconstruction does not exceed $6,000 and if the reconstruction is started within sixty days of the occurrence of the disaster.

(2) *Military construction.* The prohibitions of this order do not apply to work by or for the account of the U. S. Army or Navy.

(3) *Veterans' Administration.* The prohibitions of this order do not apply to work on construction projects of the Veterans' Administration, including projects being built by the Corps of Engineers for the Veterans' Administration, or to the remodelling of a building or any part of a building which has been leased to the Veterans' Administration or to Public Buildings Administration for occupancy or use by the Veterans' Administration.

(g) *Prohibited deliveries.* No person shall accept an order for, sell, deliver or cause to be delivered materials which he knows or has reason to believe will be used in work prohibited by this order.

(h) *Authorizations.* Persons who wish to begin work which is prohibited by this order may apply for authorization. Supplement 5 to this order states what forms should be used and where the applications should be filed. The assignment of priorities assistance or the approval of housing accommodations under Priorities Regulation 33, whether before or after the time when this order became effective, or under Housing Expediter Priorities Regulation 5 or other applicable regulation of the Housing Expediter, constitutes an authorization under this order to do the work for which priorities assistance or approval was given. Applications for non-housing construction will be reviewed to see whether and how much the proposed construction would interfere with the Veterans' Emergency Housing Program. In addition the essentiality of the proposed work in relation to the Veterans' Emergency Housing Program, to the elimination of

a bottleneck to the reconversion of the national economy from a wartime to a peacetime basis, to the public health and safety of the community, or to eliminate an unusual and extreme hardship will be taken into consideration in determining whether the application should be approved.

(i) *Construction under authorizations.* When a person is specifically authorized, either by approval of Form CPA–4423 or Form CPA–4386 or otherwise, to do work restricted by this order, he must observe the restrictions imposed on him by the authorization, and in doing the authorized work, he must not do any work of the kinds covered by the order unless it is specifically covered by the authorization. He may not, in connection with a job which has been specifically authorized, do additional work under the exemption given by Supplement 3 to VHP–1. When an application on Form CPA–4423 has been approved a placard will be sent to the applicant stating that the construction has been approved under this order. The applicant must place in the placard the project serial number and mu t set up the placard in front of the project site in a conspicuous location within five days after construction has been started and he must keep the placard there until completion of the work.

(j) *Violations.* Any person who wilfully violates any provision of this order or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using material under priorities control, and may be deprived of priorities assistance.

(k) *Communications.* All communications concerning this order, except communications about applications for housing accommodations filed with the Housing Expediter or an agency acting for him, should be addressed to the appropriate Construction Field office of the Civilian Production Administration, Washington, D. C., Ref: VHP–1.

(l) *Reports.* All persons affected by this regulation shall file such reports as may be requested by the Civilian Production Administration, subject to the approval of the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 27th day of August 1946.

CIVILIAN PRODUCTION ADMINISTRATION
By J. JOSEPH WHELAN,
Recording Secretary.

INTERPRETATION 1: Revoked July 2, 1946

INTERPRETATION 2

PROHIBITED DELIVERIES

Paragraph (g) of Order VHP–1 provides that "No person shall accept an order for, sell, deliver or cause to be delivered materials which he knows or has reason to believe will be used in work prohibited by this order"

The purpose of this provision is to prohibit the sale or delivery of materials by a supplier if he knows or has reason to believe that the materials supplied will be used in violation of VHP–1. This provision does not impose upon a fabricator or supplier any duty to investigate whether a proposed construction job for which he is asked to supply materials will be begun or carried on in violation of Veterans' Housing Program Order 1, or whether it has been specifically authorized or is exempt under that order. Mere knowledge that the kind of work involved is a kind which ordinarily would require authorization under the order does not constitute reason to believe that the work will be begun or carried on in violation of the order and, in the absence of information to the contrary, the supplier may rely on the builder to get an authorization for the job if authorization is required.

Paragraph (g) of VHP–1 does not require a supplier to get from a customer a certificate to the effect that the customer is not violating and will not violate VHP–1, or a certificate to the effect that the job for which the materials will be used is exempt under the order or has been authorized under the order.

Section 944.14a of Priorities Regulation 1 contains a provision, similar to that in paragraph (g) of VHP–1, with respect to all Civilian Production Administration orders and regulations. In addition, Priorities Regulation 32, which controls inventories, contains a similar provision affecting suppliers, in paragraph (b), which is explained in detail in Interpretation 3 to that regulation. (Issued Apr. 29, 1946.)

INTERPRETATION 3

PORTABLE AND PREFABRICATED STRUCTURES

(a) The erection of a "portable" or prefabricated building or other structure is construction and is restricted by Veterans' Housing Program Order 1, if the structure is placed on a foundation constructed on the site, or if the structure is connected to the ground by plumbing, wiring or other utility connection, or if the structure is placed on the ground on a spot where it is intended to remain for an undetermined time.

(b) Erection of a "portable" or prefabricated structure is not construction and is not covered by VHP–1 only if the structure is placed on a temporary site for the purpose of moving it from time to time, without any foundation or other connection with the ground. For example, the erection of a shelter to be moved around frequently for use on different parts of a farm from time to time is not construction, while the erection of a prefabricated or "portable" structure for use as a garage on a house lot is construction, and is restricted by VHP–1.

(c) If the erection of a "portable" or prefabricated building constitutes construction, as indicated above, the cost of the job must be computed in accordance with Supplement 3 to VHP–1. If the cost of the job exceeds the applicable allowance under that supplement, authorization for the job must be obtained. (Issued July 2, 1946.)

[F. R. Doc. 46–15159; Filed, Aug. 27, 1946; 4:18 p. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATION OF THE PRIORITIES SYSTEM

[Priorities Reg. 33, Schedule B]

HOW DISTRIBUTORS OF BUILDING MATERIALS HANDLE RATINGS

§ 944.54b *Schedule B to Priorities Reg. 33*—(a) *What this schedule does.* Schedule A lists the materials for which HHH and HH ratings can be used. It also tells how builders use these "H series" ratings. This schedule explains some special conditions on orders with ratings of any kind that apply to people who sell these materials on Schedule A. It takes the place of many of the directions to Priorities Regulation 33. (A list is in paragraph (g).)

(b) *Limit on the number of rated orders that must be filled.* A distributor need not make more than 75% of his deliveries of any item on Schedule A on rated purchase orders (MM, HHH, HH or CC) in any calendar month. However, there is a different ceiling on the items listed in paragraph (d) (2). The "ceiling" in this schedule does not apply to lumber, millwork, hardwood flooring and softwood plywood, which is still controlled by Direction 1 and 1A. (The word "distributor" as used in this schedule includes anyone who makes the material when he sells direct to a user. Paragraph (h) below has a complete definition.) Except for the materials that have to be "set-aside" under paragraph (d), it is not necessary to hold any material in expectation of receiving ratings.

The distributor can set his own unit of measure in figuring the ceiling. Ordinarily, the customary way of billing the material in the industry should be used, such as units on things like furnaces, pounds for insulated copper wire, square feet for screen cloth, etc.

(c) *Rated orders must be accepted.* A distributor must not turn down a rated order merely because he does not have the material ordered in stock. He must *accept* the order, and keep it on hand to fill it as soon as he can, and he must tell his customer how soon he expects to be able to fill it. (The other rules for accepting and filling rated orders, and how to fill them are explained in Priorities Regulation 1. The rule explained in this paragraph is an exception to that regulation.)

(d) *Set aside of certain items*—(1) *Reason for set aside.* Because of the delay in the Veterans' Emergency Housing Program, there is serious danger that full use will not be made of the present building season. To make sure that as many houses as possible are started and completed this year, it is necessary temporarily to take a higher percentage of a few critical products than has been done up to now.

(2) *Items subject to set-aside.* The items set aside, and the percentage set-aside on each, are as follows. (Paragraph (3) explains how the set-aside works.)

Materials to be set aside and set-aside percentage

Bath tubs—95% by units.
Kitchen sinks—75% by units.
Lavatories—90% by units.
Water closets, tanks and bowls—90% by units.
Cast iron soil pipe and fittings (under 5 inches)—80% by producer's billing price.
Clay sewer pipe (4, 5, and 6 inches only)—75% by producer's billing price.
Gypsum board and lath—85% by square feet.
Building board (as defined in Schedule A to Priorities Regulation 33)—75% by square feet.

Radiation (convector and cast iron)—75% by square feet of heating surface or producer's billing price for convectors without inclosures.

Warm air furnaces (as defined in Schedule A to Priorities Regulation 33)—75% by producer's billing price.

(3) *How the set-aside works.* Out of each shipment received by a distributor of the item listed above, a distributor must set-aside the percentage shown, and deliver those items only on rated orders (including AAA, but not including "certified HH" orders which are placed for FPHA projects under Direction 11 to Priorities Regulation 33). He must not deliver any items set aside on any unrated order, even if he does not have or receive any rated orders, unless he gets permission to do so. He can get this permission by applying to the Regional Housing Expediter, by letter, indicating the number of items he is holding and how long he has held them. The Regional Housing Expediter will release these only when he is unable to arrange for HHH or HH orders to be placed, and usually only where the materials have been held for one month or longer. This changes the rule that used to apply to most of these items permitting them to be sold on unrated orders after they had been held a certain period of time.

(4) *Set aside of inventory.* In addition, a distributor must set aside the percentage shown above in (2) of his inventory as of September 1, 1946, and deliver it as described in (3) above.

(5) *Ceiling on rated orders.* A distributor need not accept more rated orders for items in paragraph (d) (2) above than is required to set-aside.

(e) *Miscellaneous provisions.* The following paragraphs tell certain additional things that a person must do in making the "ceiling" and "set-aside" provisions work, and also make further explanations. Read them carefully.

(f) *Records.* (1) Each distributor selling the materials subject to the "ceiling" in paragraph (b) must keep a separate sheet of paper for each material which is under a "ceiling" showing how much was delivered without ratings and how much was delivered on ratings. The list must be kept so that each of the purchase orders placed with him and bearing a rating may be easily identified.

(2) Each distributor selling the materials listed in paragraph (d) subject to "set asides" must keep a separate sheet of paper for each material which is under a "set aside", showing how much was received, how much was delivered without ratings, and how much was delivered on ratings. The list must be kept so that each of the purchase orders placed with him and bearing a rating may be easily identified. If his stock cannot be readily inspected, he must maintain inventory figures for each material subject to "set asides". (These two paragraphs (1) and (2) are in addition to the record-keeping requirements of Priorities Regulation 1.)

(g) *Effect on other directions to Priorities Regulation 33.* Directions 1 and 1A (on lumber, millwork, hardwood flooring and softwood plywood) still are in effect. This schedule, however, takes the place of Directions 2, 3, 4, 7, 9, 10, and 12 to Priorities Regulation 33. It also takes the place of part of Direction 5, which is being amended.

(h) *How to determine what material is subject to this schedule.* This paragraph explains how much of the material that any person has is subject to the ceiling and set-aside provisions of the schedule. It defines the term "distributor" and also has some special provisions applicable to producers.

(1) *Definition of distributor.* "Distributor", whenever it is used in this schedule, includes any person who sells any material on Schedule A to a user. (A user is a builder, prefabricated house or trailer manufacturer, a person who normally installs what he sells such as a plumbing contractor, wiring contractor, etc.) This includes the part of a manufacturer's sales that he makes directly to a user.

(2) *Exclusion of certain quantities from ceilings and set-asides.* A distributor does not have to include the number of items which he does not sell to users when he figures his "ceiling" or "set-aside". For instance, where a manufacturer of an item on Schedule A makes some deliveries directly to users, those deliveries are subject to this schedule and he is a "distributor" with respect to them, but the set-aside and ceiling provisions of this schedule do not apply to the rest of his deliveries. Also, where a distributor delivers to another distributor, the set-aside and ceiling provisons do not apply to those quantities. This is an example of the rule. If a distributor receives 100 sinks, he would normally be required to set aside 75 (75% of 100) of them for delivery on rated orders. If however, he delivers 40 of the 100 to another distributor, then he need only apply the set-aside provisions to 60 sinks and set aside 45 (which is 75% of 60). However, in these cases he must make a complete record of the transaction and adjust the records which he is required to keep under paragraph (f) accordingly.

(3) HHH and HH ratings for nails metallic and non-metallic sheathed cable copper water tubing, and iron and steel pipe have no effect on a producer's deliveries and may be disregarded by him. Consequently, a producer of these items is not subject to any provision of this schedule.

(4) *Inclusion of direct shipments in figuring a ceiling or set-aside.* A distributor must include any shipments which he arranges to have made by his supplier directly to his customer for his own account. These kinds of shipments count against the "ceiling" or the "set-aside", and the distributor must handle these shipments just as if the material had actually been delivered from his stock. It is the distributor's job to make arrangements with the producer so that these shipments the producer makes are in accordance with those that the distributor can make under this schedule. If he prefers, he can use the whole month's shipments in working out his set-aside, instead of using each shipment.

(i) *Treatment of HHH, HH and CC ratings by a manufacturer.* Where a producer receives an HHH, HH or CC rating, he need not change his production schedule if he is unable to fill the rated order out of his already scheduled production. In making deliveries of items produced he must give them the preference required under Priorities Regulation 1. This rules does not apply to AAA and MM ratings, as to which the normal rules of Priorities Regulation 1 apply.

(j) *HHH and HH ratings "extendible" for brick, tile and concrete building blocks.* (1) HHH and HH ratings may be extended by a distributor to his supplier for bricks (common and face), clay tile, and concrete building blocks. Priorities Regulation 3 explains how to extend ratings.

(2) The entire production by producers of brick, clay tile, and concrete building blocks is subject to the "ceiling" of paragraph (b) instead of just the quantity he sells direct to users and despite the provisions of paragraph (i) must schedule his production as required by Priorities Regulation 1.

(3) HHH and HH ratings are not extendible for any other product.

(k) *Applicability of this schedule to AAA rated orders.* This schedule does not limit acceptance of AAA rated orders or deliveries on AAA rated orders.

Technical provisions. (1) A reference in any other Civilian Production Administration directive, order or regulation or National Housing Agency or Housing Expediter order or regulation to a direction to Priorities Regulation 33, shall be deemed a reference to this Schedule B.

(2) The record keeping and reporting requirements of this Schedule have been approved by the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(3) This Schedule B shall take effect September 1, 1946.

Issued this 27th day of Aug. 1946.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46-15172; Filed, Aug. 27, 1946; 5:08 p. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATION OF THE PRIORITIES SYSTEM

[Priorities Reg. 28, Direction 19]

WOMEN'S FULL FASHIONED HOSIERY MACHINERY

The following direction is issued pursuant to PR 28:

(a) *Explanation.* Applications for CC ratings from persons qualified under paragraph (f) of Priorities Regulation 28 for womens' full fashioned hosiery machinery have reached such a volume that they threaten to preempt an undue proportion of the total production. To provide a fair amount of machinery for unrated orders, this direction restricts the issuance of CC ratings for this machinery, and provides a ceiling on required deliveries on rated orders.

(b) *Issuance of ratings.* The CPA will not issue further ratings for women's full fashioned hosiery machinery except in cases of emergency under paragraph (h) or for export under paragraph (i) of Priorities Regulation 28 until the supply of machinery more closely approximates the demand.

(c) *Acceptance of rated orders.* No manufacturers of womens' full fashioned hosiery machinery need accept or fill a CC rated order if this would cause him to deliver in any calendar month more than 50% of his deliveries on CC rated orders.

Within the ceiling established by this paragraph (c) CC rated orders must be accepted and filled in the sequence required by Priorities Regulation 1. Any AAA or MM rated orders must be accepted and filled in accordance with Priorities Regulation 1, regardless of this direction, and may not be credited against the number of machines which must be delivered on CC rated orders. If a producer of machines, receiving a CC rated order bearing a specific delivery date, does not expect to be able to fill it by the time requested out of his deliveries subject to CC rated orders, and is unable or unwilling to fill it out of his deliveries not subject to CC ratings by the time requested, he must either (1) reject the order, stating when he could fill it out of his deliveries subject to CC rated orders or the earliest date he is able and willing to fill it out of his other deliveries, or (2) accept it for delivery on the earliest date he expects to be able to deliver out of his deliveries subject to CC rated orders or the earliest date he is able and willing to deliver out of his other deliveries, informing his customer of that date.

Issued this 28th day of August 1946.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46-15262; Filed, Aug. 28, 1946; 12:09 p. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATION OF THE PRIORITIES SYSTEM

[Priorities Reg. 28, Schedule I, as Amended Aug. 28, 1946]

CRITICAL PRODUCTS

(a) *Introduction.* The table in this schedule lists certain of the critical products which the Civilian Production Administration has determined to be in such tight supply that they are serious threats to the national economy. (This schedule supersedes former Directions 1 through 5 and 7 through 12 to PR-28 covering critical products.) When effective assistance of other kinds is not practicable, the CPA may assign CC preference ratings under paragraph (e) of Priorities Regulation 28 for material which is needed to sustain or increase the production of these products. In addition to the rules explained in paragraph (b) below, the general rules in paragraphs (c) and (d) of Priorities Regulation 28 governing the application for and assignment of CC ratings are also applicable. Especially important is paragraph (d) (1) of Priorities Regulation 28, requiring a determination that the use of substitute and less scarce materials is not practicable, that reasonable efforts have been made to get the required item without a rating, and that a rating is required to obtain the item by the latest date and in the minimum quantity practicable after taking into consideration material in inventory and available without a rating.

(b) *Explanation of table.*

Column I—Critical products. Column I lists the critical products for which CC ratings may be granted to sustain or increase production. When "specialized machinery" for another critical product is listed in Column I, it includes only machinery and equipment designed solely for the production of that critical product. It does not include general types of equipment suitable for other use even though a particular piece of equipment is designed and built expressly for a producer of the critical product.

Column II—Persons eligible. Column II states the persons who may apply for CC ratings. Where Column VI indicates that CC ratings may be assigned for construction, the builder or contractor may apply instead of the person listed.

Column III—Production materials. (1) If the word "yes" appears in Column III, the CPA may assign CC ratings to the person named in Column II to get production materials needed to make the item listed in Column I regardless of the applicant's minimum economic rate of operation. Where the applicant regularly sells materials as maintenance, repair or operating supplies for the item he makes, CC ratings may also be assigned to him for such supplies or for materials needed to make them. Applications for CC ratings for textile fabrics or yarns should be made under Priorities Regulation 28A, and CC ratings may be assigned under paragraph (d) of that Regulation in accordance with subpargaraph (d) (5) (i).

(2) If the word "no" appears in Column III, CC ratings will be assigned for production materials only as provided in Priorities Regulation 28. The same rule applies to any production materials expressly excluded from Column III.

Column IV—Capital equipment. (1) If the word "yes" appears in Column IV, the CPA may assign CC ratings to the person named in Column II to get capital equipment which either (i) will result in a substantial increase in production of the item listed in Column I, or (ii) is needed to replace present operating equipment which is in danger of imminent breakdown.

(2) Where the word "no" appears in Column IV, CC ratings will be assigned for capital equipment only as provided in Priorities Regulation 28. The same rule applies to any capital equipment expressly excluded from Column IV.

Column V—MRO. (1) If the word "yes" appears in Column V, the CPA may assign CC ratings to the person named in Column II to get maintenance, repair and operating supplies (MRO) which he needs to use in making the item listed in Column I.

(2) If the word "no" appears in Column V, CC ratings will be assigned for MRO only as provided in Priorities Regulation 28.

Column VI—Construction. (1) If the word "yes" appears in Column VI, the CPA may assign CC ratings to the person named in Column II, or to his builder, for material needed for incorporation in new plants or in expanded or modernized old ones where increased production of the item listed in Column I will result, or where the construction is necessary to prevent a loss of production.

(2) If the word "no" appears in Column VI, CC ratings will be assigned for construction materials only as provided in Priorities Regulation 28.

NOTE: Item "Rubber" added to list Aug. 28, 1946.

I Critical products	II Person eligible	III Production materials	IV Capital equipment	V MRO	VI Construction
Alcohol (produced from non-food materials):					
Normal butyl alcohol	Producer	No	Yes	Yes	No.
Industrial ethyl alcohol	do	No	Yes	Yes	No.
Synthetic methanol	do	No	Yes	Yes	No.
Asbestos-cement siding shingles and flat sheets (products made from asbestos fibres and cement).	do	No	Yes (except specialized machinery for asbestos-cement siding shingles and flat sheets).	Yes	Yes.
Asbestos-cement siding shingle and flat sheet specialized machinery.	do	Yes	Yes	Yes	No.
Asphalt and tarred roofing products (smooth surfaced roll roofing, mineral surfaced roll roofing, strip and individual asphalt shingles, mineral surfaced insulation board, laminated asphalt felt and mastic coretype boards, saturated felts, dry roofing felts, and saturated or coated sheathing papers).	do	No	Yes (except specialized machinery for asphalt and tarred roofing products).	Yes	Yes.
Asphalt and tarred roofing products specialized machinery.	do	Yes	No	Yes	No.
Building board (board made from wood pulp, vegetable fibres, pressed paper stock, or multiple plies of fibred stock).	do	No	Yes (except specialized machinery for building board).	Yes	Yes.
Building board specialized machinery	do	Yes	No	Yes	No.
Castings, malleable iron and gray iron, including cast iron soil pipe, cast iron radiation (tubular and convector) and railroad car brake shoes.	Producer (foundry)	Yes	Yes	Yes	Yes.
Clay building products (common and face brick, clay structural tile and clay sewer pipe).	Manufacturer	Yes	Yes (except specialized machinery for clay building products).	Yes	Yes.
Clay building products specialized machinery (such as de-airing machines, extrusion heads, clay grinders and pulverizers, and brick presses).	do	Yes	No	Yes	No.
Coal, of the following kinds only: high grade metallurgical and by-product coking coal and double screened domestic coal in the areas comprising Bituminous Producing Districts 1, 2, 3, 4, 6, 7, 8, 9, 10, 11 and 13 (as defined in SFAW Regulation 27) and the anthracite fields of Pennsylvania.	Producer	No	Yes (except underground Coal mining machinery).	Yes [1]	Yes (at present mines only).
Coal mining machinery, underground	Manufacturer	Yes	Yes	Yes	No.

I Critical products	II Person eligible	III Production materials	IV Capital equipment	V MRO	VI Construction
Concrete building products (light weight and heavy weight aggregate concrete blocks and cement brick).	Manufacturer	Yes (cinders, burned clay or shale, and blast furnace slag, only).	Yes (except specialized machinery for concrete building products).	Yes	Yes.
Concrete building products specialized machinery (such as concrete block and brick machines and attachments, including concrete mixers and skip loaders as commonly used in the concrete products industry).	do	Yes	No	Yes	No.
Convector radiation (extended surface)	Producer	Yes	Yes	Yes	Yes.
Furnaces (warm-air)	do	Yes (except iron and steel products in the forms and shapes listed in Schedule I to Order M-21).	Yes	Yes	Yes.
Gypsum board and gypsum lath	do	No	Yes (except specialized machinery for gypsum board and gypsum lath).	Yes	Yes.
Gypsum board and gypsum lath specialized machinery.	do	Yes	No	Yes	No.
Lead	Producer (mines and smelters)	Yes	Yes	Yes	Yes.
Logs	Producer (any person engaged in felling or bucking trees or transporting the yield from felled trees to the points of delivery for manufacture or shipment).	No	Yes (except special equipment produced only for use in log or sawmill operations).	Yes	Yes.
Lumber	Producer (operator of any plant, stationary or portable, which produces lumber not further manufactured than by sawing, resawing, passing lengthwise through a standard planing machine, cross-cutting to length and working, but not including any establishment known in the trade as a "distribution yard", engaged in either retail or wholesale business, even though it may process lumber on special orders from customers).	No	Yes (except special equipment produced only for use in log or sawmill operations).	Yes	Yes.[2]
Millwork, suitable for housing construction	Producer	No	Yes	Yes	Yes (at existing plants only).
Motors, electric, fractional horsepower AC	Manufacturer	Yes (except electric sheet steel).	Yes	Yes	Yes.
Penicillin	Producer	Yes	Yes	Yes	Yes.
Plumbing fixtures (of the following types, in residential-design models only: bathtubs; lavatories; laundry trays, sinks, sink-and-tray combinations; shower stalls, receptors, stall-and-receptor combinations; water closet bowls, tanks. Trim is not included.)	do	No	Yes	Yes	Yes (at existing plants only).
Plywood, softwood	do	Yes	No	Yes	No.
Presses, mechanical, power-driven, 150 ton and over.	do	No	Yes	Yes	Yes.
Pulpwood	do	Yes	Yes	Yes	Yes.
Rosin (formerly covered by direction 10)	do	Yes	Yes[3]	Yes	Yes.
Rubber:					
GRI	do	Yes	Yes	Yes	Yes.
GRS	do	No	Yes	Yes	Yes.
Reclaimed	do	No	Yes	Yes	Yes.
Steel, electrical high silicon sheet	do	Yes	Yes	Yes	Yes.
Streptomycin	do	Yes	Yes	Yes	Yes.
Titanium dioxide	do	No	Yes	Yes	Yes (at existing plants only).
Veneer, softwood	do	Yes	Yes	Yes	Yes.
Wire, copper magnet	do	Yes	Yes (except specialized machinery for wiring devices).	Yes	No.
Wiring devices (electrical) of the following kinds only: (1) Sockets, lampholders, and lamp receptacles—medium screw base types—lighting fixtures and portable lamps not included. (A lampholder consists of a socket and a housing (generally one-piece) which attaches directly to a ceiling or wall outlet, without intervening suspending or protruding devices. It may be designed so that shades and other similar appurtenances may be attached, but, in that event, the appurtenances are not part of the lampholder itself.) (2) Convenience receptacles (outlets)—types suitable for residential use. (3) Toggle switches—types designed specifically for tools and appliances not included. (4) Wall and face plates. (5) Outlet, switch, and receptacle boxes—types suitable for residential use—covers, hangers, supports, and clamps included. (6) Box connectors for residential-type metallic or nonmetallic-sheathed cable.	Producer	Yes (except phenolic resin molding compound; see Schedule 121 to Order M-300).			

[1] CC ratings will be assigned for special repair parts for underground coal mining machinery only where the repair part is essential for the continued operation of the mine and then only where it will not interfere with delivery of mining machinery for more essential purposes.

[2] CC ratings for construction for logs, lumber, and pulpwood will be assigned only for construction at existing plants or at plants which need to be relocated because of increased availability of timber, manpower or transportation facilities.

[3] Additional equipment only for increased production of Petroleum Butadiene.

Issued this 28th day of August 1946.

CIVILIAN PRODUCTION ADMINISTRATION
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46-15263; Filed, Aug. 28, 1946; 12:09 p. m.]

PART 4700—VETERANS' EMERGENCY HOUSING PROGRAM

[Veterans' Housing Program Order 1, Supp. 5]

WHERE APPLICATIONS SHOULD BE FILED

§ 4700.6 *Supplement 5 to Veterans' Housing Program Order 1—(a) What this supplement does.* This supplement tells where applications for authorization under Veterans' Housing Program Order 1 to do construction, repair work or other work restricted by VHP-1 or for priorities assistance for such work should be filed.

(b) *Applications to be filed under regulations of the Housing Expediter.* (1)

Applications for the construction of the following kinds of new structures in which 50% or more of the floor space is to be used for residential purposes should be filed as indicated in Priorities Regulation 33 or in regulations of the Housing Expediter:

(i) Any building to be used for family housing purposes including all subsidiary buildings on residential property such as private garages, tool sheds, piers, greenhouses and the like.

(ii) Any building to be built by or under the sponsorship of an educational institution or public organization for housing purposes, including dining halls and other essential residential accommodations to be used exclusively in connection with dormitory or other housing accommodations being constructed by an educational institution or public organization.

(iii) Apartment hotels, boarding houses and rooming houses not including hotels, overnight guest houses, tourist cabins or other accommodations for transients.

(iv) Farmhouses and other farmhouse accommodations including bunkhouses for transient farm labor.

The structures described in paragraph (b) (1) do not include any military housing or summer or winter camps.

(2) Regardless of the primary purpose for which a structure as a whole is or is to be used, applications for construction, alterations, additions or repairs in the structure should be filed under regulations of the Housing Expediter if 50% or more of the floor space involved in the proposed work will be used for residential purposes of the kinds described above.

(3) Applications for amendments to projects approved under Priorities Regulation 33 and CPA-4387 applications should be filed in accordance with Priorities Regulation 33.

(4) In general new applications for work covered by paragraphs (b) (1) and (b) (2) should be made on Form CPA-4386 (before September 10, 1946) or on NHA Form 14-56 on or after that date and filed with the appropriate State or District Office of the Federal Housing Administration, except that (i) Applications covering dwelling accommodations on a farm should be filed with the appropriate County Agricultural Conservation Committee, (ii) applications by educational institutions or by persons acting under their sponsorship or by public organizations should be filed with the appropriate Regional Office of the Federal Public Housing Authority and, (iii) applications to construct or erect experimental housing accommodations or to obtain materials for experimental or testing purposes in connection with housing accommodations should be filed with the Technical Branch of the Office of the Administrator of the National Housing Agency.

(c) *Non-housing applications to be filed with the County Agricultural Conservation Committees.* Applications covering non-housing construction on farms (as defined in Supplement 3 to VHP-1) should be filed on Form CPA-4423 with the appropriate County Agricultural Conservation Committee.

(d) *Applications to be filed with the Civilian Production Administration:* All applications for authorization under VHP-1 for construction not covered by paragraph (b) or paragraph (c) should be filed on Form CPA-4423 with the appropriate CPA District Construction Office.

(e) *CPA-541A Applications.* Applications for priorities assistance for materials not listed on Schedule A to Priorities Regulation 33 in connection with housing accommodations, and applications for priorities assistance for all materials in connection with non-housing construction should be filed under PR-28 on Form CPA-541A. These applications should be addressed to the Civilian Production Administration, Washington 25, D. C., Ref: PR-28.

Issued this 27th day of August 1946.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46-15158; Filed, Aug. 27, 1946; 4:17 p. m.]

PART 3293—CHEMICALS

[General Allocation Order M-300 Appendices A, B, and C, as Amended Aug. 28, 1946]

CHEMICAL AND ALLIED PRODUCTS

Appendices A, B, and C of General Allocation Order M-300 (§ 3293.1000) are amended to read as follows:

APPENDIX A—ALLOCATION USING FORMS CPA-2945 AND CPA-2946

NOTE: Appendix A amended Aug. 28, 1946.

Material (1)	Schedule (2)	Customers (including suppliers seeking to purchase) filing date (CPA-2945) (3)	Suppliers' filing date (CPA-2946) (4)	Small order exemption per allocation period (or other specified period) (5)	Report on Form WPB-3442 (6)	Initial allocation date and allocation period (7)
Potash	120 (issued 5-31-36)	June 5 and Jan. 15	July 15 and Mar. 20.	50 tons June-March, 10 tons April-May (K_2O basis).	None	6-1-46; June-March, April-May.

APPENDIX B—ALLOCATION USING SUPPLIERS' FORM CPA-2947 WITH CUSTOMERS' USE CERTIFICATES

NOTE: Appendix B amended Aug. 28, 1946.

Material (1)	Schedule (2)	Suppliers' filing date (CPA-2947) (3)	Small order exemption per allocation period (or other specified period).—No certificate required. (4)	Report on Form WPB-3442 (5)	Initial allocation date and allocation period (6)
Penicillin	118 (issued 12-29-45).	20th	None (no certificates required).	On Form CPA-2947 instead.	1-1-46, month.
Streptomycin	119 (issued 2-21-46).	20th	None (no certificates required).	On Form CPA-2947.	3-1-46, month.

APPENDIX C—ALLOCATION USING FORM CPA-2947 FOR SUPPLIERS WITH CUSTOMERS' FORM CPA-2945 FOR LARGE ORDERS AND USE CERTIFICATES FOR INTERMEDIATE ORDER

NOTE: Appendix C amended Aug. 28, 1946.

Material (1)	Schedule (2)	Customers' applications		Small order exemption per allocation period (or other specified period). (5)	Suppliers' filing date (CPA-2947) (6)	Report on Form WPB-3442 (7)	Initial allocation date and allocation period (8)
		On Form CPA-2945, filing date and quantities per allocation period from all suppliers (3)	Use certificate quantities per allocation period from all suppliers (4)				
Phenolic resin molding compounds	121 (issued 8-6-46)	5th	None	50 lbs	10th	None	8-1-46, month.

Issued this 28th day of August 1946.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46-15261; Filed, Aug. 28, 1946; 12:09 p. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATION OF THE PRIORITIES SYSTEM

[Priorities Reg. 33, Schedule A as Amended Aug. 27, 1946]

Section 944.54a *Schedule A to Priorities Regulation 33*, is amended to read as follows:

There is a shortage in the supply of the materials and facilities listed in paragraph (b) of this schedule for defense, for private account and for export. These materials and facilities are suitable for the construction and completion of housing accommodations in rural and urban areas and for the construction and repair of essential farm buildings. The allocation of, and the establishment of priorities for the delivery of, these materials and facilities in the manner, upon the conditions and to the extent provided in this schedule and other applicable regulations, orders, directives, schedules and directions of the Civilian Production Administration and of the Housing Expediter are necessary and appropriate in the public interest, to promote the national defense and to effectuate the purposes of the Veterans' Emergency Housing Act of 1946.

§ 944.54a *Schedule A to Priorities Regulation 33*—(a) *Establishment of allocation and priorities system.* Priorities for the delivery of the materials and facilities listed in paragraph (b) of this schedule are hereby established, and they may be allocated, under the Veterans' Emergency Housing Act of 1946, as provided in this schedule and in other orders, regulations, directions, schedules and directives of the Civilian Production Administration. These priorities consist in general of HH and HHH ratings. The method by which these ratings may be applied and other provisions concerning their use are set forth in paragraph (c) of this schedule. The effect of these ratings shall be the effect provided in Priorities Regulations 1, 3 and other regulations and in schedules and directions to Priorities Regulation 33. In addition these directions provide for "certified" and "authorized" orders for some of these materials under certain conditions. The terms and conditions under which these ratings will be assigned and the conditions and requirements imposed upon the use of materials obtained by means of these ratings and upon housing accommodations constructed or manufactured from such materials are set forth in Housing Expediter Priorities Regulation 5, Priorities Regulation 33 and in other orders, regulations and directions of the Civilian Production Administration and the Housing Expediter.

(b) *List of short materials and facilities.* The materials and facilities for which priorities are established by this schedule are the following:

Lumber Materials

Flooring, hardwood, as defined in Direction 1 to PR-33.
Lumber, housing construction, as defined in Direction 1 to PR-33.
Millwork, including doors, built-in kitchen cabinets and screens as defined in Direction 1 to PR-33.
Plywood, construction (softwood), as defined in Direction 1A to PR-33. Limited by Direction 1A as to uses.

Clay and Concrete Materials

Brick, common and face, clay.
Concrete block and brick.
Cement, portland.
Tile, common and face, structural.
Sewer pipe, clay.

Electrical Wiring Materials

*Cable, metallic or non-metallic sheathed.
Lighting fixtures, residential, not including portable lamps.
Raceways (including rigid and flexible conduit, thin-wall metallic tubing, surface metal raceways) and fittings.
Wiring devices of the following kinds only: (1) Sockets, lampholders, and lamp receptacles—medium screw base types; (2) convenience receptacles (outlets); (3) toggle switches; (4) wall and face plates; (5) outlet, switch and receptable boxes—covers, hangers, supports, and clamps included; (6) box connectors for metallic or non-metallic sheathed cable.

Hardware Materials

Builders hardware, of the following types only: (1) Butts, hinges, hasps; (2) door locks, lock trim; (3) sash, screen, and shelf hardware; (4) night latches, dead locks; (5) spring hinges; (6) sash balances, sash pulleys.
*Nails.

Wall Matericls

Building board (products made from wood pulp, vegetable fibres, pressed paper stock or multiple plies of fibred stock, produced for use in building construction and commonly described as structural insulation board, sheathing, lath, tile board, plank, thin board, roof insulation, laminated fibre wall board or laminated fibre tile board. Accoustical tile and products commonly described as "hardboard" not included).
Gypsum board (products made from gypsum and commonly described as wall board, wide board, laminated board. Precast reinforced gypsum roof plank not included).
Gypsum lath (gypsum products especially made for use as a plaster base).
Plaster, hardwall (gypsum plaster—basic, ready-mixed and gauging—made for use in applying base or finish coats to lathed interior walls).
Plaster base (metal lath and accessories).
Shingles (asbestos-cement, asphalt, slate, wood).
Siding (asbestos-cement).
Stucco mesh (woven or welded wire).

Plumbing and Heating Supplies

Bathtubs.
Boilers, low pressure, for heating and hot water.
Controls, temperature and combustion, for heating and hot water.
Furnaces, floor, wall.
Furnaces, warm air.
Kitchen sinks (including sink-and-tray combinations and undersink cabinets).
Lavatories.
Oil burners, domestic.
Plumbing fixture fittings and trim, including brass tubular goods.
Pipe, bituminized fibre, for drains and sewers.
Pipe, cast iron soil pipe and fittings.
*Pipe, steel and wrought iron, including galvanized, in sizes ⅜" to 4" inclusive in diameter, and related nipples and threaded fittings.
Radiation, convector and cast iron, including accompanying metal enclosures and grilles.
Range boilers.
Registers and grilles for heating systems.
Stokers, domestic.
Stoves and ranges for cooking and heating, including space heaters.
Tanks, septic.
Tanks, oil and water storage, capacity 550 gallons or less.
Water closets (1-piece combinations, bowls, tanks).
Water heaters.
*Water tubing, copper.

Prefabricated Housing

Prefabricated houses, sections, and panels (as defined in Direction 8 to PR-33).

Structural Materials (Metal)

Doors and frames (metal).
Joists (steel).
Fabricated structural shapes (steel, aluminum).
Structural shapes (steel, aluminum) cut to size by a warehouse for a housing contractor.

Miscellaneous Building Materials

Cabinets, metal built-in types for kitchens and bathrooms.
Floor coverings of the following types: felt-base, linoleum, mastic, tile (asphalt, rubber).
Gutters and down-spouts.
Insect screen cloth (metal, plastic).
Lead, caulking.
Lime, finishing.
Weatherstripping (metal).
Fabricated reinforcing rod and mesh.

(c) *Use of HH and HHH ratings.* The general rules for applying HH ratings are set forth below, together with certain provisions concerning the use of these ratings by builders. These rules apply to the use of HHH ratings, except when otherwise provided by Direction 11 to Priorities Regulation 33 or other applicable regulations. The rules for the use of HH ratings by prefabricators and trailer manufacturers are set forth in Directions 8 and 13 to Priorities Regulation 33. Additional rules applicable to HHH ratings and other related priorities assistance are set forth in Direction 11 to Priorities Regulation 33.

(1) *Kinds and quantities of materials.* The HH rating may be used only to get materials of the kinds listed in paragraph (b) of this schedule. The HH rating may not be used to get more than the minimum quantities of those materials needed to complete the housing accommodations for which the rating was assigned, in accordance with the description given in the application as approved. In some cases applicants may be limited to specific quantities of particular materials. In such cases the HH rating may not be used to get more than the specific quantities approved. The HH rating may not

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* For an item marked with an asterisk (*) in the above list, HHH and HH ratings have no effect on orders placed with producers and such ratings may be disregarded by them. For items not so marked, the placing and effect of HHH and HH rated orders are controlled by the rules of Priorities Regulations 1, 3 and 33, as modified by any special rules in any applicable direction or schedule to PR-33.

be applied to purchase orders for greater quantities of materials than the applicant is authorized to get. Persons authorized to use the HH rating may not place duplicate orders totalling more than the authorized minimum quantities, even though they plan to cancel one of the orders later.

(2) *Restriction on time of delivery.* The builder must not specify delivery dates on purchase orders for rated materials more than 30 days before the time they are to be incorporated in the project. This provision applies to materials ordered with an HH rating, instead of the usual rule in Priorities Regulation 32. Furthermore, the builder must not place rated purchase orders for materials in which delivery is specified later than during the third full calendar month after the calendar month during which the purchase order is placed.

(3) *Expiration of rating.* The right to use the HH rating for a project expires 90 days after the issuance of the rating, unless the builder has begun construction on the project by physically incorporating at the site of the project materials which will be an integral part of the construction. If the builder has not begun construction within this time, he must unrate all orders for materials for the project to which he has applied the HH rating. If the application covers a number of different buildings, the right to use the rating for materials going into any individual building expires unless that particular building has been started within the 90 day period. However, he may apply by letter in triplicate to the agency which granted his application for an extension of the starting date, showing why he was unable to begin construction in accordance with his original application and giving his revised starting date. If the request for an extension is approved, he need not unrate his orders but he must postpone the delivery dates so as to comply with paragraph (c) (2) of this schedule.

(4) *Use of rating.* The applicant must not use an HH rating or give others the right to use it before his application has been approved. After approval, the HH rating may be used to get materials by the applicant or by contractors or subcontractors doing all or any part of the construction work for the applicant. Applicants, contractors and sub-contractors using the rating and their officers and agents must comply with all applicable provisions of this and other pertinent regulations. The applicant may authorize contractors and sub-contractors, and contractors may authorize subcontractors, to use the rating assigned to the applicant, by using a certificate in substantially the following form:

VETERANS' EMERGENCY HOUSING PROGRAM

Application Serial Number_____

You are hereby authorized to use the HH rating to obtain material of the kinds listed on Schedule A to Civilian Production Administration Priorities Regulation 33 which are required for the housing accommodations located at _____ (give location). Your use of this rating is subject to the provisions of applicable regulations.

_____
Authorized user of rating

(5) *Certificates.* The HH rating may be applied to a purchase order by a person authorized to use the rating only by placing on the order the following certificate:

VETERANS' EMERGENCY HOUSING PROGRAM

Application Serial Number_____

I certify to the Civilian Production Administration that an HH rating has been assigned for the materials covered by this order and that these materials will be used only in housing accommodations being built under the Veterans' Emergency Housing Program at _____ (give location), and that I will comply with the limitations and requirements provided in applicable regulations and the application as approved covering the housing accommodations.

_____
Builder (or authorized contractor or authorized subcontractor.)

(d) *Violations.* Any person who wilfully violates any provision of any rule, regulation or order of the CPA dealing with the priorities assistance and allocations established by this schedule, or who, by any statement or omission, wilfully falsifies any records which he is required to keep, or who otherwise wilfully furnished false or misleading information to the CPA, and any person who obtains a delivery or an allocation of materials or facilities or a preference rating by means of a material and wilfully false or misleading statement, may be prohibited by the CPA from making or obtaining further deliveries of materials and facilities of the kinds listed in paragraph (b) of this schedule and may be deprived of further priorities assistance. The CPA may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35 (A) of the Criminal Code, under the Second War Powers Act or under the Veterans' Emergency Housing Act of 1946.

Issued this 27th day of August 1946.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 46-15155; Filed, Aug. 27, 1946; 4:17 p. m.]

Chapter XI—Office of Price Administration

PART 1305—ADMINISTRATION

[SO 126, Amdt. 49]

EXEMPTION AND SUSPENSION OF LEATHER AND LEATHER ARTICLES FROM PRICE CONTROL

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.

Supplementary Order No. 126 is amended in the following respects:

1. Section 3 is amended by adding the following items thereto:

American Line Hemp and Hemp Tow, Flax Line Fiber and Flax Tow.

2. Section 8 (d) is amended to read as follows:

(d) *Leather and leather articles of the following kinds.* All domestic and imported raw skins (or pieces thereof) of antelope, badger, beaver, camel, carpincho, deer (other than China buck and Jack buck), dog, gazelle, ostrich, peccary, viscacha, zebra, aquatic and reptile; leather tanned from such raw skins or pieces; and all articles manufactured of such leather in which at least 90% of the external surface (in shoes, this means 90% of the external surface of the upper of each shoe) consists of genuine antelope, badger, beaver, camel, carpincho, deer (other than China buck and Jack buck), dog, gazelle, ostrich, peccary, viscaha, zebra, aquatic or reptile leather.

This does not include any article in which the outer covering is constructed, in whole or part, by sewing together with a zigzag or other stitch, pieces cut from scrap of any of the leathers above enumerated if the average size of the pieces of such leather in the finished articles is less than four square inches.

This amendment shall become effective August 28, 1946.

Issued this 28th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15231; Filed, Aug. 28, 1946; 11:26 a. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[FPR 1, Amdt. 4 to Supp. 10,[1] (§ 1351.485)]

PACKED FRUITS, BERRIES AND VEGETABLES OF THE 1946 AND LATER PACKS

A statement of the considerations involved in the issuance of this supplement has been issued and filed with the Division of the Federal Register.

1. Section 6 (e) (4) is amended to read as follows:

(4) *Italian pear shaped tomatoes.* For sales to purchasers other than government procurement agencies, the processor's maximum price, f. o. b. shipping point for an item of Italian pear shaped tomatoes (but not products made therefrom) shall be his maximum price as otherwise determined under this supplement plus the appropriate amount set forth below for the state in which his factory is located:

ITALIAN PEAR SHAPED TOMATOES

[Amount to be added per dozen containers]

Area	Can size	Amount
Montana, Idaho, Wyoming, Colorado, Utah, New Mexico, Arizona, Nevada, Oregon, Washington and California.	No. 1 tall	$0.17
	No. 303	.17
	No. 2	.20
	No. 2½	.25
	No. 10	.84
All other States	No. 1 picnic	.13
	No. 2	.20
	No. 2½	.27
	No. 10	.93

2. Appendix C to section 15 is amended in the following respects:

a. Table 3 is amended to read as follows:

[1] 11 F.R. 6827, 8644.

TABLE 3—PERMITTED INCREASES AND PRICE RANGES PER DOZEN CONTAINERS FOR PROCESSORS OF PACKED TOMATOES WHO MADE SALES DURING THE BASE PERIOD

Area and grade	No. 2 cans		No. 2½ cans		No. 10 cans	
	Permitted increase	Price ranges	Permitted increase	Price ranges	Permitted increase	Price ranges
Area 1:						
Fancy Whole	$0.63	$1.80–$1.90	$0.86	$2.32–$2.54	$2.96	$7.57–$8.27
Fancy	.62	1.72– 1.82	.84	2.21– 2.43	2.91	7.19– 7.89
Extra Standard	.58	1.45– 1.55	.79	1.91– 2.13	2.72	6.67– 7.17
Standard	.56	1.32– 1.42	.76	1.70– 1.92	2.63	5.86– 6.50
Area 2:						
Fancy Whole	.53	1.61– 1.73	.72	2.16– 2.36	2.49	7.23– 7.91
Fancy	.52	1.53– 1.65	.70	2.05– 2.25	2.44	6.85– 7.53
Extra Standard	.50	1.37– 1.51	.68	1.87– 1.99	2.35	6.26– 6.94
Standard	.49	1.25– 1.33	.66	1.73– 1.85	2.30	5.77– 6.45
Area 3:						
Fancy Whole	.50	1.53– 1.71	.68	2.12– 2.22	2.35	6.59– 7.29
Fancy	.49	1.45– 1.63	.66	2.01– 2.11	2.26	6.21– 6.91
Extra Standard	.47	1.32– 1.46	.64	1.84– 1.92	2.21	5.76– 6.46
Standard	.46	1.24– 1.30	.62	1.69– 1.77	2.16	5.29– 5.99
Area 4:						
Fancy Whole	.57	1.60– 1.78	.77	2.12– 2.34	2.68	7.12– 7.80
Fancy	.56	1.52– 1.70	.76	2.01– 2.23	2.63	6.74– 7.42
Area 4—Continued.						
Extra Standard	$0.54	$1.39–$1.53	$0.73	$1.87–$2.05	$2.54	$6.33–$7.01
Standard	.53	1.31– 1.37	.72	1.77– 1.87	2.49	5.95– 6.63
Area 5:						
Fancy Whole	.52	1.56– 1.68	.71	2.08– 2.18	2.44	6.83– 7.53
Fancy	.51	1.48– 1.60	.69	1.97– 2.07	2.40	6.45– 7.15
Extra Standard	.49	1.35– 1.43	.66	1.83– 1.91	2.30	6.00– 6.70
Standard	.48	1.21– 1.29	.65	1.65– 1.73	2.26	5.51– 6.21
Area 6:						
Fancy Whole	.58	1.64– 1.76	.71	2.06– 2.16	2.35	6.94– 7.34
Fancy	.57	1.56– 1.68	.70	1.95– 2.05	2.31	6.56– 6.96
Extra Standard	.55	1.43– 1.51	.67	1.77– 1.87	2.23	6.15– 6.51
Standard	.54	1.37– 1.45	.66	1.71– 1.81	2.19	5.79– 6.29
Area 7:						
Fancy Whole	.63	1.84– 1.96	.77	2.31– 2.45	2.55	7.44– 7.88
Fancy	.61	1.76– 1.88	.75	2.20– 2.34	2.47	7.06– 7.50
Extra Standard	.57	1.62– 1.74	.70	1.98– 2.12	2.31	6.51– 7.17
Standard	.53	1.45– 1.51	.65	1.75– 1.83	2.15	5.69– 6.09

b. Table 4 is amended to read as follows:

TABLE 4—SPECIFIC DOLLARS-AND-CENTS MAXIMUM PRICES PER DOZEN CONTAINERS FOR PROCESSORS WHO WERE NOT IN BUSINESS DURING 1941 OR WHO MADE NO SALES OF PACKED TOMATOES DURING THE BASE PERIOD

Area and grade	No. 2 cans	No. 2½ cans	No. 10 cans
Area 1:			
Fancy Whole	$1.85	$2.43	$7.92
Fancy	1.77	2.32	7.54
Extra Standard	1.50	2.02	6.92
Standard	1.37	1.81	6.18
Area 2:			
Fancy Whole	1.67	2.26	7.57
Fancy	1.59	2.15	7.19
Extra Standard	1.44	1.93	6.60
Standard	1.29	1.79	6.11
Area 3:			
Fancy Whole	1.62	2.17	6.94
Fancy	1.54	2.06	6.56
Extra Standard	1.39	1.88	6.11
Standard	1.27	1.73	5.64
Area 4:			
Fancy Whole	1.69	2.23	7.46
Fancy	1.61	2.12	7.08
Extra Standard	1.46	1.96	6.67
Standard	1.34	1.82	6.29
Area 5:			
Fancy Whole	1.62	2.13	7.18
Fancy	1.54	2.02	6.80
Extra Standard	1.39	1.87	6.35
Standard	1.25	1.69	5.86
Area 6:			
Fancy Whole	1.70	2.11	7.14
Fancy	1.62	2.00	6.76
Extra Standard	1.47	1.82	6.33
Standard	1.41	1.76	6.04
Area 7:			
Fancy Whole	1.90	2.38	7.66
Fancy	1.82	2.27	7.28
Extra Standard	1.68	2.05	6.84
Standard	1.48	1.79	5.89

This amendment shall become effective August 27, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

Approved: August 23, 1946.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46–15163; Filed, Aug. 27, 1946; 4:39 p. m.]

PART 1305—ADMINISTRATION

[SO 129, Amdt. 45]

EXEMPTION AND SUSPENSION FROM PRICE CONTROL OF MACHINES, PARTS, INDUSTRIAL MATERIALS AND SERVICES

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Section 8(a) (2) of Supplementary Order 129 is amended by adding the following to the list of commodities thereunder:

Products containing not less than 3% of one or more of the imported vegetable waxes, carnauba, ouricury, or candelilla wax, including but not limited to the following:
- Shoe polish.
- Floor polish.
- Furniture polish.
- Automobile polish.
- Industrial vegetable wax finishes and dressings.

This amendment shall become effective August 28, 1946.

Issued this 28th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46–15232; Filed, Aug. 28, 1946; 11:23 a. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[MPR 262,[1] Amdt. 22]

SEASONAL AND MISCELLANEOUS FOOD COMMODITIES

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

1. Section 1351.955g is added to read as follows:

§ 1351.955g *Sales of blended maple syrups on and after August 30, 1946*—(a) *Maximum prices which producers of blended maple syrup may charge.* Any producer who figured his maximum price for an item of blended maple syrup under this regulation before August 30, 1946, shall refigure that price according to this paragraph, and any producer who figures his maximum price for the first time on and after August 30, 1946, shall figure it according to this paragraph. He shall:

(1) *Start with the 1943 maximum price.* The producer shall use as his starting point his maximum price as figured under § 1351.955.

(2) He shall add an amount calculated as follows:

(i) Determine the net weight of maple syrup, block sugar, Canadian bag sugar, and each of the other ingredients used in the item, in pounds and fractions thereof.

(ii) Multiply the net weight of the maple syrup, block sugar or Canadian bag sugar contained in the item by the difference in his "net delivered cost" between December 31, 1942 and August 30, 1946. (The difference in his "net delivered cost" between December 31, 1942, and August 1946, shall be used instead of the 10¢ per pound designated for maple syrup in OPA Form 6035–2877.)

(iii) Multiply the net weight of each of the other ingredients contained in the item by the applicable amount set out in the following table:

	Permitted increase per pound
Pure syrups:	
Corn syrup	$0.098
Commercial cane syrup	.0035
Country cane syrup	.007
Second molasses	.0017
Direct consumption sugar, solid content	.0065
Liquid malt syrup	.0052

(iv) Total the results of the increased cost of ingredients found in (ii) and (iii).

(v) From the figure obtained in (iv) subtract $0.0017 per pound for each pound or fraction thereof of first molasses, contained in the item.

The amount so determined, added to the maximum price figured under § 1351.955 shall be the producer's maximum price.

(3) For sales made during such time as corn is not subject to price control, an additional amount of $0.0144 per pound may be added for each pound or fraction thereof of corn syrup contained in the item being priced.

(b) *Maximum prices for sales by wagon wholesalers and retail route sellers of blended maple syrup.* Maximum prices for any item of blended maple syrups sold by wagon wholesalers and retail route sellers shall be determined in the following manner:

(1) He shall take his maximum price as determined under § 1499.2 of the General Maximum Price Regulation;

(2) Divide this price by his most recent "net delivered cost" prior to March

[1] 7 F.R. 9244, 10844; 8 F.R. 262, 273, 437, 973, 2285, 5164, 9201, 10568, 11040, 11447, 14985, 15935, 16687, 17227; 9 F.R. 347, 9783; 10 F.R. 2617.

31, 1946, of such item; and (3) multiply the percentage so obtained by his current "net delivered cost" for the item being priced. The resulting figure shall be his maximum price for the item.

A "wagon wholesaler" is one who purchases the item being priced and distributes it to retailers and/or to commercial, industrial, or institutional users from an inventory stocked in trucks or other conveyances which are under the supervision of driver salesmen who make delivery at the time and place of sale.

A "retail route seller" is a retailer who distributes food products to ultimate consumers who are not commercial, industrial or institutional users, either on a future delivery basis or otherwise, from an inventory stocked in trucks or other conveyances operated by driver-salesmen over regular routes. A retailer, most of whose business is the personal solicitation of orders by salesmen calling at the homes or places of business of ultimate consumers, who are not commercial, industrial or institutional users, shall also be considered a retail route seller.

"Net delivered cost" means the amount paid his supplier less all discounts except the discount for prompt payment, plus all transportation charges paid except local trucking and local unloading.

(c) *Notification of new maximum prices.* With the first delivery of any item of blended maple syrup in any case where a seller determined his maximum prices pursuant to this section, and with the first delivery after the effective date of any provision changing the seller's maximum price, he shall:

(1) Supply each wholesaler and retailer who purchases from him with a written notice, as set forth below:

NOTICE TO WHOLESALERS, WAGON WHOLESALERS, RETAILERS AND RETAIL ROUTE SELLERS

Our OPA ceiling price for (describe item by kind, grade, brand, and container type and size) has been changed by the Office of Price Administration. We are authorized to inform you that if you are a wholesaler or retailer pricing this item under MPRs Nos. 421, 422 or 423, you must refigure your ceiling price for this item on the first delivery of it to you from your customary type of supplier with this notification after ( ). You must refigure your ceiling price following the rules in section 6 of MPRs Nos. 421, 422 or 423, whichever is applicable to you.

For a period of 60 days after determining such maximum price and with the first shipment after the 60-day period to each person who has not made a purchase within that time, each seller shall include in each case, carton or other receptacle containing the item, the written notice set forth above, or securely attach it to the case or carton or insert it on or attach it to the invoice covering the shipment.

(d) *Information to file.* Each producer who determines a price for any blended maple syrup pursuant to this § 1351.955g shall, not later than 10 days after the first sale of an item, file the following information with the Office of Price Administration, Sugar Price Section, Washington, D. C.:

(1) His maximum selling price for each item as determined under § 1351.955;

(2) The net weight of each kind of pure syrup contained in each item of blended maple syrup which he sells; and

(3) His new maximum selling price as determined pursuant to this § 1351.955g.

This information is to be submitted on OPA Form 6035–2877, copies of which may be obtained from the District Office in which his principal place of business is located.

(e) *Definitions.* For the purpose of this section, the term:

(1) "Maple syrup" means syrup made by the evaporation of pure maple sap or from a solution of maple concrete (maple sugar). It contains not more than 35 percent of water and weighs not less than 11 pounds to the gallon (231 cubic inches). It shall also include maple sap of a density of 33 degrees, 34 degrees or 35 degrees Baumé.

(2) "Block sugar" means maple sugar which is sold in one pound blocks or larger.

(3) "Canadian bag sugar" means maple sugar produced in Canada in pieces of irregular shapes and size, packed loose in bags, boxes and barrels.

(4) "Corn syrup" means all commodities manufactured by the wet corn milling process commercially known as refinery products except crude corn sugar, hydrol or corn molasses, corn syrup solids and fully refined sugar and corn oil.

(5) "Commercial cane syrup" means the juice of sugar cane clarified and evaporated to a density of not less than 39 degrees Baumé at 20 degrees Centigrade and contains not more than 2.5 percent ash. It may or may not contain sulphur dioxide, used as a clarifying and bleaching agent, and is produced in a mill which at this time is, or which during the cane grinding season of 1941 was, equipped with machinery to manufacture sugar.

(6) "Country cane syrup" means the juice of sugar cane clarified and evaporated to a density of not less than 39 degrees Baumé at 20 degrees Centigrade and contains not more than 2.5 percent ash. It may or may not contain sulphur dioxide, used as a clarifying and bleaching agent, and is completely produced in a mill which at this time is equipped for the production of cane syrup exclusively and which is not now, and was not during the cane grinding season of 1941, equipped with machinery to manufacture sugar.

(7) "First molasses" means the product which remains after one extraction of sugar from the clarified and concentrated juice of sugar cane before the extraction of all commercially available sucrose.

(8) "Second molasses" means the product remaining from the juice of sugar cane after more than one extraction of sugar but before the extraction of all commercially available sugar.

(9) "Direct-consumption sugars" means any grade, or type of saccharine product derived from sugar beets or sugar cane, which is not to be, and which shall not be, further refined or otherwise improved in quality; except sugar in liquid form which contains non-sugar solids (excluding any foreign substance that may have been added) equal to more than 6 per centum of the total soluble solids, and except also syrup of cane juice produced from sugar cane grown in continental United States.

(10) "Liquid malt syrup" means a syrup prepared from an infusion of barley malt (sprouted barley) with or without other cereals concentrated to a moisture content of approximately 20 percent to 50 percent.

This amendment shall become effective August 30, 1946.

NOTE: All reporting and record-keeping requirements of this amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

Approved August 23, 1946.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46–15165; Filed, Aug. 27, 1946; 4:40 p. m.]

PART 1305—ADMINISTRATION

[3d Rev. RO 3,[1] Amdt. 7 to Supp. 1]

SUGAR

Supplement 1 to Third Revised Ration Order 3 is amended in the following respect:

Section 3.1 is amended by adding item No. 26 to read as follows:

Ration period	Stamp valid during ration period	Weight value of stamp
No. 26 (Sept. 1, 1946 through Dec. 31, 1946).	Sugar ration book and book 4, spare stamp 51.	5

This amendment shall become effective August 31, 1946.

Issued this 28th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46–15228; Filed, Aug. 28, 1946; 11:23 a. m.]

PART 1305—ADMINISTRATION

[SO 132,[2] Amdt. 52]

EXEMPTION AND SUSPENSION FROM PRICE CONTROL OF BABY FOODS AND JUNIOR FOODS

A statement of the considerations involved in the issuance of this amendment has been issued and filed with the Division of the Federal Register.

In section 1 (a) (5), the following commodity is added in alphabetical order:

Baby Foods and Junior Foods (Products which are prepared for infant feeding and sold as "baby food" or "junior food" including pre-cooked dry cereals sold as "baby food" or "junior food". This does not include milk modifiers or

[1] 11 F.R. 166

[2] 10 F.R. 14954, 15170; 11 F.R. 296, 297, 881, 1102, 1467, 2378, 2640, 2989, 2927, 3247, 3396, 4021, 4090, 4861, 5066, 5353, 5598, 5599, 5539, 5650, 5740, 5868, 5781, 6232, 6606, 6863, 7185, 8446, 8534, 8647, 8643, 8827, 8864.

products used as ingredients in the preparation of infant feeding formulas.)

This amendment shall become effective August 27, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

Approved: August 22, 1946.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46-15169; Filed, Aug. 27, 1946; 4:41 p. m.]

PART 1305—ADMINISTRATION

[SO 132,[1] Amdt. 53]

EXEMPTION AND SUSPENSION FROM PRICE CONTROL OF POTATOES

A statement of the considerations involved in the issuance of this Amendment has been issued and filed with the Division of the Federal Register.

In section 2 (a) (1) the termination date opposite the item, "White flesh table stock potatoes (domestic and imported), except certified and war approved seed potatoes as defined in Revised Maximum Price Regulation No. 492" is amended to read, "Indefinite".

This amendment shall become effective August 27, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

Approved August 23, 1946.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46-15170; Filed, Aug. 27, 1946; 4:41 p. m.]

PART 1380—HOUSE AND SERVICE INDUSTRY MACHINES

[MPR 598, Amdt. 23]

POSTWAR HOUSEHOLD MECHANICAL REFRIGERATORS

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith has been filed with the Division of the Federal Register.

Maximum Price Regulation No. 598 is amended in the following respect:

Section 24, Appendix A, is amended by adding to the table of retail prices the following makes of refrigerators to be inserted in alphabetical order:

Make	Brand	1946 Model No.	First zone	Second zone	Third zone	Fourth zone
Marshall-Wells Co.	Zenith	KZ 746	[1] $155.95	[2] $157.95	[3] $160.95	[4] $162.95
	do	KZI 746	190.95	192.95	195.95	197.95
Monitor Equipment Corp.	Monitor	RC 7	[5] 199.95			

[1] First zone consists of the following States: Michigan, Kentucky, West Virginia, Indiana, and Ohio.
[2] Second zone consists of the following States: Minnesota, Wisconsin, Iowa, Illinois, Missouri, Arkansas, Tennessee, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware, District of Columbia, Pennsylvania, New Jersey, New York, Rhode Island, Connecticut, Massachusetts, New Hampshire, Vermont, and Maine.
[3] Third zone consists of the following States: North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Colorado, Wyoming, Texas, Louisiana, and Florida.
[4] Fourth zone consists of the following States: Washington, Oregon, Arizona, California, New Mexico, Nevada, Idaho, and Montana.
[5] First zone consists of the 48 States and the District of Columbia.

This amendment shall become effective on the 28th day of August 1946.

Issued this 28th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15229; Filed, Aug. 28, 1946; 11:26 a. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[RMPR 291,[2] Amdt. 8]

CERTAIN SYRUPS AND MOLASSES

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.

Revised Maximum Price Regulation 291 is amended in the following respects:

Section 8a is added to read as follows:

SEC. 8a. *Sales of blends of syrups by packers on and after August 30, 1946—*

(a) *Maximum prices.* On and after August 30, 1946, a packer's maximum price for any item of a blend of syrups containing at least 5% country cane syrup by volume shall be:

(1) His maximum price for that item as established under this regulation prior to August 30, 1946;

(2) Plus an amount calculated as follows:

(i) Determine the net weight of each pure syrup contained in the sales unit in pounds and fractions thereof;

(ii) Multiply each of the weights found in (i) by the applicable amount set out in the following table:

Pure syrups:	*Permitted increase per pound*
Corn syrup	$0.0098
Commercial cane syrup	.0035
Country cane syrup	.007
Maple syrup	.10
Second molasses	.0017
Direct consumption sugar, solid content	.0065
Liquid malt syrup	.0052

(iii) Total the results obtained in (ii);

(iv) From the figure obtained in (iii) subtract $0.0017 per pound for each pound of first molasses, if any, contained in the item;

(3) Plus an additional amount of $0.0144 per pound for each pound or fraction thereof of corn syrup, but only during such time as corn is not subject to price control.

In the event that corn becomes subject to price control the ceiling price shall be the sum of paragraphs (1) and (2) above.

(b) *Notification of new maximum prices.* With the first delivery after August 30, 1946, of any item of a blend of syrup containing at least 5% country cane syrup by volume, in any case where a seller determines his maximum price pursuant to this section, and with the first delivery after any change in his maximum price, he shall:

(1) Supply each wholesaler and retailer, subject to MPRs 421, 422 or 423 who purchases from him with written notice, reading as follows:

(Insert date)

NOTICE TO WHOLESALERS AND RETAILERS

Our OPA ceiling price for (describe item by kind, grade, brand and container type and size) has been changed by the Office of Price Administration. We are authorized to inform you that if you are a wholesaler or retailer pricing this item under MPRs 421, 422 or 423, you must refigure your ceiling price for this item on the first delivery of it to you from your customary type of supplier with this notification after (insert effective date of change in price). You must refigure your ceiling price following the rules in section 6 of MPR Nos. 421, 422 or 423, whichever is applicable to you.

For a period of 60 days after determining such maximum price and with the first shipment after the 60-day period to each person who has not made a purchase within that time, each seller shall include in each case, carton or other receptacle containing the item, the written notice set forth above, or securely attach it to the outside. However, for sales direct to any retailer, the seller may supply the notice by attaching it to, or stating it on, the invoice covering the shipment, instead of providing it with the goods.

(c) *Information to be filed.* Each packer who determines a price for any blend of syrup containing at least 5% country cane syrup by volume pursuant to this section 8a shall file the following information with the Office of Price Administration, Sugar Price Section, Washington 25, D. C.:

(1) His maximum selling price for each item as determined under Revised Maximum Price Regulation 291 prior to August 30, 1946;

(2) The net weight of each kind of pure syrup contained in each item of blend of syrup containing at least 5% country cane syrup by volume which he sells; and

(3) His new maximum selling price as determined pursuant to this section 8a.

This information is to be submitted on Form 6035-2877 copies of which may be obtained from the District Office in which his principal place of business is located. One copy of this report shall be filed on or before August 30, 1946.

This amendment shall become effective August 30, 1946.

[1] 10 F.R. 14954, 15170; 11 F.R. 296, 297, 881, 1102, 1467, 2378, 2640, 2989, 2927, 3247, 3396, 4021, 4090, 4861, 5066, 5353, 5598, 5539, 5650, 5740, 5868, 5781, 6332, 6606, 6863, 7185, 8446, 8534, 8647, 8643, 8827.

[2] 8 F.R. 16508; 9 F.R. 795, 2562, 3647, 4196, 13852, 14429; 10 F.R. 199.

NOTE: All reporting and record-keeping requirements of this amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

Approved: August 23, 1946.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 46-15166; Filed, Aug. 27, 1946; 4:41 p. m.]

Chapter XVIII—Office of War Mobilization and Reconversion, Office of Economic Stabilization

[Directive 131]

PART 4004—PRICE STABILIZATION MAXIMUM PRICES

GRADING AND GRADE LABELLING OF MEATS [1]

Pursuant to the authority vested in me by the Stabilization Act of 1942, as amended, and by Executive Order 9250 of October 3, 1942 (7 F.R. 7871), Executive Order 9328 of April 8, 1943 (8 F.R. 4681), Executive Order 9599 of August 18, 1945 (10 F.R. 10155), Executive Order 9651 of October 30, 1945 (10 F.R. 13487), Executive Order 9697 of February 14, 1946 (11 F.R. 1691), Executive Order 9699 of February 21, 1946 (11 F.R. 1929), and Executive Order 9762 of July 25, 1946 (11 F.R. 8073), *It is hereby ordered:*

1. Regulation No. 1 of the Office of Economic Stabilization—Grading and Grade Labelling of Meats, issued August 5, 1943 (8 F.R. 10988), shall be treated as becoming effective on September 1, 1946.

2. The Delegation of Authority to the Price Administrator to enforce Regulation No. 1 of the Office of Economic Stabilization—Grading and Grade Labelling of Meats, issued September 14, 1943 (8 F.R. 12669), shall be treated as becoming effective on September 1, 1946.

Issued and effective this 27th day of August 1946.

JOHN R. STEELMAN,
Director of Economic Stabilization.

[F. R. Doc. 46-15254; Filed, Aug. 28, 1946; 11:55 a. m.]

TITLE 36—PARKS AND FORESTS

Chapter II—Forest Service

PART 261—TRESPASS

SITGREAVES NATIONAL FOREST; REMOVAL OF TRESPASSING HORSES

Whereas a number of horses are trespassing and grazing on the Heber and Chevalon Ranger Districts in the Sitgreaves National Forest in the State of Arizona; and

Whereas these horses are consuming forage needed for permitted livestock, are causing extra expense to established permittees, and are injuring national-forest lands;

Now, therefore, by virtue of the authority vested in the Secretary of Agriculture by the act of June 4, 1897 (30 Stat., 35, 16 U.S.C. 551), and the act of February 1, 1905 (33 Stat., 628, 16 U.S.C. 472), the following order for the occupancy, use, protection, and administration of land in the Heber and Chevalon Ranger Districts of the Sitgreaves National Forest is issued:

(a) *Temporary closure from livestock grazing.*[1] The following-described areas in the Sitgreaves National Forest are hereby closed for the period September 1, 1946 to February 28, 1947, to grazing by horses excepting those that are lawfully grazing on or crossing land in such allotments, pursuant to the regulations of the Secretary of Agriculture, or that are used in connection with operations authorized by such regulations, or that are used as riding, pack, or draft animals by persons traveling over such land:

Chevalon and Heber Ranger Districts in the Sitgreaves National Forest, which are bounded on the east by the Park Community and Grover Springs allotment fences; on the south by the fence between the Apache Indian Reservation and the Sitgreaves National Forest; the fence between the Tonto National Forest and the Sitgreaves National Forest and the Mogollon Rim, an impassable barrier; on the west by the Coconino National Forest generally along Leonard Canyon and Clear Creek Canyon; and on the north by the forest boundary fence.

The Chevalon District is comprised of the following unfenced allotments: Willow Creek, Hart Canyon, Alder Lake, Chevalon Canyon, Cabin Draw, Sand Draw, Soldier Trail, and Clear Creek.

The Heber District is made up of the following allotments: Fenced: Mud Tank Gentry, Buckskin, Black Canyon, Heber Community, Pearce Wash and Pearce Seeps. Unfenced: Long Tom, Wildcat, Wagon Draw, and Rock Tank.

The above allotments are all located in Coconino and Navajo Counties, State of Arizona.

(b) Officers of the United States Forest Service are hereby authorized to dispose of, in the most humane manner, all horses found trespassing or grazing in violation of this order.

(c) Public notice of intention to dispose of such horses shall be given by posting notices in public places or advertising in a newspaper of general circulation in the locality in which the Sitgreaves National Forest is located.

Done at Washington, D. C., this 23d day of August 1946.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 15224; Filed, Aug. 28, 1946; 11:15 a. m.]

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[1] 32 CFR, 1946 Supp. Part 4002, note.

[1] This affects tabulation contained in 36 CFR, 261.50.

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter II—Office of Defense Transportation

[Supplementary Order ODT 1, Rev. 3]

PART 500—CONSERVATION OF RAIL EQUIPMENT; MERCHANDISE TRAFFIC

MISSOURI-KANSAS-TEXAS RAILROAD CO. AND ST. LOUIS-SAN FRANCISCO RAILWAY CO.

Upon consideration of the applications for authority to pool merchandise traffic, filed with this office by Missouri-Kansas-Texas Railroad Company and St. Louis-San Francisco Railway Company (Frank A. Thompson, Trustee), as contemplated by General Order ODT 1, Revised, as amended (11 F.R. 8288, 8740, 9040), and good cause appearing therefor, *It is hereby ordered*, That

(a) Missouri-Kansas-Texas Railroad Company shall load and forward a merchandise car or cars containing refrigerated or perishable merchandise from St. Louis, Missouri, to Dallas, Texas, on Monday, Wednesday, Thursday, and Saturday of each week, and St. Louis-San Francisco Railway Company (Frank A. Thompson, Trustee), shall load and forward a merchandise car or cars containing refrigerated or perishable merchandise from St. Louis, Missouri, to Dallas, Texas, on Tuesday and Friday of each week: *Provided*, That no such car shall be loaded or forwarded except in accordance with one or more of the following requirements:

(1) The quantity of merchandise loaded in such car is not less than 20,000 pounds; or

(2) Such car is loaded to its full visible capacity; or

(3) Such car is forwarded in accordance with the provisions of paragraph (e) of § 500.4 of General Order ODT 1, Revised, as amended, or as such paragraph may hereafter be amended, reissued or supplemented.

(b) Nothing in this order shall be construed to prohibit the loading of non-refrigerated non-perishable merchandise in the same car with refrigerated perishable merchandise for the purpose of complying with the loading requirements of this order.

(c) The route of movement of any such car or cars shall be via the route of the carrier loading and forwarding such car.

(d) Missouri-Kansas-Texas Railroad Company and St. Louis-San Francisco Railway Company, (Frank A. Thompson, Trustee), shall disregard routing instructions with respect to merchandise traffic requiring refrigeration tendered to either such carrier for transportation from St. Louis, Missouri, to Dallas, Texas, when the disregarding of such routing instructions is necessary to permit the forwarding of the traffic in the first merchandise car departing from St. Louis and destined for Dallas in accordance with the provisions of this order.

This Supplementary Order ODT 1, Revised–3, shall become effective August 31, 1946.

Issued at Washington, D. C., this 27th day of August, 1946.

J. M. JOHNSON,
Director of the
Office of Defense Transportation.

[F. R. Doc. 46-15256; Filed, Aug. 28, 1946; 12:00 m.]

[General Permit ODT 18A, Rev., 19]

PART 520—CONSERVATION OF RAIL EQUIPMENT; EXCEPTIONS, PERMITS AND SPECIAL DIRECTIONS

SHIPMENTS OF SUMMER APPLES

In accordance with the provisions of § 500.73 of General Order ODT 18A, Revised, as amended (11 F.R. 8229, 8829), it is hereby authorized, that:

§ 520.517 *Shipments of summer apples.* Notwithstanding the restrictions contained in § 500.72 of General Order ODT 18A, Revised, as amended, any person may offer for transportation and any rail carrier may accept for transportation at point of origin, forward from point of origin, or load and forward from point of origin, any carload freight consisting of summer apples when the origin of any such freight is any point or place in the State of Virginia and the quantity loaded as bulk freight in such car is not less than 29,000 pounds.

This General Permit ODT 18A, Revised-19, shall become effective August 30, 1946, and shall expire October 15, 1946.

(General Order ODT 18A, Revised, as amended, 11 F.R. 8229, 8829)

Issued at Washington, D. C., this 28th day of August 1946.

J. M. JOHNSON,
Director of the
Office of Defense Transportation.

[F. R. Doc. 46-15255; Filed, Aug. 28, 1946; 12:00 m.]

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

Subchapter Q—Alaska Commercial Fisheries

PART 208—KODIAK AREA FISHERIES

MISCELLANEOUS AMENDMENTS

Section 208.18 is hereby amended by substituting a comma for the period at the end of the section and adding the following language: "*Provided,* That such purse seines shall not be used within five hundred (500) yards of the beach stretching one thousand (1000) yards on the Spit side and five hundred (500) yards on the Improvement side from the mouth of the Karluk River."

Section 208.23 (r) is amended by adding the following sentence: "Such authority shall be granted only by or pursuant to ordinance of the Native Village of Karluk, approved by the Secretary of the Interior or his duly authorized representative."

AUGUST 27, 1946.

J. A. KRUG,
Secretary of the Interior.

[F. R. Doc. 46-15266; Filed, Aug. 28, 1946; 12:10 p. m.]

Notices

DEPARTMENT OF THE INTERIOR.

Bureau of Land Management.

[Misc. 1936953]

IDAHO

RESTORATION ORDER NO. 1187 UNDER FEDERAL POWER ACT

Correction

In Federal Register Document 46-14448, appearing on page 9040 of the issue for Tuesday, August 20, 1946, Sec. 23 in the land description for "T. 19 N., R. 9 E." should read "Sec. 33".

DEPARTMENT OF AGRICULTURE.

Production and Marketing Administration.

HUEY LONG COMMISSION COMPANY YARDS

NOTICE RELATIVE TO POSTED STOCKYARD

It has been ascertained that the Spicer & Long Commission Company Yards, Tupelo, Mississippi, posted under the name McCollum & Long Stockyards on December 10, 1935, as coming within the jurisdiction of the Packers and Stockyards Act, 1921, as amended, and changed to Spicer & Long Commission Company Yards on November 5, 1941, is now owned and operated by Huey Long Commission Company, Inc., and that the name of the yard is now Huey Long Commission Company Yards. Therefore, the posted name of the stockyard is changed to Huey Long Commission Company Yards, and notice of such fact is given to its owner, and to the public by filing notice with the Division of the Federal Register.

(7 U.S.C. 181 et seq.)

Done at Washington, D. C., this 22d day of August 1946.

[SEAL] H. E. REED,
Director.

[F. R. Doc. 46-15225; Filed, Aug. 28, 1946; 11:15 a. m.]

FEDERAL COMMUNICATIONS COMMISSION.

[Docket No. 6651]

FREQUENCY ALLOCATION TO NON-GOVERNMENTAL SERVICES

The Federal Communications Commission filed (F. R. Doc. N. P. 46-13373; filed Aug. 27, 1946; 11:52 a. m.) a notice, dated August 9, 1946, of allocation of frequencies to various classes of nongovernmental services in the radio spectrum from 10 kilocycles to 30,000,000 kilocycles.

WGR BROADCASTING CORP.

PUBLIC NOTICE CONCERNING PROPOSED ASSIGNMENT OF LICENSE [1]

The Commission hereby gives notice that on August 14, 1946, there was filed with it an application (B1-A1-555) for its consent under Section 310 (b) of the Communications Act (47 U. S. C. A. 310) to the proposed assignment of license of standard broadcast station WGR, Buffalo, New York from Buffalo Broadcasting Corporation to WGR Broadcasting Corporation, Rand Building, Buffalo, New York. The proposal to assign said license is based upon an agreement between Buffalo Broadcasting Corporation and WGR Broadcasting Corporation of August 13, 1946, pursuant to which the former is to sell to the latter all the equipment and properties of WGR, including contracts, agreements, franchises and other intangible properties enumerated in an exhibit attached to the contract for a total purchase price of $750,000. Of this amount, $10,000 will be deposited with seller to be credited upon the purchase price. The consideration is to be paid upon a date to be fixed by the parties on the 20th day after Commission approval. At that time proper instruments will be executed and delivered conveying the properties. Under the arrangements the parties will continue for the present to use jointly one element of the antenna array used by WGR and WKBW. Certain adjustments shall also be made in the taxes, expenses and other current items. Further details as to the character of arrangements between the parties may be found with the application and associated papers which are on file at the offices of the Commission.

In the Commission's decision of September 6, 1945 granting the application for transfer of control of the Crosley Corporation (Docket No. 6767), it was announced that public hearings would be held to consider proposed new rules and regulations for the handling of assignment and transfer applications including provision for public notice by the applicant and the Commission concerning the filing of such applications and pertinent details in cases where controlling interest is involved. On July 25, 1946, the Commission finally adopted the proposed rule (§ 1.388 of the Commission's Regulations) setting out the procedure to be followed in such cases. Pursuant to the above-mentioned Crosley decision and subsequent Commission Rules with respect thereto the Commission was advised at the time the application was filed that beginning on August 15, 1946, notice concerning the application would be inserted in the Buffalo Evening News.

In accordance with the above procedure no action will be had upon the WGR assignment application for a period of 60 days from August 15, 1946, within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above-described application and contract. (Sec. 310 (b), 48 Stat. 1086; 47 U.S.C. 310 (b))

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
Secretary.

[F. R. Doc. 46-15253; Filed, Aug. 28, 1946; 11:54 a. m.]

[1] Section 1.364, Part I, Rules of Practice and Procedure.

OFFICE OF PRICE ADMINISTRATION.

[MPR 120, Order 1723]

PAUL GARRETT ET AL.

ESTABLISHMENT OF MAXIMUM PRICES AND PRICE CLASSIFICATIONS

For the reasons set forth in an accompanying opinion, and in accordance with § 1340.210 (a) (6) of Maximum Price Regulation No. 120; *It is ordered:*

Producers identified herein operate named mines assigned the mine index numbers, the price classifications and the maximum prices in cents per net ton for the indicated uses and shipments as set forth herein. All are in District No. 3. The mine index numbers and the price classifications assigned are permanent but the maximum prices may be changed by an amendment issued after the effective date of this order. Where such an amendment is issued for the district in which the mines involved herein are located and where the amendment makes no particular reference to a mine or mines involved herein, the prices shall be the prices set forth in such amendment for the price classifications of the respective size groups. The location of each mine is given by county and state. The maximum prices stated to be for truck shipment are in cents per net ton f. o. b. the mine or preparation plant and when stated to be for rail shipment or for railroad fuel are in cents per net ton f. o. b. rail shipping point. In cases where mines ship coals by river the prices for such shipments are those established for rail shipment and are in cents per net ton f. o. b. river shipping point. However, producer is subject to the provisions of § 1340.214 and all other provisions of Maximum Price Regulation No. 120.

PAUL GARRETT, WORTHINGTON, W. VA., THREE B MINE, PITTSBURGH SEAM, MINE INDEX NO. 2255, HARRISON COUNTY, W. VA., RAIL SHIPPING POINT: CHIEFTON OR EVERSON, W. VA., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

	Size group Nos.				
	1	2	3	4	5
Price classification	D E	D E	D E	D F	D F
Rail and river shipment and railroad fuel	348	343	328	[1]313	[1]303
Truck shipment	373	373	343	338	328

[1] The maximum prices on rail or river shipped coals having a sulphur content of 1.35 percent or under are as follows:

Size group No. 4 328
Size group No. 5 323

N. T. JENKINS, 608 ONA ST., GRAFTON, W. VA., JENKINS MINE, PITTSBURGH SEAM, MINE INDEX NO. 2254, BARBOUR COUNTY, W. VA., RAIL SHIPPING POINT: PHILIPPI, W. VA., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

Price classification	F	F	F	F	F
Rail shipment and railroad fuel	338	338	318	313	303
Truck shipment	373	373	343	338	328

MON-VALLEY COAL & LUMBER CO., MORGANTOWN, W. VA., ROSEDALE NO. 6 MINE, SEWICKLEY SEAM, MINE INDEX NO. 2241, MONONGAHELA COUNTY, W. VA., RAIL SHIPPING POINT: WEST VAN VOORHIS, W. VA., STRIP MINE, MAXIMUM TRUCK PRICE GROUP NO. 4

Price classification	J	J	J	J	J
Rail and river shipment and railroad fuel	323	323	308	300	293
Truck shipment	348	343	313	308	298

This order shall become effective August 28, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15087; Filed, Aug. 27, 1946; 11:24 a. m.]

[MPR 120, Order 1724]

BANKS & DAY COAL CO. ET AL.

ESTABLISHMENT OF MAXIMUM PRICES AND PRICE CLASSIFICATIONS

For the reasons set forth in an accompanying opinion, and in accordance with § 1340.210 (a) (6) of Maximum Price Regulation No. 120; *It is ordered:*

Producers identified herein operate named mines assigned the mine index numbers, the price classifications and the maximum prices in cents per net ton for the indicated uses and shipments as set forth herein. All are in District No. 8. The mine index numbers and the price classifications assigned are permanent but the maximum prices may be changed by an amendment issued after the effective date of this order. Where such an amendment is issued for the district in which the mines involved herein are located and where the amendment makes no particular reference to a mine or mines involved herein, the prices shall be the prices set forth in such amendment for the price classifications of the respective size groups. The location of each mine is given by county and state. The maximum prices stated to be for truck shipment are in cents per net ton f. o. b. the mine or preparation plant and when stated to be for rail shipment or for railroad fuel are in cents per net ton f. o. b. rail shipping point. In cases where mines ship coals by river the prices for such shipments are those established for rail shipment and are in cents per net ton f. o. b. river shipping point. However, producer is subject to the provisions of § 1340.219 and all other provisions of Maximum Price Regulation No. 120.

BANKS & DAY COAL CO., WHITESBURG, KY., BANKS & DAY COAL CO. MINE, HAZARD NO. 4 SEAM, MINE INDEX NO. 7812, LETCHER COUNTY, KY., SUBDISTRICT 3, RAIL SHIPPING POINT, WHITESBURG, KY., F. O. G. 100, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

	Size group Nos.													
	1	2	3	4	5	6	7	8	9	10	15, 16, 17	18	19	20, 21
Price classification	M	M	M	M	K	K	J	G	E	G	D	K	K	K
Rail shipment and railroad fuel [1]	411	411	406	406	406	396	376	371	371	406	361	346	341	341
Truck shipment	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----

JAMES M. COMBS, COMBS, KY., COMBS MINE, 5-A SEAM, MINE INDEX NO. 7816, PERRY COUNTY, KY., SUBDISTRICT 3, RAIL SHIPPING POINT, COMBS, KY., F. O. G. 100, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

Price classification	O	O	O	O	N	N	M	K	H	K	F	M	M	M
Rail shipment	406	401	386	386	381	376	371	356	356	401	356	326	321	316
Railroad fuel	406	401	386	386	381	376	371	371	371	401	356	326	321	316
Truck shipment	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----

COMBS & GODFREY COAL CO., DWARF, KY., COMBS & GODFREY COAL CO., MINE, HAZARD NO. 7 SEAM, MINE INDEX NO. 7815, PERRY COUNTY, KY., SUBDISTRICT 3, RAIL SHIPPING POINT: FEETHAM, KY., F. O. G. 100, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

Price classification	O	O	O	O	M	M	L	J	G	J	D	K	K	K
Railshipment	406	401	386	386	381	376	371	361	361	401	361	346	341	341
Railroad fuel	406	401	386	386	381	376	371	371	371	401	361	346	341	341
Truck shipment	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----

H. & W. COAL CO., ROXANA, KY., H. & W. COAL CO. MINE, AMBURGY SEAM, MINE INDEX NO. 7796, LETCHER COUNTY, KY., SUBDISTRICT 3, RAIL SHIPPING POINT: ROXANA, KY., F. O. G. 100, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

Price classification	M	M	M	M	K	K	J	G	E	G	D	K	K	K
Rail shipment and railroad fuel [1]	411	411	406	406	406	396	376	371	371	406	361	346	341	341
Truck shipment	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----

HIPSACK COAL CO., DARFORK, KY., HIPSACK COAL CO. MINE, HAZARD NO. 4 SEAM, MINE INDEX NO. 7804, PERRY COUNTY, KY., SUBDISTRICT 3, RAIL SHIPPING POINT: FEETHAM, KY., F. O. G. 100, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

Price classification	K	K	K	K	J	J	H	G	E	G	D	K	K	K
Rail shipment and railroad fuel	426	421	411	411	406	396	376	371	371	406	361	346	341	341
Truck shipment	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----

MANSFIELD DIXON COAL CO., BLACKEY, KY., MANSFIELD DIXON COAL CO. MINE, HAZARD NO. 4 SEAM, MINE INDEX NO. 7821, LETCHER COUNTY, KY., SUBDISTRICT 3, RAIL SHIPPING POINT: BLACKEY, KY., F. O. G. 100, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

Price classification	M	M	M	M	K	K	J	G	E	G	D	K	K	K
Rail shipment and railroad fuel [1]	411	411	406	406	406	396	376	371	371	406	361	346	341	341
Truck shipment	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----

MOUNTAIN STATE COAL CO., CLAY, W. VA., MOUNTAIN STATE MINE, NO. 2 GAS SEAM, MINE INDEX NO. 7802, NICHOLAS COUNTY, W. VA., SUBDISTRICT 4, RAIL SHIPPING POINT: VAUGHAN, W. VA., F. O. G. 123, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 4

Price classification	N	N	N	N	J	J	H	F	D	F	C	F	F	F
Rail shipment and railroad fuel	411	411	406	406	406	396	376	376	376	406	361	356	351	351
Truck shipment	451	431	401	411	381	366	321	316	-----	-----	-----	-----	-----	-----

[1] Subject to the provisions of Second Revised Order No. 1432 under MPR 120, as amended.

ORIOLE COAL CO., GORDON, W. VA., ORIOLE MINE, NO. 5 BLOCK SEAM, MINE INDEX NO. 7817, BOONE COUNTY, W. VA., SUBDISTRICT 4, RAIL SHIPPING POINT: GORDON, W. VA., F. O. G. 123, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

	Size group Nos.													
	1	2	3	4	5	6	7	8	9	10	15, 16, 17	18	19	20, 21
Price classification	G	G	G	G	G	G	F	F	D	F	B	F	F	F
Rail shipment and railroad fuel	446	436	421	421	406	396	381	376	376	406	366	356	351	351
Truck shipment	466	446	411	411	381	361	321	316	-----	-----	-----	-----	-----	-----

This order shall become effective August 28, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15088; Filed, Aug. 27, 1946; 11:24 a. m.]

[MPR 188, Order 5146]

REVERE COPPER AND BRASS INC.

APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.158 of Maximum Price Regulation No. 188; *It is ordered:*

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Revere Copper and Brass Incorporated, Rome, N. Y.

(1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Model No.	Maximum prices for sales by any seller to—			
		Jobbers	Retailers in lots of 2 dozen or more	Retailers in lots of less than 2 dozen	Consumers
Copper clad stainless steel pressure cooker	1774	*Each* $7.98	*Each* $9.57	*Each* $10.63	[1] $15.95 [2] 16.45

[1] Zone 1.
[2] Zone 2.

Description: A 4-quart saucepan made of stainless steel with a copper clad bottom, equipped with a lid and rubber gasket to make a gas tight fit. A combination indicating pressure gauge and weighted relief valve is attached to the lid, and it has a fusible blowout plug.

These maximum prices are for the articles described in the manufacturer's application dated August 6, 1946.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. These prices are f. o. b. factory and subject to a cash discount of 2% for payment within 10 days, net 30 days.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.

(4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188 for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.

(b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall state the manufacturer's name or brand name, the model designation and the retail ceiling price in each zone or in the zone in which the article will be sold to the consumer.

(c) Zones: For the purpose of this order "Zone One" is that area of the following two in which the article covered by this order is manufactured. The other is "Zone Two."

(1) One area consists of the States of Arizona, New Mexico, California, Washington, Oregon, Idaho, Nevada, Utah, Colorado, Wyoming, Montana, and the following counties of Texas: El Paso, Hudspeth, Culberson, Jeff Davis, Presidio, Brewster, Terrell, Pecos and Reeves.

The other area consists of the remaining counties of Texas, all other States and the District of Columbia.

(d) At the time of, or prior to, the first invoice to each purchaser for resale at wholesale, the manufacturer shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales by the purchaser. This notice may be given in any convenient form.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) This order shall become effective on the 28th day of August 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15092; Filed, Aug. 27, 1946; 11:25 a. m.]

[MPR 120, Order 1725]

ADAMS MINING CO. ET AL.

ESTABLISHMENT OF MAXIMUM PRICES AND PRICE CLASSIFICATIONS

For the reasons set forth in an accompanying opinion, and in accordance with § 1340.210 (a) (6) of Maximum Price Regulation No. 120; *It is ordered:*

Producers identified herein operate named mines assigned the mine index numbers, the price classifications and the maximum prices in cents per net ton for the indicated uses and shipments as set forth herein. All are in district No. 3. The mine index numbers and the price classifications assigned are permanent but the maximum prices may be changed by an amendment issued after the effective date of this order. Where such an amendment is issued for the district in which the mines involved herein are located and where the amendment makes no particular reference to a mine or mines involved herein, the prices shall be the prices set forth in such amendment for the price classifications of the respective size groups. The location of each mine is given by county and state. The maximum prices stated to be for truck shipment are in cents per net ton f. o. b. the mine or preparation plant and when stated to be for rail shipment or for railroad fuel are in cents per net ton f. o. b. rail shipping point. In cases where mines ship coals by river the prices for such shipments are those established for rail shipment and are in cents per net ton f. o. b. river shipping point. However, producer is subject to the provisions of § 1340.214 and all other provisions of Maximum Price Regulation No. 120.

ADAMS MINING CO., BOX 238, MT. CLARE, W. VA., RONAY NO. 6 MINE, PITTSBURGH SEAM, MINE INDEX NO. 2250, BARBOUR COUNTY, W. VA., RAIL SHIPPING POINT, MT. CLARE, W. VA., STRIP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

	Size group Nos.				
	1	2	3	4	5
Price classification	F	F	F	F	F
Rail shipment and railroad fuel	338	338	318	313	303
Truck shipment	373	373	343	338	328

ADAMS MINING CO., BOX 238, MT. CLARE, W. VA., RONAY NO. 7 MINE, REDSTONE SEAM, MINE INDEX NO. 2251, BARBOUR COUNTY, W. VA., RAIL SHIPPING POINT, MT. CLARE, W. VA., STRIP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

Price classification	F	F	H	F	F
Rail shipment and railroad fuel	338	338	308	313	303
Truck shipment	373	373	343	338	328

B & S COAL INC., P. O. BOX 8, MT. CLARE, W. VA., B & S NO. 1 MINE, PITTSBURGH SEAM, MINE INDEX NO. 2248, HARRISON COUNTY, W. VA., RAIL SHIPPING POINT: MT. CLARE, W. VA., STRIP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

Price classification	G	G	G	G	G
Rail shipment and railroad fuel	338	338	328	333	328
Truck shipment	373	373	343	338	328

BIRDS CREEK COAL MINING CO., P. O. BOX 427, FAIRMONT, W. VA., BIRDS CREEK MINE, BAKERSTOWN SEAM, MINE INDEX NO. 2242, PRESTON COUNTY, W. VA., RAIL SHIPPING POINT: NEWBURG, W. VA., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

Price classification	G	G	G	G	G
Rail shipment and railroad fuel	393	393	378	378	378
Truck shipment	373	373	343	338	328

W. J. BRENT, ROUTE NO. 2, SHINNSTON, W. VA., BRENT NO. 1 MINE, PITTSBURGH SEAM, MINE INDEX NO. 2234, HARRISON COUNTY, W. VA., RAIL SHIPPING POINT, KINGMONT, W. VA., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

Price classification	DE	DE	DE	DF	DF
Rail and river shipment and railroad fuel	348	343	328	[1]313	[1]303
Truck shipment	373	373	343	338	328

HENRY DAFT, 917 WEST PIKE ST., CLARKSBURG, W. VA., BOWER MINE, PITTSBURGH SEAM, MINE INDEX NO. 2245, BRAXTON COUNTY, W. VA., RAIL SHIPPING POINT, BOWER, W. VA., STRIP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

	Size group Nos.				
	1	2	3	4	5
Price classification	F	F	F	F	F
Rail shipment and railroad fuel	338	338	318	313	303
Truck shipment	373	373	343	338	328

H. R. HEBB, R. D. NO. 2, SHINNSTON, W. VA., HEBB JR. NO. 3 MINE, PITTSBURGH SEAM, MINE INDEX NO. 2249, MARION COUNTY, W. VA., RAIL SHIPPING POINT: EVERSON, W. VA., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

Price classification	DE	DE	DE	DF	DF
Rail and river shipment and railroad fuel	348	343	328	[1]313	[1]303
Truck shipment	373	373	343	338	328

HORNOR COAL CO., INC., P. O. BOX 695, PARK, W. VA., LAWSON MINE, REDSTONE SEAM, MINE INDEX NO. 2246, LEWIS COUNTY, W. VA., RAIL SHIPPING POINT: WESTON, W. VA., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

Price classification	F	F	H	F	F
Rail shipment and railroad fuel	338	338	308	313	303
Truck shipment	373	373	343	338	328

MARTIN & DENNIE, BOX 213, LAFRANK, W. VA., BIRCH NO. 1 MINE, PEERLESS SEAM, MINE INDEX NO. 2244, WEBSTER COUNTY, W. VA., RAIL SHIPPING POINT: CAMDEN OR GAULEY, W. VA., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 1.

Price classification	A	A	A	A	A
Rail shipment and railroad fuel	448	408	383	373	373
Truck shipment	418	413	383	373	358

SELF AND FLOYD COAL CO., SAND FORK, W. VA., S. & F. MINE, PITTSBURGH SEAM, MINE INDEX NO. 2247, GILMER COUNTY, W. VA., RAIL SHIPPING POINT: GILMER, W. VA., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3.

Price classification	F	F	F	F	F
Rail shipment and railroad fuel	338	338	318	313	303
Truck shipment	373	373	343	338	328

WEST VIRGINIA CONSOLIDATED COAL CO., BOX 707, CLARKSBURG, W. VA., ELK HILL MINE, PITTSBURGH SEAM, MINE INDEX NO. 2243, HARRISON COUNTY, W. VA., RAIL SHIPPING POINT: CLARKSBURG, W. VA., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3.

Price classification	F	F	F	F	F
Rail shipment and railroad fuel	338	338	318	313	303
Truck shipment	373	373	343	338	328

[1] Rail and river shipped coals which analyze 1.35% or under in sulphur are subject to the following maximum prices: Size group No. 4, 328, size group No. 5, 323.

This order shall become effective August 28, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15089; Filed, Aug. 27, 1946; 11:27 a. m.]

[MPR 120, Order 1726]

BEAR BRANCH COAL CO. ET AL.

ESTABLISHMENT OF MAXIMUM PRICES AND PRICE CLASSIFICATIONS

For the reasons set forth in an accompaying opinion, and in accordance with § 1340.210 (a) (6) of Maximum Price Regulation No. 120; *It is ordered:*

Producers identified herein operate named mines assigned the mine index numbers, the price classifications and the maximum prices in cents per net ton for the indicated uses and shipments as set forth herein. All are in District No. 8. The mine index numbers and the price classifications assigned are permanent but the maximum prices may be changed by an amendment issued after the effective date of this order. Where such an amendment is issued for the district in which the mines involved herein are located and where the amendment makes no particular reference to a mine or mines involved herein, the prices shall be the prices set forth in such amendment for the price classifications of the respective size groups. The location of each mine is given by county and state. The maximum prices stated to be for truck shipment are in cents per net ton f. o. b. the mine or preparation plant and when stated to be for rail shipment or for railroad fuel are in cents per net ton f. o. b. rail shipping point. In cases where mines ship coals by river the prices for such shipments are those established for rail shipment and are in cents per net ton f. o. b. river shipping point. However, producer is subject to the provisions of § 1340.219 and all other provisions of Maximum Price Regulation No. 120.

BEAR BRANCH COAL CO., CROMONA, KY., BEAR BRANCH COAL CO. MINE, ELKHORN SEAM, MINE INDEX NO. 7819, LETCHER COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT, NEON, KY., F. O. G. 62, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

	Size group Nos.													
	1	2	3	4	5	6	7	8	9	10	15, 16, 17	18	19	20, 21
Price classification	H	H	H	H	F	F	E	E	C	C	A	D	D	D
Rail shipment and railroad fuel [1]	441	436	421	421	416	401	381	376	376	431	366	361	361	361
Truck shipment	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----

HUGHIE BOYD, NAPLES, KY., PIGGOTT BRANCH MINE, NO. 5 SEAM, MINE INDEX NO. 5594,[1] GREENUP COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT, SUMMIT, KY., F. O. G. 61, DEEP MINE

Price classification	M	M	M	M	K	K	J	G	E	G	F	L	L	L
Rail shipment and railroad fuel	411	411	406	406	406	396	376	371	371	406	356	346	341	341
Truck shipment [1]	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----

SOL BURCHETT, BARNETTS CREEK, KY., SOL BURCHETT MINE, MILLERS CREEK SEAM, MINE INDEX NO. 7805, JOHNSON COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT, PAINTSVILLE, KY., F. O. G. 61, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 2

	Size group Nos.														
	1	2	3	4	5	6	7	8	9	10	15, 16, 17	18	19	20, 21	22
Price classification	D	D	D	D	E	E	E	E	C	C	A	G	G	G	L
Rail shipment and railroad fuel	466	456	456	441	431	401	381	376	376	431	366	356	346	341	301
Truck shipment	476	456	411	426	391	366	321	316	-----	-----	-----	-----	-----	-----	-----

C. & A. COAL CO., KONA, KY., C. & A. COAL CO. MINE, ELKHORN SEAM, MINE INDEX NO. 7764, LETCHER COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT, KONA, KY., F. O. G. 62, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

Price classification	K	K	K	K	K	K	J	G	E	G	D	J	J	J	----
Rail shipment and railroad fuel	426	421	411	411	406	396	376	371	371	406	361	356	346	341	----
Truck shipment [2]	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----	----

COLLINS ELKHORN COAL CO., GARRETT, KY., COLLINS NO. 1 MINE, ELKHORN NO. 1 SEAM, MINE INDEX NO. 7797, FLOYD COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT, GARRETT, KY., F. O. G. 61, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3

Price classification	H	H	H	H	H	H	G	E	C	E	C	H	H	H	----
Rail shipment and railroad fuel	441	436	421	421	406	396	376	376	376	431	361	356	346	341	----
Truck shipment	466	446	411	411	381	361	321	316	-----	-----	-----	-----	-----	-----	----

F. & G. COAL CO., MILLSTONE, KY., F. & G. COAL CO., MINE, ELKHORN SEAM, MINE INDEX NO. 7807, LETCHER COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT: KOBA, KY., DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

Price classification	K	K	K	K	K	K	J	G	E	G	D	J	J	J	----
Rail shipment and railroad fuel [2]	426	421	411	411	406	396	376	371	371	406	361	356	346	341	----
Truck shipment	441	421	396	396	381	356	321	316	-----	-----	-----	-----	-----	-----	----

L. B. MCKENZIE, STAFFORDSVILLE, KY., L. B. MCKENZIE MINE, MILLERS CREEK SEAM, MINE INDEX NO. 7801, JOHNSON COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT, PAINTSVILLE, KY., F. O. G. 61, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 2

Price classification	D	D	D	D	E	E	E	E	C	C	A	G	G	G	L
Rail shipment and railroad fuel	466	456	456	441	431	401	381	376	376	431	366	356	346	341	301
Truck shipment	476	456	411	426	391	366	321	316	-----	-----	-----	-----	-----	-----	-----

[1] Previously established.
[2] Subject to the provisions of second revised order No. 1432 under MPR 120 as amended.

OAKLEY COAL CO., ROYALTON, KY., OAKLEY COAL CO. MINE, ELKHORN NO. 2 SEAM, MINE INDEX NO. 7814, FLOYD COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT: DAVID, KY., F. O. G. 61, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 3.

	Size group Nos.														
	1	2	3	4	5	6	7	8	9	10	15, 16, 17	18	19	20, 21	22
Price classification	H	H	H	H	H	H	G	E	C	E	C	H	H	H	----
Rail shipment and railroad fuel	441	436	421	421	406	396	376	376	376	431	361	356	346	341	----
Truck shipment	466	446	411	411	381	361	321	316	----	----	----	----	----	----	----

SHELBY GAP COAL CO., SHELBY GAP, KY., SHELBY GAP COAL CO. MINE, ELKHORN NO. 1 SEAM, MINE INDEX NO. 7806, PIKE COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT, DORTON, KY., F. O. G. 61, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

Price classification	K	K	K	K	H	H	G	E	C	C	D	G	G	G	----
Rail shipment and railroad fuel [1]	426	421	411	411	406	396	376	376	376	431	361	356	346	341	----
Truck shipment	441	421	396	396	381	356	321	316	----	----	----	----	----	----	----

VIRGIE COAL CO., VIRGIE, KY., VIRGIE COAL CO. MINE, ELKHORN NO. 3 SEAM, MINE INDEX NO. 7809, PIKE COUNTY, KY., SUBDISTRICT 1, RAIL SHIPPING POINT, VIRGIE, KY., F. O. G. 61, DEEP MINE, MAXIMUM TRUCK PRICE GROUP NO. 5

Price classification	K	K	K	K	H	H	G	E	C	C	D	G	G	G	----
Rail shipment and railroad fuel [1]	426	421	411	411	406	396	376	376	376	431	361	356	346	341	----
Truck shipment	441	421	396	396	381	356	321	316	----	----	----	----	----	----	----

[1] Subject to the provisions of Second Revised Order No. 1432 under MPR 120, as amended.

This order shall become effective August 28, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15090; Filed, Aug. 27, 1946; 11:27 a. m.]

[MPR 188, Order 5145]

ZENITH OPTICAL CO.

APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.158 of Maximum Price Regulation No. 188; *It is ordered:*

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Zenith Optical Company, 220 Eighth Street, Huntington, W. Va.

(1) For all sales and deliveries by any seller, the maximum prices are those set forth below:

Article	Model No.	Multiples of 12 units to—		1 to 12 units to retailers	To consumers
		Jobbers	Retailers		
Zenith filter rod	FR-1	*Each* $0.25	*Each* $0.30	*Each* $0.33	*Each* $0.50

Article	Model No.	Multiples of 6 units to—		1 to 6 units to retailers	To consumers
		Jobbers	Retailers		
8-cup zenith glass coffee maker consisting of upper and lower bowls, handle, reversible filter rod.	8-A	*Each* $1.96	*Each* $2.37	*Each* $2.63	*Each* $3.95

These maximum prices are for the articles described in the manufacturer's application dated May 28, 1946, and amended by application on August 15, 1946.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. For sales to persons other than consumers in lots of more than 100 lbs. the terms are net delivered. For sales to persons other than consumers in lots of less than 100 lbs. the terms are f. o. b. factory. These articles are subject to a cash discount of 2% for payment within 10 days, net 30 days.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.

(f) This order shall become effective on the 28th day of August 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15091; Filed, Aug. 27, 1946; 11:25 a. m.]

[MPR 188, Order 5147]

VERSON MANUFACTURING CO.

APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.158 of Maximum Price Regulation No. 188; *It is ordered:*

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Verson Manufacturing Company, 3922 Willow Street, Dallas 1, Texas.

(1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Model No.	Jobbers, mail order houses, or chain stores	Maximum prices for sales by any seller to—		
			Department stores	Retailers	Consumers
6¼" fry pan stainless steel	500	*Each* $0.70	*Each* $0.84	*Each* $0.93	*Each* $1.40
7¾" fry pan stainless steel	501	1.18	1.42	1.57	2.36
9¼" fry pan stainless steel	502	1.66	1.99	2.21	3.32
10⅞" fry pan stainless steel	503	2.14	2.57	2.85	4.28
1-qt. sauce pan stainless steel	600	.95	1.14	1.27	1.90
2-qt. sauce pan stainless steel	601	1.19	1.43	1.59	2.38
3½-qt. sauce pan stainless steel	602	2.00	2.40	2.67	4.00
5-qt. sauce pan stainless steel	603	3.25	3.90	4.33	6.50
1-qt. lid stainless steel	50	.48	.58	.64	.96
2-qt. lid stainless steel	51	.59	.71	.79	1.18
3½-qt. lid stainless steel	52	.71	.85	.95	1.42
5-qt. lid stainless steel	53	.95	1.14	1.27	1.90
2-qt. double boiler stainless steel	700	2.81	3.37	3.75	5.62
14" spoon stainless steel	1001	.45	.54	.60	.90
Dutch oven and chicken fryer lid stainless steel	54	2.30	2.76	3.07	4.60
Chicken fryer and lid, stainless steel	900	6.00	7.20	8.00	12.00
Chicken fryer pan stainless steel	901	3.75	4.50	5.00	7.50
Dutch oven and lid stainless steel	800	6.50	7.80	8.67	13.00
Dutch oven pan stainless steel	801	4.25	5.10	5.66	8.50

These maximum prices are for the articles described in the manufacturer's application dated August 2, 1946.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. The above prices are f. o. b. factory with full freight allowed on shipments weighing 100 lbs. or more, and are subject to a cash discount of 2% for payment within 10 days; net 30 days.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale of similar articles.

(4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.

(b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall contain the following statement:

Model No. ------
OPA Retail Ceiling Price—$------
Do Not Detach or Obliterate

(c) At the time of, or prior to, the first invoice to each purchaser for resale at

wholesale, the manufacturer shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales by the purchaser. This notice may be given in any convenient form.

(d) This order may be revoked or amended by the Price Administrator at any time.

(e) This order shall become effective on the 28th day of August 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15093; Filed, Aug. 27, 1946; 11:25 a. m.]

[MPR 591, Order 798]

FIRESTONE TIRE AND RUBBER CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register and pursuant to section 13 of Maximum Price Regulation No. 591, *It is ordered:*

(a) The maximum delivered prices for sales by the Firestone Tire and Rubber Company and resellers purchasing from the Firestone Tire and Rubber Company, of the following freeze cabinet manufactured by the Reynolds Metal Company, shall be:

	On sales to—			
	Class A Firestone dealer	Class B Firestone dealer	Class C Firestone dealer	Consumer
REF 106 Eskimo freezer..	$195.92	$217	$248	$310

(b) The maximum delivered prices established in (a) above may be increased by the following amount to each class of purchaser to cover the cost of crating when crating is actually supplied $6.00.

This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective August 28, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15094; Filed, Aug. 27, 1946; 11:26 a. m.]

[MPR 592, Order 126]

JOHN H. BLACK CO.

ADJUSTMENT OF MAXIMUM PRICES

Order No. 126 under section 16 of Maximum Price Regulation No. 592. Specified construction materials and refractories. John H. Black Co. Docket No. 6122-592.16-306.

For the reasons set forth in an opinion issued simultaneously herewith and pursuant to section 16 of Maximum Price Regulation No. 592, *It is ordered:*

(a) The maximum net prices for sales by the John H. Black Company, Buffalo, New York, of brick and structural clay tile, to its various classes of purchasers may be increased by an amount not in excess of $1.75 per thousand for standard size brick equivalents or by an amount not in excess of $0.70 per ton for structural hollow tile.

(b) If the John M. Black Company had an established differential in price during the month of March 1942 for nonstandard sizes of brick it may convert the adjustment granted herein for standard size brick on the basis of the conversion factors or formulae in use by it during March 1942 in establishing price differentials between standard size brick and the other sizes.

(c) Any person purchasing any of the products covered by this order produced by the John M. Black Company, Buffalo, New York, for the purpose of resale in the same form may increase his presently established prices under the General Maximum Price Regulation by adding the percentage increase in cost resulting from the increase permitted the manufacturer in (a) above. Notwithstanding the provisions of this paragraph, in any area where specific maximum prices are fixed by an area pricing order such specific maximum prices shall apply in that area.

(d) All requests of the application not granted herein are denied.

(e) This order may be amended or revoked by the Office of Price Administration at any time.

This order shall become effective August 28, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15095; Filed, Aug. 27, 1946; 11:26 a. m.]

[RMPR 129,[1] Order 15]

CERTAIN CONVERTED PAPER PRODUCTS AND CERTAIN INDUSTRIAL PAPERS

AUTHORIZATION OF ADJUSTABLE PRICING

Amendment No. 30 to Supplementary Order No. 131, effective August 5, 1946, granted an increase of 20.25% in the maximum price of cotton sheeting and an increase of 17.5% in the maximum price of osnaburg. Amendment No. 40 to Supplementary Order No. 129, effective August 2, 1946, suspended sisal kraft, a waterproof paper, from price control and the price of the item has subsequently increased approximately 19.2%. The increases in the prices of these three items affect manufacturers of gummed cloth tape or/and gummed sisal kraft tape under Revised Maximum Price Regulation 129. Consequently, the Office of Price Administration is conducting a cost study in order to determine what resulting adjustments, if any, should be made in the maximum prices of gummed cloth tape and gummed sisal kraft tape.

This study will of necessity require conferences with the industry affected and the passage of some considerable amount of time. Unless adjustable pricing authority is granted in the interim to each of the manufacturers of gummed cloth tape or gummed sisal kraft tape to prevent the absorption of the increases in the prices of osnaburg, sheeting and sisal kraft, the production and distribution of these commodities will be seriously endangered. The granting of such authority will not interfere with the purposes of the Emergency Price Control Act of 1942, as amended.

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, as amended, and in accordance with section 2 of Revised Maximum Price Regulation 129, *It is ordered,* That:

(1) Any manufacturer of gummed cloth tape or gummed sisal kraft tape may sell and deliver or agree to sell and deliver these commodities at the maximum prices now established under Revised Maximum Price Regulation 129 with an agreement with the purchaser to collect the difference, if any, between the manufacturer's current maximum prices and any higher maximum prices which may be established by the Office of Price Administration as a result of the proposed study of the effect of any increased prices of sheeting, osnaburg and sisal kraft.

(2) Payments in excess of the current maximum prices of gummed cloth tape or gummed sisal kraft tape established under Revised Maximum Price Regulation 129 may be collected or paid, if and when any increase in such maximum prices has been granted by the Office of Price Administration, and the amount so collected or paid shall be the difference, if any, between the current maximum prices and any higher maximum prices hereafter granted as a result of this study.

(3) This order shall remain in effect until the proposed cost study on gummed cloth tape and gummed sisal kraft tape has been made and action of general applicability with respect to the present maximum prices of gummed cloth tape and gummed sisal kraft tape has been taken by the Office of Price Administration, unless sooner revoked.

This order shall become effective August 27, 1946.

Issued this 27th day of August 1946.

GEOFFREY BAKER,
Acting Administrator.

[F. R. Doc. 46-15164; Filed, Aug. 27, 1946; 4:39 p. m.]

[MPR 594, Amdt. 4 to Order 23]

PACKARD MOTOR CORP.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register and pursuant to sections 8, 9a and 9b of Maximum Price Regulation 594, *It is ordered:*

Revised Order 23 under Maximum Price Regulation 594 is amended in the following respects:

1. A new paragraph (h) is added to read as follows:

[1] 9 F.R. 6825; 10 F.R. 11298, 15371; 11 F.R. 1525, 4237, 5282, 6014, 5950, 7131, 7341, 8772.

(h) *Company sales to users.* The company may sell and deliver to users each of the Packard new passenger automobiles listed in subparagraph (1) of paragraph (c) at a price not to exceed the following charges:

(1) *Charge for new automobile.* A charge for the new automobile not to exceed the net charge in effect on January 1, 1941 for the automobile to the same class of user adjusted by the increase factor authorized by OPA under section 8. In the case where the particular model was not produced until a date subsequent to January 1, 1941 the charge may not exceed a net price approved by OPA. The price proposed for approval shall consist of a January 1, 1941 price in line with prices previously approved by OPA as January 1, 1941 prices for the sale of the same model to other classes of purchasers adjusted by the increase factor authorized by OPA under section 8. OPA shall approve or disapprove the proposed price by letter.

(2) *Charges for extra or optional equipment.* A charge for each item of extra or optional equipment listed in paragraph (a) (3) (i) not to exceed the net charge in effect on January 1, 1941 for the item of extra or optional equipment to the same class of user adjusted by the increase factor authorized by OPA under section 8. In the case where the particular item of extra or optional equipment was not produced until a date subsequent to January 1, 1941 the charge may not exceed a net price approved by OPA. The price proposed for approval shall consist of a January 1, 1941 price in line with prices previously approved by OPA as January 1, 1941 prices for the sale of the same item of extra or optional equipment to other classes of purchasers adjusted by the increase factor authorized by OPA under section 8. OPA shall approve or disapprove the proposed price by letter.

(3) *Other charges.* Charges permitted in subparagraphs (3) (ii), (3) (iii), (3) (vi), and (3) (vii) of paragraph (a) when applicable to the sale.

2. The schedule is paragraph (a) (1) is amended by adding the following models and applicable wholesale prices:

Description	*Wholesale prices*
Packard Custom Super Eight:	
7-passenger sedan	$2,926.89
Limousine	3,038.59

3. The schedule in paragraph (a) (2) is amended by adding the following models and applicable wholesale rebate:

Automobile	*Amount*
Packard Custom Super Eight: 7-passenger sedan and limousine	$160.00

4. The schedule in paragraph (a) (3) (i) is amended by adding the following item and applicable amounts:

Description	Excise tax on equipment installed	Wholesale price installed		List price installed
		To zone	To dealer	
Overdrive-electromatic clutch combination	$5.19	$74.12	$79.60	$107

5. The schedule in paragraph (a) (3) (iii) is amended by adding the following models and applicable amounts:

Automobile	*Amount*
Packard Custom Super Eight:	
7-passenger sedan	$204.88
Limousine	212.70

6. Paragraphs (b) (3) (ii) and (c) (3) (ii) are amended by adding the words "or Freeport, Illinois in the case of Packard Custom Super Eight 7-passenger sedans or limousines" immediately following the words "Detroit, Michigan" and Schedules A in paragraphs (b) (3) (ii) and (c) (3) (ii) are amended by adding the following models and applicable weights:

Description	*Weight (pounds)*
Packard Custom Super Eight:	
7-passenger sedan	4,815
Limousine	4,880

7. The schedule in paragraph (c) (i) is amended by adding the following models and applicable list prices:

Description	*List price*
Packard Custom Super Eight:	
7-passenger sedan	$4,087
Limousine	4,243

This amendment shall become effective August 27, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15168; Filed, Aug. 27, 1946; 4:42 p. m.]

[MPR 592, Order 127]

ACME SHALE BRICK CO., INC.

ADJUSTMENT OF MAXIMUM PRICES

Order No. 127 under section 16 of Maximum Price Regulation No. 592. Specified construction materials and refractories. Acme Shale Brick Company, Incorporated. Docket No. 6122-592.16-308.

For the reasons set forth in an opinion issued simultaneously herewith and pursuant to section 16 of Maximum Price Regulation No. 592; *It is ordered:*

(a) The maximum net prices for sales by the Acme Shale Brick Company, Inc., Buffalo, New York, of brick and structural clay tile to its various classes of purchasers may be increased by an amount not in excess of $1.75 per thousand for standard size brick equivalents or by an amount not in excess of $0.70 per ton for structural hollow tile.

(b) If the Acme Shale Brick Company, Incorporated, had an established differential in price during the month of March 1942 for non-standard sizes of brick it may convert the adjustment granted herein for standard size brick on the basis of the conversion factors or formulae in use by it during March 1942 in establishing price differentials between standard size brick and the other sizes.

(c) Any person purchasing any of the products covered by this order produced by the Acme Shale Brick Company, Incorporated, for the purpose of resale in the same form may increase his presently established prices under the General Maximum Price Regulation by adding the percentage increase in cost resulting from the increase permitted the manufacturer in (a) above. Notwithstanding the provisions of this paragraph, in any area where specific maximum prices are fixed by an area pricing order such specific maximum prices shall apply in that area.

(d) All requests of the application not granted herein are denied.

(e) This order may be amended or revoked by the Office of Price Administration at any time.

This order effective August 28, 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15096; Filed, Aug. 27, 1946; 11:26 a. m.]

[MPR 610, Order 9]

OSHKOSH MOTOR TRUCK, INC.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register and pursuant to section 8 of Maximum Price Regulation 610, *It is ordered:*

(a) Oshkosh Motor Truck, Inc., Oshkosh, Wisconsin, hereinafter called the Company is authorized to sell f. o. b. Oshkosh, Wisconsin, each new Oshkosh truck described in subparagraph (1) below at a price not to exceed the total of the following charges:

(1) *Charges for new truck.* A charge for the new truck not to exceed the applicable list price in the following schedule less the discount and allowances in effect on January 1, 1941 to the applicable class of purchaser.

Model No.	Description	List price at factory
W-307	Truck, chassis and cab, gasoline powered, 4-wheel drive, 23,600 pounds gross vehicle weight, 149" wheelbase; standard specifications and equipment as of January 1, 1941.	$7,520
W-700	Truck, chassis and cab, gasoline powered, 4-wheel drive, 30,000 pounds gross vehicle weight, 150" wheelbase; standard specifications and equipment as of January 1, 1941.	8,930
W-703	Truck, chassis and cab, gasoline powered, 4-wheel drive, 30,000 pounds gross vehicle weight, 150" wheelbase; standard specifications and equipment as of January 1, 1941.	9,318
W-705	Truck, chassis and cab, gasoline powered, 4-wheel drive, 30,000 pounds gross vehicle weight, 150" wheelbase; standard specifications and equipment as of January 1, 1941.	9,698
W-906	Truck, chassis and cab, diesel powered, 4-wheel drive, 38,000 pounds gross vehicle weight, 158" wheelbase; standard specifications and equipment of Model 900 as of January 1, 1941, plus the following modifications: Bendix power steer instead of standard steering gear; 17½ x 5 Westinghouse air brakes rear and 17½ x 4 hydraulic air actuated front instead of standard Lockheed hydraulic brakes with booster.	13,817

(2) *Charges for extra or optional equipment.* A charge for each item of

extra or optional equipment not to exceed the list price to be computed as follows, less the discounts and allowances in effect on January 1, 1941 to the applicable class of purchaser:

(i) The Company shall multiply its January 1, 1941 list price for each item of extra or optional equipment by the increase factor approved by the Office of Price Administration for adjusting the Company's January 1, 1941 prices under section 8 of Maximum Price Regulation 610.

(ii) The Company shall file the dollar and cents list prices for each item of extra or optional equipment with the National Office of Price Administration, Automotive Branch, Washington, D. C. within 48 hours after such adjusted prices are established.

(3) *Charge for transportation.* A charge for transportation of the truck and extra or optional equipment not to exceed a charge computed in accordance with the method the Company had in effect on March 31, 1942 plus transportation tax at the current legal rate.

(4) *Charge for taxes.* A charge to cover Federal Excise Taxes at the current legal rate, computed in accordance with the method the Company had in effect on March 31, 1942, and also state and local taxes if any, directly imposed upon the sale or delivery of the truck and extra or optional equipment.

(5) *Charge for factory handling and delivery.* A charge for factory handling and delivery computed by using the same rate and method the Company had in effect on March 31, 1942.

(b) *Sales below ceiling to dealers.* In the event the Company sells to dealers below the maximum net price authorized in this order for sales of trucks or extra or optional equipment it shall so advise the National Office of Price Administration Office, Automotive Branch, Washington, D. C., in writing, within 48 hours and shall immediately comply with the provisions of section 8 (h) of Maximum Price Regulation 610.

NOTE: As required by section 12 of Maximum Price Regulation 610, the Company shall notify all resellers of list prices for the vehicles of base specification and extra or optional equipment and shall notify resellers that they must use such list prices in determining maximum prices in accordance with section 10.

(c) A reseller is authorized to sell and deliver each new Oshkosh truck described in paragraph (a) (1) at a price not to exceed the total of the following charges:

(1) *Charge for the new truck.* A charge for the new truck not to exceed the applicable list price set forth in paragraph (a) (1). The Company shall notify all resellers of list prices authorized in this order for new trucks.

(2) *Charges for extra or optional equipment.* A charge for each item of extra or optional equipment not to exceed the list price which the Company shall determine in accordance with paragraph (a) (2). The Company shall notify all resellers of list prices authorized in this order for extra or optional equipment.

(3) *Other charges.* Charges permitted by section 10 of Maximum Price Regulation 610 when applicable to the sale.

(d) A reseller may sell and deliver in a territory or possession of the United States each new Oshkosh truck described in paragraph (a) (1) at a price not to exceed the maximum price it may charge under paragraph (c) to which it may add a sum equal to the expense incurred by or charged to it for: Payment of territorial and insular taxes on the purchase, sale or introduction of the new truck and extra or optional equipment in the territory or possession when not charged under paragraph (c); export premiums; boxing and crating for export purposes; assembly costs, if any; marine and war risk insurance; loading, wharfage and terminal operations; ocean freight; freight to the port of embarkation when not charged under paragraph (c); and inland freight from the port of debarkation by the most direct route to the reseller's place of business.

(e) All requests not granted herein are denied.

(f) This order may be amended or revoked by the Administrator at any time.

This order shall become effective August 28, 1946, for new Oshkosh trucks and extra or optional equipment sold by the Company on and after August 28, 1946.

Issued this 28th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15230; Filed, Aug. 28, 1946; 11:26 a. m.]

[Rev. S.O. 119, Corr. to Order 318]

MURRAY CORP. OF AMERICA

ADJUSTMENT OF MAXIMUM PRICES

"Order No. 319" appearing in the notice in paragraph (c) is corrected to read "Order No. 318."

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15097; Filed, Aug. 27, 1946; 11:26 a. m.]

[SO 148, Revocation of Order 6]

THE SESSIONS CLOCK CO.

ADJUSTMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, *It is ordered:*

(a) Order No. 6 under Supplementary Order No. 148 is revoked subject to the provisions of Supplementary Order No. 40.

This order shall become effective on the 28th day of August 1946.

Issued this 27th day of August 1946.

PAUL A. PORTER,
Administrator.

[F. R. Doc. 46-15098; Filed, Aug. 27, 1946; 11:25 a. m.]

UNITED STATES COAST GUARD.

PRESIDENT'S CUP REGATTA

CLOSING OF GEORGETOWN CHANNEL

1. Pursuant to the authority vested in me by section 1, Act of April 28, 1908 (Title 46, U.S.C., sec. 454) and Reorganization Plan No. 3 of 1946, notice is hereby given that that portion of the Georgetown Channel of the Potomac River opposite Washington, D. C., lying between the Potomac River Railway Bridge and a line from Hains Point Junction Lighted Bell Buoy; thence southwesterly to the west shore of the Potomac River to a point opposite Giesboro Point will be closed to navigation for the sailing races and power boat races of the President's Cup Regatta on the following dates between the hours shown:

Saturday, September 14, 1946—9:00 a. m. to 6:00 p. m.
Sunday, September 15, 1946—9:00 a. m. to 2:00 p. m.
Friday, September 20, 1946—11:00 a. m. to 5:00 p. m.
Saturday, September 21, 1946—11:30 a. m. to 5:30 p. m.
Sunday, September 22, 1946—12 noon to 6:00 p. m.

2. Navigation in the area may be performed in emergencies with the permission of the U. S. Coast Guard Regatta Patrol Officer.

Dated: August 23, 1946.

[SEAL] J. F. FARLEY,
Admiral, U. S. Coast Guard.

[F. R. Doc. 46-15222; Filed, Aug. 28, 1946; 11:08 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File No. 55-91]

STANDARD GAS AND ELECTRIC CO.

NOTICE OF AND ORDER FOR HEARING ON APPLICATIONS FOR FEES AND EXPENSES

At a regular session of the Securities and Exchange Commission held at its office in the City of Philadelphia, Pa., on the 26th day of August 1946.

Applications having been filed pursuant to the Public Utility Holding Company Act of 1935 by certain persons representing former holders of previously outstanding notes and debentures of Standard Gas and Electric Company (Standard Gas), a registered holding company, for approval of fees and expenses in reorganization proceedings under section 11 (e) of the act concerning Standard Gas (File Nos. 54-72, 59-66 and 70-1211) during the course of which proceedings such notes and debentures have been called for redemption by Standard Gas; and

Consideration by the Commission of such fees and expenses having been requested by said persons at this time on the ground that since the notes and debentures have been called for redemption, the holders thereof and said persons who represented them have no further interest in such reorganization proceedings;

The names of said persons, together with the names of the persons represented thereby and the amounts of the fees and expenses requested by each, are set forth in the following tabulation; such services having been rendered in the period from March 1943 to April 1946:

Name	Representing	Fees	Expenses	Total
Davis Polk Wardwell Sunderland & Kiendl (legal).	Guaranty Trust Co., indenture trustee.	$92,500.00		
Guaranty Trust Co. (trust)	Itself as indenture trustee	30,000.00		
J. H. Manning & Co. (engineering)	Guaranty Trust Co	31,460.59	$1,233.68	$32,694.27
Albert J. Fleischmann (legal)	Himself	60,000.00	3,574.75	63,574.75
Holthusen & Pinkham (legal)	Trustees of Union College, Schenectady, N. Y., and Equitable Holding Corp.	15,000	378.40	15,378.40
Marvel & Morford (legal)	Delaware counsel for trustees of Union College, Schenectady, N. Y., and Equitable Holding Corp.	1,000	9.54	1,009.54
Sydney K. Schiff (legal)	A. O. Stewart, Mary S. Kuechler, Sue Stewart Kuechler trust, Sally Foster Kuechler trust, Henry N. Kuechler, Third Reclaimed Island Lands Co., W. A. Rabbett, Marie McDonough, Dorothy Stewart, Frances McMath, Mary A. Stewart, Duff and Phelps.	75,000	To be supplied).	

It appearing to the Commission that it is appropriate in the public interest and in the interests of investors and consumers that a hearing be held with respect to the reasonableness of such fees and expenses;

It is ordered, That a hearing on such matters under the applicable provisions of the act and the rules and regulations promulgated thereunder be held on the 17th day of September 1946, at 10:00 a. m., e. d. s. t., in the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia, Pennsylvania, in such room as may be designated at such time by the hearing room clerk in Room 318.

It is further ordered, That Richard Townsend or any other officer or officers of the Commission designated by it for that purpose, shall preside at the hearings in such matter. The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of the act and to a trial examiner under the Commission's rules of practice.

Notice is hereby given of said hearing to the above-named applicants, to Standard Gas and Electric Company, and to all persons who have appeared before the Commission in proceedings under the plan (File Nos. 54–72 and 59–66), said notice to be given by registered mail, and notice is hereby given to all other interested persons by publication of the notice of and order for hearing in the FEDERAL REGISTER and by general release of this Commission which shall be distributed to the press and mailed to the mailing list for releases issued under the act.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 46–15220; Filed, Aug. 28, 1946; 10:57 a. m.]

[File No. 70–1329]

CLEVELAND ELECTRIC ILLUMINATING CO.

ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 26th day of August 1946.

The Cleveland Electric Illuminating Company ("Cleveland Electric"), a subsidiary of The North American Company, a registered holding company, having filed an application and an amendment thereto pursuant to the Public Utility Holding Company Act of 1935 and the rules and regulations promulgated thereunder, relating to the following transactions:

Cleveland Electric proposes to acquire from the Cleveland Light and Power Company ("Cleveland Light"), an Ohio corporation, certain utility and non-utility assets of Cleveland Light pursuant to a contract wherein Cleveland Light agrees to sell and Cleveland Electric agrees to purchase such assets, subject to the conditions therein set forth including appropriate authorizations from public authorities, for a total purchase price of $250,000 payable in cash at time of transfer. The utility assets consist of an electric distribution system and the non-utility assets consist of a steam distribution system. The properties to be sold to Cleveland Electric also include Cleveland Light's rights of way, easements, leases, contracts, rights of occupancy of the public highway, such steam franchises of Cleveland Light as may be assigned by Cleveland Light and accepted by Cleveland Electric, and materials and supplies on hand.

The purchase and acquisition of all the assets both utility and non-utility has been authorized by The Public Utilities Commission of Ohio.

Said application having been filed on the 28th day of June and the last amendment thereto having been filed on the 19th day of July 1946, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for a hearing with respect to said application within the period specified in said notice or otherwise, and not having ordered a hearing thereon; and

The Commission finding that the proposed transactions are not in contravention of the act or any rules or regulations promulgated thereunder, that the proposed transactions satisfy the requirements of sections 9 (a) (1) and 10 of the act and the rules and regulations thereunder in so far as they are applicable, and that it is appropriate in the public interest and in the interests of investors and consumers that said application be granted;

It is hereby ordered, Pursuant to said Rule U-23 and the applicable provisions of said act and subject to the terms and conditions prescribed in Rule U-24, that the aforesaid application be, and the same hereby is, granted.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 46–15221; Filed, Aug. 28, 1946; 10:57 a. m.]

OFFICE OF ALIEN PROPERTY CUSTODIAN.

[Vesting Order 7089]

WILLIAM L. LAMPERTZ

In re: Estate of William L. Lampertz, deceased. File D–28–10370; E. T. sec.: 14760.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

That the property described as follows: All right, title, interest and claim of any kind or character whatsoever of Elise Lampertz, Hubert Lampertz, Jacob Lampertz, Karl Lampertz, Franz Lampertz and Josef Lampertz, and each of them, in and to the Estate of William L. Lampert, deceased,

is property payable or deliverable to, or claimed by, nationals of a designated enemy country, Germany, namely,

Nationals and Last Known Address

Elise Lampertz, Germany.
Hubert Lampertz, Germany.
Jacob Lampertz, Germany.
Karl Lampertz, Germany.
Franz Lampertz, Germany.
Josef Lampertz, Germany.

That such property is in the process of administration by Guaranty Bank and Trust Company, as Administrator, acting under the judicial supervision of the Ninth Judicial District Court, Louisiana;

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indi-

cate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

Any person, except a national of a designated enemy country, asserting any claim arising as a result of this order may, within one year from the date hereof, or within such further time as may be allowed, file with the Alien Property Custodian on Form APC–1 a notice of claim, together with a request for a hearing thereon. Nothing herein contained shall be deemed to constitute an admission of the existence, validity or right to allowance of any such claim.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 15, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–15043; Filed, Aug. 27, 1946; 9:39 a. m.]

[Vesting Order 7095]

FREDERICK SCHMIDT

In re: Estate of Frederick Schmidt, also known as Frederick Smith, deceased. File D–28–10103; E. T. sec. 14373.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

That the property described as follows: All right, title, interest and claim of any kind or character whatsoever of Fritz Lammermeyer, Anna Schuster, Genovefa Grafner, Rosa Volk and Sofie Welz, and each of them, in and to the Estate of Frederick Schmidt, also known as Frederick Smith, deceased,

is property payable or deliverable to, or claimed by, nationals of a designated enemy country, Germany, namely,

Nationals and Last Known Address

Fritz Lammermeyer, Germany.
Anna Schuster, Germany.
Genovefa Grafner, Germany.
Rosa Volk, Germany.
Sofie Welz, Germany.

That such property is in the process of administration by The First National Trust and Savings Bank of San Diego, as Executor of the Estate of Frederick Schmidt, also known as Frederick Smith, acting under the judicial supervision of the Superior Court of the State of California, in and for the County of San Diego;

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

Any person, except a national of a designated enemy country, asserting any claim arising as a result of this order may, within one year from the date hereof, or within such further time as may be allowed, file with the Alien Property Custodian on Form APC–1 a notice of claim, together with a request for a hearing thereon. Nothing herein contained shall be deemed to constitute an admission of the existence, validity or right to allowance of any such claim.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 15, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–15044; Filed, Aug. 27, 1946; 9:39 a. m.]

[Vesting Order 7176]

GERHARD BOERNER

In re: Estate of Gerhard Boerner, deceased. File No. D–28–2006, E. T. sec. 6239.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

That the property described as follows: All right, title, interest and claim of any kind or character whatsoever of Ernest Adam, Frederich Adam, Anna Boerner, Anna Zengerle and Alois Ruppel, and each of them, in and to the Estate of Gerhard Boerner, deceased, is property payable or deliverable to, or claimed by, nationals of a designated enemy country, Germany, namely,

Nationals and Last Known Addresses

Ernest Adam, Germany.
Frederich Adam, Germany.
Anna Boerner, Germany.
Anna Zengerle, Germany.
Alois Ruppel, Germany.

That such property is in the process of administration by the County Treasurer of Erie County, as Depositary, acting under the judicial supervision of the Surrogate's Court of Erie County, New York;

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

Any person, except a national of a designated enemy country, asserting any claim arising as a result of this order may, within one year from the date hereof, or within such further time as may be allowed, file with the Alien Property Custodian on Form APC–1 a notice of claim, together with a request for a hearing thereon. Nothing herein contained shall be deemed to constitute an admission of the existence, validity or right to allowance of any such claim.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 22, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–15045; Filed, Aug. 27, 1946; 9:39 a. m.]

[Vesting Order 7189]

CHARLES BAUMAN

In re: Estate of Charles Bauman, also known as Charles Baumann, deceased. File No. D–28–9787; E. T. sec. 13761.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

That the property described as follows: All right, title interest and claim of any kind or character whatsoever of Rifka Wolkowitz and Mindel Kopyto, and each of them, in and to the estate of Charles Bauman, also known as Charles Baumann, deceased,

is property payable or deliverable to, or claimed by nationals of a designated enemy country, Germany, namely,

Nationals and Last Known Address

Rifka Wolkowitz, Germany.
Mindel Kopyto, Germany.

That such property is in the process of administration by Mary Feldman, as Executrix, acting under the judicial supervision of the Surrogate's Court of Sullivan County, New York;

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

Any person, except a national of a designated enemy country, asserting any claim arising as a result of this order may, within one year from the date hereof, or within such further time as may be allowed, file with the Alien Property Custodian on Form APC–1 a notice of claim, together with a request for a hearing thereon. Nothing herein contained shall be deemed to constitute an admission of the existence, validity or right to allowance of any such claim.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 23, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–15046; Filed, Aug. 27, 1946; 9:39 a. m.]

[Vesting Order 7248]

FRITZ A. BENDIX

In re: Bank account owned by Fritz A. Bendix. F–28–22807–E–1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Fritz A. Bendix, whose last known address is 32 Andreas Strassa, Berlin, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Fritz A. Bendix, by Union Dime Savings Bank, 1065 Avenue of the Americas, New York 18, New York, arising out of a savings account, Account Number 1105236, entitled Fritz A. Bendix, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 29, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–15047; Filed, Aug. 27, 1946; 9:39 a. m.]

[Vesting Order 7252]

OTTO BOMHARD

In re: Bank account owned by Otto Bomhard. F–28–22851–E–1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Otto Bomhard, whose last known address is Niernburg, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Otto Bomhard, by The American National Bank of Denver, Denver, Colorado, arising out of a savings account, Account Number 75999, entitled Otto Bomhard, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefits of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 29, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–15048; Filed, Aug. 27, 1946; 9:40 a. m.]

[Vesting Order 7254]

DIETRICH BUCHHOLZ

In re: Bank account owned by Dietrich Buchholz. F–28–22874–E–1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Dietrich Buchholz, whose last known address is Ochtmannien, Post Vilsen Kreis Haja, Hannover, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Dietrich Buchholz, by Bank of America National Trust and Savings Association, 1 Powell Street, San Francisco, California, arising out of a savings account, Account Number 6749, entitled Dietrich Buchholz, maintained at the branch office of the aforesaid bank located at Market and New Montgomery Streets, San Francisco, California, and

any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 29, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15049; Filed, Aug. 27, 1946; 9:40 a. m.]

[Vesting Order 7255]

REV. JOSEPH FR. BUDDE

In re: Bank account owned by Rev. Joseph Fr. Budde. F-28-22875-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Rev. Joseph Fr. Budde, whose last known address is Meiste bei Ruethen, I. W. Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Rev. Joseph Fr. Budde, by Mellon National Bank, Pittsburgh 30, Pennsylvania, arising out of a savings account, Account Number 2-413, entitled Rev. Joseph Fr. Budde, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July July 29, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15050; Filed, Aug. 27, 1946; 9:40 a. m.]

[Vesting Order 7257]

MARY DAMBACH

In re: Bank account owned by Mary Dambach, also known as Mary Arpten Dambach. F-28-2115-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Mary Dambach, also known as Mary Arpten Dambach, whose last known address is Bad Durkheim, Pfalz, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Mary Dambach, also known as Mary Arpten Dambach, by First National Bank, Lake Charles, Louisiana, arising out of a checking account, entitled Mrs. Mary Dambach, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

Any person, except a national of a designated enemy country, asserting any claim arising as a result of this order may, within one year from the date hereof, or within such further time as may be allowed, file with the Alien Property Custodian on Form APC-1, a notice of claim, together with a request for a hearing thereon. Nothing herein contained shall be deemed to constitute an admission of the existence, validity or right to allowance of any such claim.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July July 29, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15051; Filed, Aug. 27, 1946; 9:40 a. m.]

[Vesting Order 7262]

IHNO FIMMEN

In re: Debt owing to Ihno Fimmen. F-28-22887-A-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Ihno Fimmen, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Ihno Fimmen, by Anderson, Clayton & Co., P. O. Box 2538, Houston, Texas, in the amount of $165.00, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

Any person, except a national of a designated enemy country, asserting any claim arising as a result of this order may, within one year from the date hereof, or within such further time as may be allowed, file with the Alien Property Custodian on Form APC–1 a notice of claim, together with a request for a hearing thereon. Nothing herein contained shall be deemed to constitute an admission of the existence, validity or right to allowance of any such claim.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 29, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–15052; Filed, Aug. 27, 1946; 9:40 a. m.]

[Vesting Order 7265]

MAX HAUBENSAK

In re: Bank account owned by Max Haubensak, also known as M. Haubensak. F–28–6331–E–1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Max Haubensak, also known as M. Haubensak, whose last known address is Crimmitschau, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Max Haubensak, also known as M. Haubensak, by Bank of the Manhattan Co., 40 Wall Street, New York, New York, arising out of an account, entitled M. Haubensak—Agency, and any and all rights to demand, enforce and collect the same.

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

Any person, except a national of a designated enemy country, asserting any claim arising as a result of this order may, within one year from the date hereof, or within such further time as may be allowed, file with the Alien Property Custodian on Form APC–1 a notice of claim, together with a request for a hearing thereon. Nothing herein contained shall be deemed to constitute an admission of the existence, validity or right to allowance of any such claim.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 29, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46–15053; Filed, Aug. 27, 1946; 9:40 a. m.]

[Vesting Order 7267]

EUGEN HELD

In re: Bank account owned by Eugen Held. F–28–8268–E–1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Eugen Held, whose last known address is 2a Mannes Chaussel, Bornstaedt, Germany, is a resident of Germany and a national of a designated enemy country (Germany):

2. That the property described as follows: That certain debt or other obligation owing to Eugen Held, by Central Savings Bank in the City of New York, Broadway at 73rd Street, New York, New York, arising out of a savings account, Account Number 1,169,816, entitled Eugen Held, maintained at the office of the aforesaid bank located at 157–4th Avenue, New York, New York, and any and all rights to demand, enforce and collect the same;

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensa-

tion will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 29, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15054; Filed, Aug. 27, 1946; 9:41 a. m.]

[Vesting Order 7270]

URSULA JANTSEN

In re: Bank account owned by Ursula Jantsen, also known as Ursula Johann Jantsen. F-28-14740-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation finding:

1. That Ursula Jantsen, also known as Ursula Johann Jantsen, whose last known address is Stralsuni, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Ursula Jantsen, also known as Ursula Johann Jantsen, by American Trust Company, 464 California Street, San Francisco, California, arising out of a savings account, Account Number 5077, entitled Ursula Jantsen, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15055; Filed, Aug. 27, 1946; 9:41 a. m.]

[Vesting Order 7272]

JOHN KODISCH

In re: Bank account owned by John Kodisch. F-28-14783-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That John Kodisch, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to John Kodisch, by Commonwealth Bank, Dime Building, Fort and Griswold Streets, Detroit, Michigan, arising out of a commercial account, Account Number C11-455, entitled John Kodisch, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15056; Filed, Aug. 27, 1946; 9:41 a. m.]

[Vesting Order 7274]

ALEXANDER KREUTER

In re: Debt owing to Alexander Kreuter. F-28-2785-C-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Alexander Kreuter, whose last known address is Mohrenstrasse 10, Berlin, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Alexander Kreuter by United States & Foreign Securities Corporation, 921 Bergen Avenue, Jersey City, New Jersey, in the amount of $8,449.30, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation

will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15057; Filed, Aug. 27, 1946; 9:41 a. m.]

[Vesting Order 7275]

LUDWIG KRONBICHLER

In re: Bank account owned by Ludwig Kronbichler. F-28-22671-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Ludwig Kronbichler, whose last known address is Schlossberg 92, Rosenheim, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Ludwig Kronbichler, by Central Savings Bank in the City of New York, Broadway at 73rd Street, New York, New York, arising out of a savings account, Account Number 1,021,971, entitled Ludwig Kronbichler, maintained at the branch office of the aforesaid bank located at 157 4th Avenue, New York, New York, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15058; Filed, Aug. 27, 1946; 9:41 a. m.]

[Vesting Order 7276]

OLGA KUTSCHER

In re: Bank account owned by Olga Kutscher. F-28-11792-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Olga Kutscher, whose last known address is 16 Grolmanstrasse, Berlin-Charlottenburg, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Olga Kutscher, by The First National Bank of Chicago, Chicago, Illinois, arising out of a savings account, Account 1,347,351, entitled Olga Kutscher, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15059; Filed, Aug. 27, 1946; 9:41 a. m.]

[Vesting Order 7277]

BERTA LINA LEHNER

In re: Bank account owned by Berta Lina Lehner. F-28-23955-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Berta Lina Lehner, whose last known address is Waisenhausstrasse 3, Bad Homburg, v. d. h., Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Berta Lina Lehner, by The First National Trust and Savings Bank of San Diego, San Diego, California, arising out of a savings account, Account Number 86457, entitled Berta Lina Lehner, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation

will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15060; Filed, Aug. 27, 1946; 9:42 a. m.]

[Vesting Order 7278]

ELSBETH MAETZ

In re: Bank account owned by Elsbeth Maetz. F-28-13007-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Elsbeth Maetz, whose last known address is Berlin-Zehlendorf, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Elsbeth Maetz, by First Wisconsin National Bank, 743 North Water Street, Milwaukee 1, Wisconsin, arising out of an unclaimed balances-section of demand deposits account, entitled Elsbeth Maetz, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15061; Filed, Aug. 27, 1946; 9:42 a. m.]

[Vesting Order 7279]

ELLA MAIER

In re: Bank account owned by Ella Maier. F-28-13018-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Ella Maier, whose last known address is Maxstrasse 23, Traunstein, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Ella Maier, by Security-First National Bank of Los Angeles, 110 South Spring Street, Los Angeles 12, California, arising out of a term savings account, Account Number 395222, entitled Ella Maier, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15062; Filed, Aug. 27, 1946; 9:42 a. m.]

[Vesting Order 7280]

CARLA MAURACH

In re: Bank account owned by Carla Maurach. F-28-16435-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Carla Maurach, whose last known address is Berlin, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation of The San Francisco Bank, 526 California Street, San Francisco, California, arising out of a savings account, Account Number 760607, entitled Edmund F. Russ, Trustee for Carla Maurach, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Carla Maurach, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof,

if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15063; Filed, Aug. 27, 1946; 9:42 a. m.]

[Vesting Order 7282]

MENDELSSOHN & CO.

In re: Bank account owned by Mendelssohn & Co. F-28-408-E-2.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Mendelssohn & Co., the last known address of which is Berlin, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Mendelssohn & Co., by The New York Trust Company, 100 Broadway, New York, New York, arising out of a checking account entitled "Mendelssohn & Co. in Liquidation", maintained at the aforesaid bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15064; Filed, Aug. 27, 1946; 9:42 a. m.]

[Vesting Order 7285]

FRITZ NIGGEMANN

In re: Bank account owned by Fritz Niggemann. F-28-23481-E-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Fritz Niggemann, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Fritz Niggemann, by First National Bank in Houston, Post Office Box 2519, Houston 1, Texas, arising out of a savings account, Account Number 13482, entitled Fritz Niggemann, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiesence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15065; Filed, Aug. 27, 1946; 9:42 a. m.]

[Vesting Order 7287]

ORCHESTRA G. M. B. H.

In re: Debt owing to Orchestra G. m. b. H.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Orchestra G. m. b. H., the last known address of which is Trossingen, Wuerttemberg, Germany, is a corporation organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows: All those debts or other obligations owing to Orchestra G. m. b. H. by M. Hohner, Inc., 351-353 Fourth Avenue, New York, New York, including particularly but not limited to that sum of money on deposit with the Bank of the Manhattan Company, 40 Wall Street, New York, New York, in a blocked account entitled "M. Hohner, Inc. for the account of Orchestra G. m. b. H. Trossingen, Wuerttemberg, Germany", maintained at the branch office of the aforesaid bank located at 31 Union Square, New York, New York, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the in-

terest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 30, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15066; Filed, Aug. 27, 1946; 9:42 a. m.]

[Vesting Order 7323]

SOFI BALLA

In re: Estate of Sofi Balla, a/k/a Sophie Balla and Sofi Duplinsky, deceased. File D-34-881; E. T. sec. 14718.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

That the property described as follows: All right, title, interest and claim of any kind or character whatsoever of Julius Veres in and to the estate of Sofi Balla, deceased,

is property payable or deliverable to, or claimed by a national of a designated enemy country, Hungary, namely,

National and Last Known Address

Julius Veres, Hungary.

That such property is in the process of administration by Stephanie O. David, executrix of the estate of Sofi Balla, deceased, acting under the judicial supervision of the Surrogate's Court, Queen's County, State of New York;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Hungary);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 31, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15067; Filed, Aug. 27, 1946; 9:43 a. m.]

[Vesting Order 7328]

THERESA M. SIEBERT

In re: Estate of Theresa M. Siebert, deceased. File No. D-28-10190; E. T. sec. 14529.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

That the property described as follows: All right, title, interest and claim of any kind or character whatsoever of Karl Knapp, Catherina Moser, Baldesar Moser and Joseph Moser and each of them, in and to the estate of Theresa M. Siebert, deceased,

is property payable or deliverable to, or claimed by, nationals of a designated enemy country, Germany, namely,

Nationals and Last Known Address

Karl Knapp, Germany.
Catherina Moser, Germany.
Baldesar Moser, Germany.
Joseph Moser, Germany.

That such property is in the process of administration by Joseph J. Siebert, as Executor of the estate of Theresa M. Siebert, deceased, acting under the judicial supervision of the Surrogate's Court, Kings County, New York;

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on July 31, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15068; Filed, Aug. 27, 1946; 9:43 a. m.]

[Vesting Order 7404]

TEIKICHI TAKAHASHI

In re: Securities and claim owned by Teikichi Takahashi. D-39-1299.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Teikichi Takahashi, whose last known address is 801 Bunji, Suido-cho, Niigata Prefecture, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows:

a. 160 shares of $50 par value capital stock of T. Takahashi, Limited, 79 North School St., Honolulu, T. H., a corporation organized under the laws of the Territory of Hawaii, evidenced by Certificates Numbers 1 and 2, dated April 3, 1939, and registered in the name of Teikichi Takahashi, together with all declared and unpaid dividends thereon, and

b. That certain debt or other obligation owing to Teikichi Takahashi, by T. Takahashi, Limited, 79 North School St., Honolulu, T. H., in the amount of $1,000, as of January 17, 1944, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country;

And determining that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan);

And having made all determinations and taken all action required by law, including appropriate consultation and certification, and deeming it necessary in the national interest,

hereby vests in the Alien Property Custodian the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States.

Such property and any or all of the proceeds thereof shall be held in an appropriate account or accounts, pending further determination of the Alien Property Custodian. This order shall not be deemed to constitute an admission by the Alien Property Custodian of the lawfulness of, or acquiescence in, or licensing of, any set-offs, charges or deductions, nor shall it be deemed to limit the power of the Alien Property Custodian to return such property or the proceeds thereof in whole or in part, nor shall it be deemed to indicate that compensation will not be paid in lieu thereof, if and when it should be determined to take any one or all of such actions.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order No. 9095, as amended.

Executed at Washington, D. C., on August 14, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15069; Filed, Aug. 27, 1946; 9:43 a. m.]

[Vesting Order 6722, Amdt.]

OLGA W. KOEHN

Amendment to Vesting Order No. 6722. File No. 017-19480.

Vesting Order Number 6722, dated June 24, 1946, is hereby amended as follows and not otherwise:

By deleting the words "Central Hanover Bank and Trust Company as Executors and Trustees," wherever they appear in said vesting order and substituting therefor the words "as Executor and Trustee" after the name "Jacob Marx" wherever it appears in said order.

All other provisions of said Vesting Order Number 6722 and all action taken on behalf of the Alien Property Custodian in reliance thereon, pursuant thereto and under authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on July 31, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 46-15070; Filed, Aug. 27, 1946; 9:43 a. m.]

[Supp. Vesting Order 1414]

FRED MEYER AND MARIE MEYER

In re: Stock owned by Fred Meyer and Marie Meyer.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation, finding:

1. That Fred Meyer and Marie Meyer, whose last known addresses are Neuenwalde 61, Kreis Lehe, Hanover, Germany, are resident of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. All those certain shares of stock described in Exhibit A, attached hereto and by reference made a part hereof, all registered in the name of Fred Meyer except for bearer scrip certificate number TS125 of Federal Water and Gas Corporation, and beneficially owned by Fred Meyer and Marie Meyer, together with all declared and unpaid dividends thereon, and

b. Fifty-nine (59) shares of no par value Class "A" (new) common capital stock of General Gas & Electric Corporation, a corporation organized under the laws of the State of Delaware, evidenced by certificate number GO7358 for 50 shares, certificates numbered IGO25383, GO3370 and IGO15242 for 2 shares each and certificates numbered ITG2243, IGO2241 and GO53853 for 1 share each, all registered in the name of Fred Meyer, and beneficially owned by Fred Meyer and Marie Meyer, together with all declared and unpaid dividends thereon,

was, on July 9, 1943, property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which was evidence of ownership or control by, the aforesaid nationals of a designated enemy country;

And determining that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany);

And further finding that on July 9, 1943, employees of the Office of Alien Property Custodian took control and possession of the aforesaid property, believing that it was encompassed within Vesting Order Number 1414; and that, with the exception of the shares in Utilities Power & Light Corporation, it was subsequently sold and the proceeds with respect thereto duly received by this Office;

Hereby confirms and ratifies the said acts of said employees in taking control and possession of the aforesaid property and all actions taken on behalf of the Alien Property Custodian in reliance thereon and pursuant thereto, and hereby determines that the said property was vested by virtue of the said acts duly ratified and confirmed.

Executed at Washington, D. C., on July 24, 1946.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

EXHIBIT A

Certificate Nos.	Number and class of shares	Name of corporation	State of incorporation
0387	Two shares of $5 par value common stock.	Federal Water & Gas Corp.	Delaware.
Bearer Scrip Certificate TS125	Two-tenths of a share of $5 par value common stock.	do	Do.
Scrip Certificate C116745	25/40ths of a share of $1 par value common stock.	Utilities Power & Light Corp.	Virginia.
C0100507	25 shares of $1 par value (non-voting) common stock.	do	Do.
Scrip Certificate IGS54568	85.50/100ths of a share of no par value Class "A" (new) common stock.	General Gas & Electric Corp.	Delaware.
CX53	50 shares of no par value common stock.	Stahl-Meyer, Inc.	New York.

[F. R. Doc. 46-15071; Filed, Aug. 27, 1946; 9:43 a. m.]

INTERSTATE COMMERCE COMMISSION.

[S. O. 582]

UNLOADING FORGING AND TUBING AT JAMESTOWN, N. Y.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 27th day of August A. D. 1946.

It appearing, that cars B&O 380634 and C&O 8777, containing forgings and tubing, respectively, at Jamestown, N. Y., on the Erie Railroad Company, have been on hand for an unreasonable length of time and that the delay in unloading said cars is impeding their use; in the opinion of the Commission an emergency exists requiring immediate action, it is ordered that:

(a) *Cars at Jamestown, N. Y., be unloaded.* The Erie Railroad Company, its agents or employees, shall unload immediately cars B&O 380634 and C&O 8777, containing forgings and tubing, respectively, now on hand at Jamestown, N. Y., consigned to Marlin Rockwell Corporation.

(b) *Notice and expiration.* Said carrier shall notify V. C. Clinger, Director of the Bureau of Service, Interstate Commerce Commission, Washington, D. C., when it has completed the unloading required by paragraph (a) hereof, and such notice shall specify when, where, and by whom such unloading was performed. Upon receipt of that notice this order shall expire. (40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901, 911; 49 U.S.C. 1 (10)-(17), 15 (2))

It is further ordered, that this order shall become effective immediately; that a copy of this order and direction shall be served upon the Erie Railroad Company, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission, at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 46-15227; Filed, Aug. 28, 1946; 11:17 a. m.]