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TITLE 7—AGRICULTURE

Chapter III—Bureau of Entomology and Plant Quarantine, Department of Agriculture

[B. E. P. Q. 485, 19th Rev.]

PART 301—DOMESTIC QUARANTINE NOTICES

WHITE-FRINGED BEETLE; CERTAIN ARTICLES EXEMPTED FROM CERTIFICATION REQUIREMENTS

On April 5, 1951, there was published in the FEDERAL REGISTER (16 F. R. 2972) a notice of proposed amendment of administrative instructions exempting certain regulated articles from the certification requirements of §§ 301.72–4 and 301.72–5 of the regulations supplemental to Notice of Quarantine No. 72 relating to white-fringed beetles (7 CFR, Supp., 301.72–4 and 301.72–5). After due consideration of all relevant matters presented and pursuant to the authority conferred upon the Chief of the Bureau of Entomology and Plant Quarantine by the second proviso of the white-fringed beetle quarantine (7 CFR, Supp., 301.72), revised administrative instructions are hereby adopted as follows:

§ 301.72a *Administrative instructions exempting articles from certification.* (a) The following articles are hereby exempt from the certification requirements of §§ 301.72–4 and 301.72–5 when they are free from soil, when they have not been exposed to infestation, and when sanitation practices are maintained as prescribed by or to the satisfaction of the inspector:

(1) Hay and straw, except that peanut hay is not exempt.

(2) Uncleaned grass, grain, and legume seed.

(3) Seed cotton and cottonseed.

(4) Forest products, such as cordwood, stump wood, logs, lumber, timbers, posts, poles and cross ties.

(5) Brick, tile, stone, concrete slabs, pipe, building blocks, and cinders.

(6) Potatoes (Irish), when freshly harvested, grown in the regulated area in Baldwin County, Alabama.

(b) Certification will be required for the following articles and materials:

(1) Soil, compost, manure, peat, muck, clay, sand, or gravel, whether moved independently of or in connection with or attached to nursery stock, plants, products, articles, or things (processed clay and washed or processed sand and gravel are not regulated).

(2) Nursery stock.

(3) Grass sod.

(4) Plant crowns or roots for propagation.

(5) Potatoes (Irish), when freshly harvested, other than those grown in the regulated area in Baldwin County, Alabama.

(6) True bulbs, corms, tubers, and rhizomes of ornamental plants, when freshly harvested or uncured.

(7) Peanut shells and peanuts in shells.

(8) Peanut hay.

(9) Scrap metal and junk.

(Sec. 8, 37 Stat. 318, as amended; 7 U. S. C. 161)

The foregoing revised administrative instructions shall become effective on May 16, 1951, and on that date shall supersede B. E. P. Q. 485, 18th Revision, which was effective June 14, 1950 (7 CFR 301.72a, 15 F. R. 2871).

Following publication of the notice of rule making relating to these instructions, it was determined that there are no plantings of Irish potatoes in the sections of Baldwin County, Alabama, actually infested by white-fringed beetles. Such potatoes have therefore been added to the list of exempt articles in order to relieve the growers of unnecessary certification requirements. This relief should be afforded the growers immediately. Accordingly, it is found for good cause that notice and public procedure under section 4 (a) of the Administrative Procedure Act (5 U. S. C. 1003 (a)), in respect to this article, are impracticable, unnecessary, and contrary to the public interest. These administrative instructions relieve restrictions and are within the exception in section 4 (c) of the Administrative Procedure Act (5 U. S. C. 1003 (c)). Good cause is therefore found for the issuance of these administrative instructions effective less than 30 days after their publication in the FEDERAL REGISTER.

Done at Washington, D. C., this 24th day of April 1951.

[SEAL] AVERY S. HOYT,
Chief, Bureau of Entomology and Plant Quarantine.

[F. R. Doc. 51–5682; Filed, May 15, 1951; 8:54 a. m.]

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FEDERAL REGISTER

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CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

CODIFICATION GUIDE—Con.

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

[957.307, Amdt. 2]

PART 957—IRISH POTATOES GROWN IN CERTAIN DESIGNATED COUNTIES IN IDAHO AND MALHEUR COUNTY, OREG.

LIMITATION OF SHIPMENTS

a. *Findings.* (1) Pursuant to Marketing Agreement No. 98 and Order No. 57, as amended (15 F. R. 311), regulating the handling of Irish potatoes grown in certain designated counties in Idaho and Malheur County, Oregon, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the Idaho-Eastern Oregon Potato Committee, established pursuant to said marketing agreement and amended order, and upon other available information, it is hereby found that the amended limitation of shipments, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication in the FEDERAL REGISTER (5 U. S. C. 1001 et seq.) in that (i) the time intervening between the date when the information

upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, (ii) this amendment merely extends the effective period of the present regulation, (iii) compliance with this regulation will not require any preparation on the part of handlers which cannot be completed by such effective date, (iv) a reasonable time is permitted, under the circumstances, for such preparation, and (v) information regarding the committee's recommendation has been made available to producers and handlers in the production area.

b. *Order, as amended.* The provisions in paragraph (b) (1) of § 957.307 (16 F. R. 1) shall, on and after the effective date hereof, read as follows:

(1) During the period beginning 12:01 a. m., m. s. t., February 6, 1951, and ending 12:01 a. m., m. s. t., July 1, 1951, no handler shall ship potatoes of any variety unless (i) such potatoes of the Russet Burbank and long white varieties meet the requirements of the U. S. No. 2 or better grade and are at least 2 inches minimum diameter or 4 ounces minimum weight, and (ii) such potatoes of the red skin varieties meet the requirements of the U. S. No. 2 or better grade and are at least 1½ inches minimum diameter, as such terms, grades, and sizes, are defined in the U. S. Standards for Potatoes (7 CFR 51.366), including the tolerances set forth therein.

(Sec. 5, 49 Stat. 753, as amended, 7 U. S. C. and Sup. 608c)

Done at Washington, D. C., this 11th day of May 1951, to become effective 12:01 a. m., m. s. t., June 1, 1951.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Branch, Production and Marketing Administration.

[F. R. Doc. 51-5681; Filed, May 15, 1951; 8:53 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

Subchapter A—Civil Air Regulations

[Supp. 18]

PART 4b—AIRPLANE AIRWORTHINESS; TRANSPORT CATEGORIES

CERTIFICATION OF REVERSE THRUST PROPELLER INSTALLATIONS AND LIMITATIONS OF THESE INSTALLATIONS IN ESTABLISHMENT OF TAKE-OFF AND LANDING FIELD LENGTHS

The following policies are hereby adopted. The sections of the regulations being implemented are repeated here to assist the public in understanding how the Administrator's policies apply to them.

§ 4b.10 *Eligibility for type and airworthiness certificates.* An airplane shall be eligible for type and airworthiness certification under the provisions of this part if it complies with the airworthiness provisions hereinafter established, or if the Administrator finds that the provision or provisions not complied with are compensated for by other design features which provide an equivalent level of safety: *Provided,* That the Administrator finds no feature or characteristic of the airplane which renders it unsafe for the transport category.

§ 4b.10–1 *Approval of reverse thrust propellers (CAA policies which apply to § 4b.10).* A reverse thrust propeller is a design feature which is not specifically covered in the Civil Air Regulations. When an airplane incorporates a reverse thrust propeller installation, the Administrator will approve the installation in accordance with the policies set forth in § 4b.400–1, provided it has no feature or characteristic which renders its use unsafe in transport category airplanes.

§ 4b.115 *Accelerate-stop distance.* (a) The accelerate-stop distance shall be the sum of the following:

(1) The distance required to accelerate the airplane from a standing start to the speed V_1

(2) Assuming the critical engine to fail at the speed V_1, the distance required to bring the airplane to a full stop from the point corresponding with the speed V_1.

(b) In addition to, or in lieu of, wheel brakes, the use of other braking means shall be acceptable in determining the accelerate-stop distance: *Provided,* That such braking means shall have been proven to be safe and reliable, that the manner of their employment is such that consistent results can be expected under normal conditions of operation, and that exceptional skill is not required to control the airplane.

(c) The landing gear shall remain extended throughout the accelerate-stop distance.

§ 4b.115–1 *Reverse thrust used in accelerate-stop distance (CAA policies which apply to § 4b.115).* See § 4b.400–1 (a) (14).

§ 4b.123 *Landplanes.* The landing distance referred to in § 4b.122 shall be determined on a dry, hard-surfaced runway in accordance with the following:

(a) The operating pressures on the breaking system shall not be in excess of those approved by the manufacturer of the brakes,

(b) The brakes shall not be used in such manner as to produce excessive wear of brakes or tires,

(c) Means other than wheel, brakes may be used in determining the landing distance: *Provided,* That:

(1) Exceptional skill is not required to control the airplane,

(2) The manner of their employment is such that consistent results could be expected under normal service, and

(3) They are regarded as reliable.

§ 4b.123–1 *Landing distances (CAA policies which apply to § 4b.123 (c)).* See § 4b.400–1 (b).

GROUND HANDLING CHARACTERISTICS

§ 4b.170 *Longitudinal stability and control.* (a) There shall be no uncontrollable tendency for landplanes to nose over in any reasonably expected operating condition or when rebound occurs during landing or take-off.

(b) Wheel brakes shall operate smoothly and shall exhibit no undue tendency to induce nosing over.

(c) When a tail-wheel landing gear is used, it shall be possible during the take-off ground run on concrete to maintain any attitude up to thrust line level at 80 percent of V_{s_1}.

§ 4b.170–1 *Ground handling characteristics with reverse thrust (CAA policies which apply to § 4b.170).* See § 4b.400–1 (a) (1), (a) (4), and (a) (5).

§ 4b.171 *Directional stability and control.* (a) There shall be no uncontrollable ground-looping tendency in 90° cross winds of velocity up to 0.2 V_{s_0} at any ground speed at which the airplane is expected to operate.

(b) All landplanes shall be demonstrated to be satisfactorily controllable with no exceptional degree of skill or alertness on the part of the pilot in power-off landings at normal landing speed during which brakes or engine power are not used to maintain a straight path.

(c) Means shall be provided for directional control of the airplane during taxying.

§ 4b.171–1 *Ground handling characteristics with reverse thrust (CAA policies which apply to § 4b.171–1).* See §4b.400–1 (a) (1), (a) (4), and (a) (5).

§ 4b.172 *Shock absorption.* The shock absorbing mechanism shall not produce damage to the structure when the airplane is taxied on the roughest ground which it is reasonable to expect the airplane to encounter in normal operation.

§ 4b.172–1 *Ground handling characteristics with reverse thrust (CAA policies which apply to § 4b.172).* See § 4b.400–1 (a) (1).

§ 4b.173 *Demonstrated cross wind.* There shall be established a cross component of wind velocity at which it has been demonstrated to be safe to take off or land.

§ 4b.173–1 *Ground handling characterestics with reverse thrust (CAA policies which apply to § 4b.173).* See § 4b.400–1 (a) (1) and (a) (5).

WATER HANDLING CHARACTERISTICS

§ 4b.180 *Stability and control.* (a) Seaplanes shall exhibit no uncontrollable porpoising at any speed at which the airplane is normally operated on water.

(b) There shall be no uncontrollable looping tendency in 90° cross winds of velocity up to 0.2 V_{s_0} at any speed at which the airplane is expected to operate on water.

(c) Means shall be provided for directional control of the airplane during taxying on water.

§ 4b.180–1 *Water handling characteristics with reverse thrust (CAA policies which apply to § 4b.180).* See § 4b.400–1 (a) (1), (a) (4), and (a) (5).

§ 4b.181 *Spray characteristics.* Spray during taxying, take-off, or landing shall at no time dangerously obscure the vision of the pilots nor produce damage to the propeller or other parts of the airplane.

§ 4b.181–1 *Water handling characteristics with reverse thrust (CAA policies which apply to § 4b.181).* See § 4b.400–1 (a) (1).

§ 4b.182 *Demonstrated cross wind.* There shall be established a cross component of wind velocity at which it has been demonstrated to be safe to take off and land.

§ 4b.182–1 *Water handling characteristics with reverse thrust (CAA policies which apply to § 4b.182).* See § 4b.400–1 (a) (1) and (a) (5).

§ 4b.337 *Brakes*—(a) *General.* (1) All airplanes shall be equipped with approved brakes.

(2) The brake system shall be so designed and constructed that in the event of a single failure in any connection or transmitting element in the brake system (excluding the operating pedal or handle), or the loss of any single source of hydraulic or other brake operating energy supply, it shall be possible to bring the airplane to rest under conditions specified in § 4b.122 with a mean de-

celeration during the landing roll of at least 50 percent of that obtained in determining the landing distance as prescribed, in that section.

(3) In applying the requirement of subparagraph (2) of this paragraph to hydraulic brakes, the brake drum, shoes, and actuators (or their equivalents) shall be considered as connecting or transmitting elements, unless it is shown that the leakage of hydraulic fluid resulting from failure of the sealing elements in these units would not reduce the braking effectiveness below that specified in subparagraph (2) of this paragraph.

(b) *Brake controls.* Brake controls shall not require excessive control forces in their operation.

(c) *Parking brake controls.* A parking brake control shall be provided and installed so that it can be set by the pilot and, without further attention, will maintain sufficient braking to prevent the airplane from rolling on a paved, level runway while takeoff power on the critical engine is being applied.

§ 4b.337–1 *Reverse thrust as substituted for dual brake system (CAA policies which apply to § 4b.337).* See § 4b.400–1 (a) (14).

§ 4b.351 *Pilot compartment vision*—(a) *Nonprecipitation conditions.* (1) The pilot compartment shall be arranged to afford the pilots a sufficiently extensive, clear, and undistorted view to perform safely all maneuvers within the operating limitations of the airplane, including taxying, take-off, approach, and landing.

(2) It shall be demonstrated by day and night flight tests that the pilot compartment is free of glare and reflections which would tend to interfere with the pilots' vision.

(b) *Precipitation conditions.* (1) Means shall be provided for maintaining a sufficient portion of the windshield clear so that both pilots are afforded a sufficiently extensive view along the flight path in all normal flight attitudes of the airplane. Such means shall be designed to function under the following conditions without continuous attention on the part of the crew:

(i) In heavy rain at speeds up to 1.6 V_{s_1}, flaps retracted.

(ii) In the most severe icing conditions for which approval of the airplane is desired.

(2) In addition to the means prescribed in subparagraph (1) of this paragraph at least the first pilot shall be provided with a window which, when the cabin is not pressurized, is openable under the conditions prescribed in subparagraph (1) of this paragraph, and which provides the view specified in that subparagraph. The design shall be such that when the window is opened sufficient protection from the elements will be provided against the impairment of the pilot's vision.

§ 4b.351–1 *Vision with reverse thrust (CAA policies which apply to § 4b.351).* See §4b.400–1 (a) (8).

SUBPART E—POWERPLANT INSTALLATION (RECIPROCATING ENGINES)

GENERAL

§ 4b.400 *Scope.* (a) The powerplant installation shall be considered to include all components of the airplane which are necessary for its propulsion. It shall also be considered to include all components which affect the control of the major propulsive units or which affect their safety of operation between normal inspection or overhaul periods. (See § 4b.604 and § 4b.613 for instrument installation and marking.)

(b) All components of the powerplant installation shall be constructed, arranged, and installed in a manner which will assure their continued safe operation between normal inspections or overhaul periods.

(c) Accessibility shall be provided to permit such inspection and maintenance as is necessary to assure continued airworthiness.

(d) Electrical interconnections shall be provided to prevent the existence of differences of potential between major components of the powerplant installation and other portions of the airplane.

§ 4b.400–1 *Reverse thrust propeller installations (CAA policies which apply to § 4b.10 and § 4b.400).* (a) The Administrator may approve reverse thrust propeller installations which comply with the following:

(1) Exceptional pilot skill should not be required in taxying or in any condition in which reverse thrust is to be used.

(2) Recommended operating procedures and operating limitations and placards should be established.

(3) Throttle movement should be such that the motion is in the direction of the desired acceleration of the airplane.

(4) The airplane control characteristics should be satisfactory with regard to control forces encountered, and buffeting should not be likely to cause structural damage.

(5) The directional control should be adequate using normal piloting skill.

(6) It should be determined that no dangerous condition is encountered in the event of sudden failure of one engine in any likely operating condition.

(7) The operating procedures and airplane configuration should be such as to provide reasonable safeguards against serious structural damage to parts of the airplane due to the reverse airflow.

(8) It should be determined that the pilot's vision is not dangerously obscured under normal operating conditions on dusty or wet runways and where light snow is on the runway.

(9) It should be impossible, except by the use of a manual override which requires separate and deliberate action on the part of the pilot, to place the propellers in the reverse thrust position until the airplane is on the ground, unless it is demonstrated that it is safe to reverse the propellers in any likely flight condition. Consideration should be given to possible rebound of the airplane following initial contact, at which point propeller reversal has taken place.

(10) The procedures and mechanisms for reversing should, without requiring exceptional piloting skill, maintain sufficient power to keep the engine running at an adequate speed to prevent engine stalling during or after the propeller reversing operation.

(11) It should not be possible using normal pilot technique to cause overspeed of the propeller during the propeller reversing operation.

(12) The propeller control arrangement should be such as to provide adequate safeguards against inadvertent reversal of propellers.

(13) The engine cooling characteristics should be satisfactory when functioning within the operating limitations.

(14) The use of reverse thrust will be permitted, in combination with the brakes installed, to establish the accelerate-stop distance, if it is shown that such use provides a level of safety equivalent to that when wheel brakes alone are used, taking into consideration pilot skill required and the likelihood of attaining the necessary performance under conditions of simulated engine failure. Either of the following conditions and limitations should be used:

(i) Symmetrical reverse thrust on (n–2) engines with power not to exceed the maximum continuous rating, where n is equal to the number of engines.

(ii) Asymmetrical reverse thrust on (n–1) engines in normal idle setting but this idle setting power should not exceed 25 percent of the maximum continuous rating. This operation should be permitted only where it can be shown that with use of this asymmetrical reverse thrust the airplane can be satisfactorily controlled on a wet runway.

(b) The Administrator will not approve the use of landing distances obtainable with the use of reverse thrust propellers in establishing landing field lengths until such time as sufficient experience with their use is obtained for proper consideration of all related factors involved in the establishment of adequate airport lengths for routine landings.

COOLING SYSTEM

§ 4b.450 *General.* The powerplant cooling provisions shall be capable of maintaining the temperatures of major powerplant components, engine fluids, and the carburetor intake air within the established safe values under all conditions of ground and flight operation. (For cooling system instruments see §§ 4b.604 and 4b.734.)

§ 4b.450–1 *Cooling with reverse thrust (CAA policies which apply to § 4b.450).* See § 4b.400–1 (a) (13).

POWERPLANT CONTROLS AND ACCESSORIES

§ 4b.470 *Powerplant controls; general.* The provisions of § 4b.353 shall be applicable to all powerplant controls with respect to location, grouping, and direction of motion, and the provisions of § 4b.737 shall be applicable to all powerplant controls with respect to marking. In addition all powerplant controls shall comply with the following.

(a) Controls shall be so located that they cannot be inadvertently operated by personnel entering, leaving, or making normal movements in the cockpit.

(b) Controls shall maintain any set position without constant attention by flight personnel. They shall not tend to creep due to control loads or vibration.

(c) Fexible controls shall be of an approved type or shall be shown to be suitable for the particular application.

(d) Controls shall have strength and rigidity to withstand operating loads without failure and without excessive deflection.

§ 4b.470–1 *Reverse thrust controls (CAA policies which apply to § 4b.470).* See § 4b.400–1 (a) (3), (a) (9), (a) (10), (a) (11), and (a) (12).

§ 4b.474 *Propeller controls*—(a) *Propeller speed and pitch controls.* (1) A separate propeller speed and pitch control shall be provided for each propeller. The propeller speed and pitch controls shall be grouped and arranged to permit separate control of each propeller and also simultaneous control of all propellers.

(2) The propeller speed and pitch controls shall provide for synchronization of all propellers. (See also § 4b.404.)

(b) *Propeller feathering controls.* (1) A separate propeller feathering control shall be provided for each propeller.

(2) Propeller feathering controls shall be provided with means to prevent inadvertent operation.

(3) If feathering is accomplished by movement of the propeller pitch or speed control lever, provision shall be made to prevent the movement of this control to the feathering position during normal operation.

(c) *Propeller reversing controls.* If the propeller blades can be placed in a pitch position which produces negative thrust, propeller reversing controls shall be arranged to prevent inadvertent operation.

§ 4b.474–1 *Propeller reversing controls (CAA policies which apply to § 4b.474).* See § 4b.400–1 (a) (9) and (a) (12).

MARKINGS AND PLACARDS

§ 4b.730 *General.* (a) Markings and placards shall be displayed in conspicuous places and shall be such that they cannot be easily erased, disfigured, or obscured.

(b) Additional information, placards, and instrument markings having a direct and important bearing on safe operation of the airplane shall be required when unusual design, operating, or handling characteristics so warrant.

§ 4b.730–1 *Reverse thrust placards (CAA policies which apply to § 4b.730).* See § 4b.400–1 (a) (2).

§ 4b.740–2 *Reverse thrust operating procedures (CAA policies which apply to § 4b.740).* See § 4b.400–1 (a) (2).

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply sec. 603, 52 Stat. 1009, 49 U. S. C. 553)

These policies shall become effective May 15, 1951.

[SEAL] DONALD W. NYROP,
Administrator of Civil Aeronautics.

[F. R. Doc. 51–5686; Filed, May 14, 1951; 4:45 p. m.]

[Supp. 12]

PART 41—CERTIFICATION AND OPERATION RULES FOR SCHEDULED AIR CARRIER OPERATIONS OUTSIDE THE CONTINENTAL LIMITS OF THE UNITED STATES

EMERGENCY DECISIONS

The following interpretations are hereby adopted. The section of the regulations being implemented is repeated here to assist the public in understanding how the Administrator's interpretations apply to it.

§ 41.63 *First pilot rules.* * * *

(b) *Emergency decisions.* (1) The pilot in command is authorized to follow any course of action which appears necessary in emergency situations which, in the interest of safety, require immediate decision and action. He may, in such situations, deviate from prescribed methods, procedures, or minimums to the extent required by considerations of safety. When such emergency authority is exercised the pilot shall keep the proper control station fully informed regarding the progress of the flight. He shall submit a written report of any such deviation to the Administrator of Civil Aeronautics within seven days after the completion of the trip.

§ 41.63–1 *Emergency decisions (CAA interpretations which apply to § 41.63 (b) (1).* The term "emergency situations," as used in this section, is interpreted to mean an unexpected occurrence or condition requiring immediate action to meet its danger. Under certain circumstances, an unexpected occurrence or condition might include icing conditions, engine or structural failure, weather conditions, danger of collision, etc. It is not intended that such an occurrence or condition must become critical before emergency authority is exercised. The pilot shall make a common sense evaluation of the factors and information available to him. If, after such an evaluation, he reasonably believes that an emergency exists or will be created, he is permitted to exercise his emergency authority and deviate from prescribed regulations and procedures to the extent required by considerations of safety.

This interpretation shall become effective May 15, 1951.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply sec. 604, 52 Stat. 1010, 49 U. S. C. 554)

[SEAL] ORA W. YOUNG,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 51–5593; Filed, May 15, 1951; 8:45 a. m.]

[Supp. 16]

PART 61—SCHEDULED AIR CARRIER RULES

EMERGENCY DECISIONS

The following interpretations are hereby adopted. The section of the regulations being implemented is repeated here to assist the public in understanding how the Administrator's interpretations apply to it.

§ 61.310 *Emergency decisions.* The pilot in command is authorized, in emergency situations which require immediate decision and action, to resolve upon a course of action which is required by the factors and information available to him. He may, in such situations, deviate from prescribed methods, procedures, or minimums to the extent required by considerations of safety. When such emergency authority is exercised, the pilot shall, to the extent possible, keep the proper control station fully informed regarding the progress of the flight. He shall submit a written report of any such deviation to his operations manager. The operations manager shall furnish a copy of such report, with his comments, promptly to the Administrator.

§ 61.310–1 *Emergency decisions (CAA interpretations which apply to § 61.310.*

The term "emergency situations," as used in this section, is interpreted to mean an unexpected occurrence or condition requiring immediate action to meet its danger. Under certain circumstances, an unexpected occurrence or condition might include icing conditions, engine or structural failure, weather conditions, danger of collision, etc. It is not intended that such an occurrence or condition must become critical before emergency authority is exercised. The pilot shall make a common sense evaluation of the factors and information available to him. If, after such an evaluation, he reasonably believes that an emergency exists or will be created, he is permitted to exercise his emergency authority and deviate from prescribed regulations and procedures to the extent required by considerations of safety.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply sec. 604, 52 Stat. 1010, 49 U. S. C. 554)

[SEAL] ORA W. YOUNG,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 51–5596; Filed, May 15, 1951; 8:46 a. m.]

Subchapter C—Procedural Regulations

[Reg., Serial No. PR–11]

PART 302—RULES OF PRACTICE IN ECONOMIC PROCEEDINGS

PETITIONS TO CONDUCT CHARTER TRIPS AND SPECIAL SERVICES IN FOREIGN AND OVERSEAS TRANSPORTATION

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 10th day of May 1951.

With the coming into effect May 1, 1951, of Part 207 of the Economic Regulations covering charter trips and special services it becomes desirable to fix a procedure whereby petitions to perform such trips in overseas and foreign air transportation may be made to the Board in accordance with the substantive requirements of § 207.8.

Interested persons have been afforded an opportunity to participate in the making of this regulation, and due consideration has been given to all relevant matter presented. Since this is the rule of agency procedure and practice, the amendment may be made effective without prior notice.

In consideration of the foregoing, the Civil Aeronautics Board hereby amends Part 302 of the Procedural Regulations (14 CFR, Part 302, as amended) effective May 10, 1951.

By adding a new § 302.20 to read as follows:

§ 302.20 *Petitions to conduct charter trips or special services into areas protected by § 207.8 of the Economic Regulations.* The rules set out in this section shall govern proceedings brought by air carriers holding certificates of public convenience and necessity who seek to obtain Board approval to perform charter trips or special services in overseas or foreign air transportation to points or areas where such service would otherwise be contrary to the provisions of § 207.8 of the Economic Regulations.

(a) Petitions filed pursuant to this section need not conform to the requirements of §§ 302.2 and 302.3 but must be submitted in triplicate, signed by a managing officer of the Company. Such

petition shall set forth the proposed date(s), number of trips, and area(s) or point(s) between which the service is desired to be performed, together with the equipment to be utilized, the approximate number of passengers or amount and kind of cargo to be carried, and the compensation to be received. In the case of charter trips, a copy of the proposed charter agreement(s) shall be annexed to the petition. A copy of the petition, together with all supporting documents, shall be served upon the air carrier certificated to serve the points or areas concerned at its principal office, and proof of such service shall accompany the petition when filed with the Board.

(b) The air carrier certificated to serve the points or areas concerned shall have five days (not including Saturday or Sunday or legal holidays) after the filing of such a petition in which to file notice of objection thereto, if any, with the Board and if such notice is filed, an additional ten days (not including Saturday or Sunday or legal holidays) in which to file supporting reasons or arguments as to why the petition should not be granted in the public interest. Such objections shall include a statement as to the objecting carrier's ability to handle the traffic and may, if desired, include the terms upon which the service requested would be performed by it.

(c) Thereafter the Board will grant the petition to such extent and subject to such terms and conditions as it finds to be in the public interest. Petitions for the approval of service which it finds not in the public interest will be denied.

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interprets or applies sec. 1001, 52 Stat. 1017; 49 U. S. C. 641)

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 51-5641; Filed, May 15, 1951; 8:48 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign and Domestic Commerce, Department of Commerce

Subchapter C—Office of International Trade

[5th Gen. Rev. of Export Reg., Amdt. P. L. 48 [1]]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

MISCELLANEOUS AMENDMENTS

Section 399.1 *Appendix A — Positive List of Commodities* is amended in the following particulars:

1. The following commodities are added to the Positive List:

Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar value limits	Validated license required
	Chemical specialty compounds, n. e. s.:				
828950	Rifle cleaning compounds	Lb	SALT	1	RO
829990	Cadmium plating salts		SALT	25	RO
	Other industrial chemicals:				
839900	Cadmium oxide		SALT	25	RO

This part of the amendment shall become effective as of 12:01 a. m., May 15, 1951.

2. Certain commodities are changed from R to RO commodities as follows:

Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar value limits	Validated license required
640100	Copper ore and concentrates (copper content)	Lb	NONF	[1] 500	RO

[1] See item 3 of this amendment.

This part of the amendment shall become effective as of 12.01 a. m., May 15, 1951.

3. The dollar value limits in the column headed "GLV dollar-value limits" set forth opposite the commodities listed below are amended to read as follows:

Dept. of Commerce Schedule B No.	Commodity	GLV dollar-value limits
622096	Ferrotungsten	None
622098	Other ferroalloys [1]	None
	Aluminum ores and concentrates:	
629500	Bauxite concentrates, alumina included	500
	Aluminum and aluminum-base alloys:	
630000	Ingots, slabs, pigs, blooms, and other crude forms	25
	Scrap:	
630110	Solids	25
630150	Borings, turnings, and dross	25
630301	Sheets, plates, and strips (0.006 inch and over in thickness). (Report venetian blind stock in 630998)	50
630850	Aluminum or aluminum bronze powders and pastes, aluminum content	25
640100	Copper ore and concentrates (copper content)	500
641200	Refined copper in cathodes, billets, ingots, wire bars or other forms (Report copper bars except wire bars in 642400)	100
641300	Copper scrap	100
642200	Copper pipes and tubes	100
642300	Copper plates, sheets, and strips	100
642400	Copper rods and bars (report copperweld rods in 642500; and wire bars in 641200)	100
642500	Copper wire and cable, bare (include copperweld electrodes) (report insulated copper wire in 709810, 709830, and 709850)	50
643998	Copper manufactures, n. e. s.[1]	100
644000	Brass and bronze scrap and old	100
644100	Brass and bronze ingots	100
644900	Brass and bronze bars, rods, and shapes (extruded, rolled and drawn)	100
645000	Brass and bronze plates, sheets, and strips (Report window strip and shapes in 647998)	100
645300	Brass and bronze pipes and tubes (include pipe coils)	100
645430	Brass and bronze pipe fittings	100
645700	Wire, bare and insulated, brass and bronze	25
647901	Brass and bronze diestocks, shims, bearings, and bushings	200
647913	Brass and bronze castings and forgings	200
	Brass and bronze manufactures, n. e. s.:	
647998	Brass and bronze blanks	100
647998	Brass and bronze circles	100
647998	All other brass and bronze manufactures [1]	100
654501	Nickel ore, concentrates, and matte	300
657050	Zinc scrap	100
	Zinc rolled in sheets, plates, and strips:	
657206	Photoengraving sheets and plates	100
657209	Sheets, plates, and strips, n. e. s.[1]	100
	Zinc in other forms, n. e. s.:	
657305	Zinc alloys, except brass and bronze	100
657307	Zinc die castings, unfinished (report finished castings in 658998)	100
657398	Other forms, n. e. s.[1]	100
658600	Zinc dust	25
	Other zinc manufactures, containing 20 percent or more zinc:	
658901	Battery shells, and parts, unassembled	100
658998	Zinc manufactures, n. e. s. (specify by name)[1]	100
663000	Nickel-chrome electric resistance wire	None
663600	Molybdenum ore and concentrates (molybdenum content)	None
663700	Vanadium ore and concentrates, vanadic oxide (pentoxide V_2O_5) content	None
663800	Magnesium metal in primary form	None
663900	Other tungsten metal, stellite, wire, shapes, and alloys [1]	None
664515	Cadmium dross, flue dust, residues, and scrap	None
	Ores and concentrates, n. e. s.:	
664580	Tungsten	None
664598	Other ores and concentrates, n. e. s. (except rare earths).[1]	25
	Metals and alloys in primary forms, n. e. s. (except ferroalloys):	
664998	Other metals and alloys in primary forms, n. e. s.[1]	25
	Metal and metal composition manufactures:	
667000	Type (include multigraph type) (Report type metal in 651510)	25
669198	Flue dust, vanadium	25
669198	Other metal and metal composition manufactures, n. e. s.[1]	25
	Ingots, sheets, wire, alloys, and scrap:	
692205	Platinum bars, ingots, sheets, wire sponge, and other forms (scrap included)	None
692209	Palladium, iridium, osmiridium, ruthenium, and osmium metal, and alloys (scrap included) except iridium platinum wire	None

[1] This change affects only the specific entry on the Positive List as shown above.

[1] This amendment was published in Current Export Bulletin No. 619, dated May 10, 1951.

Dept. of Commerce Schedule B No.	Commodity	GLV dollar-value limits
	Manufactures, except jewelry:	
692998	Platinum-allied metal manufactures	None
	Other electrical apparatus:	
709810	Building wire and cable	100
709830	Weatherproof and slow burning wire	100
709850	Insulated copper wire, n. e. s [1]	100
	Accessories, attachments, components, and parts, of small arms and machine guns (specify by name):	
947450	Gun part fabrications, brass and bronze	100
	Accessories, attachments, components, and parts, of artillery and naval guns, mortars, and missile launchers, except self-propelled:	
947550	Gun fabrications, brass and bronze	100
	Components of small arms and machine gun ammunition:	
948169	Cartridge belt link fabrications, brass and bronze	100
948169	Rolled cartridge strips, brass	100
	Components of artillery, naval gun and mortar ammunition (specify by name):	
948250	Anvils for shell fabrications, brass and bronze	100
948250	Gas checks, copper	100

[1] This change affects only the specific entry on the Positive List as shown above.

This part of the amendment shall become effective as of 12.01 a. m., May 15, 1951.

4. The following revisions are made to combine certain commodity descriptions having similar Schedule B numbers:

Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar value limits	Validated license required
	Plates, including boiler plate, except fabricated:				
	Stainless steel:				
603140	Hot-rolled [1]	Lb	STEE 9	100	RO
603160	Cold-rolled [1]	Lb	STEE 9	100	RO
770880	Jet ejectors, all types (including ejector compressors), 4 stages and over, accessories and parts. (Specify whether (a) made of, or lined with, any corrosion-resistant material as defined in the "General Notes to Appendix A"; (b) designed for delivery pressure of 2 atmospheres or more.) (Report jet ejectors under 4 stages, accessories and parts in 713500.) [2]		GIEQ	None	RO

[1] The amendment combines the present listings on the Positive List under this Schedule B number and the 100 dollar value limit now applies to the revised description.
[2] This combines the present three listings on the Positive List under this Schedule B number.

This part of the amendment shall become effective as of 12:01 a. m., May 15, 1951.

Shipments of any commodities removed from general license to Country Group R or Country Group O destinations, or whose GLV dollar-value limits were reduced, as a result of changes set forth in parts 1, 2, 3 and 4 of this amendment which were on dock, on lighter, laden aboard an exporting carrier, or in transit to a port of exit pursuant to actual orders for export prior to 12:01 a. m., May 15, 1951, may be exported under the previous general license provisions up to and including June 9, 1951. Any such shipment not laden aboard the exporting carrier on or before June 9, 1951, requires a validated license for export.

(Sec. 3, 63 Stat. 7; 50 U. S. C. App. Sup. 2023. E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945 Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

LORING K. MACY,
Deputy Director,
Office of International Trade.

[F. R. Doc. 51-5597; Filed, May 15, 1951; 8:46 a. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T. D. 52724]

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

INTERNATIONAL ORGANIZATIONS: CUSTOMS REGULATIONS AMENDED

By Executive Order 10228, dated March 26, 1951 (16 F. R. 2676), the President designated the Inter-American Defense Board as a public international organization entitled to the privileges, exemptions, and immunities conferred by the International Organizations Immunities Act of December 29, 1945.

Accordingly § 10.30a, Customs Regulations of 1943 (19 CFR 10.30a), as amended, is further amended as follows to add the Inter-American Defense Board to the list of public organizations entitled to the free entry privileges of said act:

1. Paragraph (a) is amended by deleting the word "and" before "the Organization for European Economic Cooperation," by changing the period thereafter to a comma, and by adding the words "and the Inter-American Defense Board."

2. The first sentence of footnote 33b is amended to read as follows:

[33b] Executive Orders Nos. 9698, 9751, 9823, 9863, 9887, 9911, 9972, 10025, 10083, 10086, 10133, and 10228, dated February 19, 1946, July 11, 1946, January 24, 1947, May 31, 1947, August 22, 1947, December 19, 1947, June 25, 1948, December 30, 1948, October 10, 1949, November 25, 1949, June 27, 1950, and March 26, 1951, respectively. * * *

(R. S. 161, 251, sec. 624, 46 Stat. 759; 5 U. S. C. 22, 19 U. S. C. 66, 1624. Interprets or applies secs. 498, 624, 46 Stat. 728, 759, sec. 3, 59 Stat. 669; 19 U. S. C. 1498, 1624, 22 U. S. C. 288b)

[SEAL] FRANK DOW,
Commissioner of Customs.

Approved: May 9, 1951.

JOHN S. GRAHAM,
Acting Secretary of the Treasury.

[F. R. Doc. 51-5631; Filed, May 15, 1951; 8:47 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter VIII—Office of Housing Expediter

[Controlled Housing Rent Reg., Amdt. 376]

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 371]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

CERTAIN STATES

Amendment 376 to the Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and Amendment 371 to the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92). Said regulations are amended in the following respects:

1. Schedule A, Item 35a, is amended to describe the counties in the Defense-Rental Area as follows:

San Joaquin County, except the City of Stockton, and all unincorporated localities.

This decontrols all unincorporated localities in San Joaquin County, California, a portion of the Sacramento, California, Defense-Rental Area.

2. Schedule A, Item 70, is amended to describe the counties in the Defense-Rental Area as follows:

DeKalb County, except the Cities of Decatur and Pine Lake; Clayton County, except the City of Forest Park and that portion of the City of College Park located therein; Fulton County, except the Cities of Fairburn, East Point and Hapeville, that portion of the City of College Park located therein, the Town of Union City and that portion of the Town of Palmetto located therein; and Cobb County, except the Cities of Austell, Marietta and Powder Springs.

This decontrols that portion of the Town of Palmetto located in Fulton County, Georgia, a portion of the Atlanta, Georgia, Defense-Rental Area.

3. Schedule A, Item 105, is amended to describe the counties in the Defense-Rental Area as follows:

La Porte County, except the Town of Long Beach.

This decontrols the Town of Long Beach in La Porte County, Indiana, a portion of the La Porte-Michigan City, Indiana, Defense-Rental Area.

4. Schedule A, Item 149, is amended to describe the counties in the Defense-Rental Area as follows:

Oakland County, except (i) the Townships of Addison, Bloomfield, Brandon, Groveland, Highland, Holly, Independence, Milford, Oakland, Orion, Oxford, Rose, Springfield and West Bloomfield, (ii) the Villages of Clarkston, Holly, Lake Orion, Leonard, Milford, Ortonville, Oxford, Rochester and that portion of Northville located in Oakland County, and (iii) the Cities of Birmingham, Bloomfield Hills, Farmington, Ferndale, Hazel Park, Pontiac, Royal Oak, South Lyon and Sylvan Lake; Wayne County, except (i) the Cities of Grosse Pointe, Grosse Pointe Farms and Plymouth, (ii) the Villages of Grosse Pointe Shores, Trenton and Wayne, and (iii) that portion of the Village of Northville located in Wayne County; and Macomb County, except the City of Mount Clemens, and the Townships of Armada, Bruce, Lenox, Macomb, Ray, Richmond, Shelby, Sterling and Washington.

In Washtenaw County, the Township of Ann Arbor and the City of Ann Arbor.

This decontrols the Villages of Grosse Pointe Shores and Trenton in Wayne County, Michigan, a portion of the Detroit, Michigan, Defense-Rental Area.

5. Schedule A, Item 191, is amended to describe the counties in the Defense-Rental Area as follows:

Warren County, except the Borough of Washington, the Town of Belvidere, and the Townships of Franklin, Mansfield, Oxford, Pahaquarry, Hardwick and Frelinghausen.

The Counties of Hunterdon and Mercer.

This decontrols the Township of Mansfield in Warren County, New Jersey, a portion of the Trenton, New Jersey, Defense-Rental Area.

6. Schedule A, Item 238, is amended to describe the counties in the Defense-Rental Area as follows:

Erie County, except the Village of Milan, and those islands in Lake Erie which are part of Erie County; and Ottawa County, except those islands in Lake Erie which are part of Ottawa County.

This decontrols the Village of Milan in Erie County, Ohio, a portion of the Sandusky-Port Clinton, Ohio, Defense-Rental Area.

7. Schedule A, Item 267, is amended to describe the counties in the Defense-Rental Area as follows:

Allegheny County, except the Boroughs of Bethel and Elizabeth, and the Townships of Crescent and Mount Lebanon; Armstrong County; Beaver County; Lawrence County; Westmoreland County; in Butler County, the City of Butler; Fayette County, except the Townships of Henry Clay, Stewart and Wharton; in Greene County, the Townships of Cumberland, Dunkard, Franklin, Jefferson, Monongahela and Morgan; and Washington County, except the Townships of East Finley, Morris, South Franklin and West Finley.

This decontrols (1) the Borough of Elizabeth in Allegheny County, Pennsylvania, and the Borough of Slippery Rock in Butler County, Pennsylvania, portions of the Pittsburgh, Pennsylvania, Defense Rental Area, based on resolutions submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, and (2) the remaining portions of Butler County, in said Defense-Rental Area, except the City of Butler, which were under control immediately prior to the effective date of this amendment on the Housing Expediter's own initiative in accordance with section 204 (c) of said act.

All decontrols effected by this amendment, except Item 7 thereof, are based entirely on resolutions submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup., 1894)

This amendment shall be effective May 16, 1951.

Issued this 11th day of May 1951.

TIGHE E. WOODS,
Housing Expediter.

[F. R. Doc. 51-5642; Filed, May 15, 1951; 8:48 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter C—Miscellaneous Excise Taxes

[T. D. 5840]

PART 314—TAXES ON GASOLINE, LUBRICATING OIL, AND MATCHES

CREDIT OR REFUND OF TAX PAID ON CERTAIN SUPPLIES FOR CERTAIN VESSELS

In order to conform Regulations 44 (1944 ed.) (26 CFR Part 314), relating to taxes on gasoline, lubricating oil, and matches under Chapter 29 of the Internal Revenue Code, to the provisions of section 609 of the Revenue Act of 1950 (Public Law 814, 81st Congress, 2d Session), approved September 23, 1950, such regulations are hereby amended as follows:

PARAGRAPH 1. There is inserted immediately following section 3443 set forth with certain other provisions of the Internal Revenue Code preceding § 314.64 the following:

SEC. 609. ARTICLES SOLD FOR USE OF AIRCRAFT ENGAGED IN FOREIGN TRADE (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

Effective with respect to articles purchased (by the user thereof) on or after the first day of the first month which begins more than ten days after the date of the enactment of this act, section 3443 (a) (3) (A) (ii) (relating to refunds in the case of articles used or resold for use as ships' stores, etc.) is hereby amended to read as follows:

"(ii) used or resold for use for any of the purposes, but subject to the conditions, provided in section 3451;".

PAR. 2. Section 314.64, as amended by Treasury Decision 5674, approved November 23, 1948 is further amended by striking out paragraph (j) and inserting in lieu thereof the following:

(j) (1) Under the provisions of section 3443 (a) (3) (A) (ii), prior to November 1, 1950, no credit or refund was allowable with respect to tax paid on articles sold for use on certain aircraft, even though it was known at the time of the sale that the articles would be so used. By virtue of the provisions of section 609 of the Revenue Act of 1950, a manufacturer may be allowed a refund, or may take credit against the tax shown to be due upon any subsequent monthly return, in the amount of tax paid by him with respect to the sale of any article which is used, or resold for use on or after November 1, 1950, for any of the purposes, but subject to the conditions, provided in section 3451. (See § 314.28.) Refund or credit will be made or allowed in such cases only upon the submission of the evidence required by the preceding paragraphs relating to transactions within the scope of section 3443 (a) (3) (A).

(2) Where articles are sold by the manufacturer in accordance with the provisions of section 317 (b) of the Tariff Act of 1930, as added by the act approved June 25, 1938, for use as supplies (including equipment) upon, or in the maintenance or repair of, aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, the manufacturer who paid the tax to the Government may be allowed a refund or may take credit against the tax due upon any subsequent monthly return, provided he has in his possession the evidence outlined in § 314.29.

Because of the technical nature of the amendment made herein, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4 (c) of said act.

(53 Stat. 419, 467; 26 U. S. C. 3450, 3791)

[SEAL] GEO. J. SCHOENEMAN,
Commissioner of Internal Revenue.

Approved: May 9, 1951.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 51-5630; Filed, May 15, 1951; 8:47 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter V—Department of the Army

Subchapter E—Organized Reserves

PART 561—OFFICERS' RESERVE CORPS

APPLICATIONS AND ALLIED PAPERS

In § 561.13 (b), subparagraph (1) is changed by amending the opening portion, and by adding new subdivisions (viii) and (ix) as follows:

§ 561.13 *Applications.* * * *

(b) *Applications and allied papers.* * * *

(1) *For applicants in general.* Applicants will submit the following forms and documents except that applicants of the categories indicated in subparagraphs (2) through (6) of this paragraph will submit the forms indicated in those subparagraphs:

* * * * *

(viii) Statement in writing from applicants applying for appointment that they understand that if they are appointed in the Officers Reserve Corps they are subject to being ordered into the active military service at any time during the effective period of such appointment in the event of mobilization or an emergency requiring their services.

(ix) Evidence of citizenship in the case of applicants who are not citizens of the United States by birth, in the form of a certificate by an officer in the active military service or by a notary public. In no circumstances will facsimilies or copies, photographic or otherwise, of naturalization certificates be made. Certificate of officer or notary public will read substantially as follows:

I certify that I have this date seen the original certificate of citizenship, No. ------ (or certified copy of the court order establishing citizenship) stating that ---------- (Name) ------ was admitted to United States citizenship by the court of ---------- at ---------- on ---------- (City and State) (Date) The following was named in the certificate as a minor child: ---------- age ----- (Name) (Last sentence will be added in case of derivative citizenship.)

* * * * *

[C1, SR 140-105-1, April 27, 1951] (R. S. 161; 5 U. S. C. 22. Interprets or applies Sec. 37, 39 Stat. 189, as amended; 10 U. S. C. 351-353)

[SEAL] EDWARD F. WITSELL,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 51-5638; Filed, May 15, 1951; 8:48 a. m.]

Subchapter F—Personnel

PART 575—ADMISSION TO THE UNITED STATES MILITARY ACADEMY

REVISION OF PART

Part 575 is revised to read as follows:

Sec.
575.1 Military Academy.
575.2 Admission; general.
575.3 Appointments.
575.4 Sources of nomination.
575.5 Qualified alternates and qualified competitors.
575.6 Entrance requirements.
575.7 Physical conditioning.
575.8 Physical requirements.
575.9 Entrance examinations.
575.10 Previous qualifications.
575.11 Candidates submission of records.
575.12 USMA Preparatory school.
575.13 Deposit upon entrance.
575.14 Pay and allowances.
575.15 Course of study.
575.16 Promotion after graduation.

AUTHORITY: §§ 575.1 to 575.16 issued under R. S. 161; 5 U. S. C. 22. Interpret or apply R. S. 1311, 1317, 1318 as amended, 1319-1321, 1331, 34 Stat. 1063, 35 Stat. 441 as amended, 37 Stat. 252, 39 Stat. 62, 40 Stat. 894 as amended, 41 Stat. 548, 44 Stat. 704 as amended, 48 Stat. 73 as amended, 49 Stat. 332 as amended, 56 Stat. 306, 57 Stat. 383, 59 Stat. 886, 60 Stat. 811 as amended, 60 Stat. 312, 61 Stat. 501 as amended, 63 Stat. 813, 828; 10 U. S. C. 486a, 506c, 1041-1043, 1091 et seq., 37 U. S. C. 253, 308.

SOURCE: Catalogue of the United States Military Academy, 1951-52.

§ 575.1 *Military Academy—(a) Direction and supervision.* (1) The United States Military Academy is under the general direction and supervision of the Department of the Army. The Secretary of the Army has designated the Chief of Staff of the Army as the officer in direct charge of all matters pertaining to West Point.

(2) The immediate government and military command of the Academy and the military post at West Point are vested in the Superintendent. Subordinate to the Superintendent is the Dean of the Academic Board who has charge of the faculty and all academic work, and who acts as representative of the academic departments and as adviser on academic matters to the Superintendent. The administration and training of the Corps of Cadets is in charge of the Commandant of Cadets, who is also head of the Department of Tactics.

(b) *Aim.* The aim of West Point is to provide instruction, experience, and motivation to each student so that he will graduate with the knowledge and the qualities of leadership required of a junior officer and with a basis for continued development throughout a lifetime of service to his country, leading to readiness for responsibilities of the highest order in the Department of Defense.

§ 575.2 *Admission; general.* (a) The requirements for admission to the Military Academy differ somewhat from those for admission to a civilian college or university. These requirements are set forth in detail in this part. Each candidate should study carefully those which apply to his individual case. Paragraphs (b) through (g) of this section summarize briefly the steps which all candidates must take.

(b) The initial step in gaining admission is to secure a nomination. No one may take the entrance examination unless he has been designated a nominee by one of the nominating authorities. Usually the candidate obtains his nomination either from his Representative in Congress or from one of his United States Senators. Other sources of nomination are described in detail in §§ 575.3 to 575.5. To be eligible for appointment a candidate must have had his seventeenth birthday and not have had his twenty-second birthday on July 1 of the year in which he seeks admission.

(c) The second step is to satisfy the mental and physical requirements for admission to the Academy. For the vast majority of candidates this opportunity comes during the first week in March each year (a supplemental examination is held in June for certain classes of appointees) when entrance examinations are held at certain military installations throughout the country and overseas. The entrance examination is in three parts: Mental, medical (physical), and physical aptitude.

(d) The mental examination required of a candidate depends upon the kind of nomination he has received and upon the extent of his education. Any candidate who has graduated from high school with good grades, particularly in mathematics and English, should be able to pass the mental examination.

(e) All candidates must take the medical examination. To qualify, a candidate must be in good health, have no deformities, and have good vision and hearing. All candidates must also take the physical aptitude examination. Qualification in this examination requires that a candidate have the physical strength, endurance, coordination, and agility normally found in active young men in their late teens.

(f) Several weeks after a candidate has taken the examinations, he is notified whether or not he is fully eligible for admission. If so, and if a vacancy exists under the terms of his appointment, he reports at West Point on the first Tuesday of July. At that time he is sworn in as a cadet of the United States Military Academy and assumes an obligation to serve in the Army or Air Force for the period required by law.

(g) Detailed statements of the general, scholastic, medical, and physical aptitude requirements are contained in § 575.6. Each candidate should make a careful study of the scholastic requirements in particular to find out specifically in what category he falls. Once a candidate has succeeded in securing a nomination he will receive definite instructions from The Adjutant General, Department of the Army, concerning further action on his part that is necessary to complete his admission requirements.

§ 575.3 *Appointments.* (a) Admission to the Military Academy may be gained only by appointment to one of the 2,496 cadetships authorized by law. Graduation of the senior class, normally leaves about 750 vacancies each year. Candidates may be nominated for these vacancies only during the year preceding the admission date, the first Tuesday in July.

(b) Letters of appointment are issued by the Department of the Army, in the name of the President, upon receipt of a nomination from one of the sources described below.

§ 575.4 *Sources of nomination.* The 2,496 cadetships authorized at the Military Academy are allocated among the various sources of nomination as follows:

Noncompetitive:	
Representatives (4 each)	1,740
Senators (4 each)	384
Miscellaneous:	
Hawaii and Alaska (4 each)	8
District of Columbia	6
Panama Canal	2
Puerto Rico	4
Vice Presidential	3
Total miscellaneous	23
Competitive:	
Army and Air Force:	
Regular Components	90
Reserve Components (National Guard of the United States; Air National Guard of the United States; Organized Reserve Corps; Air Force Reserve)	90
Presidential	89
Sons of deceased veterans	40
Honor military and Honor naval schools	40
Total	2,496

(a) *Noncompetitive.* Nomination of candidates for appointment from noncompetitive sources (whether or not based upon preliminary competitive examination) is entirely in the hands of the nominating authority who has the cadetship at his disposal, and all applications must be addressed to him. For each vacancy four candidates may be nominated: one to be named as principal, one as first alternate, one as second alternate, and one as third alternate. The first alternate, if qualified, will be admitted if the principal fails; the second alternate, if qualified, will be admitted if both the principal and first alternate fail; and the third alternate, if qualified, will be admitted if the principal and the first and second alternates fail. The law requires that candidates appointed from States at large, congressional districts, the Territories, the District of Columbia, or the island of Puerto Rico, must be actual residents of the geographical unit from which nominated.

(1) *Vice Presidential.* The Vice President may nominate candidates from the United States at large.

(2) *States at large and congressional districts.* The nominating authorities of the States at large are the United States Senators; of the congressional districts, the Representatives in Congress. Inasmuch as many Congressmen hold their own competitive examinations to facilitate selection of the best qualified applicants, candidates seeking congressional nomination should apply to their Senators and Representatives at the earliest possible date.

(3) *Territories, District of Columbia, and Puerto Rico.* Nominating authorities for these vacancies are the following:

Territory of Alaska—Delegate in Congress.
Territory of Hawaii—Delegate in Congress.
District of Columbia—Commissioners of District of Columbia.
Puerto Rico—The Resident Commissioner.

(4) *Panama Canal.* Appointments are made upon nomination of the Governor of the Panama Canal from among the sons of civilians residing in the Canal Zone and sons of civilian personnel of the United States Government and the Panama Railroad Company residing in the Republic of Panama.

(b) *Competitive.* Appointments to vacancies within competitive groups are awarded to those fully qualified candidates within each category who attain the highest scores on the West Point Achievement Tests in Mathematics and English and the West Point Aptitude Test. Candidates for these vacancies can qualify only by taking these three tests on the first Tuesday in March, regardless of the extent of their education and regardless of performance on entrance examinations of previous years. Failure of a competitive candidate to report for the March examination—regardless of the circumstances—will vacate his nomination. There is no restriction on the residence of any competitive candidate.

(1) *Army and Air Force.* (i) One hundred and eighty (180) cadet-ships at the Military Academy are divided equally between enlisted men of the United States Army and the United States Air Force as follows:

(*a*) Ninety (90) from the Regular components (Regular Army and Regular Air Force); (*b*) Ninety (90) from the Reserve components (National Guard of the United States, the Air National Guard of the United States, the Organized Reserve Corps, and the Air Force Reserve).

(ii) On or about June 1 each year The Adjutant General estimates the number of vacancies that will be available for appointments to the class entering the Military Academy on the first Tuesday in July of the following year. The number of candidates that may be nominated from each of the Regular components is three times the number of available vacancies. For each available vacancy in the ninety (90) cadet spaces authorized the non-Regular components, the Army and Air Force National Guard of the United States are authorized to nominate from among their combined enlisted personnel three candidates; and the Organized Reserve Corps and Air Force Reserve are authorized to nominate from among their combined enlisted personnel three candidates. Admission of candidates to fill Regular component vacancies is made from among all Regular Army and Regular Air Force competitors regardless of the command from which nominated; to fill Reserve vacancies, from among all National Guard, Air National Guard, Organized Reserve Corps, and Air Force Reserve competitors regardless of the State, Territory, District, or command from which nominated.

(*a*) *Regular components.* An applicant must have completed one full year of active enlisted service in the Regular Army or Regular Air Force on the date of his admission to the Military Academy. Although his service need not have been continuous, he must be in an active enlisted status at the time of his admission. Candidates are selected nearly 1 year in advance of the scheduled date of admission to permit them to attend the United States Military Academy Preparatory School at Stewart Air Force Base, Newburgh, N. Y. A joint Army-Air Force publication, issued annually on or about 1 May, gives detailed directions about making application for Regular component appointments.

(*b*) *Reserve components.* An applicant must be an enlisted man of one of the Reserve components at the time of nomination and at the time of his admission to the United States Military Academy. He must have served as an enlisted man in the component from which he is nominated not less than 1 year preceding the date of his admission. It is not essential that the service have been continuous. The Department of the Army issues a letter of appointment to each candidate selected authorizing him to report the following March for the annual entrance examination. At that time he must take the West Point Achievement Tests in Mathematics and English and the West Point Aptitude Test in competition with the entire number of Reserve component candidates. A joint Army-Air Force publication, issued annually on or about May 1, gives detailed directions about making application for Reserve component candidates.

(2) *Presidential.* Eighty-nine (89) cadetships are reserved for disposition by the President of the United States. For nearly a century these appointments have been reserved by each President for the sons of members of the regular components of the Army, Air Force, Navy, Marine Corps, and Coast Guard, who are still in service, retired, or who died while serving therein. The administration of these appointments has been delegated to the Department of the Army. Applications by those eligible should be made by letter (no prescribed form) addressed to The Adjutant General, Department of the Army, Washington 25, D. C., giving the name, rank, service number, and branch of service that the parent carries or carried as a member of such regular component; and the full name, address, and date of birth of the applicant (complete military address and service number if in the Armed Forces). Adopted sons are eligible for appointment if they were adopted prior to their fifteenth birthday; a copy of the order of court decreeing adoption, duly authenticated and certified by the clerk of the court, must accompany the application.

(3) *Sons of deceased veterans of World Wars I or II.* Forty (40) cadetships are provided for the sons of members of the Armed Forces of the United States who were killed in action or who died of wounds, injuries, or disease resulting from active service during World Wars I or II. The Veterans' Administration determines the eligibility of all applicants, and its decisions are final and binding on the Department of the Army. Application should be made by letter (no form is prescribed) addressed to The Adjutant General, Washington 25, D. C. The letter should state the full name, date of birth, and address of the applicant (complete service address should be given if the applicant is in the Armed Forces), and the name, rank, serial number, and last organization of the veteran parent, together with a brief statement concerning the time, place, and cause of death. The claim number assigned to the veteran parent's case by the Veterans' Administration should also be furnished.

(4) *Honor military and honor naval schools.* Forty (40) cadetships are provided for Honor Military and Honor Naval schools. Each such school of the essentially military type, as determined by annual Department of the Army and Navy inspections, may nominate three candidates annually from among its honor graduates, to compete for admission at the regular entrance examination in March. The number of available vacancies will be filled in the order of merit established at the regular examination, regardless of the schools from which the candidates are nominated. Each nomination must contain a certification by the head of the institution that the candidate is an honor graduate of a year for which the institution was designated an honor military or naval school. No student may be rated as an honor

graduate unless he has shown proficiency in subjects of his school work amounting to not less than the 15 units prescribed by the regulations for admission to the United States Military Academy. However, the institution is not limited to those graduates of the current year.

(c) *Sons of Congressional Medal of Honor winners.* Sons of recipients of the Congressional Medal of Honor may be appointed to the Military Academy, provided they are qualified for admission. The administration of these appointments has been delegated to the Department of the Army. Application by those eligible should be made by letter (no form is prescribed) to The Adjutant General, Washington 25, D. C. The letter should contain the applicant's full name, address, and date of birth (complete service address should be given if the applicant is in the Armed Forces), the name, rank, and branch of service of the parent and a brief statement of the date and circumstances of the award. Candidates appointed from this source may qualify in the same manner as a congressional principal candidate. All who are found fully qualified will be admitted as cadets, regardless of the number.

(d) *Filipino cadets.* In addition to the 2,496 cadetships authorized, the Secretary of the Army may permit one Filipino for each entering class to be designated by the President of the Republic of the Philippines to receive instruction at the United States Military Academy.

(e) *Foreign cadets.* (1) The act of 26 June 1946 (as amended) authorizes the President of the United States to permit not more than 20 persons at a time from the Latin-American republics and Canada to receive instruction at the United States Military Academy. Not more than three persons from any one country may be cadets at the same time. Such persons receive the same pay and allowance (including mileage from their homes in proceeding to the Military Academy for initial admission) as cadets appointed from the United States. They are not entitled, however, by reason of their graduation to appointment to any office or position in the United States Army.

(2) Citizens of other foreign countries have been permitted from time to time to attend the Military Academy upon specific authorization of the United States Congress in each case. Applications must be submitted to the United States Government through diplomatic channels by the governments concerned. Requirements for the admission, advancement, and graduation of foreign cadets are identical with those for United States cadets. In addition, such cadets must be provided with exactly the same amount of funds provided by the United States Government for United States cadets.

§ 575.5 *Qualified alternates and qualified competitors.* An act of Congress approved June 30, 1950, provides that when upon determination that upon the admission of a new class to the Military Academy the total number of cadets will be less than the number authorized, the Secretary of the Army may, within his discretion and within the capacity of the Academy, nominate additional cadets to be admitted in such class in such number to meet the needs of the armed services, but not to exceed the authorized strength of the corps of cadets, from qualified candidates holding alternate appointments and other qualified candidates holding competitive appointments from the remaining sources of admission authorized by law, recommended and found to be qualified by the Academic Board of the Academy, at least two-thirds of those so appointed to be from among qualified alternate candidates nominated by the Vice President, Members of the Senate and House of Representatives of the United States, Delegates and Resident Commissioners, the Commissioners of the District of Columbia, and the Governor of the Panama Canal, and not more than one-third of those so appointed to be from among qualified candidates holding competitive appointments from sources authorized by law other than those holding such alternate appointments. This law provides that these appointments shall be in addition to and not in lieu of appointments otherwise authorized by law. The only candidate eligible for consideration under this law are those found mentally and physically qualified in connection with an appointment held for admission the first Tuesday in July of the year concerned. No application is necessary since all candidates found fully qualified but not otherwise admitted are rated by the Academic Board. Their records are studied and the selections made based upon academic grades and other pertinent factors which affect the qualifications of the various candidates to become officers of the Army or Air Force. Those selected under this provision are admitted as cadets on or about July 15.

§ 575.6 *Entrance requirements.* This section describes the specific requirements which candidates must fulfill after obtaining an appointment as outlined in §§ 575.3 to 575.5.

(a) *General*—(1) *Age.* On July 1 of the year admitted to the Military Academy a candidate must have attained the age of 17 years and must not have reached the age of 22. The age requirements for all candidates are statutory and cannot be waived.

(2) *Citizenship.* A candidate must be a citizen of the United States, except for those appointed specifically as foreign cadets.

(3) *Character.* Every candidate must be of good moral character.

(4) *Marital status.* A candidate must never have been married. A cadet may not marry until he has graduated from the Academy; and if any cadet is found to have been married, he will be immediately separated from the Academy.

(5) *Height and weight.* No candidate will be admitted who is shorter than 5 feet 6 inches or taller than 6 feet 4 inches. The weight of a candidate must be within certain limits which depend upon his height. Height-weight tables will be found in § 575.8 (d).

(6) *Admission date.* New cadets report to West Point for admission on the first Tuesday in July, except when July 4th falls on Tuesday in which event they report on the first Wednesday in July.

(7) *Engagement to serve.* Upon admission each cadet (except foreigners) must sign articles, with the consent of his parents or guardian if he is a minor, by which he shall engage, unless sooner discharged by competent authority:

(i) To complete the course of instruction; and

(ii) If tendered an apointment as a commissioned officer in the Regular Army or Regular Air Force upon graduation from the United States Military Academy, to accept such appointment and to serve under such appointment for not less than three consecutive years immediately following the date of graduation; and

(iii) In the event of the acceptance of his resignation from a commissioned status in the Regular component of such armed service prior to the sixth anniversary of his graduation, or in the event of an appointment in such Regular service not being tendered, to accept a commission which may be tendered him in the Reserve component of such Regular service and not to resign from such Reserve component prior to such sixth anniversary.

(8) *Examination of candidates.* Every candidate for admission to the Military Academy must take three types of examination: medical, mental, and physical aptitude. The entrance examinations begin on the first Tuesday in March of each year, being conducted at various military installations throughout the country and overseas. Each candidate holding a letter of appointment will be authorized by the Department of the Army to report at the examination center most convenient either to his home, to his station, or to the school which he is attending. The examinations normally require 3 to 6 days.

(b) *Scholastic*—(1) *General.* A candidate who has graduated from secondary school (or will have so graduated by the date of his admission to West Point), in the upper portion of his class, and who has attained good grades in his mathematics and English courses should be able to pass the Military Academy's entrance examinations without a long period of intensive cramming or special preparation. To qualify for admission, all candidates (competitive and noncompetitive), must:

(i) Submit their full educational records to date on forms furnished them by The Adjutant General with their letter of appointment.

(ii) Pass the West Point Aptitude Test, a 2½-hour examination requiring no special preparation other than that implicit in the completion of a secondary school course. It includes sections designed to measure likelihood of success in subjects such as mathematics, English, foreign languages, science, and engineering.

(iii) Qualify in United States history, either by presenting evidence that they have satisfactorily completed a standard course in United States history or its equivalent (1 year in secondary school or 1 semester in college), or by passing

the special West Point Achievement Test in United States History.

(2) *Competitive candidates.* A candidate who seeks to qualify for admission under a competitive appointment—Army and Air Force (regular and reserve components), Honor Military and Honor Naval Schools, Presidential, or Sons of Deceased Veterans—must take the West Point Achievement Tests in Mathematics and in English, and the West Point Aptitude Test at the March examination. In addition, a competitive candidate must have satisfied the required credit in United States History by the time of the March examination, or take the United States History Achievement Test at that time. The vacancies available within each of the four competitive categories are awarded to those candidates within each category who attain the highest proficient scores on the West Point Achievement Tests in Mathematics and English and the West Point Aptitude Test. Failure of a competitive candidate to report for the March examination automatically vacates his appointment.

(3) *Noncompetitive candidates.* There are two methods by which a candidate may qualify mentally for a noncompetitive (congressional, etc.) appointment;

(i) By passing the West Point Achievement Tests in Mathematics and in English, and the West Point Aptitude Test. The Mathematics Achievement Test is a 1½-hour test covering high school plane geometry and first and second year algebra, to include systems of equations involving quadratics, progressions, the binomial theorem, logarithms, and elementary numerical trigonometry. The English Achievement Test is a 1½-hour test covering English grammar, composition, and literature at the level to be expected of high school graduates. Each candidate must submit his complete educational record. This record should show that he has graduated (or will have by the time of his admission) from a secondary school, with satisfactory grades accounting for 15 units credit. A unit credit is interpreted as satisfactory completion in secondary school of a standard academic year's study of a course below.

(*a*) Seven of the 15 units should be in the following courses:

Course	Maximum unit credit
Mathematics (algebra, first year)	1
Mathematics (algebra, second year)	1
Mathematics (plane geometry)	1
English, first year	1
English, second year	1
English, third year	1
History, United States	1

(*b*) The remaining eight units should be chosen from the following optional courses:

Course	Maximum unit credit
Mathematics (advanced algebra)	½
Mathematics (solid geometry)	½
Mathematics (trigonometry)	½
English, fourth year	1
History (ancient)	1
History (European)	1
History (English)	1
History (World)	1
Economics	1
Sociology	1
Social Democracy	1
Problems of American Democracy	1
Contemporary Problems	1
Citizenship	½
Government	½
Civics	½
Latin, first year	1
Latin, second year	1
Latin, third year	1
Latin, fourth year	1
Greek, grammar and composition	1
Any modern foreign language, first year	1
Any modern foreign language, second year	1
Any modern foreign language, third year	1
Any modern foreign language, fourth year	1
Physics	1
Chemistry	1
General Science	1
Biology	1
Botany	1
Zoology	1
Geography	1
Drawing (mechanical or freehand)	1
Bookkeeping	1
Physiology	1
Psychology	1
Astronomy	½
Geology	½

(*c*) No candidate will be refused permission to take the entrance examination because he does not have an acceptable educational record. However, the lack of a complete secondary school education or its equivalent may prove a handicap in passing the entrance examinations and maintaining proficiency after admission as a cadet.

(ii) (*a*) By submitting an acceptable college record and passing the West Point Aptitude Test. A candidate who submits an acceptable record of at least one semester's credits earned at a recognized college, university, or technical school, and who was admitted thereto after having earned in secondary school the 15 units credit described in subdivision (i) of this subparagraph, is specifically excused by the Academic Board at the Military Academy from taking the Achievements Tests in mathematics and English. He is then authorized to take only the West Point Aptitude Test which he must pass in order to qualify mentally. If his record lacks not more than two units of the secondary school credits described in subdivision (i) of this subparagraph, he may make up his deficiency in college. One semester of college work is considered the equivalent of one academic year of secondary school study.

(*b*) In judging what constitutes a semester of acceptable college work the Academic Board takes into account the entire academic record of the candidate. Low marks, failures, or conditions in college, or failure on a prior Military Academy entrance examination are considered good reasons for the rejection of a college certificate. A candidate whose college certificate has been rejected must qualify under the method of subdivision (i) of this subparagraph.

(c) *Medical*—(1) *Preliminary examination.* (i) Time permitting, prior to reporting for the entrance examination, candidates should ascertain whether they have physical defects which would permanently disqualify them for admission, or defects which could be corrected. Many candidates are disqualified at the entrance examinations for defects that might have been corrected if dental or surgical treatment had been undertaken in time. Candidates whose teeth are defective cannot be admitted to the Military Academy. Carious teeth should be restored by permanent fillings and missing teeth should be replaced by fixed bridgework, as described in § 575.8, before reporting for the entrance examination. In cases of malocclusion (excessive overbite, underbite, protruding teeth, etc.), which may require lengthy treatment, candidates are invited to submit dental plaster models and full mouth X-rays to The Adjutant General, Washington 25, D. C., Attention: Military Academy Section, for advance determination as to acceptability.

(ii) Medical officers at Army, Air Force, or Navy installations having adequate medical facilities to conduct final type physical examinations are authorized to accomplish preliminary physical examinations of applicants or candidates for admission to the United States Military Academy: *Provided*, That such persons present written requests therefor signed by one of the following: Any Member of Congress; a parent or guardian of an applicant entitled to a Presidential or Son of Deceased Veteran appointment; or any officer of the Army, Navy, or Air Force.

(iii) A candidate who finds it impractical to report to a military installation for a preliminary physical examination should consult a civilian physician and dentist to ascertain if he has any disqualifying defect. The candidate should invite the attention of the physician and dentist to the physical requirements and causes for rejection which are given in detail in § 575.8.

(iv) No charge will be made for an examination conducted at a military installation, but the applicant or candidate is responsible for travel and personal expenses, and for all costs in connection with examination by civilian doctors or dentists.

(v) A preliminary physical examination, whether conducted by military or civilian examiners, is advisory only and does not commit or obligate the Department of the Army to accept a candidate who is found by an entrance examination medical board to have a disqualifying physical defect.

(2) *Final physical examination.* Every candidate is required to undergo a very thorough physical examination at the conclusion of his mental examinations. His hearing must be normal (15/15) in each ear for the whispered voice, and the ears must be free from acute or chronic disease. His vision must not fall below 20/30 in either eye without glasses, correctable with glasses to 20/20 in each eye. Both his eyes must be free from disease. No candidate will be accepted unless he has a minimum of 12 masticating teeth and 8 incisor teeth, all of which must be so opposed as to serve the purposes of biting and chewing. De-

tails relating to physical requirements and causes for physical disqualifications will be found in § 575.8.

(d) *Physical aptitude.* (1) Every candidate is required to take a 1 hour physical aptitude examination designed to measure strength, coordination, muscular power, endurance, speed, and flexibility. The examination items will be selected from those listed below. Candidates may consider themselves qualified to meet the minimum standard of the Physical Aptitude Examination if they can achieve the performances indicated. The examination will be graded on the basis of the total score. In other words, if a passing grade is achieved on the whole examination, failure to achieve a passing score on any single test will not cause disqualification.

(i) Vertical jump The difference between the height an individual can reach and the height he can jump and reach.	17 inches.
(ii) Standing broad jump for distance	6 feet 9 inches.
(iii) 3 broad jumps for distance Standing start with 3 continuous broad jumps.	20½ feet.
(iv) Pull-ups Chinning oneself on a horizontal bar, grasping bar with back of hand toward face.	3 times.
(v) Dips Raising and lowering oneself on parallel bars by means of the arms. The body is lowered until upper arm passes the horizontal.	3 times.
(vi) Push-ups Standard push-ups starting from the leaning rest position.	16 times.
(vii) Dodge run A run through a maze placed on a gymnasium floor.	27 seconds.
(viii) 300-yard run (indoor track—11 laps to the mile)	46.7 seconds.
(ix) 300-yard run This test is a shuttle run on a gymnasium floor between two turning blocks placed 25 yards apart.	65 seconds.
(x) 100-yard run This test is a shuttle run on a gymnasium floor between two turning blocks placed 25 yards apart.	18.9 seconds.
(xi) 50-yard run This test is a shuttle run as described under the above 100-yard run.	8.7 seconds
(xii) Bar vault for height From a standing position vault over a horizontal bar by touching it with only the hands using either flank or front vault.	4 feet 6 inches.
(xiii) Burpee test for 20 seconds Continuous movements from the standing position to the squat, to the leaning rest, to the squat, and back to the standing position.	10½ times.
(xiv) Squat jumps From a squating position on the right heel with fingers laced on top of head, palms downward, and with left foot slightly advanced, spring upward until both knees are straight and both feet clear the floor. While the feet are off the floor advance the right foot and drop to a squat on the left heel. Spring up again and repeat.	28 times.
(xv) Sit-ups These are to be performed with a partner holding the feet.	30 times.
(xvi) Sit-ups for speed These are to be performed in 30 seconds while lying on a gymnasium mat with toes hooked under a bar.	20 times.
(xvii) Softball throw for distance using a regulation softball (12-inch circumference).	140 feet.
(xviii) Basketball throw for distance using a regulation basketball	65 feet.
(xix) Medicine ball put A 6-pound medicine ball is put using the same movement as required for a shot-put.	33 feet.
(xx) Hop, step, and jump From a standing position take a hop, a step, and a jump to gain as great a distance as possible.	20 feet.
(xxi) 100-yard pickaback carry Carrying a partner astride his back one runs 100 yards by shuttling back and forth around stakes placed 25 yards apart. The partner must be within 10 pounds of one's own weight.	27.0 seconds.
(xxii) Rope climb (7 seconds) Climb a regulation gymnasium rope as high as possible in 7 seconds, using hands and feet or hands alone, starting from a standing position.	10½ feet.

(2) Candidates should prepare for this examination by engaging in allround vigorous activities such as running, conditioning exercises, or competitive games, rather than by practicing on specific test items.

§ 575.7 *Physical conditioning.* Because of the nature of the new cadets' training during their first 2 months at the Academy, the physical demands upon them are necessarily great. Experience indicates that those cadets who, prior to admission, have conditioned themselves physically are best able to meet the training requirements. The needed amount of conditioning will vary depending on the candidate's athletic background, but, in general, the more nearly he can acquire a degree of conditioning approximately that required for vigorous athletic team sports the less difficulty he will experience in the very rigorous summer training program. He is advised to practice heavy physical-conditioning exercises until many repetitions of the exercises can be performed without severe physical strain. In addition, he should strengthen his legs and wind by regular cross country running and, if possible, fast climbing on steep slopes. A program of vigorous competitive sports should be followed with emphasis on variety of sports rather than on one favorite activity. Any candidate in doubt as to physical conditioning methods will be wise to consult a high school or college physical education department.

§ 575.8 *Physical requirements.*—(a) *Hearing.* Auditory acuity of all candidates will be determined by the whispered voice, and by the audiometer using the following frequencies: 256, 512, 1024, 2048, 4096, and 8192. At the time of examination the candidate should be free of upper respiratory infection. Hearing when tested by the whispered voice must be 15/15 in each ear and loss of hearing as determined by the audiometer must not be greater than fifteen (15) decibels in any of the frequencies 512, 1024, 2048, nor greater than thirty (30) decibels in either of the frequencies 4096 or 8192. The following conditions are causes for rejection: total loss of an ear, marked hypertrophy or atrophy, or disfiguring deformity of the organ; atresia of the external auditory canal, or tumors of this part; acute or chronic suppurative otitis media, or chronic catarrhal otitis media; mastoiditis, acute or chronic; existing perforation of the membrane tympani from any cause whatever.

(b) *Vision.* (1) Vision as determined by the visual test types (without a cycloplegic) must not fall below 20/30 in either eye without glasses, correctable with glasses to 20/20 in each eye, when no organic disease in either eye exists. Both eyes must be free from acute or chronic disease. Errors of refraction, if considered excessive, may be a cause for rejection even though the visual acuity falls within acceptable limits. Total hyperopia of more than two diopters or total myopia of more than three quarters (0.75) diopter in any meridian in either eye is considered cause for rejection.

(2) The following conditions are also cause for rejection: manifest disturbance of muscle balance; esophoria of more than 10 prism diopters, exophoria or more than 5 prism diopters, or hyperphoria of more than 1 prism diopter; impairment of the sense of color perception in a pronounced degree; trachoma, or xerophthalmia; chronic conjunctivitis; pterygium encroaching upon the cornea; complete or extensive destruction of the eyelids; disfiguring cicatrices, adhesions of the lids to each other or to the eyeball; inversion or eversion of the eyelids, or lagophthalmus; trichiasis, ptosis, blepharospasm, or chronic blepharitis; epiphora, chronic dacryocystitis, or lachrymal fistula; chronic keratitis, ulcers of the cornea, staphyloma, or corneal opacities encroaching on the pupillary area and reducing the acuity of vision below the standard noted above; irregularities in the form of the

iris, or anterior or posterior synechiae sufficient to reduce the visual acuity below the standard; opacities of the lens or its capsule, sufficient to reduce the acuity of vision below the standard, or progressive cataract of any degree; extensive coloboma of the choroid or iris, absence of pigment, glaucoma, iritis, or extensive or progressive choroididits, retinitis, detachment of the retina, neuroretinitis, optic neuritis or atrophy of the optic nerve; loss or disorganization of either eye, or pronounced exophthalmus, true nystagmus; or permanent or well-marked strabismus; diplopia, or night blindness; abnormal conditions of the eyes due to disease of the brain; malignant tumors of the lids of the eyeballs; ashtenopia accompanying any ocular defect.

(c) *Teeth.* (1) No candidate will be accepted unless he has a minimum of 6 serviceable vital masticating teeth (bicuspids and molars) above and 6 below serviceably opposing and also 4 serviceable vital incisor teeth (incisors and cuspids) above and 4 below serviceably opposing. Therefore, the minimum requirement consists of a total of 12 masticating teeth and 8 incisor teeth, all of which must be so opposed as to serve the purpose of incision and mastication. In cases in which insufficiency of teeth may be remedied by the eruption of third molars, if an X-ray of the third molar region determines a normal third molar properly positioned and developed, it may be assumed that it will have a normal eruption, and the candidate may be credited with possession of this tooth.

(2) Vital teeth properly filled with permanent filling material, or well crowned, will be considered serviceable if otherwise acceptable. A one or two tooth replacement by a standard method of fixed bridgework will be accepted in lieu of a serviceable vital tooth when the abutment teeth are otherwise acceptable and the bridge well constructed.

(3) A tooth will not be considered serviceable if it is a deciduous tooth, or if it fails to enter into serviceable occlusion with an opposing tooth, if it has an unfilled cavity, if it supports a defective filling or crown, if it is nonvital, or if there is destruction of the supporting tissues of the tooth, such as results from chronic gingivitis, pyorrhea, etc.

(4) Causes for rejection are: failure to meet the standard of minimum requirements outlined above; the loss of three adjoining masticating teeth in either side of the upper or lower jaw; disfiguring spaces between anterior teeth, such as result from the extraction of a tooth; marked irregularity of the teeth; and marked malocclusion. No candidate will be accepted until all cavities in teeth have been filled with proper permanent fillings.

(d) *Physical proportions.* The requirements of the following tables on physical proportions are for growing youths and are for guidance in connection with the other data of the examination, a consideration of all of which will determine the candidate's physical eligibility. Mere fulfillment of the requirements of the standard tables does not determine eligibility.

Height	Weight		Minimum chest measurement at expiration
	Minimum	Maximum	
Inches	*Pounds*	*Pounds*	*Inches*
66	120	170	30.50
67	124	175	30.50
68	128	182	31.00
69	132	186	31.50
70	136	192	32.00
71	140	197	32.00
72	144	203	32.50
73	148	209	32.50
74	152	214	33.00
75	156	219	33.00
76	160	225	33.50

NOTE: Fractions of an inch will be reduced to the quarter of an inch, but candidates must be at least 66 inches in height. No candidate will be accepted who is more than 76 inches in height. Heights to be taken without shoes and weight without clothes.

Medical examiners will recommend rejection of individuals who show poor physical development and those who appear to be undesirable candidates because of excess fat, even though their measurements may come within the figures stated in the above table. In such instances, the report will show in detail the findings upon which recommendation for rejection is based.

Recommendation for waiver of excess weight will be made in cases in which the general appearance and conformation of the candidate and the remainder of the examination clearly indicate that he is of the robust type and there is no tendency to obesity, endocrine imbalance, cardiovascular disease, or other defect which is likely to shorten the period of useful active service normally expected of an Army or Air Force officer.

MINIMUM STANDARDS FOR FILIPINO APPLICANTS

Height	Weight	Chest measurement at expiration
Inches	*Pounds*	*Inches*
59	100	28¼
60	101	28¾
61	102	29
62	103	29¼
63	105	29½
64	107	29¾
65	110	30
66	113	30¼
67	118	30½
68	124	30¾
69	127	31
70	130	31¼

(e) *Additional causes for physical disqualification*—(1) *General.* (i) Any deformity which is repulsive or which prevents the proper functioning of any part to a degree interfering with military efficiency.

(ii) Obesity.

(iii) A height of less than 66 inches or more than 76 inches.

(iv) Deficient muscular development.

(v) Deficient nutrition.

(vi) Evidences of physical characteristics of congenital asthenia. The physical characteristics of congenital asthenia are slender bones, a weal ill-developed thorax, nephroptosis, gastroptosis, constipation, the "drop" heart, with its peculiar attenuation and weak and easily fatigued musculature.

(vii) All acute communicable diseases.

(viii) All diseases and conditions which are not easily remediable or that tend physically to incapacitate the individual, such as:

(*a*) Chronic malaria.

(*b*) Uncinariasis (hookworm).

(*c*) Active tuberculosis of any type or degree.

(*d*) Leprosy and actinomycosis.

(*e*) Pellagra, beriberi, sprue, scurvy, or other evidence of vitamin deficiency.

(*f*) History of rheumatic fever or chorea within the preceding 2 years, or substantial history of recurrent attacks of rheumatic fever or cholera at any time; atrophic or hypertrophic arthritis; chronic myositis or fibrositis.

(*g*) Osteomyelitis of any bone or a history of osteomyelitis of any of the long bones of the extremities at any time.

(*h*) Malignant disease of all kinds in any location.

(*i*) Hemophilia or purpura.

(*j*) Leukemia of all types.

(*k*) Primary (pernicious), secondary, or splenic anemia.

(*l*) Filariasis, trypanosomiasis, and schistosomiasis.

(*m*) Diabetes, mellitus or insipidus, or renal glycosuria.

(*n*) Acromegaly, gigantism, myxoedema, cretinism, Addison's disease, gout, Simmond's disease, and other endocrine diseases.

(*o*) Chronic metallic poisoning.

(*p*) Migraine.

(*q*) Hay fever, food intolerance, angioneurotic edema or other allergic manifestations of sufficient degree to warrant the use of vasoconstrictor drugs, ephedrine, or epinephrine either locally or systemically.

(*r*) Asthma of any degree or a history of asthma, except a history of childhood asthma, with a trustworthy history of freedom from symptoms since the twelfth birthday.

(2) *The skin.* (i) Eczema of long standing or which is resistant to treatment.

(ii) Pemphigus; lupus; sycosis.

(iii) Actinomycosis; deratitis; herpetiformis; mycosis fungoides.

(iv) Ichthyosis or psoriasis if more than of slight degree.

(v) Acne upon face or neck which is so pronounced as to be definitely unsightly.

(vi) Elephantiasis.

(vii) Scabies; impetigo.

(viii) Furunculosis, unless mild in degree.

(ix) Ulcerations of the skin not amendable to treatment, or those of long standing or of considerable extent, or of syphilitic, tuberculous, malignant, or leprous origin.

(x) Extensive, deep, or adherent scars that interfere with muscular movements or with the wearing of military equipment, or that show a tendency to break down and ulcreate.

(xi) Naevi or vascular tumors, if extensive, markedly disfiguring, or exposed to constant pressure.

(xii) Obscene or offensive tattooing on portions of the body subject to exposure.

(xiii) Vitiligo of the face or body, or other skin defect if sufficient to be considered disfiguring or unsightly.

(xiv) Chronic trichophytosis or other chronic fungus infections which have not been amendable to treatment.

(xv) Chronic urticaria and chronic angioneurotic edema.

(xvi) Exfoliating dermatitis; severe chronic seborrheic dermatitis.

(xvii) Chronic lichen planus; dermatitis factia, scleroderma.

(xviii) Pilonidal cyst if evidenced by the presence of a tumor mass or a dis-

charging sinus or if there is a history of inflammation or discharging sinus.

(3) *The head.* (i) Tinea in any form.

(ii) All tumors which are of sufficient size to interfere with the wearing of military headgear.

(iii) Imperfect ossification of the cranial bones.

(iv) Extensive cicatrices, especially such adherent scars as show a tendency to break down and ulcerate.

(v) Depressed fractures or loss of bony substance of the skull.

(vi) Hydrocephalus or microcephalus.

(vii) Deformities of the skull of any degree associated with evidence of disease of the brain, spinal cord, or peripheral nerves.

(4) *The face.* (i) Extreme ugliness.

(ii) Unsightly deformities such as large birthmarks, large hairy moles, extensive cicatrices, and multilations due to injuries or surgical operations; tumors; ulcerations, fistulae, atrophy of a part of the face or lack of symmetrical development.

(iii) Persistent neuralgia; tic douloureux; paralysis.

(iv) Ununited fractures; osseous cysts; extensive exostoses.

(v) Chronic arthritis; complete or partial ankylosis; badly reduced or recurrent dislocations of the temporomandibular articulation.

(5) *The mouth, nose, fauces, pharynx, larynx, trachea, and esophagus.* (i) Harelip; loss of the whole or a part of either lip; unsightly mutilations of the lips from wounds, burns, or disease.

(ii) Malformation, partial loss, atrophy, or hypertrophy of the tongue, split or bifid tongue, adhesions of the tongue to the sides of the mouth, provided these conditions interfere with mastication, speech, or swallowing, or appear to be progressive.

(iii) Malignant tumors of the tongue or benign tumors that interfere with its functions.

(iv) Marked atomatitis; ulcerations; severe leukoplakia.

(v) Ranula if extensive; salivary fistula.

(vi) Perforation or extensive loss of substance or ulceration of the hard or soft palate; extensive adhesions of the soft palate to the pharynx; paralysis of the soft palate.

(vii) Loss of the nose, malformation or deformaties thereof that interfere with speech or breathing; extensive ulcerations.

(viii) Perforated nasal septum, if progressive, or if respiration is accompanied by a noticeable whistling sound. Before accepting any candidate with a perforated nasal septum, the possibility of syphilitic infection will be excluded.

(ix) Septal deviation, hypertrophic rhinitis, or other conditions which result in 50 percent or more obstruction of either airway, or which interfere with drainage of sinus on either side or other causes, if sufficient to produce mouth breathing.

(x) Acute or chronic inflammation of the accessory sinuses of the nose; hay fever of sufficient degree to warrant the use of vasoconstrictor drugs, ephedrine, or epinephrine either locally or systemically.

(xi) Chronic atrophic rhinitis, if marked and accompanied by ozena.

(xii) Malformations and deformities of the pharynx of sufficient degree to interfere with function.

(xiii) Postnasal adenoids interfering with respiration or associated with recurrent middle ear disease.

(xiv) Chronic enlargement of the tonsils sufficient to interfere with speech or swallowing.

(xv) Chronic laryngitis from any cause.

(xvi) Paralysis of the vocal cords; aphonia.

(xvii) Tracheotomy.

(xviii) Diverticulum, ulceration, stricture, or pronounced dilatation of the esophagus.

(6) *The neck.* (i) Cervical lymph node involvement of other than benign origin, including cancer, Hodgkin's disease, leukemia, tuberculosis, and syphilis.

(ii) Adherent and markedly disfiguring scars from disease, injuries, or burns.

(iii) Moderate or marked enlargement of the thyroid gland from any cause.

(iv) Exophthalmic or adenomatous goiter or thyroid enlargement from any cause associated with toxic symptoms, history of thyroidectomy.

(v) Benign tumors or cysts which are so large as to interfere with the wearing of the uniform or military equipment.

(vi) Congenital cysts of branchial cleft origin, or those developing from the remains of a thyroglossal duct, with or without fistulous tracts.

(vii) Torticollis; cervical rib.

(7) *The chest.* (i) Chest expansion less than two inches.

(ii) Congenital malformations or acquired deformities which result in reducing the chest capacity and diminishing the cardiac or respiratory functions to such a degree as to interfere with vigorous physical exertion, or that produce disfigurement when the applicant is dressed.

(iii) Pronounced contraction of the chest wall following pleurisy or empyema.

(iv) Deformities of the chest or scapulae sufficient to interfere with the carrying of military equipment.

(v) Absence or faulty development of the clavicle.

(vi) Old fracture of the clavicle where there is much deformity or interference with the carrying of military equipment; ununited fractures; or partial or complete dislocation of either end of the clavicle.

(vii) Suppurative periostitis, osteomyelitis, caries, or necrosis of the ribs, sternum, clavicles, scapulae, vertebrae, or other bones.

(viii) Old fractures of the ribs with faulty union, if interfering with function.

(ix) Malignant tumors of the breast or chest wall, and benign tumors which interfere with the wearing of a uniform or of military equipment.

(x) Unhealed sinuses of the chest wall.

(xi) Scars of old operations for empyema unless the examiner is assured that the respiratory function is entirely normal.

(8) *The lungs.* (i) History of:

(*a*) Clinical tuberculosis exceeding minimal extent.

(*b*) Tuberculosis of minimal extent clinically active within the preceding five years.

(*c*) Known tuberculous pleurisy with effusion.

(*d*) Pleurisy with effusion of unknown origin within the preceding five years.

(ii) Active tuberculosis, including pleurisy with effusion which is to be considered of tuberculous origin if no other cause can be proved.

(iii) Inactive pulmonary tuberculosis, except as specified in Army Regulations.

(iv) Nontuberculous defects as specified in Army Regulations.

(9) *The heart and vascular system.* All questionable findings will be thoroughly investigated over a sufficient period of time to determine their significance. Any evidence of organic heart disease will be considered as cause for rejection. When a candidate is found to have a systolic blood pressure of 140 mm. or more, or a diastolic blood pressure of 90 mm. or more, a series of readings, both a. m. and p. m. will be taken over a period of 3 days or more in order to determine if the arterial hypertension is constant and, if possible, the causes thereof. All readings will be taken with the individual relaxed and in the sitting position after a period of normal physical activity. A period of recumbency prior to taking readings will not be used.

(i) All valvular diseases of the heart.

(ii) Cardiac enlargement as indicated in notation below.

(iii) A heart rate of 100 or over when persistent after repeated examination in the recumbent position. (A. m. and p. m. examinations for 3 days are considered adequate for such determination.)

(iv) A heart rate of 50 or under, if the history, physical examination, or an electrocardiogram shows the presence of A–V heart block or other evidence of heart disease.

(v) Hypertension evidenced by a persistent systolic blood pressure of 140 mm. or more, or a persistent diastolic blood pressure of 90 mm. or more.

(vi) Arterial hypotension, when the systolic blood pressure is persistently less than 100 mm. in the sitting or standing position.

(vii) Pericarditis, endocarditis, myocarditis, or myocardial insufficiency.

(viii) Coronary heart disease, including angina pectoris.

(ix) Congenital disease or deformity of the heart or great vessels.

(x) Aneurysm.

(xi) Arteriosclerosis disproportionate to age.

(xii) Arrhythmia, except sinus arrhythmia and occasional extrasystoles.

(xiii) History of rheumatic fever or chorea within the preceding 2 years or substantiated history of recurrent attacks of rheumatic fever or chorea at any time.

(xiv) Evidence of vasomotor instability or neurocirculatory asthenia, if persistent on examination of not less than 3 days.

(xv) Electrocardiographic evidence of paroxysmal tachycardia, auricular fibrillation, auricular flutter, incomplete

A–V block with or without dropped beats, complete A–V block, bundle branch block, and recent or remote coronary occlusion.

(xvi) Orthostatic hypotension or tachycardia, if marked and persistent.

(xvii) Inadequate arterial blood supply to any limb.

(xviii) Arteritis of any artery.

(xix) Intermittent claudication, if confirmed by peripheral vascular tests.

(xx) Phlebitis or thrombophlebitis, or evidence of repeated phlebitis in the past.

Varicosities of any extremity, unless mild in degree.

NOTE: An apex beat located beyond the left midclavicular line or below the sixth rib indicates an enlargement sufficient to disqualify for military service if this finding is supported by X-ray evidence of abnormality of cardiac size or contour. The cause of such enlargement should be sought, for an enlargement should not be made a primary diagnosis unless careful examination fails to reveal a cause.

(10) *The abdomen.* (i) Wounds, injuries, cicatrices, or weakness of muscles of the abdominal walls sufficient to interfere with function.

(ii) Fistulae from visceral or bony lesions or following operation.

(iii) Hernia of any variety or a history of a recurrent hernia even though apparently repaired by a second operation.

(iv) Chronic diseases of the stomach or intestines.

(v) Gastric or duodenal ulcer or history of gastric or duodenal ulcer with or without operation.

(vi) History of gastroenterostomy, gastric resection of peptic ulcer, partial resection of the intestine, or operation for relief of intestinal adhesions. If pyloric stenosis occurred in infancy but there have been no symptoms of obstruction since then, it will not disqualify applicant if X-ray studies of the gastrointestinal tract are negative at the time of examination.

(vii) Blood in the feces unless shown to be due to unimportant causes.

(viii) Visceroptosis other than mild.

(ix) Chronic diseases of the liver, gall bladder, pancreas, or spleen.

(x) History of splenectomy for reason other than trauma.

(xi) Enlargement of the liver.

(xii) Chronic enlargement of the spleen.

(xiii) Jaundice or history or recurrent jaundice.

(xiv) Proctitis, stricture, or prolapse of the rectum.

(xv) External or internal hemorrhoids if large in size or symptomatic.

(xvi) Fistula in ano; ischiorectal abscess.

(xvii) Fissure of the anus or pruritus ani.

(xviii) Incontinence of feces.

(xix) Marked engorgement of superficial abdominal vessels.

(11) *The genito-urinary system, including venereal diseases.* (i) A serologic test for syphilis will be required of all candidates. A negative report will be accepted as satisfactory evidence of freedom from syphilis in the absence of a history of, previous treatment for, or clinical signs of syphilis. A positive or doubtful report will be rechecked by both a Kahn and Wassermann test within 3 days. An authentic history of syphilis of any type is cause for rejection without further laboratory procedure. A repeated positive serologic test, in the absence of a history of syphilis, will be accepted as evidence of the disease and considered cause for rejection. If, on repeated serologic tests, the results remain doubtful or positive and, after careful history and physical examination, the individual presents no evidence of having had syphilis at any time, the Department of the Army will notify him whether or not he is eligible for a 3-month observation period and designate the time and place for the reexamination. During this 3-month period, he will have a quantitative serologic test for syphilis performed every 3 weeks. At the end of the 3-month observation period, providing the individual's physical condition remains the same, and his serologic tests have become negative, he will be considered nonsyphilitic and qualified. Those individuals with confirmed positive reactions will be rejected. A positive spinal fluid test for syphilis at any time will be cause for rejection.

(ii) When albumin or casts are found in the urine, the cause will be determined, if possible. Specimens from the individual concerned will be examined twice daily, morning and afternoon, for 3 successive days. These specimens will be collected while the individual is carrying on with his normal activities. Persistent albuminuria of any type or the persistence of casts in the urine will be a cause for rejection, even though the etiology thereof cannot be determined.

(*a*) Acute or chronic nephritis, diabetes mellitus or insipidus, or renal glycosuria.

(*b*) Blood, pus, albumin or pathologically significant casts in the urine, if persistent (found on a. m. and p. m. rechecks for 3 consecutive days).

(*c*) Floating kidney; hydronephrosis; pyonephrosis; pyelitis; tumors of the kidneys; absence of one kidney; renal calculi.

(*d*) Acute or chronic cystitis.

(*e*) Vesical calculi; tumors of the bladder; incontinence or retention of urine; enuresis.

(*f*) Hypertrophy or abscess of the prostate gland; chronic prostatitis; history of prostatectomy or transurethral resection.

(*g*) Urethral stricture or uninary fistula.

(*h*) Phimosis, epispadias or pronounced hypospadias.

(*i*) Hermaphroditism; infantile genital organs.

(*j*) Amputation or deformity of the penis.

(*k*) Varicocele or hydrocele, if large or painful.

(*l*) Pronounced atrophy of both testicles or absence of both.

(*m*) Atrophy, deformity or maldevelopment of both testicles, or undescended testicles of any degree.

(*n*) Chronic orchitis or epididymitis.

(*o*) Syphilis as specified in Army Regulations.

(*p*) Gonococcus infections, acute or chronic; chancroid; granuloma inguinale; lymphogranuloma venereum.

(12) *Spine and pelvis, including sacroiliac and lumbo-sacral joints:* (i) Lateral deviation of the spine from the normal midline of more than 1 inch (scoliosis).

(ii) Curvature of the spine of any degree in which there is noticeable deformity when the candidate is dressed (scoliosis, kyphosis, or lordosis), or in which there is present or likely to develop pain or interference with function.

(iii) Spondylolisthesis; herniated nucleus pulposus or history of operation for same.

(iv) Healed fractures or dislocations of the vertebrae.

(v) Tuberculosis, either active or healed, of any portion of the vertebral column.

(vi) Osteoarthritis of the spinal column.

(vii) Malformation or deformities of the pelvis sufficient to interfere with function.

(viii) Disease, chronic strain, or sprain of the sacroiliac or lumbosacral joints.

(13) *The extremities.* Suitable exercise will be employed to determine the strength of the arches of the feet. Weak or painful feet are cause for rejection regardless of whether or not the arch is flattened. In reporting the presence of flat feet a careful estimate of the degree of flattening, as first, second, or third degree, will be made and reported, as well as other abnormalities, such as eversion, rotation, etc.

(i) All anomalies in the number, form, proportion, and movements of the extremities which produce noticeable deformity or interfere with function.

(ii) Atrophy of the muscles of any part, if progressive or if sufficient to interfere with function.

(iii) Benign tumors if sufficiently large to interfere with function.

(iv) Ununited fractures, fractures with shortening or callous formation sufficient to interfere with function, old dislocations unreduced or partially reduced, complete or partial ankylosis of a joint, or relaxed articular ligaments permitting frequent voluntary or involuntary displacement.

(v) Reduced dislocations or united fractures with incomplete restoration of function.

(vi) Resection of a joint or amputation of any portion of a limb except fingers or toes.

(vii) Excessive curvature of a long bone or extensive, deep, or adherent scars interfering with motion.

(viii) Severe sprains.

(ix) Diseases of the bones or joints.

(x) Chronic synovitis, floating cartilage, or other internal derangement in a joint. A history of dislocated semilunar cartilage or loose body of the knee which has not been satisfactorily corrected by surgery or does not otherwise meet the specifications of Army Regulations.

(xi) Varicosities of any extremity are cause for rejection, unless mild in degree or corrected by operation.

(xii) Varices of any kind situated in the leg below the knee if there are associated varicose ulcers or scars from old ulcerations.

(xiii) Chronic edema of a limb.

(xiv) Sciatica or other chronic neuralgias.

(xv) Adherent or united fingers (webbed fingers).

(xvi) Total loss of either thumb.

(xvii) Mutilation of either thumb to such an extent as to produce material loss of flexion or strength of the member.

(xviii) Loss of more than one phalanx of the right index finger.

(xix) Loss of the terminal and middle phalanges of any two fingers on the same hand.

(xx) Entire loss of any finger except the little finger of either hand or the ring finger of the left hand.

(xxi) Perceptible lameness or limping.

(xxii) Knock-knee or bowlegs if severe in degree.

(xxiii) Clubfoot.

(xxiv) Pes cavus with clawing of the toes, if more than mild or of any degree causing symptoms.

(xxv) Flat foot when accompanied with symptoms of weak foot or when the foot is weak on test or painful, pronounced cases of flat foot attended with decided eversion of the foot and marked bulging of the inner border, due to inward rotation of the astragalus, are disqualifying regardless of the presence or absence of subjective symptoms.

(xxvi) Loss of either great toe or loss of any two toes on the same foot.

(xxvii) Webbing of all toes.

(xxviii) Overriding of any of the toes if symptomatic or more than mild in degree.

(xxix) Ingrowing toenails if severe.

(xxx) Hallux valgus when sufficiently marked to interfere with locomotion or when accompanied with a painful bunion.

(xxxi) Bunions, if painful or sufficiently pronounced to interfere with function.

(xxxii) Hammertoes of such a degree as to interfere with function.

(xxxiii) Corns or calluses on the sole of the foot when they are tender or painful.

(xxxiv) Bromidrosis, if more than mild.

(14) *Psychiatric disorder.* (i) Psychoses as specified in Army Regulations.

(ii) Psychoneurotic disorders as specified in Army Regulations.

(iii) Character and behavior disorders as specified in Army Regulations.

(15) *Neurological disorder.* (i) Neurosyphilis of any form (general paresis, tabes dorsalis, meningovascular syphilis).

(ii) Degenerative disorders (multiple sclerosis, encephalomyelitis, cerebellar and Friedreich's ataxia, athetoses, Huntington's chorea, muscular atrophies, and dystrophies of any type, cerebral arteriosclerosis).

(iii) Residuals of infection (moderate and severe residuals of poliomyelitis, meningitis, and abscesses, paralysis agitans, postencephalitic syndromes, Sydenham's chorea).

(iv) Peripheral nerve disorder (chronic or recurrent neuritis or neuralgia of an intensity which is periodically incapacitating, multiple neuritis, neurofibromatosis).

(v) Residuals of trauma (residuals of concussion or severe cerebral trauma, post-traumatic cerebral syndrome, incapacitating severe injuries to peripheral nerves).

(vi) Paroxysmal convulsive disorders and disturbances of consciousness (grand mal, petit mal, and psychomotor attacks, syncope, narcolepsy, migraine).

(vii) Miscellaneous disorders (tics, spasmodic torticollis, spasms, brain and spinal cord tumors, operated and unoperated, cerebrovascular disease, congenital malformations, including spina bifida, if associated with neurological manifestations, meningocele, and Meniere's disease).

§ 575.9 *Entrance examinations*—(a) *March.* (1) The Military Academy examinations begin at 8:00 a. m. on the first Tuesday in March each year. All candidates are expected to report between 1:00 and 5:00 p. m. of the preceding afternoon, as explained in the original letter of appointment furnished the candidate by The Adjutant General. Three to six days normally are required for the completion of all mental, medical, and physical aptitude examinations. During this period sleeping accommodations and meals are made available to candidates at nominal cost. The cost of transportation and all personal expenses must be borne by the candidate.

(2) Failure to report for examination automatically vacates any competitive appointment. Failure to report vacates a noncompetitive appointment unless failure is attributable to sickness or other unavoidable cause.

(3) Each candidate will be authorized to report for examination to the military installation listed below which is most convenient either to his home, to his station, or to the school which he may be attending just prior to the March examination. A candidate may request from The Adjutant General the authority to change his place of examination if he finds that his home or school address changes.

PROBABLE EXAMINING CENTERS, MARCH 1952

Army Base, Boston, Mass.
Army and Navy General Hospital, Hot Springs, Ark.
Army Medical Center, Washington, D. C.
William Beaumont Army Hospital, Fort Bliss, Tex.
Fort Benning, Ga.
Fort Bragg, N. C.
Fitzsimons Army Hospital, Denver, Colo.
Fort Sam Houston, Tex.
Keesler Air Force Base, Biloxi, Miss.
Fort Knox, Ky.
Fort Leavenworth, Kans.
Letterman Army Hospital, Presidio of San Francisco, Calif.
Fort Lewis, Wash.
March Air Force Base, Riverside, Calif.
Fort McPherson, Ga.
Fort Jay, Governors Island, N. Y.
Fort Sheridan, Ill.
Fort Sill, Okla.
Schofield Barracks, T. H.
Fort Brooke, Puerto Rico.
Fort Clayton, C. Z.
Fort Richardson, Alaska.
Certain Overseas Installations.

(b) *June.* A second examination is held at West Point only. This examination, held on the Tuesday preceding the 16th of June, is available only to those candidates nominated for vacancies which remain unfilled or occur after the March examination.

§ 575.10 *Previous qualification.* (a) A candidate (except an ex-cadet) once found mentally qualified for admission to the Academy will be considered mentally qualified for any subsequent noncompetitive appointment and will not be required to take further mental examination.

(b) A candidate who once has qualified in Physical Aptitude will not be required to take another Physical Aptitude Test.

(c) A candidate must undergo the medical examination in the year preceding the proposed date of admission, even though he may have been found fully qualified in a previous year.

§ 575.11 *Candidate submission of records.* All necessary papers, certificate forms, and detailed instructions for the accomplishment and submission of each will be furnished the candidate by The Adjutant General along with the candidate's original letter of nomination. Before writing to The Adjutant General or to the Military Academy for additional information, candidates should study these instructions thoroughly.

§ 575.12 *USMA Preparatory School.* (a) The USMA Preparatory School at Stewart Air Force Base, Newburgh, N. Y., was established to prepare members of the Armed Forces for the entrance examinations. Participation in this preparatory training program is limited strictly to personnel on active duty who hold appointments to the Military Academy. The school is operated under the direction of the Superintendent, USMA.

(b) Prospective candidates may obtain information about the preparatory training program by writing to The Adjutant General, Department of the Army, Washington 25, D. C.

§ 575.13 *Deposit upon entrance.* (a) Three hundred dollars ($300) must be mailed to the treasurer of the Academy before the cadet is admitted. This sum is used to pay part of the cost of the uniform and personal equipment with which the net cadet is provided immediately after admission. Parents of candidates are advised to forward the required deposit by draft, payable to the Treasurer, United States Military Academy, who will credit it to the new cadet's account. Cadets who exercise proper economy will have upon graduation a sufficient balance to their credit with the treasurer to purchase the initial supply of uniforms and equipment which they will need as officers.

(b) Candidates should, on leaving home for admission, take with them no more money than is needed for traveling expenses. Any balance in their possession at the time of admission will be deposited to their credit with the Treasurer, USMA. Except for members of the Armed Forces, who are provided transportation or are allowed mileage as provided in Army regulations, cadets are

allowed 5 cents per mile for traveling expenses from their homes in the United States or point of entry in the United States to West Point. Such mileage is credited to the cadet's account after his admission unless he makes a specific written request to the Commandant of Cadets that the mileage allowance be sent to his parents.

§ 575.14 *Pay and allowances.* (a) Cadets receive their entire education at Government expense and in addition are paid $936 a year plus an allowance of the cost of one ration a day. From this total the cadet pays for food, books, clothing, etc. The cost of the ration approximates the actual cost of the food. Quarters and medical attention are provided. With proper economy during his 4 years the cadet is able to save enough to purchase the initial supply of uniforms and equipment he will need as an officer.

(b) The deposit of $300 the cadet must make before he enters the Academy is used to pay part of the cost of the uniforms and personal equipment he is provided with immediately after admission.

§ 575.15 *Course of study.* (a) The United States Military Academy offers a 4-year course of undergraduate study leading to the degree of Bachelor of Science. The Military Academy is accredited by the Association of American Universities and by the Middle States Association of Colleges and Secondary Schools. Except for a choice of one of five languages, the curriculum is prescribed.

(b) The course of study is designed to prepare the graduate for the diverse intellectual problems that confront an officer during his career. To solve these problems the officer must have knowledge and understanding of our culture and technology, capacity for dealing with foreign allies, and a talent for adjusting military plans and operations to the status of the national economy. Because of such requirements and their resulting curricular objectives, the West Point course of study cannot be classed as either liberal arts or engineering but has somewhat the character of both.

(c) After he graduates, the officer may do advanced study in civilian universities and he will invariably do advanced study in one or more graduate schools of the Armed Forces. These are of several levels: the branch schools; the Command and General Staff colleges; and, at the highest level, the War colleges (Army, Navy, Air) and the joint colleges (National War College, Industrial College of the Armed Forces). Selected students from all the armed forces attend the joint colleges.

§ 575.16 *Promotion after graduation.* When any cadet of the United States Military Academy (other than foreign cadets) has completed the prescribed course of instruction and meets the required physical standards he may, upon graduation, be promoted and appointed a second lieutenant in the Regular Army or United States Air Force, and whenever any such appointment would result in there being a number of active list commissioned officers in the Regular Army or in the United States Air Force in excess of the authorized active list commissioned officer strength, such strength shall be temporarily increased as necessary to authorize such appointment (sec. 506 (f), Public Law 381, 80th Congress).

[SEAL] EDWARD F. WITSELL,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 51-5640; Filed, May 15, 1951; 8:48 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 9, Amdt. 2]

CPR 9—TERRITORIES AND POSSESSIONS

EXEMPTION PROVISIONS

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 2 to Ceiling Price Regulation 9 is hereby issued.

STATEMENT OF CONSIDERATIONS

Under section 1 of CPR 9 those commodities which are "specifically exempt under any price regulation or order issued under the authority of the Director of Price Stabilization" are exempted from the provisions of CPR 9. This has resulted in certain territorial sellers substantially increasing their margins of gross profit on commodities so exempted. This amendment changes the exemption provisions of the regulation so as to exempt only those commodities which are specifically exempted by the Defense Production Act of 1950.

The ceiling prices established under CPR 9 are comprised of the direct cost to the seller of a commodity plus a base period dollar-and-cents markup. Therefore, this amendment does not establish a ceiling price on any agricultural commodity below the "legal minimum" requirements of section 402 (d) (3) of the Defense Production Act of 1950.

In the judgment of the Director of Price Stabilization the ceiling prices established by this regulation are generally fair and equitable and are necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950.

So far as practicable the Director of Price Stabilization gave due consideration to the national effort to achieve maximum production in furtherance of the objectives of the Defense Production Act of 1950; parity prices and the other legal minimum requirements of the Act including prices prevailing during the period from May 24, 1950, to June 24, 1950, inclusive; and to relevant factors of general applicability.

AMENDATORY PROVISIONS

Ceiling Price Regulation 9 is amended as follows:

1. Section 1 is amended to read as follows:

SECTION 1. *What this regulation does.* The purpose of this regulation is to establish ceiling prices for all commodities (except those specifically exempt under the Defense Production Act of 1950) which are not actually manufactured or produced in the particular territory or possession in which they are sold, upon the basis of the direct cost plus the dollar-and-cents markup in effect during the period from December 19, 1950, to January 25, 1951, inclusive. This period is referred to as the "base period." This regulation supersedes the General Ceiling Price Regulation for all commodities included within this section.

(Sec. 704, Pub. Law 774, 81st Cong. Interprets or applies Title IV, Pub. Law 774, 81st Cong., E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.)

Effective date: This amendment shall become effective on the 21st day of May 1951.

EDWARD F. PHELPS, Jr.,
Acting Director of Price Stabilization.

MAY 15, 1951.

[F. R. Doc. 51-5769; Filed, May 15, 1951; 11:34 a. m.]

Chapter VI—National Production Authority, Department of Commerce

[NPA Order M-29, As Amended May 15, 1951]

M-29—DEERSKINS

This order, as amended herein, is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. In the formulation of this order, as first issued January 17, 1951, there was consultation with industry representatives, including trade association representatives, and consideration was given to their recommendations. In the formulation of this order, as amended herein, however, consultation with industry representatives has been rendered impracticable due to the necessity for immediate action.

This amended order affects NPA Order M-29, as amended February 19, 1951, as follows: It changes the title to "Deerskins" and deletes all references to horsehide fronts in sections 1, 5, and 6 thereof. It deletes paragraph (d) in section 2 and redesignates paragraphs (e) through (h) of section 2 as paragraph (d) through (g) respectively. It deletes section 3 and redesignates sections 4 through 10 as sections 3 through 9 respectively. In the redesignated section 5, last sentence, the references to section numbers "4" and "5" are changed to "3" and "4" respectively. Such deleted references, paragraph and section are in substance included in NPA Order M-62.

Sec.
1. What this order does.
2. Definitions.
3. Restrictions on tanning or dressing of deerskins.
4. Restrictions on sale and use of deerskin leather.
5. Exception.
6. Applications for adjustment and exception.
7. Records, audit, inspection, and reports.
8. Communications.
9. Violations.

AUTHORITY: Sections 1 to 9 issued under sec. 704 Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951; 16 F. R. 61.

SECTION 1. *What this order does.* This order applies to tanners and dressers of deerskins, and to persons who sell and commercially use leather made from these skins. In view of the fact that deerskins are in extremely short supply, it is essential that the leather produced therefrom be limited insofar as possible to DO rated orders. This order prohibits the dressing or tanning of deerskins except for the purpose of producing military leather if such skins are suitable for the production of military leather. It also forbids any person to sell, deliver, accept delivery of, or use commercially leather made from deerskins for other than DO rated orders if such leather is capable of being used to fill such orders.

SEC. 2. *Definitions.* As used in this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons, and includes any agency of the United States or any other government.

(b) "Tanner" or "dresser" means a person engaged in the business of tanning, dressing, or similarly processing hides or skins.

(c) "Converter" means a person engaged in the business of causing hides or skins to be tanned or dressed for his account in any tannery not owned or controlled by him.

(d) "Deerskin" means the skin of any domestic or foreign deer, and includes the skin of the elk, moose, and caribou.

(e) "Military leather" means leather meeting any military specifications in force at the time.

(f) "DO rated order" means an order for leather bearing a DO rating pursuant to NPA Reg. 2.

(g) "NPA" means National Production Authority.

SEC. 3. *Restrictions on tanning or dressing of deerskins.* Unless specifically directed by NPA, no tanner or dresser shall put into process, or continue to process, and no converter shall cause to be put into process, any deerskin except for the purpose of processing it into military leather: *Provided, however,* That this restriction shall not apply to any deerskin which is not capable of being processed into military leather.

SEC. 4. *Restrictions on sale and use of deerskin leather.* Unless specifically directed by NPA, no person shall sell, deliver, accept delivery of, or incorporate into any product for commercial purpose, except for DO rated orders, any deerskin leather suitable for military leather.

SEC. 5. *Exceptions.* This order shall not prohibit the completion of the production and delivery of materials or products containing deerskin leather in any form previously ordered and accepted, which by reason of the condition or nature of the materials or products cannot without excessive loss of yield be used in connection with DO rated orders. The restrictions of sections 3 and 4 shall not apply to any deerskin the owner of which causes it to be processed or incorporated into any product for use by him personally or as a gift.

SEC. 6. *Applications for adjustment and exception.* Any person affected by any provision of this order may file with NPA a request for adjustment or exception upon the ground that such provision works an exceptional hardship upon him not suffered generally by others in the same trade or industry or that its enforcement against him would not be in the interest of national defense or in the public interest. In considering requests for adjustment which claim that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each such request shall be in writing and shall set forth all pertinent facts, the nature of the relief sought, and the justification therefor.

SEC. 7. *Records, audit, inspection, and report.* (a) Each person participating in any transaction covered by this order shall retain in his possession for at least 2 years records of receipts, deliveries, inventories, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

(b) All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of NPA.

(c) Persons subject to this order shall make such records and submit such reports to NPA as it shall require, subject to the terms of the Federal Reports Act (5 U.S.C. 139–139F).

SEC. 8. *Communications.* All communications concerning this order shall be addressed to National Production Authority, Washington 25, D. C., Ref. M–29.

SEC. 9. *Violations.* Any person who wilfully violates any provision of this order or any other order or regulation of NPA or who wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against such person to suspend his privileges of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

NOTE: All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order as amended shall take effect May 15, 1951.

NATIONAL PRODUCTION AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

[F. R. Doc. 51–5771; Filed, May 15, 1951; 11:51 a. m.]

[NPA Order M–60]

M–60—MANUFACTURE OF CERTAIN COMPONENTS AND RELATED PRODUCTS

This order is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. Consultation with industry representatives in advance of the issuance of this order has been rendered impracticable due to the necessity for immediate action and the fact that the order affects a large number of different trades and industries.

Sec.
1. What this order does.
2. Definitions.
3. Application of this order.
4. DO ratings assigned.
5. Procurement limitation.
6. Relation to other regulations and orders.
7. Certification.
8. NPA assistance in placing rated orders.
9. Records to be kept.
10. Audit and inspection.
11. Reports.
12. Applications for adjustment or exception.
13. Communications.
14. Violations.

AUTHORITY: Sections 1 to 14 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

SECTION 1. *What this order does.* The purpose of this order is to provide a procedure whereby necessary materials and parts may be obtained for use in the manufacture of certain components and related products so as to provide for increased production thereof during the third quarter of 1951 or until the NPA Controlled Materials Plan shall be effective as to such items. It provides a procedure to be used by producers of such items for the application of DO ratings to obtain materials and parts necessary for the manufacture by them, during the third quarter, of such items in quantities adequate to meet the current and anticipated demand.

SEC. 2. *Definitions.* For the purposes of this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons, and includes any agency of the United States or any other government.

(b) "Item" means those components and related products which are included within any Product Class Code Number of list A attached hereto. Items listed in list A shall include all of the products contained under a single Product Code Classification Number as listed in the

NPA Official CMP Class B Product List, except as otherwise expressly indicated in said list A.

(c) "Base period" means the 3-month period ending March 31, 1951.

(d) "Controlled Materials Plan" means the procedures now or hereafter established by regulations of the National Production Authority to provide for the quantitative control of the distribution and use of certain materials in short supply.

(e) "Third quarter" means the third calendar quarter of 1951.

(f) "Metal product" as used herein refers to any of the following: (1) Any iron and steel product listed in table I of NPA Order M–1, as amended, hereinafter referred to as an "iron and steel product." (2) Any aluminum form or product listed in section 3 of NPA Order M–7, as amended, hereinafter referred to as an "aluminum product." (3) Any copper form or product listed in section 3 of NPA Order M–12, as amended, hereinafter referred to as a "copper product."

SEC. 3. *Application of this order.* This order applies to any person who manufactures or assembles any product included as an item in list A during the third quarter.

SEC. 4. *DO ratings assigned.* Subject to the limitations contained in section 5, any person who schedules production of any item during the third quarter is hereby assigned the right to use a DO rating digit symbol DO–70 for the procurement of such quantities of materials and parts as are necessary for use in his scheduled production of such item during said period. Effective May 17, 1951, the procurement of materials and parts for use in the production of any item during the third quarter shall be made only pursuant to the DO rating specified above and no person shall otherwise procure any materials or parts for use in the production of any item during such period: *Provided, however,* That (a) no person shall be required to apply or extend said rating to any order already accepted by his supplier, and (b) any person may use any parts and materials already in inventory, and apply or extend said rating to replace such parts and materials, to the extent that his inventory is not, or by receipt of such parts and materials will not then become, in excess of that permitted by applicable orders of the National Production Authority, or by NPA Reg. 1, as amended, whichever applies.

SEC. 5. *Procurement limitation.* Unless otherwise authorized in writing by the National Production Authority, no person shall procure, whether pursuant to this order or otherwise, quantities of metal products and parts made wholly or partly therefrom for use in the production of any item during any month of the third quarter in excess of his average monthly consumption of such metal products by weight and of parts by dollar value during the base period, multiplied by the applicable percentage rate for metal product or metal product content of parts set forth in list A attached hereto. In applying such percentage rates to parts made from more than one type of metal product the lesser of the applicable percentages shall be used. In cases where production of any item during any month of the third quarter is confined exclusively to the filling of rated orders, said procurement limitation may be exceeded to the extent necessary to fill such orders. In cases where said procurement limitation will delay or prevent the filling of rated orders for any item, the producer thereof may request an adjustment or exception under section 12. For the purpose of this section, there shall be included, in computing quantities of metal products and parts procured, the quantities of metal products and parts taken from inventory for use in production during any month of the third quarter, and the quantities of metal products and parts heretofore procured in any manner for use in production in such month.

SEC. 6. *Relation to other regulations and orders.* (a) This order supplements NPA Reg. 2, as amended, which sets forth the basic rules of the priorities system, and the provisions of that regulation govern the use of the DO rating herein assigned, except to the extent that the provisions of this order are inconsistent with that regulation.

(b) The provisions of this order do not authorize the use of any materials where such use is prohibited by any other applicable order of the National Production Authority, but any producer of an item who uses the DO rating herein assigned may use any materials or parts so obtained regardless of the limitations on the rate of use of materials stated in any applicable order of the National Production Authority. However, the provisions of this order will be subject to the provisions of other applicable orders of the National Production Authority which limit the specifications of a product as to material content or which control the distribution of any material, part or product by allocation. Nothing contained herein shall supersede any provision of any NPA CMP Regulation.

SEC. 7. *Certification.* The DO rating assigned in this order shall be applied and certified as provided in section 8 of NPA Reg. 2, except that such certification shall read as follows:

Certified under NPA Reg. 2 and Order M–60.

This certification shall constitute a representation to the supplier and to the National Production Authority that the person making it is authorized under the provisions of this order to use the rating to obtain the materials and parts covered by the order, and that he will use the materials and parts so obtained in the production of items pursuant to the terms of this order.

SEC. 8. *NPA assistance in placing rated orders.* Any person who is unable to place an order rated under the provisions of this order should apply to the National Production Authority, Ref: M–60. The National Production Authority will arrange to assist him in locating sources of supply.

SEC. 9. *Records to be kept.* Each person participating in any transaction covered by this order shall retain in his possession for at least 2 years records of receipts, deliveries, inventories, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of originals.

SEC. 10. *Audit and inspection.* All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of NPA.

SEC. 11. *Reports.* Persons subject to this order shall make such records and submit such reports to NPA as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139–139F).

SEC. 12. *Applications for adjustment or exception.* Any person affected by any provision of this order may file a request for an adjustment or exception upon the ground that his business operation was commenced during or after the base period, that any provision otherwise works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense or in the public interest. In considering requests for adjustment claiming that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of the public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each request shall be in writing and shall set forth all pertinent facts and the nature of the relief sought, and shall state the justification therefor.

SEC. 13. *Communications.* All communications concerning this order shall be addressed to the National Production Authority, Washington 25, D. C., Ref: M–60.

SEC. 14. *Violations.* Any person who wilfully violates any provision of this order, or who furnishes false information or conceals any material fact in the course of operation under it, is guilty of a crime and, upon conviction, may be punished by fine or imprisonment, or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

NOTE: All record-keeping and reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall take effect on May 14, 1951.

NATIONAL PRODUCTION AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

LIST A

ITEMS AS DESCRIBED IN OFFICIAL CMP CLASS B PRODUCT LIST

Product Class Code	Product	Percentage of base period rate		
		Iron and steel products	Copper products	Aluminum products
3291	Abrasive products (except abrasive wheels, diamond; metal abrasives)	105	100	95
34240	Files, rasps, and file accessories	105	100	95
34250	Hand saws, saw blades, and saw accessories (except carpenters' saws, hand; compass saws, hand; coping saws, hand; miter saws, hand; pruning saws, hand; saw blades, hand; saw frames, hand; saws teeth, hand; saws, buck, hand; saws, crosscut, hand).	105	100	95
3494	Bolts, nuts and other industrial fasteners	105	100	95
3542511	Gas welding rods	105	100	95
35432	Cutting tools for machine tools and metalworking machinery	105	100	95
35662	Speed reducers, gears, and industrial high speed drives	105	100	95
35663	Mechanical power-transmission equipment, n. e. c.	105	100	95
3591192	Valves and fittings for piping systems, except plumbing	105	100	95
35930	Ball and roller bearings and components	105	100	95
36141	Fractional horsepower motors	105	100	95
36172	Arc welding electrodes	105	100	95

[F. R. Doc. 51-5727; Filed, May 14, 1951; 4:33 p. m.]

[NPA Order M-61]

M-61—MANUFACTURE OF MACHINE TOOLS AND CERTAIN RELATED EQUIPMENT

This order is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. Consultation with industry representatives in advance of the issuance of this order has been rendered impracticable due to the necessity for immediate action and the fact that the order affects a large number of different trades and industries.

Sec.
1. What this order does.
2. Definitions.
3. Application of this order.
4. DO ratings assigned.
5. Procurement limitation.
6. Relation to other regulations and orders.
7. Certification.
8. NPA assistance in placing rated orders.
9. Records to be kept.
10. Audit and inspection.
11. Reports.
12. Applications for adjustment or exception.
13. Communications.
14. Violations.

AUTHORITY: Sections 1 to 14 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

SECTION 1. *What this order does.* The purpose of this order is to provide a procedure whereby necessary materials and parts may be obtained for use in the manufacture of machine tools and related equipment so as to provide for increased production thereof during the third quarter of 1951 or until the NPA Controlled Materials Plan shall be effective as to such items. It provides a procedure to be used by producers of such items for the application of DO ratings to obtain materials and parts necessary for the manufacture by them, during the third quarter, of such items in quantities adequate to meet the current and anticipated demand.

SEC. 2. *Definitions.* For the purposes of this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons, and includes any agency of the United States or any other government.

(b) "Item" means those machine tools and related equipment which are included within any Product Class Code Number of list A attached hereto. Items listed in list A shall include all of the products contained under a single Product Code Classification Number as listed in the NPA Official CMP Class B Product List, except as otherwise expressly indicated in said list A.

(c) "Base period" means the 3-month period ending March 31, 1951.

(d) "Controlled Materials Plan" means the procedures now or hereafter established by regulations of the National Production Authority to provide for the quantitative control of the distribution and use of certain materials in short supply.

(e) "Third quarter" means the third calendar quarter of 1951.

(f) "Metal product" as used herein refers to any of the following: (1) Any iron and steel product listed in table I of NPA Order M-1, as amended, hereinafter referred to as an "iron and steel product." (2) Any aluminum form or product listed in section 3 of NPA Order M-7, as amended, hereinafter referred to as an "aluminum product." (3) Any copper form or product listed in section 3 of NPA Order M-12, as amended, hereinafter referred to as a "copper product".

SEC. 3. *Application of this order.* This order applies to any person who manufactures or assembles any product included as an item in list A during the third quarter.

SEC. 4. *DO ratings assigned.* Subject to the limitations contained in section 5, any person who schedules production of any item during the third quarter is hereby assigned the right to use a DO rating digit symbol DO-75 for the procurement of such quantities of materials and parts as are necessary for use in his scheduled production of such item during said period. Effective May 17, 1951, the procurement of materials and parts for use in the production of any item during the third quarter shall be made only pursuant to the DO rating specified above and no person shall otherwise procure any materials or parts for use in the production of any item during such period: *Provided, however,* That (a) no person shall be required to apply or extend said rating to any order already accepted by his supplier, and (b) any person may use any parts and materials already in inventory, and apply or extend said rating to replace such parts and materials, to the extent that his inventory is not, or by receipt of such parts and materials will not then become, in excess of that permitted by applicable orders of the National Production Authority, or by NPA Reg. 1, as amended, whichever applies.

SEC. 5. *Procurement limitation.* Unless otherwise authorized in writing by the National Production Authority, no person shall procure, whether pursuant to this order or otherwise, quantities of metal products and parts made wholly or partly therefrom for use in the production of any item during any month of the third quarter in excess of his average monthly consumption of such metal products by weight and of parts by dollar value during the base period, multiplied by the applicable percentage rate for metal product or metal product content of parts set forth in list A attached hereto. In applying such percentage rates to parts made from more than one type of metal product the lesser of the applicable percentages shall be used. In cases where production of any item during any month of the third quarter is confined exclusively to the filling of rated orders, said procurement limitation may be exceeded to the extent necessary to fill such orders. In cases where said procurement limitation will delay or prevent the filling of rated orders for any item, the producer thereof may request an adjustment or exception under section 12. For the purpose of this section, there shall be included, in computing quantities of metal products and parts procured, the quantities of metal products and parts taken from inventory for use in production during any month of the third quarter, and the quantities of metal products and parts heretofore procured in any manner for use in production in such month.

SEC. 6. *Relation to other regulations and orders.* (a) This order supplements NPA Reg. 2, as amended, which sets forth the basic rules of the priorities system, and the provisions of that regulation govern the use of the DO rating herein assigned, except to the extent that the provisions of this order are inconsistent with that regulation.

(b) The provisions of this order do not authorize the use of any materials where such use is prohibited by any other applicable order of the National Production Authority, but any producer of an item who uses the DO rating herein assigned may use any materials or parts so obtained regardless of the limitations on the rate of use of materials stated in any applicable order of the National Production Authority. However, the provisions of this order will be subject to the provi-

sions of other applicable orders of the National Production Authority which limit the specifications of a product as to material content or which control the distribution of any material, part, or product by allocation. Nothing contained herein shall supersede any provision of any NPA CMP Regulation.

SEC. 7. *Certification.* The DO rating assigned in this order shall be applied and certified as provided in section 8 of NPA Reg. 2, except that such certification shall read as follows:

Certified under NPA Reg. 2 and Order M-61.

This certification shall constitute a representation to the supplier and to the National Production Authority that the person making it is authorized under the provisions of this order to use the rating to obtain the materials and parts covered by the order, and that he will use the materials and parts so obtained in the production of items pursuant to the terms of this order.

SEC. 8. *NPA assistance in placing rated orders.* Any person who is unable to place an order rated under the provisions of this order should apply to the National Production Authority. Ref: M-61. The National Production Authority will arrange to assist him in locating sources of supply.

SEC. 9. *Records to be kept.* Each person participating in any transaction covered by this order shall retain in his possession for at least 2 years records of receipts, deliveries, inventories, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of originals.

SEC. 10. *Audit and inspection.* All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of NPA.

SEC. 11. *Reports.* Persons subject to this order shall make such records and submit such reports to NPA as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139–139F).

SEC. 12. *Applications for adjustment or exception.* Any person affected by any provision of this order may file a request for an adjustment or exception upon the ground that his business operation was commenced during or after the base period, that any provision otherwise works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense or in the public interest. In considering requests for adjustment claiming that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of the public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each request shall be in writing and shall set forth all pertinent facts and the nature of the relief sought, and shall state the justification therefor.

SEC. 13. *Communications.* All communications concerning this order shall be addressed to the National Production Authority, Washington 25, D. C., Ref: M-61.

SEC. 14. *Violations.* Any person who wilfully violates any provision of this order, or who furnishes false information or conceals any material fact in the course of operation under it, is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

NOTE: All record-keeping and reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall take effect on May 14, 1951.

NATIONAL PRODUCTION AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

LIST A

ITEMS AS DESCRIBED IN OFFICIAL CMP CLASS B PRODUCT LIST

Product Class Code	Product	Percentage of base period rate		
		Iron and steel products	Copper products	Aluminum products
35411	Boring and broaching machines	140	130	125
35412	Drilling machines	140	130	125
35413	Gear cutting and finishing machines	140	130	125
35414	Grinding and polishing machines	140	130	125
35415	Lathes	140	130	125
35416	Milling machines	140	130	125
35417	Other machine tools, except home workshop	140	130	125
35421	Rolling mill machinery and equipment	140	130	125
35422	Metalworking presses, except forging	140	130	125
35426	Metalworking machinery, n. e. c.	140	130	125
35431	Jigs, fixtures, punches, dies, die sets, and subpresses	140	130	125
35433	Precision measuring tools (including production gages)	140	130	125
35434	Metalworking accessories, n. e. c.	140	130	125
35592	Foundry machinery and equipment	115	110	105
3561191	Industrial pumps	100	95	90
35613	Compressors	105	100	95
35640	Industrial fans and blowers	100	95	90
35671	Electric industrial furnaces and ovens	110	105	100
35672	Fuel-fired industrial furnaces and ovens	110	105	100
35673	Industrial furnace and oven parts and attachments	110	105	100
35854	Compressors and compressor units, refrigeration and air-conditioning	110	105	100
35855	Condensing units, refrigeration and air-conditioning	110	105	100
35856	Refrigeration and air-conditioning equipment, n. e. c. (except air conditioners, packaged, room)	110	105	100
35940	Industrial patterns and molds	115	110	105
3613392	Electrical measuring instruments, n. e. c.	115	110	105
3614291	Integral horsepower motors and generators, under 2,000 kw	140	105	100
36144	Motor-generator sets and other rotating equipment	110	105	100
36162	Industrial electrical control equipment, except railroad and automotive	115	110	105
36173	Resistance welders, components and electrodes	105	100	95
36191	High frequency induction and dielectric heating apparatus	105	100	95

[F. R. Doc. 51-5728; Filed, May 14, 1951; 4:33 p. m.]

[NPA Order M-62]

M-62—HORSEHIDES, HORSEHIDE PARTS, GOATSKINS, CABRETTAS, SHEEPSKINS, SHEARLINGS, AND KANGAROO SKINS

This order is found necessary and appropriate to promote the national defense and is issued pursuant to the authority of section 101 of the Defense Production Act of 1950. In the formulation of this order there has been consultation with industry representatives, including trade association representatives, only with respect to the provisions formerly in NPA Order M-29, and consideration has been given to their recommendations, but in the formulation of the remaining provisions of this order consultation with industry has been rendered impracticable due to the necessity for immediate action.

Sec.
1. What this order does.
2. Definitions.
3. Restrictions on tanning horsehide fronts.
4. Restrictions on sale and use of horsehide front leather.
5. Limitations on processing of hides and skins.
6. Exemption.
7. Reports.
8. Records.
9. Audit and inspection.
10. Applications for adjustment or exception.
11. Communications.
12. Violations.

AUTHORITY: Sections 1 to 12 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

SECTION 1. *What this order does.* The purpose of this order is to conserve and

to provide for an equitable distribution, through the normal channels of distribution, of the hides and skins affected hereby so as best to serve the interests of national defense. This order prohibits the tanning of horsehide fronts which are suitable for the production of military leather, except for the purpose of producing military leather. It also forbids the sale, delivery, acceptance of delivery, or commercial use by any person of leather made from horsehide fronts except for the purpose of filling DO rated orders, if such leather is capable of being used to fill such orders. The foregoing provisions respecting horsehide fronts have been transposed without substantive change from NPA Order M–29, as amended February 19, 1951. In addition, this order limits the number of horsehides, horsehide parts, goatskins (including kidskins), cabrettas, sheepskins (including lambskins), shearlings, and kangaroo skins which a tanner may put into process or a contractor may cause to be put into process. While percentage limitations are established for the period from May 1, 1951, to June 30, 1951, only, it is the present intention of NPA to establish percentage limitations for subsequent periods. This order also calls for reports on the number of hides and skins subject to such percentage limitations, which were put into the tanning process during the calendar year 1950.

SEC. 2. *Definitions.* As used in this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons, and includes agencies of the United States or any other government.

(b) "Tanner" means: (1) For purposes of section 3 of this order, a person engaged in the business of tanning, dressing, or similarly processing any number of horsehide fronts. (2) For purposes of sections 5 and 7 of this order, a person engaged in the business of tanning, dressing, or similarly processing hides or skins who, during the 12-month period commencing January 1, 1950, put into process 12,000 or more goatskins or sheepskins, or 1,200 or more horsehides, horsehide fronts, horsehide butts, horsehide shanks, cabrettas, shearlings, or kangaroo skins, or who, in any calendar month after the effective date of this order, puts into process any such hides or skins in quantities equal to one-twelfth or more of the amounts specified in this paragraph with respect to each type of hide or skin.

(c) "Contractor" means: (1) For purposes of section 3 of this order, a person engaged in the business of causing any number of horsehide fronts to be tanned, dressed, or similarly processed, for his account in any tannery not owned or controlled by him. (2) For purposes of sections 5 and 7 of this order, a person engaged in the business of causing hides and skins to be tanned, dressed, or similarly processed, for his account in any tannery not owned or controlled by him, who, during the 12-month period commencing January 1, 1950, caused to be put into process for his account 12,000 or more goatskins or sheepskins, or 1,200 or more horsehides, horsehide fronts, horsehide butts, horsehide shanks, cabrettas, shearlings, or kangaroo skins, or who, in any calendar month after the effective date of this order, causes to be put into process for his account any such hides or skins in quantities equal to one-twelfth or more of the amounts specified in this paragraph with respect to each type of hide or skin.

(d) "Horsehide" means the hide or skin of a horse, colt, mule, ass, donkey, or pony, except dry pony hides to be processed for furs.

(e) "Horsehide front" means the forepart of the hide or skin of a horse, colt, mule, ass, donkey, or pony commercially known in the trade as a "front", whether or not still attached to other parts of the hide or skin.

(f) "Horsehide butts" and "horsehide shanks" mean those parts of a horse commercially so known, whether or not still attached to other parts of the horsehide.

(g) "Goatskin" means the skin of a goat or kid in the raw or in the pickle, except when processed for fur purposes.

(h) "Cabretta" means the skin of a hair sheep in the raw or in the pickle.

(i) "Sheepskin" means the skin of a wool sheep or wool lamb, in the raw or in the pickle, and includes slats.

(j) "Slat" means a sheepskin imported into the continental United States in the dried, untanned condition, which has no wool or hair, or which has wool or hair less than one-fourth of an inch in length, such wool or hair lacking any commercial value.

(k) "Shearling" means any sheepskin which has been sheared shortly before slaughter, on which the wool remains, and which is to be used for leather or for fur purposes (including mouton).

(l) "Kangaroo skin" means the skin of an Australian or Tasmanian kangaroo or wallaby in the hair or in the pickle, except when processed for fur purposes.

(m) "Put into process" means: (1) In the case of raw skins or hides, the first step in the conversion of such skins or hides into leather at a tannery or in the conversion of mouton into fur. (2) In the case of semi-tanned skins, the first step in the conversion of such skins into leather. (3) In the case of pickled skins, the first step beyond the pickle in the conversion of such skins into leather.

(n) "Raw skins or hides" means skins or hides from which the hair or wool has not been removed.

(o) "Semi-tanned skins" means skins that have been imported in a tanned but not a finished condition, including skins imported "in the rough", "in the crust", "in the white", "in the blue", or "in the pearl".

(p) "Pickled skins" means skins from which the hair or wool has been removed and which have been pickled in a salt or other solution for preservation prior to tanning.

(q) "Military leather" means leather meeting any military specifications in force at the time.

(r) "Base period" means the 12-month period ending December 31, 1950.

(s) "NPA" means National Production Authority.

SEC. 3. *Restrictions on tanning horsehide fronts.* Unless specifically directed by NPA, no tanner shall put into process or continue to process, and no contractor shall cause to be put into process, any horsehide front except for the purpose of processing it into military leather: *Provided, however,* That this restriction shall not apply to any horsehide front which is not capable of being processed into military leather.

SEC. 4. *Restrictions on sale and use of horsehide front leather.* Unless specifically directed by NPA, no person shall sell, deliver, accept delivery of, or incorporate into any product for commercial purposes, except for DO rated orders, any horsehide front leather suitable for military leather.

SEC. 5. *Limitations on processing of hides and skins.* (a) Unless specifically directed by NPA no tanner shall put into process and no contractor shall cause to be put into process during the period from May 1, 1951, to June 30, 1951, a total number of any of the following types of hides, parts, or skins in excess of 200 percent of the monthly average number of each such type put into process by him, or for his account, during the base period:

Horsehides	Cabrettas
Horsehide fronts	Sheepskins
Horsehide butts	Shearlings
Horsehide shanks	Kangaroo skins
Goatskins	

In the case of each type of skin listed above, the ratio of raw, semi-tanned, and pickled skins, respectively, to the total number of skins of such type so put into process, shall be the same as the ratio of raw, semi-tanned, and pickled skins, respectively, to the total number of skins of such type put into process during the base period.

(b) Raw skins shall not be processed beyond the pickle stage, whether or not they are actually processed through the pickle stage, except in the same proportion as they were so processed during the base period.

SEC. 6. *Exemption.* The provisions of paragraph (a) of section 5 of this order shall not apply to the operations of a wool puller.

SEC. 7. *Reports.* (a) Every tanner and contractor must report the number of goatskins, horsehides, horsehide fronts, horsehide butts, horsehide shanks, cabrettas, sheepskins, shearlings, or kangaroo skins put into process by him or for his account, as the case may be, during the calendar year 1950, by completing and filing with NPA report Form NPAF–73 on or before the 10th day of June 1951.

(b) Every contractor shall report to NPA each month on Form NPAF–72 his wettings and raw stock, and every tanner shall report to NPA each month on such form, his wettings and raw stock, if any,

and his leather production, for each calendar month commencing with the month of May 1951, as well as such other information as may be called for by such form. Such form shall be filed with NPA on or before June 10, 1951, and on or before the 10th day of each month thereafter.

(c) Persons subject to this order shall make such records and submit such other reports to NPA as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139–139F).

SEC. 8. *Records.* Each person participating in any transaction covered by this order shall retain in his possession for at least 2 years records of receipts, deliveries, inventories, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be maintained in the form of microfilm or other photographic copies instead of the originals.

SEC. 9. *Audit and inspection.* All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of NPA.

SEC. 10. *Applications for adjustment or exception.* Any person affected by any provision of this order may file with NPA a request for adjustment or exception upon the ground that his business operation was commenced during the base period or prior to the effective date of this order, or because any such provision works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of national defense or in the public interest. In considering requests for adjustment which claim that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each such request shall be in writing, shall set forth all pertinent facts, the nature of the relief sought, and the justification therefor.

SEC. 11. *Communications.* All communications or reports concerning this order shall be addressed to the National Production Authority, Washington 25, D. C. Ref: M–62.

SEC. 12. *Violations.* Any person who wilfully violates any provision of this order or any other order or regulation of the NPA, or who wilfully conceals a material fact or furnishes false information in the course of operation under this order, is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

NOTE: All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall take effect on May 15, 1951.

NATIONAL PRODUCTION AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

[F. R. Doc. 51–5772; Filed, May 15, 1951; 11:51 a. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 208—FLOOD CONTROL REGULATIONS

MARSHALL FORD DAM AND RESERVOIR, COLORADO RIVER, TEXAS

Pursuant to the provisions of section 7 of the act of Congress approved December 22, 1944 (58 Stat. 890; 33 U. S. C. 709), the following regulations are hereby prescribed to govern the use of flood-control storage in the Marshall Ford Reservoir on the Colorado River, Texas, and the operation of the Marshall Ford Dam for flood-control purposes. The reservoir storage above elevation 681.0 feet m. s. l. is expressly reserved primarily for flood-control purposes and regulations for the use of this storage are provided herein.

§ 208.19 *Marshall Ford Dam and Reservoir, Colorado River, Texas.* The Secretary of the Interior through his agent, the Lower Colorado River Authority (hereinafter referred to as the Authority), charged with the operation of the Marshall Ford Dam, shall operate the dam and reservoir in the interest of flood control as follows:

(a) At all times reservoir releases shall be coordinated with downstream conditions so that the flow of the Colorado River at Columbus, Texas, does not exceed 50,000 cubic feet per second (equivalent to a stage of 21.0 feet on the official U. S. Geological Survey gage designated as Colorado River at Columbus, Texas) by virtue of controlled releases from the reservoir, except that no curtailment of normal power plant releases shall result thereby at any time.

(b) During periods when the reservoir level is above elevation 681 the minimum total release from the reservoir shall be at a rate of 5,000 cubic feet per second, or, subject to downstream conditions, at such greater rate as necessary, on a basis of known storage and estimated inflow, to provide for release of water stored between elevations 681 and 691 within 30 days.

(c) Regardless of reservoir levels, if forecasts indicate that the estimated inflow will result in the reservoir level rising above elevation 691, total release shall be increased, subject to downstream conditions, to the rate necessary to prevent the reservoir level from exceeding elevation 691, if possible, except that if the reservoir level is below elevation 681 drawdown below the initial level shall not be required and that such release shall not lower the reservoir level below elevation 681 at the close of the flood control operations.

(d) If excessive inflow unavoidably results in the reservoir level rising above elevation 691, the combined controlled and uncontrolled releases from the reservoir shall be made at the maximum rate possible without exceeding a discharge of 50,000 cubic feet per second in the Colorado River at Columbus, Texas, by virtue of controlled releases from the reservoir, until the reservoir level falls to elevation 691, except that no curtailment of normal power plant releases shall result thereby.

(e) Releases made in accordance with the regulations of this section are subject to the condition that releases shall not be made at rates or in a manner that would be inconsistent with requirements for protecting the dam and reservoir from major damage. Should the reservoir level exceed elevation 722 due to excessive rates of inflow, the Authority may utilize the capacity of the flood control outlets in increasing the rate of discharge to the extent considered necessary for protecting the dam and appurtenances from major damage.

(f) The Authority shall furnish the District Engineer, Corps of Engineers, Department of the Army, in charge of the locality, daily, on forms provided for this purpose, a report showing the elevation of the reservoir pool; uncontrolled spillway, flood-control conduit, and power releases; storage; reservoir inflow; and precipitation in inches and discharge in cubic feet per second, as shown by the pertinent gages in the Colorado River Basin.

(g) Whenever the reservoir level reaches elevation 681.0 at the Marshall Ford Dam and flood releases are necessary or appear imminent, the Authority shall report at once to the District Engineer, Corps of Engineers, Department of the Army, in charge of the Locality, by telephone, telegraph or radio, and unless otherwise instructed, once daily thereafter until the reservoir level falls to elevation 681.0. These daily reports shall reach the District Engineer by 9:00 a. m. each day.

(h) The regulation of this section for the operation of the flood control facilities at the Marshall Ford Dam and Reservoir are subject to temporary modification in time of flood by the District Engineer if found desirable on a basis of conditions at the time.

[Regs. April 12, 1951—ENGWE] (58 Stat. 890; 33 U. S. C. 709)

[SEAL] EDWARD F. WITSELL,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 51–5639; Filed, May 15, 1951; 8:48 a. m.]

TITLE 42—PUBLIC HEALTH

Chapter I—Public Health Service, Federal Security Agency

Subchapter A—General Provisions

PART 1—AVAILABILITY OF RECORDS AND INFORMATION

The table of contents and the provisions of this part are hereby revised to read as follows:

Sec.
1.101 Public inspection of official records.
1.102 Clinical information; disclosure.
1.103 Nonclinical information; disclosure.
1.104 Disclosure upon court or other official order.
1.105 Disclosure to officers and employees of the Service.
1.106 Limitations on release of records.
1.107 Relation to other provisions of law.
1.108 Response to subpoena or other compulsory process.

AUTHORITY: §§ 1.101 to 1.108 issued under sec. 215, 58 Stat. 690; 42 U. S. C. 216.

§ 1.101 *Public inspection of official records.* Except as is otherwise provided in this part, the official records of the Public Health Service are available upon request for inspection by persons properly and directly concerned. Requests for permission to inspect official records of the Service are required to be addressed to the Surgeon General of the Public Health Service, Washington 25, D. C., unless otherwise directed in published organizational, procedural, or regulatory statements pertaining to specific records or classes of records. Such requests shall set forth the interest of the applicant in the subject matter of the records sought to be inspected.

§ 1.102 *Clinical information; disclosure.* (a) For the purposes of this section—

(1) "Patient" shall mean any person who is receiving or has received medical care or treatment or an examination at facilities of the Public Health Service or at other facilities by, or under the direction of, personnel of the Service or at its expense.

(2) "Clinical information" shall mean any information received by personnel of the Service from patients or regarding patients and related to their examination, care, or treatment.

(b) Clinical information in the records or in the possession of the Service is confidential and shall be disclosed only as necessary for the performance of the functions of the Service, or as follows:

(1) Upon a reasonable showing of the need therefor, the officer in charge of a hospital, station or other facility of the Service may authorize disclosure to a patient or a person designated by a patient (or, in the case of a deceased patient, to his next of kin or an authorized representative of his estate) of such clinical information as such officer determines to be medically appropriate for disclosure. The information shall not be disclosed to a person other than the patient except on the condition that it shall not be further disclosed for any purpose other than that for which it was shown to be needed. If the patient's examination, treatment or care was requested or arranged for by a governmental agency, the information shall not in any event be disclosed without the consent of that agency.

(2) Any governmental agency which, in accordance with applicable statutes, has requested or arranged for the examination, treatment, or care of a patient by the Service may upon request be furnished clinical information regarding such examination, treatment, or care.

(3) At the direction of the Surgeon General or his designee, clinical information may be furnished State or other public health agencies engaged in collecting data regarding disease.

(4) Nothing in this section shall preclude the officer in charge of any facility of the Service from disclosing (i) information as to the presence of a patient in the facility, or as to his general condition and progress, or (ii) such information regarding the commission of crimes or the occurrence of communicable disease as may be required to be disclosed by hospitals generally by the law of the State in which the facility is located.

§ 1.103 *Nonclinical information; disclosure.* (a) Information in the records or possession of the Service obtained by the Service under an assurance of confidentiality which the Surgeon General or his authorized representative determines to be necessary for the purpose of any research, survey, investigation, or collection of statistical data may be disclosed only with the consent of the person, association, or agency to which such assurance was given, or whenever the Surgeon General specifically determines disclosure to be necessary (1) to prevent an epidemic or other grave danger to the public health or (2) to oppose any legal action related to the activities of the Service and brought against the United States or any of its officers or employees.

(b) Information in the records or in the possession of the Service concerning (1) the discussions of any councils or other bodies advisory to the Service or to the Surgeon General, or of any committees or panels of such councils or bodies, (2) reports made by such committees or panels to such councils or bodies, and (3) action taken or opinions expressed by individual members of such councils, bodies, committees or panels shall not be disclosed except as may be authorized by the Surgeon General with the assent of the council or advisory body involved. In addition, if the council or other advisory body so recommends, disclosure of its final conclusions on any subject considered by it may be prohibited by the Surgeon General.

(c) The following types of information in the records or possession of the Service are confidential and, subject to the provisions of paragraphs (a) and (b) of this section, shall be disclosed only as necessary for the performance of the functions of the Service, or as follows:

(1) Information concerning individuals, business enterprises, or public or private agencies obtained by the Service in connection with communicable disease control, water pollution control, licensing of biological products or the manufacture of such products, or with other regulatory functions of the Service may be disclosed to Federal, State or local authorities carrying on related governmental functions to the extent necessary to carry out such related functions.

(2) Information and data obtained and tentative and final conclusions reached in course of or in connection with the conduct of research projects, surveys and investigations may be disclosed at such times and to such extent as the Surgeon General or his designee may determine to be in the public interest.

(3) Information obtained in connection with applications for employment, fellowships, traineeships or commissions or for research or other grants and information obtained for similar purposes may be disclosed upon consent of the person concerned.

§ 1.104 *Disclosure upon court or other official order.* Notwithstanding any other provision of this part, information in the records or in the possession of the Service, except information described in paragraphs (a) and (b) of § 1.103 and information the disclosure of which the Surgeon General determines would impair national security, shall be disclosed upon the order of a judge of a court of competent jurisdiction or of a responsible officer of any agency or body having power to compel appearances before it, *Provided, however,* That (a) clinical information shall be disclosed only in accord with applicable local law regarding the confidentiality of communications to physicians as expressly determined by the court, agency or body, and (b) in the case of an order requiring production of records other than to the court, agency or body involved, the Surgeon General or his designee may determine, in the light of the need to assure the integrity and safety of the records or the efficient administration of the Service, that the records shall be made available for examination or copying at such place as may be designated by him.

§ 1.105 *Disclosure to officers and employees of the Service.* No provision of this part shall be deemed to forbid any officer or employee of the Service to disclose any information to any other officer or employee of the Service in the course of official business.

§ 1.106 *Limitations on release of records.* Records of the Service containing information described or referred to in § 1.102 or § 1.103 shall not be released to or deposited with anyone not an authorized officer or employee of the Service except insofar as may be temporarily necessary for purposes of examination or copying.

§ 1.107 *Relation to other provisions of law.* The provisions of this part are in addition to other applicable provisions of law or regulation and shall not be deemed to authorize or compel disclosure of information inconsistently with such other provisions.

§ 1.108 *Response to subpoena or other compulsory process.* If any officer or employee of the Service is sought to be

required, by subpoena or other compulsory process, to produce records of the Service or to disclose any information described in § 1.102 or § 1.103, he shall respond, call attention to the provisions of this part, and respectfully decline to produce records or disclose information inconsistently with such provisions.

Effective date. The foregoing amendment shall be effective 30 days after publication in the FEDERAL REGISTER.

Dated: May 7, 1951.

[SEAL] W. P. DEARING,
Acting Surgeon General.

Approved: May 10, 1951.

JOHN L. THURSTON,
Acting Federal Security Administrator.

[F. R. Doc. 51-5599; Filed, May 15, 1951; 8:46 a. m.]

TITLE 45—PUBLIC WELFARE

Chapter II—Bureau of Public Assistance, Social Security Administration, Federal Security Agency

PART 201—ASSISTANCE TO STATES

Part 201 is hereby amended to read as follows:

SUBPART A—APPROVAL OF STATE PLANS FOR PUBLIC ASSISTANCE AND CERTIFICATION OF GRANTS

Sec.
201.1 General.
201.2 Approval of State plans and amendments.
201.3 Grants.
201.4 Withholding certification.

SUBPART B—REVIEW AND AUDITS

201.5 Continuing review of State and local administration.
201.6 Public assistance fiscal audits.

AUTHORITY: §§ 201.1 to 201.6 issued under Titles I, IV, X, 49 Stat. 620, 627, 645, as amended, Title XIV, Pub. Law 734, 81st Cong.; 42 U. S. C. 301-306, 601-606, 1201-1206.

SUBPART A—APPROVAL OF STATE PLANS FOR PUBLIC ASSISTANCE AND CERTIFICATION OF GRANTS

§ 201.1 *General.* The State plan is a comprehensive statement prepared by the State public assistance agency describing all pertinent aspects of its operations necessary for the Social Security Administration to reach a determination as to conformity with the specific requirements stipulated in the Social Security Act. The State plan sets forth the basic State laws enabling and limiting the administration of public assistance; a description of the agency's organization and functions; its rules and regulations governing personnel administration; policies, instructions, and interpretations with regard to eligibility conditions and methods of determining the amount of assistance; fiscal operations and procedures; and reporting and research activities. Detailed instructions and suggestions for the content and submission of the documents comprising the State public assistance plan are contained in form PA-502, "Guide for Submitting Basic Material Pertaining to State Public Assistance Plans."

§ 201.2 *Approval of State plans and amendments.* The set of documents setting forth the State's plan may be submitted as one plan covering the four types of assistance where the programs have a common basis of administration, or a separate plan covering any one of the four assistance programs. After initial approval by the Commissioner, all relevant changes such as new statutes, rules, regulations, interpretations, and court decisions are required to be submitted currently so that the Commissioner may determine the status of State plans for purposes of certification of grants from time to time.

(a) *Submission.* The State public assistance plan and revised plan material is submitted to the Bureau through the regional office. The States are encouraged to obtain consultation of the regional staff if the plan is in process of preparation or revision.

(b) *Review.* The regional public assistance representatives are responsible for review of State plans, and they also initiate discussion with the State agency on clarification of significant aspects of the plan which come to their attention in the course of this review. State plan material on which the regional staff has questions concerning the application of Federal policy is referred with recommendations as required to the Washington office for decision. Comments and suggestions, including those of consultants in specialized areas of public assistance administration, may be prepared by the departmental office for use by the regional representatives in negotiations with the State agency.

(c) *Approval.* The Bureau of Public Assistance is delegated the authority of initial approval of the State plans or State laws as provided in Titles I, IV, X, and XIV of the Social Security Act. Final authority has been reserved by the Commissioner. The Bureau advises the State public assistance agency of the approval of State plans or revisions, or the need for clarifying information.

§ 201.3 *Grants.* To States with approved plans, grants are made each quarter for assistance and administration. The determination as to the amount of a grant to be made to a State public assistance agency is based upon three documents which contain the information required under the Social Security Act.

(a) *Form and manner of submission—*
(1) *Time and place.* The estimates for public assistance grants for each quarterly period together with the State Fiscal Officer's certificate of available funds, are forwarded to the regional office 45 days prior to the period of the estimate. The State Fiscal Officer's certificates of available State funds usually submitted with the grant estimates may be submitted to cover a quarterly, semiannual, or annual period. The quarterly expenditures statement and any necessary supporting schedules are forwarded to the regional office within 20 days after the end of the quarter. Ordinarily, estimates for public assistance grants are submitted quarterly to the regional offices. However, States are permitted upon agreement with the Bureau of Public Assistance to submit estimates for grants at annual or semiannual rather than quarterly intervals.

(2) *Description of forms.* (i) "Report of Estimated Expenditures and Funds to be Available," PA-101, PA-102, PA-103, or PA-145 for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, respectively, represents the State agency's estimate of the number of recipients to receive aid during each of the three months of the quarter. The forms also contain the estimated average assistance payment per recipient, and the estimated expenditures for assistance and administration, from which are computed the total funds to be advanced during the quarter. Estimated expenditures that exceed the Federal matching maxima for payments to individuals are not to be included in computing the Federal grant and are deducted from the total estimate. In addition, the report of the estimated expenditures indicates the amount of State and local funds appropriated and available for public assistance during the pertinent quarter.

(ii) In addition, the State agency must submit a certificate of the State Treasurer or other fiscal officer having custody or control of the State assistance funds, as to the amount of State funds (exclusive of any balance of assistance received from the Federal government) actually on hand and available for expenditure. If the amount of State funds, or State and local funds if localities participate in the program, shown as available for expenditures, is not sufficient to cover the State's proportionate share of the amount estimated to be expended, the certificate of the Fiscal Officer should contain a statement showing the source from which the amount of the deficiency is expected to be derived and the time when this amount is expected to be made available.

(iii) The third document submitted by the States is the quarterly statement of expenditures for each of the categories. This is an accounting statement of the disposition of the Federal funds granted for past periods, and reflects the adjustments necessary because the State's estimate for any prior quarter was greater or less than the amount which the State expended. The statement of expenditure also shows the share of the Federal government in any recovery of assistance from recipients and also expenditures not properly subject to Federal financial participation which are acknowledged by the State agency or have been revealed in the course of the fiscal audit.

(b) *Review.* The State's estimates are analyzed by the regional office staff and are forwarded with recommendations as required to the central office.

(c) *Estimate of amount due and certification.* Upon consideration and approval of the grant request, the Commissioner for Social Security estimates the amount to be paid to the States and certifies it to the Secretary of the Treasury for the ensuing quarter. Payment to the State is made by the

Secretary of the Treasury at the beginning of each month of the quarter.

§ 201.4 *Withholding certification*—(a) *When withheld.* Certification of grants to States are withheld, after reasonable notice and opportunity for hearing, in the following circumstances:

(1) When the State has changed the plan so as to impose any requirement prohibited in the Social Security Act, or when in the administration of the plan any such prohibited requirement is imposed, with the knowledge of the State agency, in a substantial number of cases; or

(2) If in the administration of the plan there is a failure to comply substantially with any provision required by the act to be included in the plan.

(b) *Informal discussions.* Such hearings are generally not called, however, until after reasonable effort has been made by regional and central office representatives to resolve the questions involved by conference and discussion with State officials. Formal notification of the date and place of hearing does not foreclose further negotiations with State officials.

(c) *Hearings.* Hearings are held in accordance with the provisions of sections 4, 404, 1004, and 1404 of the Social Security Act. The requirements of sections 5 to 8 of the Administrative Procedure Act are observed in conducting the hearings.

(d) *Notice of non-certification.* If after such hearing it is found that funds should be withheld, the State agency is notified that further payment will not be made to the State until it is shown that such prohibited requirement is no longer imposed and that there is no longer any such failure to comply. Until then, further certification to the Secretary of the Treasury is not made with respect to such State plan. (Sections 4, 404, 1004, and 1404 of the Social Security Act.)

SUBPART B—REVIEW AND AUDITS

§ 201.5 *Continuing review of State and local administration.* (a) In order to provide a basis for determining that State welfare departments are adhering to Federal requirements and to the substantive legal and administrative provisions of their approved plans, the Bureau of Public Assistance conducts a continuing review of State and local administration.

(b) The administrative review includes analysis of procedures and policies of State and local agencies and review of records of individual recipients. A sample of case records is read, and schedules are filled out for various types of cases, such as for approved applications, for cases active a year or more, and for rejected applications. If the review reveals cases in which there appears to have been an improper claim for Federal funds, the State agency is given an opportunity to provide information to substantiate the payment, or to make an adjustment on its expenditure report.

§ 201.6 *Public assistance fiscal audits.* (a) Semiannually, or at other times as necessary, the State public assistance agency claims for Federal funds are audited by the Division of State Grant-in-Aid Audits of the Office of Federal-State Relations of the Federal Security Agency to determine that the agency has properly reported its accountability for grants of Federal funds for public assistance; the amounts granted for Federal funds for assistance payments where actually disbursed to individuals who had been determined by the agency to be entitled to public assistance under the appropriate category; administrative expenditures claimed for Federal financial participation are proper under the Federal act and State plan including State laws and regulations; amounts expended and used as the basis for claiming Federal funds under Titles I, IV, X, and XIV were not derived from other Federal sources or were not used as a basis for other Federal matching; and the share of the Federal government in any recovery was accurately and promptly adjusted with, or limited to, the Federal government.

(b) If the audit results in no exceptions, the public assistance agency is advised by letter of this result. The general course for the disposition of exceptions resulting from audits involves the submittal of details of these exceptions to the State public assistance agency which then has an opportunity to concur in the exceptions or to assemble and submit additional facts for purposes of clearance. Provision is made for the State agency to appeal audit exceptions in which it has not concurred and which have not been deleted on the basis of clearance material. After consideration of a State agency appeal, the Commissioner advises the State agency of any expenditures in which the Federal government may not participate and requests it to include the amount as adjustments in a subsequent statement of expenditures. Expenditures in which it is found the Federal government may not participate and which are not properly adjusted through the State's claim will be deducted from subsequent estimates made by the State agency.

Dated: May 11, 1951.

[SEAL] A. J. ALTMEYER,
Commissioner for Social Security.

Approved: May 11, 1951.

JOHN L. THURSTON,
Acting Federal Security Administrator.

[F. R. Doc. 51-5677; Filed, May 15, 1951; 8:52 a. m.]

TITLE 46—SHIPPING

Chapter I—Coast Guard, Department of the Treasury

[CGFR 51-18]

ALLOTMENTS OF SEAMEN

The purpose of the following amendments is to effect editorial changes in the regulations and to revise the requirements to agree with Public Law 860, 81st Congress, 2d Session, approved September 29, 1950. The regulations in Part 132, regarding allotments of seamen, are transferred to Part 15 and the sections reprinted so that the requirements will be easy to identify. The following tables indicate the relationship between the old and new section numbers:

COMPARISON OF OLD SECTION NUMBERS WITH NEW SECTION NUMBERS

Old section Nos.	New section Nos.
132.1	15.01-1
132.2	15.01-5
132.3	15.05-1
132.4	15.10-1
132.5	15.10-5
132.6	15.05-10
132.8	15.05-5
132.9	15.15-1
132.10	15.15-5
132.11	15.15-10
132.12	15.05-15

COMPARISON OF NEW SECTION NUMBERS WITH OLD SECTION NUMBERS

New section Nos.	Old section Nos.
15.01-1	132.1
15.01-5	132.2
15.05-1	132.3
15.05-5	132.8
15.05-10	132.6
15.05-15	132.12
15.10-1	132.4
15.10-5	132.5
15.15-1	132.9
15.15-5	132.10
15.15-10	132.11

In accordance with the Administrative Procedure Act (5 U. S. C. 1003) notice of proposed rule making, public procedure thereon, and publication thirty days prior to its effective date are found impracticable and contrary to the public interest because the amendments are to revise the regulations to agree with Public Law 860, transfer regulations from one part to another to provide a better presentation of requirements, and to clarify certain requirements applicable to the public. Since Public Law 860 broadens the statutory requirements covering allotments of seamen, the changes in the regulations are relaxations from previous requirements.

By virtue of the authority vested in me as Commandant, United States Coast Guard, by Treasury Department Order No. 120, dated July 31, 1950 (15 F. R. 6521), to promulgate regulations in accordance with the statute cited with the regulations below, the following amendments to the regulations are prescribed and shall become effective on and after the date of publication of this document in the FEDERAL REGISTER:

Subchapter B—Merchant Marine Officers and Seamen

PART 15—ALLOTMENTS OF SEAMEN

Chapter I, Subchapter B, is amended by adding a new Part 15, reading as follows:

SUBPART 15.01—GENERAL

Sec.
15.01-1 Persons by and to whom allotments may be made.
15.01-5 Seaman may make more than one allotment.

SUBPART 15.05—PROCEDURES COVERING ALLOTMENTS

15.05-1 Allotments to be in writing.
15.05-5 Execution of allotments.
15.05-10 Effective date of allotment.
15.05-15 Cancellation of allotment.

SUBPART 15.10—COMPUTING ALLOTMENTS

Sec.
15.10–1 Wages upon which allotments may be based.
15.10–5 Limitation on amount of allotment.

SUBPART 15.15—PAYMENT AND ACCOUNTING REQUIRED

15.15–1 Time of payment of allotments.
15.15–5 Payment of allotments.
15.15–10 Accounting for payment.

AUTHORITY: §§ 15.01–1 to 15.15–10 issued under 23 Stat. 55, as amended; 46 U. S. C. 599.

SUBPART 15.01—GENERAL

§ 15.01–1 *Persons by and to whom allotments may be made.* (a) Any seaman employed on any vessel (except seamen employed on fishing or whaling vessels or yachts), may stipulate in his shipping agreement for an allotment of a portion of the wages for which he is signed on (see § 15.10–5) to his grandparents, parents, wife, sister, or children; to an agency duly designated by the Secretary of the Treasury for the handling of applications for United States Savings Bonds, for the purpose of purchasing such bonds for the seaman; or for deposits to be made in an account for savings or investment opened by him and maintained in his name, either at a savings bank or a United States Postal Savings Depository, or a savings institution in which such accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

(b) Allotments for the purchase of United States Savings Bonds shall be in an amount corresponding exactly to the issue price of such bonds. The bank or other issuing agency will forward the bonds by mail to the address designated by the seaman, but only within the United States, its territories and insular possessions and the Canal Zone.

(c) The term "savings bank" includes any bank, savings bank, or trust company wherein a savings department is maintained; or any Federal Credit Union organized in accordance with the provisions of the Federal Credit Union Act (48 Stat. 1216, 12 U. S. C. 1751–1771); or any credit union organized under substantially similar laws of any State or the District of Columbia, which is approved by the Commandant of the Coast Guard.

(d) No allotments may be drawn in favor of a joint tenant in a savings account unless such joint tenant is a grandparent, parent, wife, sister, or child of the seaman making the allotment.

(e) Before allotments to savings institutions other than savings banks, as defined in paragraph (c) of this section may be accepted, the seaman shall present satisfactory evidence that the accounts in the particular institution are insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Association.

(f) Allotments by masters of vessels are not authorized and should not be approved.

§ 15.01–5 *Seaman may make more than one allotment.* Any seaman may stipulate in his articles of agreement for the payment of allotments to any or all of the persons or organizations enumerated in § 15.01–1: *Provided,* That the total amount of such allotments does not exceed the maximum amount permitted under § 15.10–5.

SUBPART 15.05—PROCEDURES COVERING ALLOTMENTS

§ 15.05–1 *Allotments to be in writing.* All allotments executed by any seaman shall be in writing in triplicate on Form CG 722 and shall be approved by a shipping commissioner or deputy shipping commissioner, or collector or deputy collector of customs at ports where no shipping commissioner has been appointed, or consular officer of the United States.

§ 15.05–5 *Execution of allotments.* All allotments shall be executed in triplicate on Form CG 722 by the seaman making the same and after the allotments are approved shall be distributed by the shipping commissioner, deputy shipping commissioner, collector of customs, deputy collector of customs, or consular officer in the following manner:

(a) The original shall be sent to the seaman's employer.

(b) The duplicate shall be sent to the person or bank or institution in whose favor the allotment is drawn; and

(c) The triplicate shall be retained in the file of the official who approves the allotment.

§ 15.05–10 *Effective date of allotment.* All allotments shall be effective as of the date when the wages of the seamen commence on the articles of agreement.

§ 15.05–15 *Cancellation of allotment.* Whenever a seaman, before the expiration of the allotment period, severs his contractual relationship with the vessel upon which he was employed, the master of such vessel should notify the employer of the seaman, by the quickest means of communication available, of this fact. Upon the receipt of such information, the employer should notify the person in whose favor the allotment is drawn.

SUBPART 15.10—COMPUTING ALLOTMENTS

§ 15.10–1 *Wages upon which allotments may be based.* Allotments may be made by seamen only upon the amount of the wages for which they are signed on.

§ 15.10–5 *Limitation on amount of allotment.* No allotment which calls for the payment of more than 90 percent of the wages upon which an allotment may be based (see § 15.10–1), after allowing for a deduction to cover the Federal withholding tax, shall be approved.

SUBPART 15.15—PAYMENT AND ACCOUNTING REQUIRED

§ 15.15–1 *Time of payment of allotments.* Allotments may stipulate that the payments may be made for a specified period of time or they may stipulate that the payments be continued for the voyage of the vessel. No allotment which requires the employer of the seaman to commence payments under the same before fifteen days from the date of the allotment shall be authorized. Allotments can be made for semi-monthly, monthly, or bi-monthly payments.

§ 15.15–5 *Payment of allotments.* The employer of the seaman shall make payments of the amount or amounts allotted by cash, check, or money order. All such payments shall be made in sufficient time to insure the receipt of the remittance at the time and place specified in the allotment.

§ 15.15–10 *Accounting for payment.* The employer of the seaman shall produce evidence of the payment of all allotments listed in a vessel's articles of agreement to the shipping commissioner supervising the payment of the wages of the crew, unless this requirement is waived by any or all of the allotters.

Subchapter K—Seamen

PART 132—ALLOTMENTS OF SEAMEN

Part 132 is deleted (the text of the regulations in this part has been redesignated and transferred to Part 15 of this chapter).

Dated: May 10, 1951.

[SEAL] MERLIN O'NEILL,
Vice Admiral, U. S. Coast Guard Commandant.

[F. R. Doc. 51–5648; Filed, May 15, 1951; 8:48 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 9518]

PART 3—RADIO BROADCAST SERVICES

SEPARATE OPERATION OF AURAL AND VISUAL TRANSMITTERS OF TELEVISION STATIONS

1. The above-entitled proceeding was instituted by the issuance of the Commission's "Notice of Proposed Rule Making" (FCC 49–1621) (14 F. R. 7566) on December 8, 1949. Interested parties were afforded the opportunity of filing comments concerning the Commission's proposed amendment by January 9, 1950.[1] Pursuant to request therefor, oral argument was heard by the Commission en banc on June 2, 1950.[2]

2. Section 3.661 (b) of the Commission's rules and regulations governing television broadcast stations now provides: "The aural transmitter of a television broadcast station shall not be operated separately from the visual

[1] Comments were filed by the National Association of Broadcasters, Television Broadcasters Association, American Broadcasting Company, Inc., National Broadcasting Company, Inc., Television Installation and Service Association of Chicago, RCA Service Company, Inc., KPIX, Inc., KTTV, Inc., Radio Service Corporation of Utah, Paramount Television Productions, Inc., Jefferson Standard Broadcasting Company, Fort Industry Company, and Radio Cincinnati, Inc.

[2] Oral argument was offered by the Television Broadcasters Association, Fort Industry Company, National Association of Broadcasters, American Broadcasting Company, Inc., KTTV, Inc., Radio Cincinnati, Inc., and Paramount Television Productions, Inc.

transmitter except for experimental or test purposes."

The Commission first proposed such a provision on February 27, 1941, in the following form: "The aural transmitter of a television broadcast station shall not be operated separately from the visual transmitter except for experimental or test purposes, and for purposes incidental to or connected with the operation of the visual transmitter." (Docket 5806.)

On April 30, 1941, the proposed rule was adopted without change as § 4.261 (b) of the first commercial television rules. Thereafter, on November 28, 1945, in promulgating the post-war television rules, the Commission substituted § 3.661 (b) for § 4.261 (b), without changing the wording thereof. On June 17, 1948, the Commission amended the rule (Docket 8966) to its present form by deleting the phrase "and for purposes incidental to or connected with the operation of the visual transmitter."

3. In an effort to clarify the meaning of the rule, the Commission issued an interpretation thereof in a public notice (FCC 49–842) on June 23, 1949.[3]

Subsequently, the Commission indicated that comments might be filed concerning this interpretation and such comments were filed by several interested parties. In light of these comments and as a result of its further study of the matter, the Commission on December 8, 1949, issued the notice of proposed rule making (FCC 49–1621) in this proceeding proposing to amend § 3.661 (b) as follows:

(1) The aural transmitter of a television station shall not be operated separately from the visual transmitter except for the following purposes:

(i) For actual tests of station equipment and for actual experimentation in accordance with § 3.662; and

(ii) For emergency "fills" in case of visual equipment failure or unscheduled and unavoidable delays in presenting visual programs.

(2) During periods of transmission of a test pattern on the visual transmitter of a television station, aural transmissions shall consist only of a single tone or series of variable tones. During periods when still pictures or slides are employed to produce visual transmissions which are accompanied by aural transmissions, the aural and visual transmissions shall be integral parts of a program or announcement and shall have a substantial relationship to each other: *Provided,* That nothing herein shall preclude the transmission of a test pattern, still pictures or slides for the following purposes and periods:

(i) To accompany aural announcements of the station's program schedule for a total period not to exceed 15 minutes in any broadcast day; and

(ii) To accompany aural news broadcasts or news commentaries not to exceed 5 minutes in length and for a total period not to exceed 15 minutes in any broadcast day.

It was further proposed that the following interpretations would accompany, and be a part of, the rule as amended:

Examples: (1) Duplication of AM or FM programs on the aural transmitter of a television station while the same program is broadcast on the visual transmitter (i. e., a "simulcast") is consistent with this paragraph.

(2) Duplication of AM or FM programs on the aural transmitter of a television station while a test pattern is broadcast on the visual transmitter is not consistent with this paragraph, except for the specific purposes and periods specified in paragraph (b) (2).

(3) A travel lecture in which the words of the lecturer are broadcast simultaneously with still pictures or slides of scenes illustrating the lecture, and a newscast in which the words of the newscaster are broadcast simultaneously with still pictures or slides of the news events, are examples of programs in which the aural and visual transmissions are integral parts of the same program having a substantial relationship to each other, within the meaning of paragraph (b) (2).

(4) The broadcast of a test pattern accompanied by a musical composition for the purpose of demonstration, sale, installation or orientation of television receivers or receiving antennas is not consistent with this paragraph.

(5) The broadcast of a test pattern upon which is visually imposed a moving text consisting of continuous program material, such as a running newscast or news commentary, is consistent with this paragraph.

(6) The broadcast of a test pattern upon which is visually imposed a clock indicating the time of day, or a text that is changed at spaced intervals, it is not consistent with this paragraph.

4. The Commission believes that amendment of § 3.661 (b) is necessary to confine the employment of television frequencies to actual television broadcasting. It is the Commission's opinion that the use of a television station authorized to operate on a 6-megacycle channel merely as an aural or quasi-television broadcast station would not serve the public interest. A license to operate a television station employing such a large proportion of spectrum space carries with it the responsibility of functioning as a television broadcast station, and the mere broadcasting of simultaneous aural and visual transmissions does not satisfy this duty. The aural and visual portions of the broadcast must have a substantial relationship to each other: anything less may meet the technical definition of television but is not television broadcasting, and would not be in the public interest.

5. The Commission believes that the utilization of television facilities merely for purposes of duplicating the sound portion of aural broadcasts of AM or FM stations, or for originating aural broadcasts without appropriately related visual accompaniment, would be an uneconomical use of radio frequencies. Similarly, the duplication of AM or FM aural programs while a test pattern is broadcast on the visual transmitter is not television broadcasting, and would not be in the public interest. The duplication of AM or FM programs while the same programs are broadcast on the visual transmitter, i. e., simulcasts, would not, of course, meet with the same objection and would constitute proper use of television channels.

6. It is the Commission's opinion, also, that the broadcast of a test pattern accompanied by musical compositions, while helpful for the purpose of demonstration, sale, installation or orientation of television receivers, would be improper use of a television frequency. During periods when still pictures or slides are employed to produce visual transmissions which are accompanied by aural transmissions, the Commission believes that such visual and aural transmissions should be integral parts of a program or announcement having a substantial relationship to each other. Obviously, "a still picture fitting the mood of a musical transmission" is not consistent with the purposes of the rule. To permit otherwise would, in effect, authorize a new type of quasi-television service and would not be in the public interest. The Commission is providing, therefore, that during periods of test pattern transmissions, accompanying aural transmissions should consist only of a single tone or series of variable tones. However, the Commission believes that certain express exceptions should be made. For example, the Commission is providing that the transmission of a test pattern, still pictures or slides with musical accompaniment for 15 minutes immediately prior to the commencement of a programming schedule is permissible as a "warm-up" period for television stations. Such visual transmissions may also be utilized to accompany aural announcements of a station's program schedule, aural news broadcasts, or presentation by news commentators for a total period not exceeding one hour in any broadcast day.

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[3] The Commission interpreted § 3.661 (b) as follows:

(1) Duplication of AM or FM programs on the aural transmitter of a TV station

(a) While the same program is broadcast on the visual transmitter is consistent with § 3.661 (b).

(b) While a test pattern is broadcast on the visual transmitter is not consistent with § 3.661 (b).

(2) Broadcast on the aural transmitter of a TV station of transmissions originated by the TV station

(a) While a printed moving text is broadcast on the visual transmitter—is consistent with § 3.661 (b).

(b) While still pictures or slides are broadcast on the visual transmitter—is not consistent with § 3.661 (b) except for the purpose of necessary tests of station equipment, and except when the aural and visual transmissions are integral parts of a program and the visual transmissions have a substantial relationship to the aural transmissions. (An example of the latter type of program would be a travel lecture in which the words of the lecturer are broadcast simultaneously with still pictures or slides of scenes illustrating the lecture. Another example would be a newscast in which the words of the newscaster are broadcast simultaneously with still pictures or slides of the news events.)

(c) While a test pattern is broadcast on the visual transmitter is not consistent with § 3.661 (b) except for the purpose of necessary tests of station equipment, and except for the purpose of the actual demonstration of TV receivers to prospective purchasers. In such cases the aural transmissions shall not consist of any program material or musical composition but shall consist only of a single tone or a series of variable tones.

7. The Commission recognizes that under certain circumstances the aural transmitter of a television station may properly be operated separately from the visual transmitter. For example, such operation would be appropriate for actual tests of station equipment and during periods of actual experimentation in accordance with § 3.662 of the rules. The Commission recognizes, similarly, that in case of visual equipment failure or unscheduled or unavoidable delays in presenting visual programs, emergency "fills" may be required and that the aural transmitter may properly be used to advise the audience of difficulties and to transmit, for a short period, program material of such nature that the audience will be enabled to remain tuned to the station. For example, in the event of cable difficulties or the failure of remote pickup equipment, news, or even music, accompanying a test pattern or other visual presentation would be proper under such circumstances.

8. The Commission has given careful consideration to the comments filed and oral arguments offered with respect to the notice of proposed rule making in this proceeding. Broadcasters have urged that the rule in question should expressly permit the aural transmitter of television stations to be used for purposes of advising the audience of difficulties encountered and to transmit, for a short period, program material of such nature that the audience will be enabled to remain tuned to the station. As noted above, the Commission agrees that the proposed rule should be revised expressly to permit such operation. It has been argued before the Commission, also, that the rule as proposed was too rigid and inflexible and that a more reasonable limit should be placed on the period when non-integrated aural programming is permitted. The rule as proposed specified a period "not to exceed 5 minutes in length and for a 15 minute period in any broadcast day" for test pattern, still pictures or slides accompanying aural news broadcasts or news commentaries. Such visual transmissions were also proposed to be permitted to accompany aural program schedule announcements for a 15 minute period in any broadcast day. The Commission at this time is making this provision more flexible and is increasing the period when such operation may be conducted to one hour in any broadcast day, to be used in the discretion of the broadcaster. The Commission has also been urged to permit music accompanying a test pattern for a period immediately prior to the commencement of the regular programming schedule for "warm-up" purposes. As noted above, the Commission is changing the rule to permit such operation for a 15 minute period prior to the commencement of a programming schedule. It has been submitted to the Commission that music accompanying a test pattern should be allowed in order to permit proper installation and orientation of television receivers and to facilitate the sale and demonstration of receivers. It is the Commission's belief, however, that a single tone or series of variable tones are adequate for proper installation and orientation of receivers and that such tone signals have not discouraged the purchase of sets. Furthermore, as television stations commence more and more programming during the daytime hours, this matter becomes moot. In any event, the Commission is of the opinion that the transmission of music accompanying a test pattern, except as specifically proposed in the rule, would not be in the public interest. With respect to other suggestions offered by interested parties and not incorporated in the attached rule, the Commission believes that their adoption would be inconsistent with the history and purposes of the rule as shown above and would not be in the public interest.

9. In view of the foregoing, therefore, *It is ordered*, this 3d day of May 1951, that, effective June 13, 1951, § 3.661 (b) of the Commission's rules and regulations is amended as set forth below.

(Sec. 4, 48 Stat. 1066, as amended; 47 U. S. C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U. S. C. 303)

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

Section 3.661 (b) is amended as follows:

(b) (1) The aural transmitter of a television station shall not be operated separately from the visual transmitter except for the following purposes:

(i) For actual tests of station equipment or actual experimentation in accordance with § 3.662; and

(ii) For emergency "fills" in case of visual equipment failure or unscheduled and unavoidable delays in presenting visual programs. In such situations the aural transmitter may be used to advise the audience of difficulties and to transmit for a short period program material of such nature that the audience will be enabled to remain tuned to the station; for example, music or news accompanying a test pattern or other visual presentation.

(2) During periods of transmission of a test pattern on the visual transmitter of a television station, aural transmission shall consist only of a single tone or series of variable tones. During periods when still pictures or slides are employed to produce visual transmissions which are accompanied by aural transmissions, the aural and visual transmissions shall be integral parts of a program or announcement and shall have a substantial relationship to each other: *Provided*, That nothing herein shall preclude the transmission of a test pattern, still pictures or slides for the following purposes and periods:

(i) To accompany aural announcements of the station's program schedule and aural news broadcasts or news commentaries, for a total period not to exceed one hour in any broadcast day.

(ii) To accompany aural transmissions for a period of time not to exceed fifteen minutes immediately prior to the commencement of a programming schedule.

Examples: (1) Duplication of AM or FM programs on the aural transmitter of a television station while the same program is broadcast on the visual transmitter (i. e. a "simulcast") is consistent with this paragraph.

(2) Duplication of AM or FM programs on the aural transmitter of a television station while a test pattern is broadcast on the visual transmitter is not consistent with this paragraph; except for the specific purposes and periods specified in paragraph (b) (2).

(3) A travel lecture in which the words of the lecturer are broadcast simultaneously with still pictures or slides of scenes illustrating the lecture, and a newscast in which the words of the newscaster are broadcast simultaneously with still pictures or slides of the news events, are examples of programs in which the aural and visual transmissions are integral parts of the same program having a substantial relationship to each other, within the meaning of paragraph (b) (2). Mood music unrelated to the visual transmission is not consistent with this paragraph.

(4) The broadcast of a test pattern accompanied by a musical composition for the purpose of demonstration, sale, installation or orientation of television receivers, or receiving antennas is not consistent with this paragraph.

(5) Music accompanying the transmission of a test pattern upon which is visually imposed a moving text consisting of continuous program material, such as a running newscast or news commentary, is consistent with this paragraph.

(6) Music accompanying the transmission of a test pattern upon which is visually imposed a clock indicating the time of day, or a text that is changed at spaced intervals, is not consistent with this paragraph.

[F. R. Doc. 51-5644; Filed, May 15, 1951; 8:48 a. m.]

[Docket No. 9827]

PART 9—AERONAUTICAL SERVICES

PART 14—RADIO STATIONS IN ALASKA (OTHER THAN BROADCAST AND AMATEUR)

AVIATION SERVICE IN ALASKA

At the session of the Federal Communications Commission held at its offices in Washington, D.C., on 9th day of May 1951;

The Commission having under consideration the above captioned matter which proposed to amend Part 9, rules and regulations governing aeronautical services in order to provide in it for aviation communication service in Alaska, and to delete, as no longer useful, the "Aviation Service" subpart of Part 14 of the Commission's rules governing radio stations in Alaska other than amateur and broadcast; and

It appearing, that in accordance with the requirements of the Administrative Procedure Act, a notice of proposed rule making was duly published in Volume 15 of the FEDERAL REGISTER on November 21, 1950, which notice proposed the aforementioned amendments to the Commission's rules; and

It further appearing, that the period in which interested persons were afforded an opportunity to submit comments has expired, and several comments were received and considered, including a proposal to eliminate the requirement of guarding the frequency 3105 kc. in Alaska; and

It further appearing, that the proposal referred to in the preceding clause is

being made a subject of a separate rule making proceeding; and

It further appearing, that based upon the comments of the interested persons, editorial changes which do not require further rule making proceedings have been made in the rules as proposed by (1) eliminating, as unnecessary, § 9.431 (b) and (c), (2) revising § 9.102, and (3) adding a footnote to § 9.193, and incorporated in the amendment herein ordered; and

It further appearing, that the public interest, convenience, and necessity will be served by the amendment herein ordered and that the authority therefor is contained in sections 4 (i), 303 (b), (c), (d), (e) and (r) of the Communications Act of 1934, as amended;

It is ordered, That effective June 11, 1951, §§ 14.71 through 14.74, inclusive, of Part 14, rules governing radio stations in Alaska other than amateur and broadcast are deleted; and

It is further ordered, That effective June 11, 1951, Part 9 of the Commission's rules is amended in the particulars set forth below.

(Sec. 4, 48 Stat. 1066, as amended, 47 U. S. C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U. S. C. 303)

Released: May 10, 1951.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
Secretary.

Part 9, the Commission's rules and regulations governing Aeronautical services, is amended as follows:

1. The following sentence is added to § 9.102: "Applications for stations in Alaska shall be filed in triplicate with the Engineer in Charge, Seattle, Washington."

2. Footnote 1A is added to § 9.193:

[1A] Any station in the aeronautical service in Alaska, regardless of class in which licensed, may transmit messages concerning sickness, death, weather, ice conditions or other matters relating to safety of life and property, if:

(a) There is no established means of communication between the points in question;

(b) No charge is made for the communication service; and

(c) A copy of each message so transmitted is kept on file at the transmitting station in accordance with § 9.153.

3. The first paragraph of § 9.431 is designated "(a)" and the following new paragraph is added thereto:

(b) All aeronautical stations in Alaska shall maintain a listening watch during their hours of service on 3105 kc. which is hereby designated as the calling and working frequency for aircraft in Alaska.

4. Subdivision (viii) is added to § 9.432 (a) (1):

(viii) *Alaskan chain and feeders.*
(*a*)

2748 kc.	5652.5 kc.
2922 kc.	[7] 6590 kc.
5310 kc.	[1][7] A11695 kc.

(b) These frequencies are shared with the Civil Aeronautics Administration, and are available for licensing by the Commission at those locations where an applicant justifies the need for service and the Government is not prepared to render this service.

1638 kc.	3082.5 kc.
1674 kc.	3285 kc.
2912 kc.	5057.5 kc.
2946 kc.	5672.5 kc.

5. Subdivision (vii) is added to § 9. 432 (a) (2):

(vii) *Alaskan chain and feeders.*

127.1 Mc.	127.9 Mc.
127.3 Mc.	129.3 Mc.
127.5 Mc.	129.5 Mc.

6. Subparagraphs (5) and (6) are added to § 9.432 (b).

(5) *North Pacific via Alaska Route.*

4712.5	(A1 only) kc.	6950	(A1 only) kc.
6523	(A1 only) kc.	[1] 8554	(A1 only) kc.
6537	(A1 only) kc.		

[1] These frequencies are assigned upon the express condition that no interference will be caused to any service or any station which in the discretion of the Commission may have priority on the frequency or frequencies with which interference results.

[7] Only for operations in the Aleutian Islands.

12788	(A1 only) kc.	8220 kc.
17550	(A1 only) kc.	10080 kc.
3485 kc.		13420 kc.
562.5 kc.		[1] 16630 kc.

(6) *Central Eastern Pacific Route.*

3127.5 kc.	12330 kc.
5577.5 kc.	16360 kc.
8700 kc.	

7. Footnote 18A is added to § 9.443:

[18A] Frequencies authorized or assigned by the Commission to aeronautical fixed stations in Alaska as of August 1, 1949 include the following:

2648 kc.	5632.5 kc.
4850 kc.	5662.5 kc.
4742.5 kc.	5887.5 kc.
4947.5 kc.	6570 kc.
4967.5 kc.	6590 kc.
5042.5 kc.	8015 kc.
5122.5 kc.	8554 kc.
5582.5 kc.	12788 kc.
5622.5 kc.	17550 kc.

[F. R. Doc. 51-5685; Filed, May 15, 1951; 8:48 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

[Corr, S. O. 851, Amdt. 5]

PART 95—CAR SERVICE

SUBSTITUTION OF REFRIGERATOR CARS FOR BOX CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of May A. D. 1951.

Upon further consideration of Service Order No. 851 (15 F. R. 3453, 3486, 4895, 7138; 16 F. R. 989), and good cause appearing therefor: It is ordered, that:

Section 95.851 *Substitution of refrigerator cars for box cars*, of Service Order No. 851 be, and it is hereby further amended by substituting the following paragraph (d) for paragraph (d) thereof:

(d) *Expiration date.* This section shall expire at 11:59 p. m., October 31, 1951, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

Effective date: This amendment shall become effective at 11:59 p. m., May 31, 1951.

It is further ordered, that a copy of this amendment and direction be served 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.

(Sec. 12, 24 Stat. 383, as amended, 49 U. S. C. 12. Interprets or applies sec. 1, 24 Stat. 379, as amended; 49 U. S. C. 1)

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-5619; Filed, May 15, 1951; 8:46 a. m.]

[S. O. 858, Amdt. 5]

PART 95—CAR SERVICE

LUMBER; RESTRICTIONS ON RECONSIGNING

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of May A. D. 1951.

Upon further consideration of Service Order No. 858 (15 F. R. 5050, 5434; 16 F. R. 819, 2005, 1284, 1678), and good cause appearing therefor: It is ordered, that:

Section 95.858 *Lumber; restrictions on reconsigning*, of Service Order No. 858 be, and it is hereby further amended by substituting paragraph (f) hereof for paragraph (f) thereof;

(f) *Expiration date.* This section shall expire at 11:59 p. m., September 30, 1951, unless otherwise modified, changed, suspended or annulled by order of this Commission.

Effective date: This amendment shall become effective 11:59 p. m., May 15, 1951.

It is further ordered, that this amendment shall be served 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.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 1, 24 Stat. 379, as amended; 49 U. S. C. 1)

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-5620; Filed, May 15, 1951; 8:46 a. m.]

[Corr. S. O. 860, Amdt. 4]

PART 95—CAR SERVICE

SUBSTITUTION OF REFRIGERATOR CARS FOR BOX BARS TO TRANSPORT FRUIT AND VEGETABLE CONTAINERS AND BOX SHOOKS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of May A. D. 1951.

Upon further consideration of Service Order No. 860 (15 F. R. 5081, 5395, 7139; 16 F. R. 819), and good cause appearing therefor: It is ordered, that:

Section 95.860 *Substitution of refrigerator cars for box cars to transport fruit and vegetable containers and box shooks,* of Service Order No. 860 be, and it is hereby further amended by substituting the following paragraph (d) for paragraph (d) thereof:

(d) *Expiration date.* This section shall expire at 11:59 p. m., October 31, 1951, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

Effective date: This amendment shall become effective at 11:59 p. m., May 15, 1951.

It is further ordered, that a copy of this amendment and direction be served 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.

(Sec. 12, 24 Stat. 383 as amended; 49 U. S. C. 12. Interprets or applies sec. 1, 24 Stat. 379, as amended; 49 U. S. C. 1)

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 51-5621; Filed, May 15, 1951; 8:46 a. m.]

[Rev. S. O. 562, Amdt. 3]

PART 97—ROUTING OF TRAFFIC

REROUTING OF TRAFFIC: APPOINTMENT OF AGENT

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of May A. D. 1951.

Upon further consideration of the provisions of Revised Service Order No. 562 (14 F. R. 2697; 15 F. R. 3105, 8651), and good cause appearing therefor: it is ordered, that:

Revised Service Order No. 562 be, and it is hereby, further amended, by substituting the following paragraph (d) of § 97.562, *Rerouting of traffic: appointment of agent,* for paragraph (d) thereof:

(d) *Expiration date.* This section shall expire at 11:59 p. m., May 25, 1952, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 11:59 p. m., May 25, 1951; that a copy of this order and direction be served upon the state railroad regulatory bodies of each State, upon all common carriers by railroad subject to the Interstate Commerce Act, 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.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 1, 24 Stat. 379, as amended, sec. 4, 34 Stat. 589, as amended; 49 U. S. C. 1, 15)

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 51-5617; Filed, May 15, 1951; 8:46 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR, Part 924]

HANDLING OF MILK IN DETROIT, MICH., MARKETING AREA

TENTATIVE DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND PROPOSED ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), a public hearing was conducted at Highland Park, Michigan, June 5-16, 1950, pursuant to notice thereof which was published in the FEDERAL REGISTER on May 20, 1950 (15 F. R. 3105, Doc. 50-4290).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Assistant Administrator, Production and Marketing Administration, on February 28, 1951, filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision in this proceeding. The notice of filing such recommended decision and opportunity to file written exceptions thereto was published in the FEDERAL REGISTER on March 6, 1951 (16 F. R. 2084, Doc. 51-2942).

Upon the basis of the exceptions filed with respect to the size of the marketing area and a re-examination of the evidence with respect thereto, it is tentatively concluded that the marketing area should be larger than that proposed in the recommended decision. This tentative conclusion may possibly bring within the scope of the marketing agreement and order several handlers who would not otherwise have been subject thereto. In order to afford such handlers and other interested persons an opportunity to file exceptions which they may not have filed because of the recommendation for a more restrictive area, the issuance of a tentative decision has been decided upon as a means of affording such opportunity. Any person wishing to file exceptions to this tentative decision in any findings and conclusions contained therein with respect to the size of the marketing area or any other issue may do so by filing the same, in quadruplicate, with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., not later than 5 days after the publication of this tentative decision in the FEDERAL REGISTER.

Preliminary statement. The major issues developed at the hearing were concerned with the following matters:

(1) Whether the handling of milk produced for the Detroit, Michigan, marketing area is in the current of interstate commerce or directly burdens, obstructs, or affects interstate commerce in milk or its products;

(2) Whether marketing conditions justify the issuance of a milk marketing agreement or order;

(3) The extent of the marketing area;

(4) What milk should be covered for pricing purposes;

(5) The classification of milk;

(6) The level of class prices to be paid and the methods for determining such prices;

(7) The type of pool to be used and a base rating system of distributing returns to producers; and

(8) Administrative provisions.

Findings and conclusions. Upon the basis of the evidence adduced at the hearing and on the record thereof, it is hereby found and concluded that:

(1) *Character of commerce.* The handling of milk in the Detroit, Michigan, marketing area is in the current of interstate commerce and directly burdens, obstructs or affects interstate commerce in the handling of milk and its products.

A total of 64 dairy farms located outside the State of Michigan regularly supply milk to the Detroit market. During the month of April 1950, 45 of these farms located in Ohio and Indiana delivered over a half million pounds of milk to

Detroit receiving plants, or at the rate of over six million pounds per year. Three dairy plants in Indiana and one in Ohio hold permits from the Detroit Department of Health to furnish sweet cream for consumption in Detroit.

During the months of high production, large quantities of Detroit inspected milk produced on dairy farms which supply milk for city consumption in other seasons of the year are diverted to manufacturing plants in Ohio and Indiana. One cooperative in the year of 1948 delivered over 4½ million pounds of such milk to a plant in Indiana. In 1949 movements of milk from the Detroit market to plants in Ohio totaled about 10 million pounds and in the first 5 months of 1950 amounted to over 5 million pounds. There are 36 dairy manufacturing plants located within the Detroit milkshed and purchasing milk from dairy farmers in competition with Detroit milk distributors. Several of these plants also handle surplus milk from the Detroit market. All of these plants manufacture dairy products, and a substantial portion of these products are disposed of in other states. Large quantities of Detroit inspected milk, exceeding 60 million pounds in 1949 and 30 million pounds in the first 5 months of 1950, were moved to certain of these manufacturing plants by one cooperative. Additional large amounts of milk are manufactured in plants operated by milk distributors. This milk is manufactured into evaporated milk, cheese, butter, and nonfat dry milk solids, a large proportion of which is disposed of outside of the State of Michigan.

Milk is distributed on routes operated from Detroit plants in direct competition with milk distributed from Toledo, Ohio, plants in the City of Monroe and at other points. The milksheds of the Detroit and Toledo markets overlap over an area of 4 counties and dairy farmers frequently shift from one market to the other. The Detroit milkshed also overlaps that of Fort Wayne, Indiana, and Cleveland, Ohio.

Milk, cream and dairy products processed in Detroit plants are furnished to interstate carriers for consumption in various states and in Canada. Seven Detroit milk distributing plants have been certified by the U. S. Public Health Service for processing milk and milk products for sale for consumption outside the state at the request of interstate carriers. These carriers include two railroads, the Pullman Company, four airlines and nine steamship companies.

From the foregoing it is evident that substantial volume of milk in the Detroit, Michigan, market is moved physically in interstate commerce in the form of milk and milk products and that the handling of milk in the market directly burdens, obstructs, or affects interstate commerce in milk or its products.

(2) *Need for an order.* An order regulating the handling of milk in the Detroit, Michigan, marketing area should be issued.

A large proportion of the milk consumed in the Detroit area is marketed by a cooperative association of dairy farmers. A price for milk marketed by the cooperative and used for fluid sales is arrived at for each month by bargaining. A lower price then applies to a small amount of milk in addition to that used for fluid sales and the remainder is sold at the average price paid by certain dairy manufacturing plants.

A number of Detroit milk distributors buy milk from dairy farmers who are not members of a cooperative. The record indicates that this milk is paid for at the average price paid for all milk to cooperative members, or a lower price. By purchasing close to needs for fluid sales, it is possible for these distributors to buy milk at a considerably lower cost on a utilization basis than that of distributors who buy from the cooperative. This is true because the cooperative and certain distributors assume the responsibility of carrying sufficient milk to supply the market in the periods of lowest production. Distributors who do not assume this responsibility are able to buy milk used largely for bottled milk sales at the average price paid to cooperative producers, which average price reflects a large volume of milk at the manufacturing price in the months of high production. This buying advantage has led to lower resale prices, the loss of business by distributors who buy higher cost milk, and demands that the price of milk for fluid use be lowered to cooperative buyers to permit competition with distributors who buy without regard to utilization.

This unstabilizing influence has been greatly aggravated by a widening of the spread between the price of milk for fluid use and the average producer price for all milk. In April 1948 the cooperative price to distributors for milk for fluid use was $4.90 and the average price paid producers for all milk was $4.76, a difference of 14 cents. In April 1950 the corresponding prices were $4.20 and $3.72 or an advantage of 48 cents to a buyer able to buy milk for fluid sales at the cooperative average price and an even greater advantage in case less than this average price was paid.

The price paid for milk used for manufacturing by cooperative buyers was $4.11 in April 1948, and $2.86 in April 1950, an increase in the spread between fluid and manufacturing milk prices from 60 cents to $1.32. This price trend greatly increased the advantage of distributors who may buy some milk for fluid use at the manufacturing price.

Statements of payments to producers for milk by buyers who do not buy through the cooperative covering several months in 1950 were submitted. One distributor had paid one producer from 35 to 38 cents per hundredweight less than the cooperative average price, another distributor paid from 19 to 34 cents less and a third paid from 34 to 38 cents less. Fall purchases of additional milk by one of these distributors to supplement his supply from producers indicate a fluid milk usage of producer milk above the average of the market.

The price advantage of buyers who do not purchase milk through a cooperative not only has forced cooperative buyers to exert continual pressure for lower prices, but also has encouraged buyers to sever business relations with the cooperative and take advantage of the lower cost milk available by direct purchase from dairy farmers at the cooperative average price or lower. One handler of a substantial volume of milk has recently taken this step after buying through a cooperative for many years. This trend, if continued, will supplement the pressure for lower prices in bringing about demoralization of the market.

The effect of these conditions in causing market instability is shown in the record of prices and milk supply over the last 3 years. In the 8-month period of June 1947 through February 1948, the Class I price negotiated by the cooperative dropped from $1.62 above the price paid by manufacturing plants to 71½ cents above. Under pressure of a shortage of milk, this negotiated price then increased to a high of $2.32 above the manufacturing price in March 1949. Then as the supply of milk in relation to market needs increased steadily, the negotiated price fell to $1.05 above the manufacturing milk price in May, 1950. While those wide price variations were occurring, the supply of milk was first so reduced that an average of 92 percent of producer milk was used in Class I in the months of November 1947 through January 1948 compared with 84 percent in the corresponding period a year earlier. This shortage was followed by relatively high prices and increasing production until during the corresponding months of 1949–50, less than 71 percent of producer milk was disposed of as Class I.

The cooperative has not been able to sell milk even to regular buyers on a complete utilization basis. Only milk used for fluid sales is priced on the basis of utilization and additional milk is classified on a bargained percentage basis without regard to utilization. This lack of complete pricing according to utilization results in differences in costs to the various distributors for milk for uses other than fluid sales which also contributes to market instability.

In the Ann Arbor portion of the area, producers have been unable to sell milk on any utilization plan. A certain price is set by bargaining for milk deliveries up to a "base" established for each producer, and additional deliveries are paid for at the manufacturing milk price. The record indicates that this method of buying results in a lower cost to these distributors for milk for fluid sales than the cost to distributors in other parts of the Detroit area.

Dairy farmers supplying the Detroit area who are not cooperative members, over 2,000 in number, have no facilities for regularly checking the accuracy of weights or butterfat tests of milk sold.

No complete statistics are available as to total sales of milk and milk products in the Detroit market or as to total receipts of milk in the market. Negotiated prices must be fixed without full knowledge of the needs of the market or of the supply of milk available. A marketing order would make available complete and accurate market statistics, provide for payment for milk according to use and for verification by audit of all handlers' utilization of milk, and for the checking of weights and butterfat tests.

A milk marketing order is needed in the Detroit area to establish and maintain orderly marketing and a level of prices which will insure an adequate supply of pure and wholesome milk, and to prevent the development of disorderly and chaotic conditions.

(3) *Extent of the marketing area.* The marketing area should include the cities of Detroit, Dearborn, Ypsilanti, Ann Arbor, Pontiac, Mount Clemens, Marine City, St. Clair and Fort Huron and adjacent areas of high population density. This area would cover the territory within the boundaries of 15 townships in St. Clair County, 7 townships in Macomb County, 12 townships in Oakland County, 3 townships in Washtenaw County, 2 townships in Monroe County, and all of Wayne County.

Proponents of the order proposed a considerably larger marketing area covering a number of rural townships and a few additional small towns. Certain milk distributors proposed an extension of the area to the north along the Lake Huron shore to include Worth and Lexington townships in Sanilac County. Certain distributors objected to including the cities of Ypsilanti and Ann Arbor.

The townships of Lexington and Worth in Sanilac County should not be included in the marketing area. There are no thickly populated areas in these townships except the Lake Huron shore line in the summer season and the small city of Croswell and the village of Lexington. It was not shown that a marketing order is needed to promote orderly marketing in this area. There was no showing that orderly marketing of milk in the Detroit area is influenced by milk distribution in these townships. No request was made by dairy farmers supplying milk to distributors in this area that it be included in the marketing area.

The cities of Ann Arbor and Ypsilanti and surrounding territory should be included in the marketing area. Milk is distributed from plants in or near these cities, which are located near the thickly populated suburban area west of Detroit, in competition with routes operated from Detroit plants. Because of the wide seasonal variations in milk consumption in these cities due to the large student population, distributors are dependent upon the Detroit market for much of their milk supply. Over 6½ million pounds of milk from Detroit receiving stations was supplied to Ann Arbor distributors in the two years of 1948 and 1949. Milk is purchased by Ann Arbor and Ypsilanti distributors from producers without regard to use and apparently at lower prices than if bought on a use basis at the class prices prevailing in the Detroit market. Attempts by the cooperative to have such purchases made on a use basis have failed. The need for a marketing order to bring about orderly milk marketing seems greater in the Ann Arbor-Ypsilanti area than in other parts of the proposed marketing area.

Rural areas and small towns not near to the large cities should not be included in the marketing area. Thirty-one additional townships in St. Clair, Macomb, Oakland, Washtenaw, and Monroe Counties, which are relatively thinly populated and include some 16 small towns and villages, were within the marketing area as proposed. Health regulations with respect to milk in effect in the cities are not applicable in much of this area. It is not considered necessary to include these 31 rural townships in the marketing area to promote orderly marketing of milk in Detroit and nearby cities.

The marketing area as outlined above embraces a contiguous, heavily populated territory served by milk distributors whose routes overlap and intermingle and which constitutes a single milk market, all parts of which are subject to substantially the same conditions and influences. Health regulations with regard to milk are substantially the same in all major municipalities in the area and milk produced on farms approved by the Detroit Health Department is permitted to be sold in all parts of the area. Differences in seasonal consumption in various parts of the area tend to make all of the area dependent on milk produced under Detroit inspection, which is diverted to any part of the area where needed. Failure to include any part of this territory in the marketing area would tend to disrupt orderly milk marketing in the whole area.

(4) *Milk to be priced.* All milk approved by health authorities for regular sale in the marketing area should be priced under the order. A "handler" is defined as the operator of a plant in which milk is processed and from which such milk is disposed of on a route in the marketing area as Class I milk, or a plant which is approved by health authorities of marketing area cities for handling milk for fluid consumption. To avoid including in the pool a plant which never supplies milk to the marketing area a country plant must move to a bottling plant at least 10 percent of its dairy farm supply of milk in the two short supply months of November and December. The handler definition describes the kinds of plants to which farmers deliver milk for fluid uses in the greater Detroit market.

A number of plants disposing of Class I milk on routes in the marketing area receive milk directly from dairy farms. The larger part of the supply, however, is received at country plants and reshipped to city bottling plants. The country plant may be owned and operated by the operator of the city bottling plant or by another person. All of these country plants receive milk only from dairy farms approved by the Detroit Health Department. Receipt of milk from any other source at one of these plants disqualifies the entire plant supply for use in Detroit and other marketing area cities which accept Detroit inspection. By defining a handler as the operator of either an approved country plant or a bottling plant, the handling of all milk regularly approved for consumption in the marketing area is made subject to regulations by the order.

The land boundary of the marketing area extends over 185 miles. A few small milk plants located outside the marketing area dispose of some milk on routes extending into the area. If the amount of such milk is not large, its sale has little or no effect on the marketing of milk in the area. Application of order pricing and payment provisions of these distributors would entail effort and expense and would not contribute to orderly marketing in the area. Prices appropriate in the marketing area might not be appropriate in the localities where most of the sales of these distributors be made. It was proposed that handlers operating bottling plants outside the marketing area and disposing of not more than an average of 600 pounds of Class I milk per day in the area in any month be exempt for that month from all except the reporting and auditing provisions of the order. Limitation of the exemption to handlers disposing of not more than 600 pounds of Class I milk in the marketing area daily, less than one economical route, and transferring no milk to other handlers would furnish adequate protection from unfair competition to fully regulated handlers and guard against any threat to orderly milk marketing in the area. It is concluded that such an exemption should be provided.

A cooperative which operates a number of country plants receiving Detroit inspected milk has also arranged by contract for the receiving, weighing and cooling of member milk at certain plants not owned or operated by the cooperative. In each case the contracting plant handles no milk except that handled for the cooperative, and the disposition of such milk is entirely under the direction of the cooperative, in most cases being moved from the receiving plant in trucks owned and operated by the cooperative. Payments to producers for this milk are made at a blend price computed on uses of this and other milk marketed by the cooperative. It was proposed that in such cases the order provide that the milk be considered as received at a plant operated by the cooperative and the cooperative thus be made the handler for such milk.

The order provides for the verification of weights and butterfat tests of producer milk, for auditing of producer payrolls, and for determination of the disposition of producer milk. When producer milk is moved in bulk from the plant to which it is delivered by the producers, the identity of each producer's milk is lost. The person operating the plant where the milk is first received must therefore be responsible for weighing and testing the milk, maintaining records of such weights and tests and also records of the disposition of milk received, and usually records of payments to producers. If such person is not a handler under the order he cannot be held responsible for performing the functions listed above. He need not give the market administrator access to the plant or make available to him records of receipts and disposition of milk or facilities for verifying weights and tests. It appears that the person operating each plant which receives milk from producers must be made a handler if the provisions of the order are to be carried out. If the arrangement between a cooperative and the owner of a plant does not make the cooperative the operator of the plant, then the operator of the plant cannot be relieved of his

handler status because of the arrangement. On the other hand, if the arrangement is of such a character as to make the cooperative the operator of the plant, or the part of the plant in which producer milk is received, then no special provision of the order is needed to make the cooperative the handler with respect to this milk.

Special provision is made for handlers who produce milk and receive no milk from other producers or cooperative associations. Defined as "producer-handlers," such handlers are exempted from all provisions of the order except reporting and auditing.

A "producer" is defined as any dairy farmer who produces milk which is delivered to a plant operated by a handler. This definition will identify all of the dairy farmers whose milk deliveries are regarded as a part of the normal Detroit area fluid milk supply. Although most producers will hold permits from a health authority in one of the major cities in the marketing area, there may be some small sections of the marketing area under the jurisdiction of health authorities which do not issue dairy farm permits. A health authority permit is therefore not specified for determining producer status. It is provided that a dairy farmer delivering milk to a plant not operated by a handler may retain producer status if such milk has been diverted from a handler plant. This would permit milk to be diverted to nonhandler manufacturing plants during the surplus season and still be priced and pooled under the order.

Definitions of "producer milk" and "other source milk" are included to distinguish between the regular supply for the fluid market and occasional receipts from other sources. Other source milk may be surplus from another fluid milk market or milk from a plant which is primarily a manufacturing plant. If such other source milk is disposed of as Class I milk in the marketing area a payment on that quantity at the difference between the manufacturing milk price and the Class I price should be required in order to curb any incentive for handlers to drop regular producer supplies of milk to purchase manufacturing milk at a price advantage.

"Route" is defined as a delivery, including a sale from a store, of a Class I product to a wholesale or retail stop or stops, except to a handler. The handler exception avoids qualifying a plant as a handler when deliveries are only made to other handlers. This would prevent a plant from qualifying as a handler and participating in the market pool merely by delivering some milk to a handler plant inside the marketing area.

The provisions of a base and excess plan of payment requires a definition of "base," "base milk," and "excess milk." Other standard terms are defined for the purpose of facilitating subsequent provisions of the order.

(5) *Classification of milk.* Milk should be classified in two classes reflecting the principal differences in the value of milk for different uses.

(a) *Classes.* Class I should include all skim milk and butterfat disposed of for consumption as milk, skim milk, buttermilk, or flavored milk, plant loss of producer milk in excess of 2 percent, and skim milk and butterfat not accounted for in Class II utilization. Class II should include skim milk and butterfat (1) disposed of for consumption as fluid cream (2) used to produce cottage cheese, ice cream or ice cream mix, or (3) contained in dried whole milk, nonfat dry milk solids, whole or skimmed evaporated or condensed milk, sweetened or unsweetened, butter, cheese, or livestock feed, or in milk dumped or in plant loss of producer milk not in excess of 2 percent of all producer milk and all plant loss of other source milk.

All classification proposals included milk and flavored milk for fluid consumption in Class I. Producers proposed that skim milk and buttermilk for fluid consumption be in Class I and handlers proposed that these products be in Class II. Representatives of health departments of the larger cities involved testified that such skim milk and buttermilk are required to be made from milk approved for fluid uses. It is concluded that milk required to meet the sanitary standards for fluid consumption and the products required to be made from such milk (flavored milk, and skim milk and buttermilk for fluid consumption) should be in Class I.

Testimony indicated that there are no farm inspection requirements for milk disposed of in most of the marketing area in any form other than as milk, flavored milk, skim milk, and buttermilk for fluid consumption. Cottage cheese, and cream used for fluid consumption or for ice cream in Detroit must be made in approved plants but the farms producing the milk used in these products are not inspected by city health authorities. There was no showing of any specific difference in the quality of milk used to produce cream and cottage cheese for use in the marketing area and the quality of milk manufactured into evaporated milk, cheese and other products in the various manufacturing plants in the milkshed. Handlers proposed that all products other than those requiring farm inspected milk to be included in one class. There does not appear to be justification, on the basis of the quality of milk required for their production, for different classification for milk used to produce cream and the various manufactured products. Butterfat and skim milk used in cream and all manufactured dairy products and in livestock feed and plant loss are therefore classified as Class II.

Both producers and distributors proposed a separate classification for so-called "distress" milk resulting from production in excess of market needs, which often must be disposed of at lower prices than received for milk for general manufacturing uses. A large amount of the milk not needed for fluid sales is handled by a cooperative which has limited manufacturing facilities. A substantial volume is also received by distributors who have no manufacturing facilities. The disposition of this milk in the spring months of heavy production has been a serious problem. Since manufacturing plants are operating at close to capacity at that time, disposition of this milk may require these plants to operate in excess of normal capacity, involving high cost overtime rates. In some cases it must be transported to distant plants. The choice of plants to which this milk may be diverted may be limited and sometimes it is accepted only at prices lower than those paid for milk from regular supply sources.

The problem of disposing of surplus milk has been met in recent years by providing a class (Class II–B) for all milk received by a distributor in excess of a certain amount, at a price lower than Class II–A, which includes all manufactured milk. Distributors proposed to continue this practice by an order provision that in any month when total market receipts of producer milk exceed 147 percent of market Class I utilization, all producer milk received by any handler in excess of 125 percent of his Class I utilization (provided the handlers' Class I utilization was 60 percent or more of his producer milk receipts in the preceding October, November and December) be Class IV milk, to be priced lower than Class III milk. Producers, however, proposed to meet the problem by providing a Class III made up of plant loss, dumped milk and all manufactured products other than ice cream and cottage cheese to be priced relatively low but somewhat higher than the Class IV proposed by the distributors.

The distributors' proposal does not provide that milk be classified in accordance with the form in which or the purpose for which it is used, but would base classification in part upon the amount of milk received and the amount used in another class. The producer proposal would place a large proportion of the milk used for manufacturing in the lowest price class although there may be no disposal problem with respect to much of this milk.

The record indicates that while the so-called "distress milk" price was in effect for several months in 1949, it was discontinued at the end of October of that year and had not again been used up to the time of the hearing (June, 1950). Also no such lower price was used in 1948 or 1946 and was in effect only 3 months in 1947. For six months prior to June, 1950, the supply of producer milk in relation to Class I utilization had decreased each month as compared with the corresponding month of the preceding year. The problem of surplus milk disposal normally occurs only in the spring months of heavy production. These facts indicate that at least for several months after the order may become effective, a price lower than the Class II price will not be needed to permit disposal of excess milk. It is concluded that a special class for "distress milk" at a price lower than the Class II price should not be provided and no provision should be made for a lower Class II price under certain supply conditions.

Producers proposed that plant loss up to 2 percent of producer milk received be allowed in the lowest price class, any in excess of this amount to be in Class I. Handlers proposed that all plant loss be in the lowest class, claiming that loss

of the milk is sufficient incentive to keep such losses at a minimum and that the penalty of Class I pricing of any in excess of 2 percent is not justified. Data submitted indicate that with plant operation of average efficiency, the loss normally does not exceed 2 percent. Unlimited allocation of plant loss to Class II would place a premium on unaccounted for milk and encourage incomplete records of Class I utilization. Plant losses of producer milk in excess of 2 percent should be included in Class I.

It was proposed that in the case of milk moved from a country plant operated by a cooperative to a bottling plant, the 2 percent plant loss be allowed at the bottling plant. No reasons were given for limiting this provision to plants operated by a cooperative. It would seem that since part of the plant loss may be incurred at each plant, the allowance might more logically be divided between the plants. However, the proposed method avoids the problem of determining a fixed allocation of plant loss between the two handlers. The country plant operator may recover any receiving loss in his handling charge, and present charges probably cover this cost. It is concluded that the proposed provision, without the cooperative limitations, as well as the standard provisions for prorating loss between producer and other source milk, and allowing loss on diverted producer milk at the plant where actually received, should be included in the order.

(b) *Milk transfers.* Provision is made for classification of milk transferred between handlers, handlers and persons not handlers, and between cooperative plants and handlers. In the case of transfers between handlers not involving a cooperative plant, transfer is permitted in any agreed class in which the transferee plant has utilization in an amount equal to or greater than the amount so transferred, after allocating any other source milk to the lowest value use, since under a market-wide pool the classification of milk transferred between handlers may represent any agreed producer milk use without affecting the payment to producers. Each handler involved in a transfer is required to report the agreed classification, otherwise milk transfers are classified as Class I and cream transfers as Class II.

In the case of transfers from a handler plant to a plant not operated by a handler, a requirement that producer milk be allocated to the highest value uses in the transferee plant might increase the difficulty of disposing of surplus milk. Operators of some such non-handler plants have Class I uses and might refuse to handle surplus milk from the Detroit market if such milk would be allocated to their highest value uses. It is concluded that, as proposed, transfers from a handler plant to a plant not operated by a handler in the form of milk or skim milk be in Class I and in the form of cream be in Class II, but that such transfers shall be classified as mutually agreed by the transferor and transferee if the handler reports the transfer in such class, the transferee has use in the agreed class in an amount at least equal to the amount transferred or disposes of butterfat and skim milk to another plant which has such uses in the month. Books and records must be maintained at the plant at which the classification is made adequate to permit the market administrator to verify the reported utilization. In case the agreed utilization in the transferee plant exceeds the total of such utilization in the plant, the excess should be applied to the next higher priced class.

A number of country plants receiving Detroit inspected milk are operated by a cooperative association. Milk is transferred from these plants by tank truck to a large number of handler bottling plants. This milk is now classified for purposes of pricing at the pro rata classification of all producer milk in the bottling plant. Although classification has been on a relatively simple two class, hundredweight basis, market experience has shown that about a month is required to get the utilization reports from all the various buyers and to prorate the transferred milk to each class. Final settlement has not been made until the second month after delivery of the milk.

It is recommended herein that utilization of all handlers, including cooperatives, be reported not later than the 5th working day of the month following receipt of the milk, and that a uniform price based on these utilization reports be computed and announced not later than the 11th. It was considered improbable that the cooperative could collect utilization reports from the large number of handlers involved, compute other source milk allocation, prorate cooperative transfers of producer milk over remaining utilization, combine the results into a utilization report for the cooperative and submit it to the administrator in the 5 days allowed. Furthermore, any audit adjustments in classification for each handler involved would require an adjustment between the handler and the cooperative and a second adjustment between the cooperative and the equalization fund of the market-wide pool.

To simplify the procedure of accounting for such transfers, and to facilitate the reporting of utilization by the date specified, it was proposed that handlers operating bottling plants be required to pay the cooperative association a minimum of the base price for the month for such milk. In computing the cooperative equalization account the value of such bulk milk transferred to bottling plants at the base price would be added to the class values of other utilization.

This proposal would not affect the final cost of milk to handlers or the return to producers, and differs from settlement between the cooperative and transferee handlers at a pro rata or an agreed classification only in the method of handling a relatively small difference between the value of the transferred milk at the pro rata or agreed classification and such value at the base price. This difference would be reflected in the handler's payment made to or received from the equalization account. The recommended procedure would provide the same assurance of payment for milk marketed to handlers through a cooperative plant as for milk delivered directly by producers, and would result in payment for milk by each handler at his utilization value with a minimum of accounting requirements. The use of the base price in computing the equalization account charges and credits for such transferred milk is recommended because it would result in initially charging each handler at the approximate utilization value of the milk and, therefore, relatively small settlements with the equalization fund would be required.

It was proposed that a cooperative not be a handler with respect to milk transferred in bulk to a handler operating a bottling plant. A cooperative operating a plant which first receives milk from producers must be responsible for all records of milk receipts and of payments and therefore should be a handler with respect to all producer milk received at such plant.

Since some handlers combine operations which utilize other source milk and producer milk in the same plant, it is necessary to provide a method for allocating such other source milk to the various classes of utilization. Since producer milk includes all milk which is regularly available for fluid disposition in the marketing area, the method of allocating provides that such producer milk shall be allocated to the higher value uses to the extent that such uses are available.

(6) *Class prices.* Since the Detroit fluid milk market supply is obtained from a region in which large quantities of milk are delivered to plants which manufacture various milk products, it is necessary that the price for the fluid market be closely related to the level of prices being paid at competing manufacturing plants. There are some differences from time to time between the prices paid at plants manufacturing different products. Therefore, the Class I price should be related to that particular manufacturing milk price which represents the best outlet for manufacturing milk at any particular time. The method of accomplishing this has been to relate the Class I price to a series of basic formula prices which represent different kinds of manufacturing milk prices. Special differentials should be added to the highest of the prices determined by 4 separate alternate price formulas to determine the Class I price for each month.

(a) *Basic formula price.* Producers proposed 4 alternate basic formulas for use in determining the Class I price based on prices of butter and powder, butter and cheese, prices paid dairy farmers by 18 midwest dairy manufacturing plants and by 5 Michigan dairy manufacturing plants. Distributors made the same proposal and also proposed use of the same basic formulas in slightly modified form, and the 18 midwest plant price only.

The first 3 of the price formulas included in the producer proposal are widely used for determining Class I prices in milk markets under Federal regulation. The use in this order of

these price formulas with appropriate Class I price differentials would correlate the Detroit Class I price with Class I prices in other markets such as Toledo and Cleveland. No objection was made to the use of the average of prices paid by certain Michigan manufacturing plants as an alternate basic formula, but there was disagreement as to which specific plants should be used. A number of different plants were proposed for inclusion, and the use of 7 plants instead of 5 was suggested. The following considerations should govern the selection of these plants so far as possible:

(1) Cooperative plants should not be included since their pay price to farmers usually includes only part of the return for milk, the remainder being paid as a patronage dividend which is not reflected in the reported pay price.

(2) Plants operated by a handler under the order should not be included because prices should be determined wholly independent of the actions of any handler.

(3) The plants selected should represent as wide a variety of manufactured products as possible.

(4) The plants should be so located as to represent all parts of the milkshed.

The use of 7 plants involves the possible difficulty of getting prompt payments reports, and it is improbable that the added quotations would influence the average price appreciably or make it more representative of manufacturing milk values in the area. The reporting of pay prices by the plants selected is voluntary and the use of any plant pay price in this formula will depend on consent of the plant operator to report his average pay price.

The following 5 Michigan plants appear to most nearly meet the requirements set forth above and should be used in determining the basic formula price.

Company	Location	Products
Fairmont Foods Co	Bad Axe	Butter, condensed milk, ice cream mix.
Kraft Cheese Co	Clare	Cheese.
Carnation Milk Co	Sheridan	Evaporated milk.
Grand Ledge Milk Co	Grand Ledge	Nonfat dry milk solids, sweet cream.
Pet Milk Co	Hudson	Evaporated milk.

Use of the highest formula price as the basic formula price would base the Class I price on the most favorable manufacturing use for milk in each month. In an area where all important dairy products are manufactured, fluid milk markets must compete for milk with plants making the highest value products. The Class I price should therefore be based on the formula representing the highest value for milk for manufacturing.

(b) *Class I price.* The Class I price should be determined by adding $1.35 to the basic formula price. This added differential should be increased 15 cents when a shortage of producer milk for Class I utilization is indicated by the ratio of receipts of producer milk to Class I utilization in the second 2 preceding months and decreased by 15 cents when an excess supply of milk is so indicated. An additional 15 cents should be added or subtracted for each additional full five percentage points decrease or increase in the ratio of producer milk receipts to Class I utilization.

Producers proposed a Class I price differential of $1.40 to be added to the basic formula price each month. Distributors proposed various differentials varying seasonally, which would average about $1.10 over the year, and one to be determined each month by a supply-demand formula. It was testified that a large proportion of the milk supply for the Detroit area is received at country stations and reshipped to bottling plants. The country station location differentials proposed by producers average 17 cents per hundredweight so that the Class I price reflected in the price to most producers at the point of milk delivery would average 17 cents below the marketing area price. This must be taken into account in setting the Class I differential.

Data covering an estimated 80 percent of the market value of milk deliveries indicate that the average number of producers supplying the market increased 1.5 percent from 1946 to 1949, while the average milk deliveries per producer increased 2 percent. In the same period, however, average daily Class I sales increased 5 percent. For the three years 1947 through 1949 producer milk deliveries averaged 135 percent of total Class I sales. The Class I price negotiated by the cooperative during this 3 year period averaged $1.39 over the proposed basic formula price. For the year 1947 the Class I price in Detroit averaged $1.23 above manufacturing milk prices as represented by the recommended basic formula price, and for the first 8 months of 1948 averaged only 86 cents above. These relatively low prices were associated with a decline in milk receipts in relation to sales. For the 12 month period ending with July 1948 Class I sales averaged 81 percent of producer milk receipts and during the period from November 1947 through February 1948 the market was short of milk.

Deliveries of milk to the Detroit market seem to respond readily to changes in the relationship of Detroit prices to prices for manufacturing milk. When the differential between the two prices has been large deliveries to Detroit have increased. When the price differential has narrowed deliveries have fallen off. Manufacturing milk prices dropped sharply after August, 1948, and the Class I price was increased, with the result that for the 9 month period from September 1948 through May 1949, the differential between Detroit Class I prices and manufacturing prices averaged $2.05 per hundredweight. This period of relatively high Class I prices brought about a reversal of the downward trend of milk receipts in relation to sales. For the year of 1949 Class I sales averaged 69 percent of producer milk receipts compared with 80 percent for 1948, and the supply each month exceeded that in the corresponding month of 1948. In the 12 month period of June 1949 through May 1950, the Class I price averaged $1.41 above the proposed basic formula price. During the first 7 months of this period, producer milk receipts increased in relation to Class I sales to a high point in December 1949 in which month only 70 percent of producer milk was sold as Class I compared with over 84 percent in December 1948. The maximum effect of the high differential between Detroit prices and manufacturing prices from October 1948 through May 1949 and of other factors such as favorable weather and ample feed supplies seems to have been reached by the end of 1949.

During the first 5 months of 1950 the excess of milk receipts over the corresponding months of 1949 decreased and receipts in May 1950 were below May 1949. During this period the Class I price was at approximately the level above manufacturing milk prices which producers proposed be fixed by the order. The record of milk receipts and Class I sales would seem to indicate that a Class I differential as high or higher than that proposed would be necessary to insure an adequate supply of milk. However, a number of provisions of the order other than the Class I price would have the effect of increasing the average return to producers. Distributors not in the present pool but who would be handlers under an order have a higher average Class I utilization than those now pooled. A higher butterfat differential would increase the return somewhat for Class I milk. The Class II order price recommended would probably return somewhat more for milk for these uses than was realized in 1949. Payment for all milk on a complete classified use basis would probably increase the average price to producers for all milk somewhat, and an audit verification of all handlers' uses would tend to have the same result.

Considering all of the factors discussed above, it is concluded that a Class I price differential of $1.35, subject to a supply-demand adjustment as recommended below, will attract to the Detroit market area an adequate supply of milk meeting the applicable health standards.

A proposal was made that the Class I price differential be adjusted monthly in relation to changes in the ratio of producer milk receipts to Class I utilization. Such a provision appears desirable but the proposal made should be modified somewhat. There are objections, for instance, to relating a current period to a 1947–48–49 base period, as proposed, as a measure of the time and amount of price changes desirable. During this 3 year period producer milk deliveries were 135 percent of Class I utilization, a larger supply than necessary to insure sufficient milk for Class I utilization in the short supply months. The 3 year period was one of wide variations both in prices and in production. The Class I price ranged

from 58 cents above the proposed basic formula price to $2.32 above and producer milk receipts ranged from 107 percent of Class I utilization in December 1947 to 143 percent in December 1949. For these reasons the 1947–49 period does not seem to be suitable either as an indication of an appropriate Class I price differential, or as a guide to the normal seasonal variations in the ratio of receipts to Class I utilization.

The object of a supply-demand price adjustment in this market is to bring about an automatic price increase when the supply of producer milk is at such a level in relation to Class I utilization that a shortage in the months of seasonally low production is indicated, and a price decrease when the supply may be expected to be substantially above Class I needs in the low production months. These price changes should be made as soon as possible after an oversupply or shortage is indicated, as a lag of a few months may result in increased prices in the spring months of high production as a result of a shortage the previous winter. A minimum lag of 2 months appears necessary, allowing computation in the current month of the market supply-demand relationship in the preceding month to be applied to the Class I price in the next following month.

It was testified that a minimum milk supply for the market of 115 percent of Class I utilization is needed in any one month to provide adequate milk for Class I uses because of unequal distribution among handlers and daily and weekly variations in receipts and sales. A supply of more than 130 percent of Class I utilization in the shortest supply month would indicate a supply larger than needed. An upward price adjustment would be indicated if the market supply of producer milk in the shortest supply month might be expected to fall below 115 percent of Class I utilization and a downward adjustment indicated if this supply might be expected to exceed 130 percent of Class I utilization. Monthly data on daily average deliveries per farm indicate a fairly uniform seasonal variation in production each year. The supply-demand ratio for other months which would correspond to 122.5 percent, the midpoint of the 115 percent—130 percent range, in the shortest supply month may therefore be computed by adjusting this ratio by a standard seasonal variation in producer milk deliveries computed as an average of the seasonal variation of the most recent 5 years. A Class I price increase is then indicated at a full 7.5 percentage points below the adjusted ratio and a decrease at a full 7.5 percentage points above the adjusted ratio, as computed for each month. It may be necessary to revise the standard seasonal adjustment after data becomes available on the seasonal production of all producers supplying the market. If the seasonal variation in the production of all producers shows a wide divergence from that indicated by the data now available, it may be necessary to postpone the effective date of the supply-demand adjustment until complete data is available. The possibility of erratic price movements due to temporary influence may be largely removed by use of a 2-month period instead of one month, and is so provided.

Producer milk receipts in relation to sales and to producer prices over the last 4 years indicate that the proposed 3 cents per percentage point is a desirable rate of supply-demand adjustment of the Class I price differential after providing a 15-cent change for the first full 7.5 percentage point variation. A period of 9 months during which the Class I price averaged about 82 cents above the recommended basic formula price coincided with a period of milk shortage. Another period of 8 months during which the Class I price averaged about $2.12 above the recommended basic formula price coincided with and was followed for several months by an oversupply of milk. These data indicate that a range of Class I price differentials somewhat less than these extremes is desirable. A price change of 15 cents for the first 7.5 percentage points variation in the ratio, and an additional 15 cents for each 5 percentage points, when applied to the supply-demand ratios of the last 4 years gives a top differential of $1.80 (in 3 months only) and a low (in 3 months only) of 90 cents. It is unlikely that either of these extremes would have been reached had the recommended pricing plan been in effect during these years, since the computed range of 90 cents to $1.80 is based on production responses to Class I price differentials ranging from a low of 58 cents to a high of $2.32. The range which might be expected from the use of a 15-cent adjustment for each 5 percentage points probably would not exceed $1.05 to $1.65 which appears appropriate to stimulate an ample supply of producer milk and at the same time avoid a large surplus.

To remove the possibility of a succession of increases and decreases if the ratio should fluctuate slightly above and below the level at which a price change is effected, it is provided that after a price change occurs a change in the ratio of an additional ½ percentage point is required to bring about a succeeding change in the opposite direction.

(c) *Class II price.* The Class II price should reflect the value of milk for general manufacturing uses in the Detroit milkshed. The average of the prices paid by 5 Michigan dairy manufacturing plants, as recommended for use as an alternate basic formula price, will normally reflect the value of milk in the Detroit area which is not used for fluid milk sales. Much of this milk is diverted to manufacturing uses in the various plants in the milkshed, and the 5 plant average price will usually be representative of the prices received for this milk, because of the selection of the plants as discussed in connection with the basic formula price.

It is possible, however, that due to the limited number of plants which it is practical to use, and the limited area represented, that prices paid by these plants may be lower at times than the market prices of manufactured dairy products would justify. As a safeguard against temporarily depressed prices in the local area, an alternate Class II price based on the market prices of butter and nonfat dry milk solids should be provided. A formula used in many milk markets under Federal regulation for pricing milk for manufacturing uses is recommended. This formula determines butterfat values at the average price of 92-score butter at Chicago plus 20 percent and skim milk values at the average price of spray and roller process nonfat dry milk solids at Chicago area plants less a manufacturing cost allowance of 5.5 cents per pound and converted to skim milk equivalent by use of a yield factor of 8.5 pounds of powder per hundredweight. Use of this formula price as an alternate Class II price would insure a price in line with national values of manufactured dairy products during any periods when the price paid by the particular local plants selected might be abnormally low for any reason.

(d) *Method of pricing.* Producers proposed that butterfat and skim milk be classified and priced separately. Distributors objected to butterfat and skim milk pricing, and proposed that the utilization in each class in hundredweight be priced at a 3.5 percent hundredweight price, adjusted to average test of the class by use of the producer butterfat differential, which averages about 112 percent of the Chicago 92-score butter price. They contended that resale prices of the various products marketed are adjusted to this method of pricing milk, which has been in use in the market for many years. This method of pricing tends to encourage consumption of butterfat, they claimed, by fixing a relatively low cost for high butterfat content products. Producers claimed that all handlers should pay the same price for all butterfat and skim milk used in any one class and that the relative values of butterfat and skim milk in each class should be the relative values in the open market as shown by market prices of butter and nonfat dry milk solids. These relative values should change from month to month as market values change. The additional cost of producing milk of the quality required for Class I products should be allocated to Class I butterfat and skim milk in proportion to the market values of butterfat and skim milk for manufacturing uses. They pointed out that the distributors' proposal allocated all of this additional cost to the skim milk.

Computing the proposed prices by the method suggested by distributors, for the month of April 1950, skim milk in Class I would have cost $1.99, 3.2 percent milk $4.03 and 5.0 percent milk $5.24. The added fat would cost less than the price proposed for butterfat in the Class II formula. In Class II, 100 pounds of 40 percent cream would have cost $26.71 while the 40 pounds of butterfat in this cream would be worth $28.70 at the butterfat value in the proposed Class II formula (Chicago 92–score butter plus 20 percent). Under the pricing method proposed by producers, the corresponding prices would have been 74 cents for skim milk, $3.96 for 3.2 percent milk, $5.78 for 5 percent milk and $29.01 for 40 percent cream.

The proposed methods of pricing milk on a hundredweight basis or a butterfat and skim milk basis represent alternate accounting methods and do not deter-

mine the cost of milk to handlers or the return to producers. In view of the market custom of hundredweight accounting and pricing, it appears that a continuation of this method of pricing by the terms of the order is desirable. Class prices should be expressed as hundredweight prices, and the price for each class should be adjusted to the actual butterfat test of the class by use of the butterfat differentials recommended below.

The classification and allocation of producer milk should be on a skim milk and butterfat basis. Because of the wide variation in the butterfat test of the various products, it is probable that the skim milk from producer milk will frequently be utilized in a different class than the butterfat from the same milk. Classification of skim milk and butterfat separately is necessary to accomplish complete classification according to use. It is also necessary to allocate producer skim milk and butterfat separately in order to give producer milk preference over other source milk in the higher value uses.

(e) *Handler butterfat differential.* The Class I butterfat differential proposed by distributors places a low value on butterfat in Class I milk relative to the hundredweight value of the milk. On the other hand, the producer proposal would price such butterfat relatively high, particularly in view of pricing practices prevailing in the market. The proposed Class I and Class II price formulas would have resulted in the last 3 years in a Class I price for 3.5 percent milk ranging from 23 percent to 32 percent above the Class II price. A Class I butterfat differential set at 20 cents per pound of butterfat above the producer butterfat differential recommended herein would result in a Class I differential ranging between 20 and 30 percent above the Class II butterfat differential, depending on the level of butter prices. A differential so determined would range from 25 to 35 cents above the Chicago 92-score butter price. At price levels of April 1950 this would provide a Class I butterfat differential of 85 cents per pound compared with 65 cents proposed by distributors and $1.015 proposed by producers. It is concluded that the addition of 2 cents to the one-tenth pound producer butterfat differential, which is based on the price of 92-score butter at Chicago, will provide an appropriate Class I butterfat differential.

Since formulas are provided for determining the butterfat and skim milk values in one of the alternate Class II prices, the butterfat differentials in this case should be the butterfat value determined by the formula. In the event the 5 plant average pay price is the effective Class II price, an equivalent butterfat differential may be determined by assigning to the butterfat, as proposed, the percentage represented by the butter portion of the butter-powder formula in the same month. This may be accomplished by dividing the butter formula by the hundredweight butter-powder price, multiplying the 5 plant price by the resulting percentage and dividing by 35.

(b) *Location adjustments.* Adjustments for delivery location are provided with respect to payments to producers for milk delivered (1) at country plants (i. e. plants from which no route deliveries are made into the marketing area) located more than 34 miles from the Detroit City Hall and (2) at plants from which route deliveries are made into the marketing area if such plants are located more than 34 miles from the nearest point on the periphery of the marketing area. A credit to handlers at the same rate is provided on milk moved from a country plant to plants operating routes in the marketing area not in excess of Class I disposition of such milk at the receiving plant, and on milk disposed of as Class I milk from the country plant other than to a handler. No location adjustments are provided for plants operating routes in the marketing area and located inside or less than 34 miles outside the marketing area, on payments to producers for milk received or as credits on milk disposed of as Class I or moved to bottling plants.

It was proposed that producer and handler location adjustment rates now in effect be incorporated in the order. For more than 30 years a location adjustment has been applied to milk received at country plants for re-shipment to city bottling plants in the Detroit area. This adjustment, based on the distance of the country plant from some point in the marketing area, has been deducted from the marketing area delivery price in making payments to farmers delivering milk to country plants, and a credit at the same rate has been allowed to country plant operators on milk moved to city plants.

In the earlier years these location adjustment rates were increased several times, reaching a high in 1930 when they ranged from 24 cents per hundredweight at 25 miles or less to 81 cents at 90 miles from the basing point. During the following 9 years the rates were lowered 4 times, to a low which ranged from 12 cents at 45 miles or less to 19 cents at points over 94 miles from the basing point, which rates prevailed for the two years following September 1, 1939.

The slightly higher schedule proposed, equivalent to that which has been in effect since October 1, 1947, provides an adjustment of 15 cents on milk received at or moved from a plant located in a zone 34 miles to 49 miles from the Detroit City Hall by shortest road distance, and an additional 1 cent per hundredweight for each 8 mile zone with a limit of 22 cents, which applies to any location beyond 97 miles. While no data were given on milk hauling costs, the proposed rates were considered adequate to cover cost of transporting the milk by tank truck from the receiving plant to city bottling plants. No allowance was proposed for the zone within 34 miles of the city hall as milk produced within this zone may be delivered more economically directly to city bottling plants.

The location allowance is limited to a maximum of 22 cents which is the allowance applicable to the zone starting at 97 miles from the Detroit City Hall. Ample milk for the market is available within the area included in the 8 zones for which mileage rates are provided and very little milk is moved from beyond 97 miles. The movement of milk for unnecessarily long distances at the producers' expense would not be economical. The proposed maximum rate of 22 cents would not discourage the movement of milk from reasonable distances beyond 97 miles as the economics of the long haul would to some extent offset the lower rate per mile.

Both the Grand Boulevard and the city hall in Detroit were proposed as basing points for location adjustments. Mileage may be determined more readily from a single point than from a street extending many miles. The Detroit City Hall is therefore specified as the basing point for all distance differentials. Zone distances 4 miles greater than now in use based on the Grand Boulevard are provided to allow for the distance of between 3 and 4 miles between the two basing points. The shortest road distance as determined by the market administrator was proposed for fixing the zone location of country plants and appears satisfactory for this purpose. The location adjustments as proposed would apply to all producer milk delivered to qualifying country plants in each zone and it appears would result in a fair value for such milk in relation to the value of milk delivered at city bottling plants.

It was proposed by producers that handlers operating receiving plants in the location adjustment area receive a credit computed by applying the applicable zone route to all milk moved to marketing area bottling plants regardless of the use classification of the milk so moved. Handlers proposed that the customary method of pricing milk be continued and this method, in effect, allows the location adjustment credit on 107 percent of Class I utilization. This results from adjusting the city price of Class II–B milk, which includes all producer milk in excess of 107 percent of Class I milk, by adding the average location adjustment of 17 cents to the Class II–B price formula. While the location adjustment credit is allowed on all milk moved to city bottling plants, it is in effect removed from Class II–B milk by increasing the marketing area price by the average location adjustment. This method of pricing manufacturing milk is not recommended.

Producers should not be required to bear the cost of transporting manufacturing milk from country plants to city plants. Milk may usually be manufactured more economically in country plants, and if a handler chooses to transport milk into the city for manufacture he should pay the cost of transportation. The handler location adjustment should apply therefore only to milk moved to bottling plants for Class I use. The use of milk moved from country plants would be determined by pro-rating to such milk the classification of all producer milk in the bottling plant (after first allocating other source milk to the lowest value uses).

In most cases some milk in excess of Class I uses must be moved to a city bottling plant from country plants since plants cannot regulate their supply to

exactly Class I needs. Limiting the handler credit to Class I milk only results in a small reduction in the credit now being allowed, which all interested parties testified was satisfactory. To allow for the small amount of Class II milk which must be transported at no credit, the differential rates should be increased one cent. This is an average increase of 6 percent and will result in approximately the same allowance as has been in effect since 1947.

Because of the large size of the marketing area, some bottling plants located in the marketing area would also be in a zone to which a location adjustment would apply. It was proposed that the producer location adjustment apply to milk delivered to such plants as well as that delivered to country receiving plants. It was further proposed by distributors that handlers disposing of Class I or Class II producer milk from plants located in a location adjustment zone, including bottling plants in the marketing area, receive a credit on such milk at the rate of the handler location adjustment applicable to the zone. Producers also proposed such a credit, but that it be applicable only at plants located more than 65 miles from the Detroit City Hall.

The portion of the marketing area including the city of Ann Arbor would be in the first location adjustment zone (34 to 49 miles from the Detroit City Hall) and that including Port Huron and nearby cities would lie in the first 3 zones (34 to 65 miles from the Detroit City Hall). As proposed, producers delivering milk to Ann Arbor bottling plants would receive 14 cents less than for milk delivered within the 34 mile zone, and those delivering to plants in Port Huron and nearby areas would receive 14 to 16 cents less. As proposed by handlers, a handler credit of like amount would be allowed on Class I and Class II disposition from these plants. Under the producers' proposal, however, no credit on Class I and Class II disposition would be allowed within the 65-mile zone, which would exclude all plants within the marketing area.

All parts of the marketing area are dependent upon the entire production area for a year around supply of milk. While part of the milk for the Ann Arbor and Port Huron areas is supplied by nearby farms, both areas depend for a large amount of milk on country plants which are part of the supply system for the entire marketing area. The prices necessary to attract an adequate supply of milk for the entire area should apply therefore to all parts of the area.

Location adjustments to producers are provided to adjust the amount paid for milk which is not delivered to city bottling plants to allow for the additional cost of moving such milk from the plant where it is delivered by the producer to the area where it is to be distributed and should not apply to milk delivered by a producer to a bottling plant distributing milk in or near the marketing area unless the bottling plant is located an appreciable distance from the marketing area. No location differentials are recommended at points nearer than 34 miles to the Detroit City Hall. The same distance is appropriate for determining the application of a location differential to plants operating routes in the marketing area, except the distance should apply to the nearest point by highway to the boundary of the marketing area. It is provided that location adjustments, both producer and handler, apply to milk delivered to plants more than 34 miles from the Detroit City Hall, and in the case of plants operating routes in the marketing area, also located more than 34 miles from the boundary of the marketing area by shortest highway distance.

Handler plants receiving milk approved for sale in the marketing area may dispose of Class I milk in localities outside the marketing area. It was testified that the Detroit market is the dominant factor in the determination of prices in the entire milkshed. Hence, the Detroit marketing area Class I price, less the applicable location adjustment, would represent approximately the value of Class I milk disposed of from any plant in the Detroit milkshed. It is provided that a handler shall receive a credit with respect to Class I milk disposed of, other than to another handler, from a plant outside the marketing area from which a route is not operated in the marketing area at the rate of the location adjustment for the zone in which the plant is located. This credit is made applicable only at plants located more than 34 miles from the nearest point by highway to the boundary of the marketing area in the case of plants disposing of milk on routes in the marketing area. No allowance is provided for Class II milk since this milk would be mostly used in manufactured products and its value would not decrease at locations more distant from Detroit.

(g) *Transportation credits.* No transportation credits in addition to the zone location adjustment should be allowed to handlers on Class I milk disposed of, or on Class II milk moved for manufacturing.

It was proposed that a credit be allowed to a handler on any bulk, unpasteurized milk moved to a person other than a handler at a location 65 miles or more from the Detroit City Hall for Class I utilization computed at a rate of 17 cents for the 65 to 73 mile zone from the Detroit City Hall and increased one cent for each additional 8-mile zone. It was testified that the proposal was intended to permit disposal of milk during the summer season to milk distributors in distant resort areas at a price not in excess of the Detroit Class I price at the handler's receiving plant.

This proposal conflicts with the proposal discussed above to allow a credit on any Class I disposition other than to another handler from certain plants at the rate of the location differential applicable to the plant. This proposal, in effect, would require producers to pay the transportation cost to any point more than 64 miles from Detroit where a handler might choose to dispose of bulk Class I milk. If Class I milk from the Detroit area is needed in a distant market, it appears that the cost of transporting the needed milk should be borne by the market which is short of milk and not by the milk producers of the area from which the milk is supplied.

It was also proposed that a credit be allowed to handlers on milk transported from the plant where it is received from producers to another plant for manufacture at a rate of 6 cents per hundredweight for distances of ½ mile to 5 miles between the receiving plant and the manufacturing plant and at the rate of 1 cent for each additional 6 miles or fraction thereof with a maximum allowance of 18 cents per hundredweight.

In the Detroit market some milk distributors receive all of their milk needs from producers, either at a city bottling plant or at country plants, and manufacture the receipts in excess of their fluid milk needs into dairy products, generally at the plant where the milk is received from producers. If it is necessary to move any of the milk to another plant for manufacture, the transportation cost is paid by the distributor. Other distributors buy part or all of their milk from a producers cooperative association and assume no responsibility for disposing of milk in excess of their needs for fluid sales. The cooperative must arrange for converting the surplus milk which these distributors would otherwise be required to handle into manufactured products and in doing so must move substantial quantities from the country plants where it is received from producers to other plants for manufacture. It is expected, therefore, that the cooperative would be the main recipient of the transportation credits under this proposal.

If the proposed credits were provided for in the order, some of the costs which the cooperative must bear in the disposal of surplus milk would be defrayed out of the equalization pool and ultimately reflected in a lower return to all producers. A number of handlers have arranged to dispose of all surplus milk incident to their operations without the necessity of transporting milk at the expense of producers. The level of surplus milk prices which is provided is designed to cover the cost of converting surplus milk into manufactured dairy products. Any extra costs which the cooperative must bear appear to be due to additional services performed for certain distributors such as furnishing milk in the exact amounts needed for Class I uses, maintaining country receiving plants, keeping an adequate supply of milk available at all times and handling the disposal of any milk not needed by these distributors. It appears that these extra costs should be reflected in the cost of milk to the distributors who receive the additional services rather than be charged to producers through pool credits. The charge for manufacturing milk should be the same for all handlers, including cooperatives, without special allowances or credits applicable to particular methods of handling this milk.

(7) *Payments to producers*—(a) *Type of pool.* Market-wide pooling of all proceeds of producer milk was proposed and no objection was made to this type of pool. The nature of the market requires a uniform price to all producers representing the value of all market utilization to fairly compensate producers for their

contribution to the market supply. Some distributors buy as closely as possible to their needs and carry little or no surplus in the high production months. A cooperative handles a large portion of the spring surplus production and supplies many distributors with milk as needed. Distributors in the Ann Arbor area buy from producers less milk than needed for a large portion of the year, and depend on additional purchases of milk in bulk from a cooperative. Some country plants supply milk for fluid distribution only in a few months of low production but maintain an available supply at all times. Producers supplying these various handler plants contribute equally to making available a year around supply of milk but would receive widely varying returns under an individual handler pool method of payment.

Handlers are required to make payments for all producer milk received at the uniform base price for base milk and the excess price for excess milk, as explained below, either to producers directly or to a cooperative association for milk delivered by member producers. In the case of producers for whom a cooperative acts as marketing agent, payments may be made to the producer or to the cooperative, as agreed between the cooperative and the handler. Payments to a cooperative for producer milk delivered in bulk are required to be made at the uniform base price for the reasons set forth in the discussion of transfers.

(b) *Base-excess plan.* A "base plan" for returning the proceeds of milk sales to producers in a way which will encourage more uniform seasonal production is provided. Milk is to be paid for on the basis of deliveries during the August–December period.

A base plan has been in use in the Detroit market since 1930 and a proposal was made to incorporate this plan in the order in substantially the form now in use. It was shown that at the time the base plan of payment was introduced 20 years ago, milk deliveries to the market in the highest production month were 175 percent of deliveries in the lowest month. After 10 years of operation of the plan (1940), milk receipts in the highest production month were only 126 percent of the lowest month. During the next 5 years wartime demand and higher prices apparently somewhat offset the base plan incentive for even seasonal production. By 1945 the seasonal variation in milk receipts as measured by the percentage relationship of the highest month to the lowest month had increased to 146 percent. In the following 4 years seasonal variation in production improved and in 1949 the high month was down to 134 percent of the low month. If the seasonal variation of 1930 had prevailed in 1949, and November deliveries had been only adequate for market needs (115 percent of Class I utilization), deliveries in June would have been over 201 percent of Class I and in volume over 60 million pounds of milk in excess of Class I needs. It was stated that in view of the difficulty experienced in disposing of the actual market surplus in 1949 when June receipts exceeded Class I utilization by only 30 million pounds, a completely demoralized market might have resulted without the influence of the base plan on seasonal production.

Basically, the plan provides that each producer will receive approximately the marketing area Class II price for milk delivered each month in excess of a daily average amount, the producer's "base", which base is the daily average of shipments of the producer for the period of August through December of the previous year, the "base period." For milk deliveries not in excess of base, a "base price" is paid which is computed by dividing total market base milk deliveries into the remaining returns for all producer milk marketed during the month after deducting the value of the excess milk. The plan as proposed by the cooperative differed from the simplified outline above in two major respects: (1) in the case of a daily average of base period deliveries lower than the base already held by a producer, the new base would be the previous base less any amount by which 90 percent of the previous base exceeds the average daily base period deliveries, and (2) once during each year a producer may elect to give up his base and to establish a new base under the method proposed for establishing the base of a new producer.

It was proposed that a new producer entering the market, or a producer electing to give up his base, be paid for a certain percentage of his milk during each of the first three full months of delivery at the base price and the remainder at the excess price. These percentages are fixed for each month at a somewhat lower percentage of base and higher percentage of excess than the normal market average of all producers for the month. The average daily amount of milk paid for as base milk over the three-month period would determine the producer's daily base until a new base is established. The percentages proposed are now in use in the market and reflect the difference in seasonal production patterns of old producers and new producers as determined from market experience. The low spring percentages are necessary if producers are to be given the option of establishing a new base in order to prevent producers having a wide seasonal variation from receiving higher payments than justified by establishing two bases each year. The recommended percentages of milk deliveries to be paid for at the base price, 75 percent for February, 70 percent for March, 80 percent for April and July and 40 percent for May and June, are appropriate for making payments in these months to new producers and to producers who elect to establish new bases. Payments during the base period, however, should be at the market blend price as discussed below. Base should be established on deliveries during the base period at 80 percent of deliveries. This would give old shippers the option of establishing a new base on 100 percent of daily average deliveries in the 5 months of August through December or 80 percent of deliveries in the 3 months of October, November and December.

In the Detroit market the months of lowest production in relation to fluid milk sales are normally October, November, December and January. The base period proposed includes August and September which are usually months of more plentiful supply than are January and February, and does not include January. These months appear to have been selected to offset the lag in production responses which requires the stimulas to fall and winter production to become effective some months in advance of the period of shortest production in relation to market needs. A base period extending through January and February would tend to result in higher production in the spring months of oversupply. Deliveries of base milk in the 5 months of the base period averaged over 87 percent of Class I sales in the last 4 years, and over 91 percent in 1946 and 1947, which indicates the desirability of shifting production to those months. It is concluded that the proposed base forming period should be adopted except that deliveries for only 122 days during the period be required. This would allow for a producer starting delivery not later than September 1, and for limited lapses in delivery during the period.

Continuation of producer payments on the base and excess plan during the base forming months was proposed. The base-excess plan was proposed as an incentive for more even seasonal production, the objective being to encourage each producer to produce more of his total year supply of milk in the late summer and fall months and less in the spring months. The plan, therefore, should not discourage increased fall production by requiring payment for all or part of higher production at the excess price. It was proposed that a new producer, or an old producer desiring to establish a new base, be paid during the base forming months at the base price for 80 percent of his milk deliveries and at the excess price for 20 percent. However, no penalty should be imposed during these months when the supply of milk is shortest in relation to demand, either on new shippers entering the market or on old shippers who desire to increase the level of their milk deliveries. It is concluded, therefore, that during the base forming months a new shipper, or an old shipper who relinquishes his base, should be paid the market blend price for all milk delivered during up to 3 of these months, and a base then be established at 80 percent of the average daily deliveries during 3 months. If deliveries are made for 4 or 5 of the base forming months, a new base of 100 percent of such average deliveries would become effective February 1. Only 80 percent of a producer's deliveries are allowed as base when the base is established on three months deliveries. Such deliveries are made at the uniform price. Deliveries of milk for two of the base forming months in the case of old shippers and one or two months in the case of new shippers are made under the previous base or the newly established 80 percent base in establishing a base on 100 percent of his deliveries. These provisions will require re-examination after data are available on the results of their

operation to determine the possible restrictive tendencies.

The proposal that bases be reduced by the difference between the average base period deliveries, and 90 percent of the previous base was the result of long experience in the market which has shown that such an adjustment eliminates most cases of inequity and dissatisfaction because of reductions in base due to accident, disease, weather, feed quality and other conditions more or less beyond the control of the producer.

A producer may desire to change his level of production and should not be required to receive payment for the higher production at the excess price until the next February 1st. It was proposed that producers be permitted to re-establish a base in line with their normal production level by allowing any producer to relinquish his base and to establish a base as a new producer once during each year. This would make the plan more flexible and would take care of cases of abnormally low production during the base period due to unsual circumstances.

A period of one month is allowed following the end of the base period to computate new bases. Every producer (except those who have been on the market less than 3 months) receives a new base on February 1 computed as the average of daily deliveries during the base forming months, or 80 percent of average daily deliveries in 3 months.

It was proposed that bases in use on the effective date of the order be applicable, subject to the approval of the market administrator, until the next February 1. However, the record indicates that there are some 2,000 producers who would have no base. It was proposed that the market administrator collect data on deliveries of these producers for the previous base forming months, or the first 3 months of delivery, and compute bases as if the order had been in effect during the base forming months of the previous year. Aside from the difficulties of collecting the data and making the computations in the brief period allowed, and the probable lack of some necessary records, which make the proposal impractical if not impossible to carry out, the proposal, in effect, would make certain provisions of the order retroactive to periods several months before the order would become effective. The last objection also applies to requiring payments on bases already established previous to the effective date of the order.

It is provided that all milk be paid for at a uniform price until bases have been established by deliveries during the first base period after the order becomes effective. This, of course, would not prevent a cooperative from re-pooling the returns for milk of its members and making payments on such base and excess plan as it may elect.

Rules have been provided for the handling of bases under certain circumstances. It is provided that any producer who fails to deliver milk to a handler for 45 consecutive days shall lose his base.

(c) *Producer butterfat differential.* Payments to producers must be adjusted for butterfat content. The proposed butterfat differential, based on the market price of 92-score butter at Chicago, has been in use in the market since 1941. This differential appears to have resulted in a supply of producer milk of satisfactory butterfat test for the needs of the market, and it is recommended as a provision of the order. Order prices are set for 3.5 percent milk as prices have always been announced for milk of this test in the market, and the basic test of 3. 5 percent apparently requires a minimum of adjustment to arrive at prices for actual tests of producer milk.

(8) *Administrative provisions.* (a) *Administrative assessments.* The act provides that the cost of administering a milk marketing order shall be financed by assessments on handlers subject to the order. An assessment of 2 cents per hundredweight of milk received from producers was proposed for the purpose. Although a considerable volume of cream from sources other than producers is received, testimony indicates that a fair apportionment of the administrative costs among handlers may be arrived at by basing the assessment on receipts of producer milk only. Normally, little or no other source milk is received as milk at handler plants. Should the rate of 2 cents per hundredweight prove more than adequate to cover costs of administering the order, it is provided that the Secretary may prescribe a lesser amount.

(b) *Marketing services.* To verify payments to producers at required rates, it is necessary to determine that butterfat tests and weights are accurate. To promote orderly marketing and encourage the production of an adequate supply of milk of satisfactory quality, it is necessary to furnish information regarding the market to individual producers. The cost of these market services should be paid by the producers who receive the benefits. Cooperative associations may be performing these services for members. It is provided, therefore, that in making payments to producers who are members of cooperatives determined by the Secretary to be performing such services, handlers shall deduct and pay to the cooperative such deductions as are authorized by the members of the cooperative. In the case of producers who are not receiving such services from their cooperative, the service should be performed by the market administrator with funds provided by a deduction from payments to such producers. It was proposed that a deduction of 5 cents per hundredweight be provided for this purpose. No testimony opposed such a deduction or indicated that a different rate should be provided.

Data on costs of furnishing these services to producers not serviced by cooperatives indicate that such costs would be relatively high. These producers deliver milk to 89 plants which are scattered over a wide area. It was estimated that butterfat check-testing costs under these conditions would be over 60 cents per test. It is provided that a deduction of 5 cents per hundredweight be made from payments to producers not receiving market services from a cooperative of which they are members and paid to the market administrator to be used for performing such services, and that this rate of 5 cents may be lowered by the Secretary if experience proves a lesser amount to be sufficient.

(c) *Other administrative provisions.* The other provisions cover administrative procedures necessary to carry out the pricing and payment requirements of the order, and for the liquidation of accounts in the event of suspension or termination of the order. Appointment of a market administrator is provided for and his powers and duties are prescribed. The computations to be made by the market administrator in determining class prices and the uniform and base price are set forth. A producer-equalization account is provided and the method of determining payments due to and from this account outlined so that each handler's payments to or receipts from this account, together with his payments to producers or cooperatives for milk will equal the value of his producer milk at the class prices. Handlers are required to permit verification by audit of all utilization of milk and milk products. Handlers are required to preserve all necessary records to show receipts, utilization and payments for a period of three years. This is considered long enough to allow for all necessary verification and at the same time not burden handlers with an unreasonable volume of old records. Records involved in any litigation, however, must be retained until released by the market administrator.

The termination of any obligation of a handler regarding any payment required by the order or of the market administrator to pay any handler is provided at the end of two years. Exceptions in the case of handler obligations are made in cases of notification of the obligation by the market administrator, failure or refusal of a handler to submit records, or transactions involving fraud or willful concealment of facts. A definite date for terminating obligations prevents the filing of claims which might extend back many years and involve substantial amounts. The resulting uncertainty could cause serious inequities and endanger the stability of the market. Handlers cannot be forewarned as to contingent liabilities and it is extremely difficult and burdensome for them to make adequate provision therefor by setting up reserves or by taking other precautionary measures. It is concluded that in general a period of two years is a reasonable time in which the market administrator should complete his audits and render billings for money due under the order.

Payments to producers have customarily been made on the 15th of the month following that in which the milk was received. It is considered desirable to continue this practice, as a shorter time is impractical considering the necessary reports and computations to be made. Producers should not be required to wait longer than 15 days when payment can be made within that time. Dates specified for announcement of class prices, submission of handler reports, announcement of uniform prices and equalization fund obligations are so set as to permit payments to producers by the 15th of the following month.

General findings. (a) The proposed marketing agreement and the order and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which effect market supply and demand, for milk in the marketing area and the minimum prices specified in the proposed marketing agreement and the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(c) The proposed order will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

The following order is tentatively approved as the appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this tentative decision because the regulatory provisions thereof would be identical with those contained in the order.

Order Regulating Handling of Milk in Detroit, Michigan Marketing Area [1]

AUTHORITY: §§ 924.1 to 924.102 issued under sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c.

§ 924.0 *Findings and determinations*—(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon a proposed marketing agreement and a proposed order regulating the handling of milk in the Detroit, Michigan, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk produced for sale in the said marketing area as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

(4) All milk and milk products, handled by handlers, as defined in this order, are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in milk or its products; and

(5) It is hereby found that the necessary expenses of the market administrator for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expenses, 2 cents per hundredweight or such amount not exceeding 2 cents per hundredweight as the Secretary may prescribe, with respect to all producer milk (including such handler's own production) received during the month.

Order relative to handling. It is therefore ordered that on and after the effective date hereof, the handling of milk in the Detroit, Michigan, marketing area shall be in conformity to and in compliance with the following terms and conditions:

DEFINITIONS

§ 924.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C., 601 et seq.).

§ 924.2 *Secretary.* "Secretary" means the Secretary of Agriculture of the United States, or any other officer or employee of the United States authorized to exercise the powers or to perform the duties of the Secretary of Agriculture.

§ 924.3 *U. S. D. A.* "U. S. D. A." means the United States Department of Agriculture.

§ 924.4 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 924.5 *Detroit, Michigan, marketing area.* "Detroit, Michigan, marketing area," hereinafter referred to as the "marketing area," means all territory, including incorporated municipalities, within the outer boundaries of the townships of Burtchville, Grant, Greenwood, Kenockee, Wales, Clyde, Fort Gratiot, Kimball, Fort Huron, St. Clair, China, East China, Ira, Cottrellville and Clay in St. Clair County, the townships of Chesterfield, Sterling, Clinton, Harrison, Warren, Erin, and Lake in Macomb County, the townships of White Lake, Waterford, Pontiac, Avon, Commerce, West Bloomfield, Bloomfield, Troy, Novi, Farmington, Southfield, and Royal Oak in Oakland County, the townships of Ann Arbor, Superior and Ypsilanti in Washtenaw County, the townships of

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

Ash and Berlin in Monroe County and all of Wayne County, all in the State of Michigan.

§ 924.6 *Handler.* "Handler" means:

(a) A person who operates a plant in which milk is pasteurized or packaged for distribution in the marketing area and from which Class I milk is disposed of during the month on a route(s) in the marketing area;

(b) A person who operates a plant other than one described in paragraph (a) of this section which is approved by the Department of Health of the City of Detroit, Ann Arbor, Pontiac or Port Huron for the handling of milk for consumption as Class I milk in the marketing area, except such a plant from which less than 10 percent of its dairy farm supply of milk is moved to a plant described in paragraph (a) of this section in each of the months of November and December of each year after 1950.

§ 924.7 *Producer.* "Producer" means a dairy farmer who produces milk which is received directly from the farm at a plant described in § 924.6 (except such plant as described in § 924.101) or is diverted for a handler's account from such a plant to a plant not described in § 924.6.

§ 924.8 *Producer-handler.* "Producer-handler" means a person who is a handler and who produces milk, but receives no milk from other producers or from a cooperative association.

§ 924.9 *Producer milk.* "Producer milk" means milk delivered by one or more producers.

§ 924.10 *Other source milk.* "Other source milk" means all skim milk and butterfat received by a handler in any form, other than that contained in producer milk.

§ 924.11 *Cooperative association.* "Cooperative association" means any cooperative marketing association of producers, duly organized as such under the laws of any State which the Secretary determines:

(a) To be qualified under the standards set forth in the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act;"

(b) To have full authority in the sale of milk of its members; and

(c) To be engaged in making collective sales or marketing milk or its products for its members.

§ 924.12 *Base.* "Base" means a quantity of milk, expressed in pounds per day, determined for each producer as provided in § 924.70.

§ 924.13 *Base milk.* "Base milk" means milk delivered by a producer each month which is not in excess of his base multiplied by the number of days on which milk is delivered during the month, and all milk delivered by a producer prior to February 1, 1952.

§ 924.14 *Excess milk.* "Excess milk" means milk delivered by a producer each month in excess of his base milk.

§ 924.15 *Route.* "Route" means a delivery (other than to a handler) including a sale from a store of a Class I product to a wholesale or retail stop(s).

MARKET ADMINISTRATOR

§ 924.20 *Designation.* The agency for the administration hereof shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal by, the Secretary.

§ 924.21 *Powers.* The market administrator shall have the following powers with respect to this order:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions;

(d) To recommend amendments to the Secretary.

§ 924.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this order, including, but not limited to, the following:

(a) Within 30 days following the date on which he enters upon his duties, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay, out of the funds provided by § 924.86:

(1) The cost of his bond and of the bonds of his employees,

(2) His own compensation, and

(3) All other expenses, except those incurred under § 924.87, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided herein, and, upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Publicly announce, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 10 days after the day upon which he is required to perform such acts, has not made (1) reports pursuant to §§ 924.30 and 924.31, or (2) payments pursuant to §§ 924.80 and 924.84.

(g) Calculate a base for each producer in accordance with § 924.70 and advise the producer and the handler receiving the milk of such base;

(h) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(i) Audit records of all handlers to verify the reports and payments required pursuant to the provisions hereof; and

(j) Publicly announce the prices determined for each month as follows:

(1) On or before the 5th day of each month, the minimum class prices for the preceding month computed pursuant to § 924.51 and 924.52, and the handler butterfat differential computed pursuant to § 924.53, and

(2) On or before the 11th day of each month the uniform price, the price for base milk and the price for excess milk for the preceding month, computed pursuant to §§ 924.62, 924.63, and 924.64, and the producer butterfat differential computed pursuant to § 924.82.

REPORTS, RECORDS, AND FACILITIES

§ 924.30 *Monthly reports of receipts and utilization.* On or before the 5th working day of each month, each handler shall report to the market administrator for the preceding month, in the detail and on forms prescribed by the market administrator, the following with respect to (a) all producer milk received, (b) all skim milk and butterfat in any form received from other handlers, and (c) all other source milk (except any nonfluid milk product which is disposed of in the same form as received) received at a plant(s) described in § 924.6:

(1) The quantities of butterfat and skim milk contained in such receipts, and their sources;

(2) The utilization or disposition of such receipts; and

(3) Such other information with respect to such receipts and their utilization or disposition as the market administrator may prescribe.

§ 924.31 *Other reports.* (a) Each producer-handler and each handler described in § 924.101 shall make reports at such time and in such manner as the market administrator may request.

(b) On or before the 20th day of each month each handler who received milk from producers shall report his producer payroll for the preceding month which shall show:

(1) The pounds of base milk and pounds of excess milk received from each producer, and the percentage of butterfat contained therein;

(2) The amount and date of payment to each producer (or to a cooperative association); and

(3) The nature and amount of each deduction or charge involved in the payments referred to in subparagraph (2) of this paragraph.

§ 924.32 *Records and facilities.* Each handler shall maintain and make available to the market administrator during the usual hours of business, such accounts and records of all of his operations and such facilities as are necessary to verify reports, or to ascertain the correct information with respect to (a) the receipts and utilization or disposition of all skim milk and butterfat received, including all milk products received and disposed of in the same form; (b) the weights and tests for butterfat, skim milk and other contents of all milk and milk products handled; and (c) pay-

ments to producers and cooperative associations.

§ 924.33 *Retention of records.* All books and records required under this order to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: *Provided,* That, if within such three-year period, the market administrator notifies a handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records until further written notification from the market administrator. The market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 924.40 *Skim milk and butterfat to be classified.* All skim milk and butterfat received at a handler plant (a) in milk from producers or from a cooperative association (except as provided in § 924.43 (c)), (b) in any form from other handlers and (c) in other source milk required to be reported pursuant to § 924.30 shall be classified (separately as skim milk and butterfat) in the classes set forth in § 924.41.

§ 924.41 *Classes of utilization.* Subject to the conditions set forth in §§ 924.42 and 924.43 the classes of utilization shall be:

(a) Class I utilization shall be all skim milk and butterfat (1) disposed of for consumption in fluid form as milk, flavored milk, skim milk or buttermilk; and (2) not accounted for as Class II utilization.

(b) Class II utilization shall be all skim milk and butterfat (1) disposed of for fluid consumption as sweet or sour cream; or (2) used to produce ice cream or ice cream mix, cheese (including cottage cheese), dried whole milk, nonfat dry milk solids, evaporated or condensed whole or skim milk, sweetened or unsweetened disposed of in bulk or in hermetically sealed cans, butter, or livestock feed, or dumped; or (3) in shrinkage of producer milk up to 2 percent of receipts from producers; or (4) in shrinkage of other source milk.

§ 924.42 *Shrinkage.* (a) If producer milk is utilized in conjunction with other source milk, the shrinkage shall be allocated pro rata between the receipts of skim milk and butterfat in producer milk and other source milk.

(b) Producer milk transferred by a handler to another handler without first having been received for the purpose of weighing and testing in the transferrer handler's plant shall be included in the receipts at the plant of the transferee handler for the purpose of computing his shrinkage and shall be excluded at the plant of the transferrer handler in computing his shrinkage.

(c) Producer milk received at a plant from which a route is not operated in the marketing area and transferred in bulk from such plant to a plant from which a route is operated in the marketing area shall be subtracted from the producer milk receipts at the first plant and added to the producer milk receipts at the second plant in computing shrinkage.

§ 924.43 *Transfers.* (a) Skim milk and butterfat disposed of by a handler to another handler (except as provided in paragraph (c) of this section, other than a handler described in § 924.101, in the form of milk or skim milk shall be Class I utilization, unless Class II utilization is indicated by both handlers in their reports submitted pursuant to § 924.30: *Provided,* That in no event shall the amount so classified in Class II be greater than the amount of producer milk used in such class by the transferee handler after allocating other source milk in his plant in series beginning with the lowest priced utilization.

(b) Skim milk and butterfat moved in the form of milk or skim milk by a handler to a person not a handler or to a handler described in § 924.101 shall be Class I utilization unless all of the following conditions are met:

(1) Class II utilization is indicated by the handler in his report submitted pursuant to § 924.30, and a statement certifying to such Class II utilization is received by the market administrator from the operator of the plant to which such milk or skim milk is moved not later than the last day of the month following the month of such movement.

(2) The operator of such plant had actually used in the month of such movement an equivalent amount of skim milk and butterfat in Class II, or moved such amount to another plant not operated by a handler which meets the requirements of subparagraph (3) of this paragraph and utilized in the month an equivalent amount of skim milk and butterfat in Class II.

(3) The operator of the transferee plant maintains books and records which are made available if requested by the market administrator and which are adequate for the verification of such Class II utilization.

(c) Producer milk transferred in bulk from a plant operated by a cooperative association from which no milk is disposed of on a route(s) in the marketing area to a plant as described in § 924.6 (a), except a plant as described in § 924.101, shall be deducted before classification of producer milk at the plant of the transferor cooperative and shall be included in producer milk classified at the plant of the transferee handler.

§ 924.44 *Responsibility of handlers and reclassification.* All skim milk and butterfat shall be classified as Class I utilization unless the handler who first receives such skim milk or butterfat proves to the market administrator that such skim milk or butterfat should be classified otherwise.

§ 924.45 *Computation of skim milk and butterfat in each class.* For each month the market administrator shall correct for mathematical and obvious errors the monthly report submitted by each handler and compute the total pounds of skim milk and butterfat, respectively, in Class I and Class II utilization for such handler.

§ 924.46 *Allocation of butterfat classified.* The pounds of butterfat remaining after making the following computations shall be the pounds in each class allocated to milk received from producers.

(a) Subtract from the total pounds of butterfat in Class II utilization, the pounds of butterfat shrinkage allowed pursuant to § 924.41 (c) (3);

(b) Subtract from the pounds of butterfat remaining in each class, in series beginning with the lowest-priced utilization, the pounds of butterfat in other source milk;

(c) Subtract from the remaining pounds of butterfat in each class, the pounds of butterfat received from other handlers (except from a cooperative as set forth in § 924.43 (c)) in such classes pursuant to § 924.43 (a); and

(d) Add to the remaining pounds of butterfat in Class II utilization the pounds subtracted pursuant to paragraph (a) of this section;

(e) If the remaining pounds of butterfat in all classes exceed the pounds of butterfat in milk received from producers, subtract such excess from the remaining pounds of butterfat in each class in series, beginning with the lowest-priced utilization.

§ 924.47 *Allocation of skim milk classified.* Allocate the pounds of skim milk in each class to milk received from producers in a manner similar to that prescribed for butterfat in § 924.46.

MINIMUM PRICES

§ 924.50 *Basic formula price.* The basic formula price to be used in determining the price per hundredweight of Class I utilization shall be the highest of the prices computed pursuant to paragraphs (a), (b), (c), and (d) of this section.

(a) The average of the basic or field prices per hundredweight reported to have been paid, or to be paid, for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the U. S. D. A.

Present Operator and Location

Borden Co., Mount Pleasant, Mich.
Carnation Co., Sparta, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Cooperville, Mich.
Borden Co., Greenville, Wis.
Borden Co., Black Creek, Wis.
Borden Co., Orfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Jefferson, Wis.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

(b) The price per hundredweight computed by adding together the plus values

computed pursuant to subparagraphs (1) and (2) of this paragraph:

(1) From the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score bulk creamery butter per pound at Chicago as reported by the U. S. D. A. during the month; subtract 3 cents, add 20 percent thereof and multiply by 3.5.

(2) From the simple average, as computed by the market administrator, of the weighted averages of carlot prices per pound for nonfat dry milk solids, spray and roller process, respectively, for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the U. S. D. A., deduct 5.5 cents and then multiply by 8.2.

(c) The price per hundredweight resulting from the following formula:

(1) Multiply by 6 the simple average as computed by the market administrator of the daily average wholesale selling prices per pound of Grade A (92-score) bulk creamery butter (using the midpoint of any price range as one price) at Chicago as reported by the U. S. D. A. for the month;

(2) Add an amount equal to 2.4 times the simple average as published by the U. S. D. A. of prices per pound of "Cheddars" on the Wisconsin Cheese Exchange at Plymouth, Wisconsin, on the trading days that fall within the month.

(3) Divide by 7, add 30 percent thereof, and then multiply by 3.5.

(d) The average of the prices per hundredweight reported to have been paid, or to be paid, for milk of 3.5 percent butterfat content received from farmers during the month at the following plants for which prices have been reported to the market administrator:

Present Operator and Location

Kraft Cheese Co., Clare, Mich.
Fairmont Foods Co., Bad Axe, Mich.
Carnation Milk Co., Sheridan, Mich.
Grand Ledge Milk Co., Grand Ledge, Mich.
Pet Milk Co., Hudson, Mich.

§ 924.51 *Class I milk price.* (a) Except as provided in paragraph (b) of this section, the minimum price per hundredweight to be paid by each handler, f. o. b. his plant as described in § 924.6 for milk of 3.5 percent butterfat content received from producers or from cooperative associations, during the month, which is classified as Class I utilization shall be the basic formula price plus $1.35.

(b) Beginning in the third month after this order becomes effective, the percentage which total receipts of producer milk by all handlers during the next two preceding months is of total Class I utilization of all handlers during such period shall be computed each month by the market administrator, and for the following month the Class I price shall be decreased 15 cents if such percentage is 7.5 percentage points or more above the average of the percentages for the corresponding months in the following schedule and increased 15 cents if such percentage is 7.5 percentage points or more below the average of the percentages for the corresponding months in such schedule and the Class I price shall be decreased or increased an additional 15 cents for each additional full 5 percentage points which such ratio of producer milk receipts to Class I utilization is above or below such average percentage: *Provided,* That when the price has been so decreased or increased it shall not be next increased or decreased, respectively, in the following month unless such percentage is ½ percentage point higher or lower, as the case may be, than the percentage at which such price change would otherwise be made.

Month	Percentages	Month	Percentages
January	122.5	July	149.8
February	126.5	August	145.5
March	134.1	September	140.6
April	144.3	October	131.0
May	159.3	November	123.4
June	167.5	December	125.9

§ 924.52 *Class II milk price.* The minimum price per hundredweight to be paid by each handler, f. o. b. his plant as described in § 924.6 for milk of 3.5 percent butterfat content received from producers or from a cooperative association, during the month, which is classified as Class II utilization, shall be the higher of the prices as computed by the market administrator pursuant to paragraphs (a) and (b) of this section:

(a) The price per hundredweight computed by adding together the plus values pursuant to subparagraphs (1) and (2) of this paragraph:

(1) Multiply the average price per pound of butter as described in paragraph (b) (1) of § 924.50 by 1.2 and then by 3.5.

(2) From the simple average of the weighted averages of carlot prices per pound of nonfat dry milk solids, spray and roller process, respectively, in barrels for human consumption f. o. b. manufacturing plants in the Chicago area as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the U. S. D. A., subtract 5.5 cents and then multiply by 8.2.

(b) The price per hundredweight as described in § 924.50 (d).

§ 924.53 *Handler butterfat differential.* There shall be added to or subtracted from, as the case may be, the prices of milk for each class as computed pursuant to §§ 924.51 and 924.52, for each one-tenth of one percent variation in the average butterfat test of the milk in each class above or below 3.5 percent the amounts determined as follows:

(a) *Class I milk.* Add 2 cents to the producer butterfat differential determined pursuant to § 924.82.

(b) *Class II milk.* Divide the amount computed pursuant to § 924.52 (a) (1) by the price computed pursuant to § 924.52 (a), multiply the price determined pursuant to § 924.52 (b) by the resulting percentage and then divide by 35 and round off to the nearest one tenth cent.

DETERMINATION OF PRICE TO PRODUCERS

§ 924.60 *Computation of value of milk for each handler.* (a) Subject to paragraph (c) of this section, the value of producer milk received during the month by each handler shall be a sum of money computed by the market administrator by multiplying by the applicable class price adjusted pursuant to § 924.53 the total combined hundredweight of skim milk and butterfat received in producer milk allocated to each class pursuant to §§ 924.46 and 924.47, adding together the resulting amounts, and if such handler has a utilization greater than has been accounted for as received from all sources, add an amount computed by multiplying any such excess utilization classified pursuant to § 924.46 (c) and § 924.47 by the applicable class prices.

(b) Each handler who has other source milk allocated to Class I pursuant to § 924.46 and § 924.47 shall pay to the producer equalization fund each month an amount computed by multiplying the hundredweight of milk so allocated by the difference between the Class I and Class II prices for the month adjusted by the butterfat differentials provided in § 924.53 to the butterfat test of such other source milk.

(c) A handler who receives milk from producers (1) at a plant located outside the marketing area and more than 34 miles by shortest highway distance from the Detroit City Hall and from which no milk is disposed of on a route in the marketing area or (2) at a plant which is located outside the marketing area and more than 34 miles by shortest highway distance from the boundary of the marketing area and from which milk is disposed of on a route in the marketing area shall receive a credit with respect to producer milk disposed of as Class I utilization other than to a handler, and with respect to producer milk moved in bulk from such plant to a plant from which milk is disposed of on a route in the marketing area, computed on the weight of milk so moved which is not in excess of the amount of such milk classified as Class I utilization in the plant to which such milk is moved (pro rating to such milk the utilization of all producer milk received at such plant) at the rate for the applicable zone as determined by the market administrator, as follows:

Zone No.	Shortest road distance from Detroit City Hall	Rate per hundredweight
1	More than 34 miles but not more than 49 miles	$0.15
2	More than 49 miles but not more than 57 miles	.16
3	More than 57 miles but not more than 65 miles	.17
4	More than 65 miles but not more than 73 miles	.18
5	More than 73 miles but not more than 81 miles	.19
6	More than 81 miles but not more than 89 miles	.20
7	More than 89 miles but not more than 97 miles	.21
8	More than 97 miles	.22

§ 924.61 *Computation of the 3.5 percent value of all producer milk.* For each month, the market administrator shall compute the 3.5 percent value of producer milk by:

(a) Combining into one total the individual values of milk of all handlers, computed pursuant to paragraph (a) of § 924.60;

(b) Adding the aggregate value of all allowable producer location adjustments computed at the rates for the appropriate zones as provided in § 924.81;

(c) Adding or subtracting any charges or credits pursuant to § 924.90 (a) or (b);

(d) Adding, if the weighted average butterfat test of all producer milk represented in paragraph (a) of this section is less than 3.5 percent, or subtracting if the weighted average butterfat test of such milk is more than 3.5 percent, an amount computed by multiplying the total pounds of butterfat represented by the difference of such average butterfat test from 3.5 percent by the butterfat differential provided in § 924.82 multiplied by 10;

(e) Adding not less than one-half of the unobligated balance in the producer-equalization fund.

§ 924.62 *Uniform price.* For each month the uniform price shall be computed by:

(a) Dividing the amount computed pursuant to § 924.61 by the hundredweight of milk received from producers represented by the values included in § 937.61 (a); and

(b) Subtracting not less than 4 cents or more than 5 cents.

§ 924.63 *Excess milk price.* For each month the excess milk price shall be determined pursuant to § 924.52.

§ 924.64 *Computation of uniform price for base milk.* (a) Multiply the total pounds of excess milk and milk to be paid for at the excess milk price pursuant to § 924.70 (b) for the month by the excess milk price.

(b) Multiply the total amount of milk to be paid for at the uniform price pursuant to § 924.70 (b) by the uniform price for the month.

(c) Subtract the total values arrived at in paragraphs (a) and (b) of this section from the total 3.5 percent value of all producer milk arrived at in § 924.61;

(d) Divide the resultant value by the total hundredweight of base milk and milk to be paid for at the base price pursuant to § 924.70 (b); and

(e) Subtract not less than four cents nor more than five cents. The resultant hundredweight price shall be the uniform price of base milk of 3.5 percent butterfat content received at plants described in § 924.6.

§ 924.65 *Notification.* On or before the 11th day after the end of each month the market administrator shall notify each handler of:

(a) The amounts and values of his milk in each class and the total of such amounts and values;

(b) The base of any producer delivering milk to the handler which was not used in making payments for the previous month;

(c) The amount due such handler from the producer-equalization fund or the amount to be paid by such handler to the producer-equalization fund, as the case may be; and

(d) The totals of the minimum amounts to be paid by such handler pursuant to §§ 924.80, 924.84, 924.86, 924.87, and 924.90.

BASE RULES

§ 924.70 *Determination of base.* (a) A producer who delivered milk on at least 122 days during the period August 1 through December 31, inclusive, of any year after 1950 shall have a base computed by the market administrator to be applicable, subject to § 924.72, for the 12 months' period beginning the following February 1, equal to his daily average milk deliveries from the date on which milk was first delivered in the period to the end of such August 1–December 31 period: *Provided,* That a producer who had a base previous to August 1 and whose average of daily deliveries for the August 1–December 31 period is less than such base shall have a base computed by subtracting from his previous base any amount by which 90 percent of his previous base exceeds such average of daily deliveries.

(b) A producer who has no base shall be paid during the first three full months he is a producer the uniform price in each of the months of August through December and in other months, in the price applicable to base milk for the following percentages of his milk deliveries and the price applicable to excess milk for the remainder of his deliveries: 75 percent for January and February, 70 percent for March, 60 percent for April and July and 40 percent for May and June. At the conclusion of the first three full months' delivery, a base shall be established in the following manner: Multiply the total deliveries in the months of August through December by .8, in January and February by .75, in March by .7, in April and July by .6, and in May and June by .4. Add the amounts so computed and divide by the number of days in which milk was delivered during the three months.

(c) From the effective date of this order until bases are established pursuant to this section, producers and cooperative associations shall be paid the uniform price for all milk delivered.

§ 924.71 *Application of bases.* (a) A base shall apply to deliveries of milk by the producer for whose account that milk was delivered during the base period;

(b) Bases may be transferred only under the following conditions upon written notice by the holder of the base to the market administrator on or before the last day of the month that such base is to be transferred:

(1) Upon the death, retirement or entry into military service of a producer, the entire base may be transferred to a member or members of his immediate family.

(2) If a base is held jointly and such joint holding is terminated, the entire base may be transferred to one of the joint holders or to another person.

(c) A producer who does not deliver milk to a handler for 45 consecutive days shall forfeit his base.

§ 924.72 *Establishing a new base.* A producer with a base, by notifying the market administrator that he relinquishes such base, may establish a new base pursuant to § 924.70 (b) once during the 12-month period ending December 31, the period for establishing a new base to begin the first day of the month in which such notification is received by the market administrator.

PAYMENT FOR MILK

§ 924.80 *Time and method of payment.* On or before the 15th day after the end of each month each handler who received milk from producers or from a cooperative association shall pay for milk received during such month to each producer, or to a cooperative association for milk received from such association or from producers for the account of such association, the uniform price as provided in § 924.70 (b) and (c) or the base price for base milk and for milk to be paid for at the base price pursuant to § 924.70 (b) and milk transferred pursuant to § 924.43 (c), and the excess price for excess milk and milk to be paid for at the excess price pursuant to § 924.70 (b), adjusted by the butterfat differential pursuant to § 924.82 and any location adjustment pursuant to § 924.81: *Provided,* That if by such date such handler has not received full payment for such month pursuant to § 924.85, he shall not be deemed to be in violation of this section if he reduces uniformly to all producers and cooperative associations his payments per hundredweight by a total amount not in excess of the reduction in payments due from the market administrator; however, the handler shall make such balance of payment uniformly to those producers to whom it is due on or before the date for making payments pursuant to this section next following that on which such balance of payment is received from the market administrator.

§ 924.81 *Location adjustments to producers.* In making payments to producers or cooperative associations pursuant to § 924.80 a handler may deduct with respect to all milk received by him from producers at a plant located outside the marketing area and more than 34 miles by shortest highway distance from the Detroit City Hall, as determined by the market administrator, and if milk is distributed from such plant on a route(s) in the marketing area, also located more than 34 miles by the shortest highway distance from the boundary of the marketing area, the amount per hundredweight applicable to the zone in which such plant is located as set forth in § 924.60 (c).

§ 924.82 *Producer butterfat differential.* In making payments pursuant to § 924.80, the base price and excess price or the uniform price shall be increased or decreased for each one-tenth of one percent of butterfat content in the milk received from each producer or a cooperative association above or below 3.5 percent, as the case may be, by a butterfat differential of 7 cents when the average price of butter as described in § 924.50 (b) (1) is 60 cents, which differential shall be increased one-half cent for each full 5 cents variance in

such price of butter above 60 cents and decreased one-half cent for each full 5-cent variance in such price of butter below 64.99 cents.

§ 924.83 *Producer equalization fund.* The market administrator shall establish and maintain a separate fund, known as the "producer-equalization fund" into which he shall deposit all payments received pursuant to § 924.84 and out of which he shall make all payments pursuant to § 924.85.

§ 924.84 *Payments to the producer-equalization fund.* On or before the 13th day after the end of each month, each handler

(a) whose value of milk is required to be computed pursuant to § 924.60 (a) shall pay to the market administrator any amount by which such value for such month (in the case of a cooperative association which is a handler plus the value of any milk transferred as provided in § 924.43 (c) at the price for base milk for the month adjusted pursuant to § 924.82) is greater than the minimum amount required to be paid by him pursuant to § 924.80, and

(b) who is required to make payment pursuant to § 924.60 (b) shall pay such amount to the market administrator.

§ 924.85 *Payment out of the producer-equalization fund.* On or before the 14th day after the end of each month, the market administrator shall pay to each handler any amount by which the value of milk for such handler for the month pursuant to § 924.60 (a) (in the case of a cooperative association which is a handler plus the value of any milk transferred as provided in § 924.43 (c) at the price for base milk for the month adjusted pursuant to § 924.82) is less than the total minimum amount required to be paid by him pursuant to § 924.80, less any unpaid obligations of such handler to the market administrator pursuant to § 924.84; *Provided*, That if the balance in the producer-equalization fund is insufficient to make all payments to all such handlers pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds become available.

§ 924.86 *Expense of administration.* As his pro rata share of the expense of administration hereof, each handler shall pay to the market administrator on or before the 13th day after the end of each month two cents per hundredweight, or such amount not exceeding two cents per hundredweight as the Secretary may prescribe, with respect to all receipts within the month of milk from producers, including milk of such handler's own production.

§ 924.87 *Marketing services.* (a) Except as set forth in paragraph (b) of this section, each handler, in making payments pursuant to § 924.80 for milk received from each producer (including milk of such handler's own production) at a plant not operated by a cooperative association of which such producer is a member, shall deduct five cents per hundredweight, or such amount not exceeding five cents per hundredweight as the Secretary may prescribe, and, on or before the 13th day after the end of each month, shall pay such deductions to the market administrator. Such moneys shall be used by the market administrator to verify weights, samples, and tests of milk received from producers and to provide producers with market information, such services to be performed by the market administrator or by an agent engaged by and responsible to him.

(b) In the case of producers whose milk is received at a plant not operated by a cooperative association of which such producers are members, and for whom a cooperative association is actually performing the services described in paragraph (a) of this section, as determined by the Secretary, each handler shall make, in lieu of the deductions specified in paragraph (a) of this section, such deductions from payments required pursuant to § 924.80 as may be authorized by such producers, and pay such deductions on or before the 13th day after the end of the month to the cooperative association rendering such services of which such producers are members.

ADJUSTMENT OF ACCOUNTS

§ 924.90 *Payments.* Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses adjustments to be made, for any reason, which result in moneys due:

(a) To the market administrator from such handler,

(b) To such handler from the market administrator, or

(c) To any producer or cooperative association from such handler,

the market administrator shall promptly notify such handler of any such amount due; and payment thereof shall be made on or before the next date for making payment set forth in the provision under which such error occurred, following the 5th day after such notice.

§ 924.91 *Overdue accounts.* Any unpaid obligation of a handler or of the market administrator pursuant to §§ 924.84, 924.85, 924.86, 924.87, and 924.90 shall be increased one-half of one percent on the first day of the month next following the due date of such obligation and on the first day of each month thereafter until such obligation is paid.

APPLICATION OF PROVISIONS

§ 924.100 *Milk caused to be delivered by cooperative associations.* Milk referred to herein as received from producers by a handler shall include milk of producers caused to be delivered to such handler by a cooperative association.

§ 924.101 *Handler exemption.* A handler who operates a plant located outside the marketing area from which class I milk is disposed of on a route(s) within the marketing area but from which the disposition of Class I milk on all routes operating wholly or partly within the marketing area averages less than 600 pounds per day for the month, and from which no milk is transferred to other handlers, shall be exempt for such month from all provisions of this order except §§ 924.31, 924.32 and 924.33.

§ 924.102 *Producer-handler exemption.* A producer-handler shall be exempt from all provisions of this order except §§ 924.31, 924.32, 924.33 and 924.60 (b).

TERMINATION OF OBLIGATIONS

§ 924.110 *Termination of obligations.* (a) The obligation of any handler to pay money required to be paid under the terms of this order shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the month during which the market administrator receives the handler's report of utilization of the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to a cooperative association, the name of such producers or association, or, if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this order, to make available to the market administrator or his representatives all books or records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the month following the month during which such books and records pertaining to such obligation are made available to the market administrator or his representative.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or wilful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this order shall terminate two years after the end of the month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 924.120 *Effective time.* The provisions hereof, or of any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 924.121 *When suspended or terminated.* The secretary shall, whenever he finds that this order, or any provision thereof, obstructs or does not tend to effectuate the declared policy of the act, terminate or suspend the operation of this part or any such provision thereof.

§ 924.122 *Continuing obligations.* If, upon the suspension or termination of any of all provisions of this order, there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 924.123 *Liquidation.* Under the suspension or termination of the provisions hereof, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers, in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 924.130 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions hereof.

§ 924.131 *Separability of provisions.* If any provision hereof, or its application to any person or circumstances, is held invalid the application of such provision, and of the remaining provisions hereof, to other persons or circumstances shall not be affected thereby.

It is hereby ordered, That this tentative decision be published in the FEDERAL REGISTER.

This decision filed at Washington, D. C., this 11th day of May, 1951.

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

[F. R. Doc. 51-5680; Filed, May 15, 1951; 8:53 a. m.]

[7 CFR, Parts 943 and 945]

[Docket No. AO 231]

HANDLING OF MILK IN NORTH TEXAS AND WICHITA FALLS, TEX., MARKETING AREAS

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS THERETO WITH RESPECT TO PROPOSED MARKETING AGREEMENTS AND ORDERS REGULATING HANDLING

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of the recommended decision of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to proposed marketing agreements and orders regulating the handling of milk in the North Texas and Wichita Falls, Texas, marketing areas, respectively. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., not later than the close of business the 20th day after publication of this decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. A public hearing, on the record of which the proposed marketing agreements and orders were formulated, was called by the Production Marketing Administration, United States Department of Agriculture, following receipt of a petition and proposed order filed by the North Texas Producers Association, Arlington, Texas, and a petition and proposal to extend the marketing area of such proposed order filed by the Wichita Falls Area Milk Producers Association, Inc., Wichita Falls, Texas. The public hearing was held in Dallas, Texas, on January 31 to February 20, 1951, inclusive, pursuant to a notice duly published in the FEDERAL REGISTER December 30, 1950 (15 F. R. 9522).

The material issues of record related to

1. Whether the handling of milk produced for the marketing area(s) is in the current of interstate commerce or directly burdens, obstructs or affects interstate commerce in milk or its products;

2. Whether marketing conditions justify the issuance of milk marketing agreement(s) or order(s);

3. The extent of the marketing area(s);

4. The proper scope of regulation;

5. The classification and allocation of milk;

6. The determination and level of class prices;

7. Payments to producers; and

8. Administrative provisions.

Findings and conclusions. The following findings and conclusions on the material issues decided herein are hereby made on the basis of the record of the hearing. In view of the findings and conclusions with respect to the extent of the marketing area and the evidence in the record, findings and conclusions with respect to other issues are included herein concerning a separate marketing agreement and order for the Wichita Falls, Texas, marketing area.

Upon the evidence adduced at the hearing and on the record thereof it is found and concluded that:

1. *Character of commerce.* The handling of milk in the North Texas marketing area is in the current of interstate commerce and directly burdens, obstructs or affects interstate commerce in the handling of milk and its products.

Substantial quantities of milk produced in other states are imported regularly each fall and winter to supply the needs of handlers in the North Texas marketing area, since local production has not for several years been sufficient at this season of the year. Shipments from Wisconsin and Missouri to Dallas and Fort Worth handlers totaled almost 5 million pounds of whole milk during 1949 and approximately 3.5 million pounds in 1950. Additional quantities of milk were received by handlers in other cities of the marketing area. In addition substantial quantities of condensed skim milk and cream are transported to the area from points outside of Texas and used in reconstitution of buttermilk and the manufacture of ice cream.

During the spring and summer flush production season milk produced for the North Texas marketing area which is surplus to the needs for fluid distribution is used in the manufacture of ice cream, butter, cheese, condensed milk and non-fat dry milk solids. The products made from thus surplus milk are sold in competition with similar products manufactured in other states. Cream, condensed skim milk and non-fat dry milk solids imported from other states are also used in the production of ice cream.

Twenty-three producers whose farms are located in the State of Oklahoma supply milk to a handler whose plant is located in Paris, Texas, which is a part of the North Texas marketing area. This handler distributes fluid milk in competition with other handlers in the North Texas marketing area and also distributes fluid milk in the State of Oklahoma. In addition, this handler operates a manufacturing plant to which seasonal surpluses of milk produced for fluid distribution is transferred from his own operation and those of numerous other North Texas handlers. Ice cream mix made in part from such surplus milk is distributed in Oklahoma, Arkansas, and Louisiana, as well as Texas.

The handling of milk produced for the Wichita Falls, Texas, marketing area is also in the current of interstate commerce and directly burdens, obstructs or affects interstate commerce in the handling of milk and its products.

Milk produced in other states is imported regularly during the short production season to supplement local supplies. For reasons indicated elsewhere such imports in 1950 were less than

usual, amounting to approximately 156,000 pounds. Seasonal surpluses of inspected milk are used in the manufacture of dairy products particularly as ingredients of ice cream. Ice cream made from such surplus milk is sold regularly in Oklahoma. In addition milk surplus to local needs is marketed in bulk to other Texas markets in competition with supplementary supplies from northern states.

2. *Need for an order.* Marketing conditions in the North Texas marketing area justify the issuance of a marketing agreement and order.

During and since World War II the North Texas marketing area, of which the cities of Dallas and Fort Worth represent the largest centers of urban population, has experienced a marked growth in population. As a consequence the demand for milk for fluid consumption has also increased materially. While the production of milk for fluid consumption has also increased rapidly, there is not yet sufficient locally approved milk to supply the needs of the market for fluid consumption in fall and winter months when production is seasonally low. In an effort to increase supplies of locally inspected milk Dallas and Fort Worth handlers have since 1947 expanded the area from which they buy milk. In this period they have likewise expanded their sales areas. In this period of expansion of production and sales no organized plan for the marketing of the milk supply and no satisfactory plan for establishing the prices which milk producers receive for their milk have been developed.

Milk, because of its perishability, must be delivered daily to the market as it is produced. Farmers cannot hold milk on their farms to await favorable price conditions. Because of the breeding characteristics of cows, difference in the availability of fresh feeds and changes in the weather there is a marked seasonal variation in milk production in the supply areas for the North Texas and Wichita Falls, Texas, marketing areas. Sales of milk in fluid form on the other hand are subject to much less seasonable variation than milk production. Thus even though the milk supply were inadequate to supply the market needs at some seasons of the year there would be a surplus of milk at other seasons. Such surpluses must find their way into manufactured dairy products which do not return as high a price to producers as milk disposed of in fluid form. Production of milk for fluid use in conformity with rigid sanitary requirements prevailing in the North Texas marketing area and especially to maintain a satisfactory level of supply in the fall and winter months requires substantial investment and heavy operating costs.

Orderly marketing of the milk produced for fluid consumption in a metropolitan market supplied by numerous producers requires regular and dependable methods for determining prices of milk for various uses, equality of prices for each handler according to the use made of the milk, and means whereby the price reductions resulting from any surpluses may be borne equitably among producers. There is no plan operating in the North Texas market whereby prices of milk produced for fluid consumption are established in accordance with these objectives. Practically all handlers in the market operate on some form of "base and surplus" plan. Under each of the plans the individual handler determines the prices of butterfat differentials to be paid for "base" and "surplus" milk and the means of determining what milk shall be paid for as "base milk" and as "surplus milk." Milk producers do not participate in the price making process.

The base plans of different handlers differ from each other in several material respects. Moreover, several handlers have varied the application of their own plans from year to year and even within a single year with little or no advance notice to producers. Under all of these plans the average deliveries of a producer during some of the short production months affects at some seasons of the year the quantity of milk for which he is paid "base price." The months used by different handlers for establishing bases have varied. Some handlers have failed to notify producers in advance what months were to be the "base-setting" period or have eliminated a part of a previously announced period. The most significant differences in the buying plans of handlers have, however, been in the application of their base plans to the quantity of each producer's milk that should be paid for at the "base" or higher price and the quantity to be paid for at a lower or "surplus" price. For some handlers this has been determined solely by the base established by each producer; each producer has been paid a "base" price for all deliveries which do not exceed his established base, and a "surplus" price for all deliveries in excess of this base. For other handlers the ratio of sales to the established bases of producers has been used to increase or decrease the quantity of "base milk" for which each producer was paid. These handlers do not all use sales of the same products in determining this ratio. Some include sales of all Grade A fluid products, while others include only sales of fluid milk, and at least one handler includes less than his total sales of fluid milk because he considers that he has additional costs for certain sales.

In spite of the fact that it has been necessary for practically all handlers, particularly those located in Dallas, to import substantial quantities of milk during the base forming months, producers have frequently been paid base prices for less milk than their established bases during the succeeding spring and summer months. The extent to which this results from failure to include all sales of Grade A products as base milk, from inclusion of bases for producers who did not establish bases with the handler during the base forming months, or variations in sales by the individual handler, cannot be determined from the evidence in the record. The record does indicate, however, that the expanding character of the market has generally resulted in higher total sales by all handlers during the succeeding spring and summer months than during the base forming months. In any event, producers have no means of determining the utilization of milk by the handlers they supply, and must accept payment on whatever basis the handlers used. Payments at substantially reduced "surplus" prices by handlers for milk which producers suspect was needed for such handlers' fluid sales is one of the great sources of producer dissatisfaction in the market.

There have also been variations in the prices different handlers have paid for base milk and for surplus milk. Except that price changes are not made simultaneously by all handlers the prices that handlers of each city of the marketing area pay for base milk tend to be rather uniform, but the prices Dallas handlers pay often differ from those paid by Fort Worth handlers. Differences in base prices were particularly pronounced after February 1950. For six of the twelve months ending in February 1951 the base price paid by Fort Worth handlers exceeded that paid by Dallas handlers by amounts ranging from 25 to 45 cents per hundredweight; for five of these months the Dallas base price exceeded that of Fort Worth by amounts of 5 or 10 cents per hundredweight, and in only one month do the base prices paid by handlers of the two cities appear to have been the same. Somewhat similar comparisons may be made for prices paid by handlers in other portions of the marketing area. These handlers generally follow more closely the prices paid by Dallas handlers than those paid by Fort Worth handlers. Different butterfat differentials are also used by different handlers in paying producers.

These buying practices of handlers result in a situation where producers with identical production delivering to different handlers with identical volumes of receipts and sales receive substantial differences in their returns. The costs of milk for the same use to individual handlers have likewise differed substantially.

These buying practices are factors of inherent instability in the marketing of milk in the area. The expanding nature of the demand for milk and the lack of an adequate year-round supply of locally inspected milk have generally prevented the lack of an organized plan for equalizing costs to handlers and returns to producers from demoralizing the market. In early 1950, however, chaotic conditions occurred in the pricing of producer milk. With some prospects of an adequate year-round supply of milk following a winter season in which deficits of supply were less severe than formerly, individual Dallas handlers engaged in aggressive price competition in the resale market. Handlers changed producer prices and conditions of their base plans frequently and without advance notice to producers. One handler mailed three letters to his producers within a period of four days notifying them of changes in buying plans and prices. As a result of this "price war" Dallas producers received a reduction of $1.00 per hundredweight for their base milk. Since the net reduction in consumer prices was 2 cents per quart or approximately 93 cents per hundredweight, it is evident that price

cuts at resale were largely passed back to producers in reduced returns. Fort Worth handlers did not reduce their producer prices so severely and they were at a competitive disadvantage, relative to Dallas handlers at the numerous places where both sold milk.

The conditions that occurred in the spring of 1950 are indicative of conditions that are likely to occur under present buying practices whenever an adequate supply of locally produced milk is available for the market. These conditions thus militate against achieving a continually adequate supply of milk since the disparities in costs to handlers and returns to producers inherent in the system widen as the level of the milk supply approaches the needs of the market. The pressures on individual handlers and producers associated with these disparities may be expected to result in conditions which will reduce the level of returns to some producers drastically and to all producers generally and the production of a sufficient supply of inspected milk will be hindered.

Despite the elements of instability in the market, handlers have resisted the efforts of a cooperative association representing more than 1,750 of the approximately 2,500 producers of the market to negotiate uniform buying plans for the market. The handlers have failed or refused to negotiate with the association concerning the prices and marketing conditions which should apply to milk received from members of the association and they have not permitted the association to check the weights and tests of milk delivered by its members. In some cases producers have been threatened with loss of a market for their milk if they joined the association and some association members actually have been "cut off" by handlers without explanation. Handlers have offered producers individual contracts which conflict with association membership, and in some cases have conducted systematic campaigns urging these contracts on their producers. These contracts generally continue the buying plans of the handlers, and are written to expire in the surplus season when the producer would have difficulty in finding another handler who would buy his milk. One handler who apparently did not oppose the objectives of the association testified that he is now buying the milk at about half of the board of directors of the association because of the difficulties these producers encountered with other handlers. This fact strongly suggests that association members and officials have been subject to coercion and intimidation by handlers.

There is considerable and well justified dissatisfaction among producers with the butterfat tests on which they are paid for their milk. While the State of Texas does some checking of the tests upon which dairy farmers in the state receive payment, it appears that only about 3500 individual tests are made annually in the entire state. The protection thus afforded cannot substitute for the regular checks which association producers desire and are willing to pay for through their association membership. Similar systematic checks by an impartial market administrator should be afforded producers who do not belong to a cooperative association.

There is need for market-wide information concerning production and sales in order that producers may plan their production and marketing programs intelligently and upon which price-making determinations may be made. Neither producers nor handlers were able to present at the hearing data which showed both production and sales for the entire market over any period of time.

The adoption of a classified price plan based on the audited utilization of handlers and market-wide pooling of returns among producers will provide respectively equal costs to handlers for milk used for like purposes and a fair division among all producers of the returns from Class I sales in the market. The inherent instability in the present buying plans operated by individual handlers will be reduced.

The issuance of a marketing agreement and order for the North Texas marketing area is needed to establish and maintain orderly marketing in the area and provide an adequate supply of milk for the area.

In view of the conclusion contained herein with reference to the extent of the North Texas marketing area and the separate and extensive evidence concerning marketing conditions in the area including Wichita Falls, Texas, which was proposed for inclusion in the North Texas marketing area, consideration has been given to the need for separate regulation for the Wichita Falls marketing area. It is concluded that marketing conditions in the Wichita Falls, Texas, marketing area justify the issuance of a marketing agreement or order.

The history and marketing relationships of the North Texas market are similar to the history and marketing relationships in the Wichita Falls market. Buying practices of handlers have been on "base" plans which provide differing returns to producers similarly situated. With fewer handlers these differences have not been quite so marked. The trend of events has however been more rapid. Milk production increased nearly 69 percent from 1947 to 1950. Deficits were still in prospect, however, when producers were establishing bases in the fall of 1949. Thereafter the situation changed from deficit to surplus very quickly. An Army Air Force Base, Sheppard Field, lies adjacent to Wichita Falls, and the volume of milk involved in the contract for supplying this base is substantial in relation to the quantity of milk producer for the Wichita Falls market. A Dallas handler was the successful bidder for the contract to supply this base beginning January 1, 1950. As a result producers were paid surplus prices for some of their milk during their base forming periods, followed shortly by reductions in base prices to producers, which were, however, not so drastic as those that occurred in Dallas. Following this event a cooperative association of producers was formed with a membership representing a substantial majority of the approximately 175 producers of the market. The cooperative's attempt to negotiate with handlers was principally directed toward handling surplus milk so as to realize the most advantageous market and insure that no milk paid for at surplus prices was needed for fluid use. When no satisfactory agreement on these matters was reached in early May 1950 the association called a "milk strike" and its members withdrew all of their milk. At this period of flush production handlers were able to supply their needs from other sources, and milk deliveries were resumed on a verbal agreement that association producers would be restored to the same status as before the incident. This, however, did not materialize; handlers reserved for producers who continued deliveries during the "strike" period bases equal to their deliveries during this period of flush production and as a result the association producers bore the entire burden of surplus milk until September 1950. Since September 1950 this discrimination in payments to producers has ceased but the association has been unable to obtain any definite assurance that cooperative members were to receive bases on an equal footing with nonmember producers. To some extent these negotiations have been complicated by the acquisition by the association of a receiving station which it now operates for some of its members and from which milk is currently sold to one handler.

Negotiations were continuing concerning these problems at the date of the hearing. The fact remains that no uniform buying plan for the market has evolved therefrom and it is unlikely that one will result from any continuation of the negotiations. The adoption of a uniform classified price plan and a market-wide pool will provide a fair division among all producers of the fluid sales of the market. The issuance of a marketing agreement and order for the Wichita Falls, Texas, marketing area is needed to establish and maintain orderly marketing in the area.

3. *Extent of the marketing areas.* The North Texas marketing area should be defined to include all territory within the counties of Cooke, Collin, Dallas, Delta, Denton, Ellis, Fannin, Grayson, Hopkins, Hunt, Johnson, Kaufman, Lamar, Parker, Rockwall and Tarrant, all in the State of Texas. All municipal corporations, Federal military reservations, facilities and installations and State institutions located in these counties should be included.

The major fluid milk markets in the North Texas marketing area are the cities of Dallas and Fort Worth. Dallas and Fort Worth handlers sell milk over a wide area beyond the limits of these cities. In recent years, they have expanded their sales areas to include most of the smaller cities and towns within a considerable distance of Dallas and Fort Worth. The advent of the paper milk carton has accelerated this distribution of milk.

As Dallas and Fort Worth handlers have reached further from Dallas and Fort Worth for milk supplies, they have extended their distribution routes to cover smaller cities and towns in the expanded production area. As a consequence they compete actively for both

milk supplies and milk sales with each other and with handlers in smaller cities and towns over much of the production area. Some handlers located in the smaller cities also distribute milk in other cities in competition with Dallas and Fort Worth handlers. A handler in Paris, Lamar County, Texas, in which a Fort Worth handler also sells milk, competes with Dallas and Fort Worth handlers for milk sales in Grayson, Fannin, Hunt, Hopkins, Delta and Red River Counties. This handler also had operated routes in Dallas for several months in 1949 and 1950. A handler at Sherman in Grayson County who bought milk from approximately 100 producers in several counties and competed with Dallas and Fort Worth handlers for sales in the same area, has recently sold his business to a Fort Worth handler. At the time of the hearing these producers were in the process of transfer to this handler's Fort Worth plant. Similarly a Dallas handler was at the time of the hearing incorporating with his Dallas business the operations of a handler of Bonham in Fannin County.

The fact that much of Texas, particularly to the west and south of Dallas and Fort Worth, is an area with more pronounced deficits in milk production than North Texas has resulted in some North Texas handlers establishing substantial distribution of milk at considerable distances beyond the limits of the production area. Milk bottled by one Dallas handler is sold regularly in Wichita Falls, 135 miles northwest of Dallas, Lubbock, 340 miles west of Dallas, El Paso, 640 miles southwest of Dallas, and in Harlingen and Corpus Christi, each more than 500 miles south of Dallas. No other handler extends his distributions to such extreme distances in so many directions, but other handlers distribute in Waco, Temple and other Texas points.

Eight proposals to define the marketing area were included in the notice of hearing. The North Texas Producers Association proposed that the marketing area be confined to the corporate limits of the cities of Dallas in Dallas County, Fort Worth in Tarrant County, Paris in Lamar County, Dublin in Erath County, Terrell in Kaufman County, Denison and Sherman in Grayson County, Gainesville in Cooke County, Tyler in Smith County, Decatur in Wise County, Denton in Denton County, McKinney in Collin County, Cleburne in Johnson County, Longview in Gregg County, and Waxahachie and one precinct in Ellis County, all in Texas. Several handlers proposed that the marketing area be defined by county boundaries. These proposals as a group included all the counties in which the cities proposed by the association are located plus some additional counties. The Paris handler proposed the addition of three counties in Texas and four in Oklahoma. One handler proposed that in addition to twenty-seven counties in North Texas the marketing area include thirteen cities in what is generally referred to as West Texas. The Wichita Falls Area Milk Producers Association proposed that the city of Wichita Falls be included. Handlers of Wichita Falls proposed that if Wichita Falls were included in the marketing area 18 counties also be included. In all forty counties in Texas, four counties in Oklahoma, and twenty-nine cities and towns in Texas were proposed for inclusion in the marketing area.

It appears that practically all milk sold for fluid consumption in the North Texas area is sold as Grade A milk. To be labeled "Grade A", milk must be produced and handled under the supervision of local health officers in accordance with standards established by the Texas State Department of Health. The standards that have been so established are those of the 1939 Edition of the U. S. Public Health Service Milk Ordinance. These standards are also contained in the milk ordinances of the principal cities of the area. While there may be minor differences in the degree of effectiveness of enforcement of these uniform standards by the various health authorities of the area, the movement of milk from one health jurisdiction to another indicates that the quality milk is generally uniform throughout the various portions of the area. While no route distribution from Dallas plants is made in Fort Worth, or vice-versa, Fort Worth approved milk is frequently used as an emergency supply by a Dallas plant.

In view of the uniformity of health regulations throughout the area the marketing area should so far as possible be contiguous and be defined by county boundaries. While this will result in the inclusion of much rural area, it does not appear that any considerable administrative difficulties will thereby be incurred. It is proposed that only handlers who distribute Grade A milk in the marketing area shall be regulated. Such handlers are readily identifiable under the health regulations, and it does not appear that there will be any substantial number of them who will confine their activities to the more rural portions of the area without selling milk in such North Texas cities as are appropriate for inclusion in the marketing area.

The sixteen counties to be defined as the marketing area include within their boundaries ten of the fourteen cities proposed by the proponents of the order. Decatur and Dublin, two of the cities not included in the area as defined, have less population than the other cities proposed; the distribution of Dallas and Fort Worth milk in these cities or the counties in which they are located does not appear very substantial, so that it is concluded that no substantial purpose would be served by including them in the marketing area. Tyler and Longview, the other cities thus proposed which are not located in the named counties, are of larger size and one Dallas handler estimates that more than 30 percent of all sales are by Dallas handlers. Local handlers in these cities, on the other hand, indicate that only 11 of 63 routes in the Tyler-Longview section are operated by Dallas handlers. Tyler and Longview are somewhat further removed from Dallas and Fort Worth than the other cities included. Handlers located in these cities compete not only with North Texas handlers for their milk supply but also with those of Houston and Shreveport, Louisiana, which are metropolitan markets. These handlers do not compete extensively with Dallas and Fort Worth handlers in other portions of the marketing area. Inclusion of the cities of Tyler and Longview in a contiguous marketing area defined by county boundaries would require naming some six or eight additional counties in the defined area. In view of the factors stated above, it is concluded that their significance is not sufficient to warrant their inclusion at this time.

The proposal that thirteen West Texas cities at distances varying from 120 to 430 miles from Dallas be included in the marketing area was made by a Dallas handler whose milk is distributed in these cities by a vendor. In support of the proposal it was shown that the volume of such distribution is sufficient to employ more than 80 people and to require an investment of $400,000. The vendor estimated that of the total sales of milk in each of these cities his sales represented percentages varying by cities from 15 percent to 75 percent. These percentages were contested by a handler with plants located in some of these West Texas cities. It was contended that an order which would price the milk received by the Dallas handler must also price the milk in competition with which it is sold in these West Texas cities. The distribution of North Texas milk in this area was represented as a disposition of milk which would otherwise be priced as surplus milk to North Texas producers. A cooperative association representing a substantial number of the producers supplying plants located in these cities opposed their inclusion in the North Texas marketing area on the basis that production conditions differed materially in that area and indicated that it had proposed a separate order with a marketing area that would include several of these cities and some others.

It is obviously impracticable to define a marketing area so that a handler may sell milk anywhere without competition from milk not priced under the order defining such marketing area. The West Texas cities here proposed for inclusion in the North Texas marketing area are in an area in which local production of milk is inadequate and prices for locally produced milk have historically been higher than in the North Texas area. As a result of the demand for more milk than was locally available a substantial distribution of North Texas milk has been built up in the past three and one-half years, much of it at resale prices higher than those of local handlers in these cities. While a West Texas handler purchases some milk at a receiving station at Springtown in Parker County in the North Texas area, and there is some further overlap of the production areas in Erath County, it does not appear that the competition for supply is extensive. There is serious question as to whether inclusion of the cities proposed would price as producer milk a substantial quantity of milk from the Brownwood area which is moved to Abilene. The inclusion of the cities proposed might result in including in the marketwide pool milk of producers

far removed from North Texas should some other handler from a distant point market milk under a system comparable to that now used by the Dallas handler. The record indicates the need for higher prices which would apply to the milk received at plants in West Texas and that these prices should not be uniform for all such plants, but fails to provide enough evidence upon which to base such location differentials. For these reasons it is concluded that the proposal to include West Texas cities in the North Texas marketing area should not be adopted.

The proposals that Wichita Falls and counties in that general vicinity be included in the North Texas marketing area should not be adopted. With one notable exception, there is little competition for sales between Wichita Falls handlers and handlers of the defined North Texas marketing area. There is a minor overlap of the production areas of Wichita Falls and North Texas in Wise County, but little evidence of shifting of producers from one market to another. The competition for sales is with respect to the Sheppard Air Force Base at Wichita Falls. This is a large outlet for Grade A milk for which a Dallas handler currently holds the contract. While this volume of sales is of considerable importance in the Wichita Falls area, these sales of Dallas milk under a contract periodically open for competitive bids are not considered adequate reason for inclusion of Wichita Falls in the marketing area. As indicated elsewhere, a separate order for the Wichita Falls area is considered appropriate on the records of this hearing.

The Wichita Falls marketing area should be defined to include all territory within the County of Wichita, State of Texas. While Wichita Falls handlers market milk in a number of smaller towns in other counties, it does not appear that such distribution in any one locality is a substantial portion of the total business. Neither does it appear that any of the smaller handlers occasionally located in such towns has a wide area of distribution within which he competes with Wichita Falls handlers. There is no evidence that the producers supplying these handlers are so located that there is much competition for supplies of milk between these handlers and those of Wichita Falls. The record fails to indicate conclusively that the health requirements of such towns are equivalent to the Grade A regulations which apply in Wichita Falls and Wichita County. For these reasons the proposal of handlers that additional counties be included is denied.

4. *Scope of regulation.* The minimum class prices of the orders should apply only to milk which is produced under the inspection of the appropriate health authorities of the marketing areas and which is regularly received at a milk plant approved by such authorities for the receiving or processing of Grade A milk or milk products for distribution on routes in the marketing areas.

As indicated in the findings concerning the extent of the marketing areas, milk sold for fluid consumption in the marketing areas is almost exclusively Grade A milk. Specifications and requirements promulgated under the Texas Milk Grading and Labeling Law, together with municipal ordinances, prescribe the conditions under which such milk may be produced and distributed. The minimum class prices and the uniform prices computed under the market-wide pools should apply only to milk which is received directly from farmers at a locally approved Grade A plant.

In order to designate clearly what milk is to be subject to the pricing provisions of the orders, which processors and distributors are to be subject to regulation and which dairy farmers will participate in the market pools, it is necessary to include in each order definitions of "approved plant," "handler," "producer," and "other source milk."

"Approved plant" should be defined as a milk plant approved by any health authority having jurisdiction in the marketing area for distribution of Grade A milk and milk products, from which milk, skim milk, buttermilk, flavored milk, flavored milk drinks or cream are disposed of for fluid consumption in the marketing area on wholesale or retail routes (including plant stores). The definition should also include a receiving station which, with the approval and under the direct supervision of the appropriate health authorities, receives milk from producers and commingles such milk for movement to the plants previously described. The approved plant definition should not include plants not under the routine inspection of the health authorities of the marketing area to which the order applies, but which may furnish milk to handlers during periods of emergency or shortage. Inclusion of such plants would be beyond the intended scope of the orders, and would involve pricing milk not primarily produced for the North Texas market or the Wichita Falls market.

"Handler" to whom the regulatory provisions of the order are applicable, should be defined as the operator of an "approved plant" in his capacity as such, or a cooperative association with respect to producer milk which is diverted to an unapproved plant for the account of the association. During periods of high production proprietary handlers may not always accept milk from all regular producers, or arrange for the diversion of such milk, even though the production of all producers may be needed to supply the market at other seasons. The provision that a cooperative association may be a handler, even though it does not operate a plant, will enable such a cooperative association to retain in the market-pool milk of its members which it may have to divert for temporary periods to unapproved plants.

"Producer" should be defined as any person, other than a producer-handler, who produces milk which is received at an approved plant or which is diverted from an approved plant to an unapproved plant for the account of a handler or cooperative association. In case ungraded milk is regularly received at the premises of an approved plant provision should be made to restrict the producer definition to those dairy farmers delivering to such plant who have Grade A permits or ratings issued by the appropriate health authority. Likewise provision should be made that upon proper notice from the appropriate health authority farmers will lose their status as producers during periods in which they are degraded. In order to eliminate possible conflict between the order and other orders that may regulate the handling of milk in nearby areas it is provided that the term "producer" shall not include a person with respect to milk produced by him which is received by a handler who does a greater percentage of his Class I business under another Federal marketing order.

The orders do not propose to pool the Class I sales of producer-handlers, who distribute milk of their own production and buy no milk from producers. Any milk they sell to handlers who purchase milk from producers is normally surplus to their own operations. To pool such milk would result in a preferential market for producer-handlers as compared with regular producers. Producer-handlers should therefore not be defined as producers whose milk is pooled. Their exclusion from the producer definition will result in any milk produced from a producer-handler being treated as other source milk.

"Other source milk" should be defined to include all skim milk and butterfat received at an approved plant from a source other than producers, but not including that first received from producers at another approved plant. Other source milk is not normally available for the market either because it does not meet Grade "A" quality requirements or because it is produced primarily for other markets under the supervision of the health authorities of such markets. It is not priced under the terms of the order, but is allocated to the lowest use in a handler's plant in order to prevent its displacing from Class I milk of producers which constitutes the regular supply of the market.

5. *Classification of milk.* Two classes of milk should be established in each order. Class I milk should include skim milk or butterfat disposed of (except as livestock feed and by transfer or diversion as milk, skim milk, or cream to other milk plants) in the form of milk, skim milk, buttermilk, flavored milk, flavored milk drinks, cream, cultured sour cream, any mixture (except eggnog and bulk ice cream mix) of cream and milk or skim milk used to produce concentrated milk or milk drinks disposed of for fluid consumption, and all other skim milk and butterfat not specifically accounted for as Class II milk. Class II milk should include all skim milk and butterfat used to produce any product other than those specified in Class I milk, disposed of for livestock feed, in shrinkage of producer milk not in excess of 2 percent of receipts, in shrinkage of other source milk, and in inventory variations in Class I products.

The products included in Class I milk are those usually associated with the distribution of fluid milk, and with minor exceptions noted hereafter are required to be made from Grade A milk. The additional expense necessary to produce

milk for these purposes warrants their inclusion as Class I milk. Handlers proposed that only fluid milk be included in Class I and that a separate class be provided for the other products here specifically included; they failed, however, to propose any basis for pricing this class of milk. These items are all disposed of in the respective marketing areas in fluid form through the same retail and wholesale channels as fluid milk. Their physical characteristics, purposes, values and uses are similar to those of fluid milk. The milk used for these products is subject to the same transportation costs in movement from farm to market. The separate accounting for skim milk and butterfat herein proposed results in handlers being charged for only the exact volume of skim milk or butterfat actually disposed of in any particular use. While it was indicated that in Dallas flavored milk drinks containing less than 3.25 percent butterfat are not required to be made from Grade A milk, testimony of the health officer indicates that under his requirements with respect to the materials that may be handled in Grade A bottling plants only Grade A ingredients are used.

Provision is made for the inclusion in Class I milk of fresh concentrated milk for fluid consumption, a new product which has appeared in several milk markets in recent months. While this product had not appeared in the North Texas or Wichita Falls markets at the time of the hearing it is desirable that provision be made at the time for its classification should it appear. This product is promoted as a direct and acceptable substitute for fresh whole milk, indistinguishable from regular fluid milk when water is added.

A proposal that aerated cream products be included in Class I milk should not be adopted. Such products are not now required by health authorities to be from Grade A milk. Their distribution is not necessarily limited to the handlers of Grade A fluid milk. A further proposal that products which may hereafter be required by health authorities to be made from Grade A milk is not adopted because it is unlikely that the separate health authorities involved will all institute such requirements simultaneously.

The products included in Class II milk are not required to be from Grade A milk. Such products, although they may contain Grade A milk, must be disposed of in the same competitive field as products made from non-Grade A milk. It is considered necessary to classify certain products as Class II milk in order to permit the free movement of any excess milk into manufacturing channels without burdensome competitive disadvantage to handlers when producer receipts are in excess of the market needs for Grade A milk for fluid uses. Unaccounted for shrinkage of producer milk in excess of a reasonable allowance for shrinkage (plant loss) should be Class I milk in order to require full accounting by handlers for the use of their receipts.

No limit need be placed on shrinkage of other source milk as Class II milk, since such milk is deducted from the lowest use class under the allocation provisions. It is, however, not feasible to segregate shrinkage of producer milk from shrinkage of other source milk in the same plant. Accordingly, in such case, the shrinkage of skim milk and butterfat, respectively, allocated to producer milk and to other source milk should be computed pro rata to the volumes of skim milk and butterfat, respectively, received from such sources.

The allocation provisions should provide that other source milk, which is unpriced, be allocated to the lowest use in the handler's plant. This is done to prevent other source milk from displacing from Class I the milk of producers which constitutes the regular supply of the market. While there may be a few occasions in which variations in producer receipts or Class I sales within the monthly accounting period for which such allocation is provided do not permit full use of the producer receipts for the available Class I sales, these are not so frequent or so substantial as to require a more frequent accounting for purposes of allocation.

In establishing the classification of milk the responsibility should be placed upon the handler who first receives milk from producers to account for all skim milk and butterfat received at his approved plant and to prove to the market administrator that such skim milk and butterfat should be classified as other than Class I. The handler who first receives milk from producers is responsible for reporting the proper utilization of such milk and making full payment for it. He must, therefore, maintain records to furnish adequate proof of utilization to the market administrator.

Provision should be made in each order to cover the classification of skim milk and butterfat transferred from an approved plant to another approved plant or to an unapproved plant. In the case of transfers between approved plants whose receipts are priced by the same order, classification should be on the basis of written agreement between the affected handlers to the extent of utilization in the agreed use in the transferee plant. This provision affords suitable flexibility in the pricing, classification, and accounting for milk transferred. It does not affect producer returns because all of the milk is accounted for in the same pool computation in any event. In order to assure adequate protection of producers in the classification of their milk it should be provided that in case other source milk is received in either or both plants the classification of milk in each plant shall be made in such a manner as will return the higher class utilization to producer milk.

Transfers to a producer-handler should be classified as Class I milk. Producer-handlers ordinarily carry on only fluid operations and any milk which they purchase from a handler would normally be for fluid uses. Accordingly, it is unnecessary to provide for the classification of such a transfer in a lower use class.

An unapproved plant may be either a strictly manufacturing plant in which milk is used only for Class II products or a plant engaging in fluid distribution in other markets. Further some unapproved plants have dual operations. The provisions for classification of skim milk and butterfat transferred to such plants should result in Class II classification for that milk which is transferred to plants where only Class II operations are carried on but should result in Class I classification for that milk which the receiving plant needs for Class I disposition.

Transfers from an approved plant to an unapproved plant not more than 200 miles distant should be classified on the basis of a written agreement as to utilization, provided that if skim milk or butterfat so transferred was actually required for Class I use at the unapproved plant (after allocating to Class I the milk received directly from dairy farmers who constitute its regular source of supply for Class I needs) such milk should be classified as Class I milk at the approved plant. This provision will facilitate the movement into manufacturing outlets of skim milk and butterfat in excess of the Class I needs of the North Texas market and at the same time protect producers in the classification of their milk.

Transfers in the form of milk or skim milk from an approved plant to an unapproved plant more than 200 miles distant should be Class I milk. Milk and skim milk ordinarily do not move long distances for manufacturing purposes. There are ample manufacturing facilities within 200 miles of each approved plant to dispose of any prospective surplus of producer milk. Accordingly, it is not necessary to provide classification as other than Class I milk for such transfers. To do so would be administratively impracticable in view of the distances at which the market administrator would have to verify any claimed utilization as Class II milk.

Cream is often moved long distances for manufacture into ice cream. Most localities into which cream is shipped from North Texas or Wichita Falls plants require a Grade A certificate if it is to be used for fluid purposes. It is concluded that cream transferred more than 200 miles should be Class I if it moves under certificate as Grade A, and should be classified as Class II otherwise. While this provides the lower classification on the basis of the absence rather than the presence of positive evidence, it is believed that under the conditions prevailing in this area producers will be assured of proper payment for their milk and handlers will be able to dispose of surplus cream at prices commensurate with the cost of the skim milk and butterfat ingredients.

6. *Class prices.* Class I milk prices in these areas should be determined by a formula made up of three major components: (1) A basic formula price representative of manufacturing milk values, (2) differentials over the basic formula price, and (3) an adjustment of the price to reflect changes in the rates of receipts of milk from producers to sales of Class I milk—in other words, a supply-demand adjustment.

The production and marketing of inspected milk for fluid purposes are influenced by many of the same economic factors as are the production and marketing of milk for manufacturing purposes. The market for most manufactured products is nation-wide, and changes in the prices of such products reflect some of the changes in general economic conditions affecting the supply and demand for all milk. Manufacturing milk plants serve as alternative outlets for milk which farmers produce. For these reasons prices of fluid milk are frequently determined by formulas based on prices of butter and non-fat dry milk and on prices paid by condenseries.

While the historical relationship to manufacturing milk prices in the North Texas and Wichita Falls markets has not been quite so close as in some other areas where the production of manufacturing milk is a more important farming enterprise, prices of milk for fluid use have generally followed a pattern related to the prices of manufactured products and the prices paid for manufacturing milk.

The basic formula price to be used in establishing the current month price for Class I milk of 4.0 percent butterfat test should be the highest of the following for the preceding month: the prices paid to farmers at 18 mid-west condenseries for milk of 3.5 percent butterfat test adjusted to a 4.0 percent basis; a formula price based on the market prices of butter and non-fat dry milk solids; or the average price paid to farmers for milk of 4.0 percent butterfat test by specified local manufacturing plants. The use of these alternative components in the basic formula price will reflect the value of manufacturing milk. The use of the higher price resulting from the three alternatives is appropriate because the fluid milk supplies for these markets must be obtained at any time in competition with the most favorably priced manufacturing outlet.

Handlers opposed the use of the paying prices of the 18 condenseries in the basic formula price. However, substantial quantities of emergency milk priced under the order for the Chicago marketing area are imported by North Texas handlers. Such emergency supplies are commingled with producer milk and sold in bottled form in competition with producer milk. The marketing order for the Chicago market prices such milk by use of a basic formula using this condensery pay-price. The Chicago order also provides an alternative butter-nonfat dry milk solids basic formula price equivalent to that here proposed. The basic formula price will reflect factors which influence the prices North Texas handlers pay for such emergency supplies.

The use of prices paid by local manufacturing plants was not supported by producers or handlers as a part of the Class I basic formula price. It was proposed by handlers as a basis for a Class II price. The conclusions with reference to pricing Class II milk are that such paying prices can only be used as an alternative pricing basis to one of the other component factors of the basic formula price. The use of the local manufacturing milk price in the basic formula will reflect local conditions of milk pricing when such conditions should be determinates of the Class I price, i. e., when local plants are paying prices for milk higher than the prices resulting from the other two alternatives.

The use of the preceding month's manufacturing values in determining the Class I price for the current month permits handlers to know the Class I price at the time of purchase.

To the basic formula price should be added a differential to reflect the cost of meeting quality requirements in the production of market milk and to furnish the necessary incentive to get a regular and adequate supply of such milk produced. Producers of Grade A milk are required to make substantial investments to meet the inspection requirements of health authorities. Similar investments are not required of producers of manufacturing milk. Fluid milk is a perishable product which must reach the consumer within a short time after it is produced. Manufactured dairy products, on the other hand, may be stored for considerable periods before reaching the consumer. Producers of fluid milk must therefore furnish a regular daily supply to the market. Texas is an area in which milk production is especially costly and substantial price incentive is necessary to induce sufficient market milk productions to supply the needs of the market.

The amount of this differential should be $2.00. Producers advocated a differential of $2.25 while handlers made no specific proposal concerning the level of the differential to be used in determining Class I prices. The differential proposed by producers would have resulted in a Class I price for the period from March 1949 through February 1950 approximately the same as the base prices then prevailing in the markets and would have paralleled fairly closely the course of the prevailing base prices from July through December 1950, without the reductions associated with the chaotic conditions that prevailed in the months of March through June 1950.

Through the years of 1947 through 1950 there has been a continued increase in the production of milk for these markets. While milk sales have also increased, and the North Texas market in particular is not yet adequately supplied, the rate of increase in production appears to have exceeded that of sales during 1949 and much of 1950 so that the deficits in fall and winter months are less severe than those of 1947 and 1948. For the year 1949, when the most rapid increase in production took place, the prevailing base prices of the markets exceeded the basic formula price by an average of $2.48 as compared with the differential decided upon herein of $2.00. In 1950 this difference averaged $1.94.

While continued increases in the volumes of milk sales may be expected under the economic conditions prevailing in these markets, the rate of increase in production need not be as rapid as that of 1949 to provide an adequate supply within a reasonable time. Under an order which pays producers the Class I price for all milk disposed of in Grade A products, the price incentive required to assure an adequate supply of milk need not be quite so pronounced as under the present system of base prices. In view of the supply-demand adjustment of Class I prices provided herein, a differential of $2.00 should be included in the order. As of February 1950 the resulting Class I price would have been $6.19, 34 cents more than the $5.85 price then prevailing. Such an increase at that time was fully justified on the basis of the economic factors affecting the production of milk.

The minimum delivered cost of supplementary milk imported from the Chicago milkshed during the short production months has been about $3.00 per hundredweight more than the basic formula price. The level of prices resulting from the formula provided herein will be about $1.00 per hundredweight less than the cost of milk imported from the Chicago market.

Handlers proposed that the differential should be reduced during the months of seasonally high production, suggesting that the amount of reduction should not exceed 23 cents per hundredweight. There is some normal seasonal variation in the basic formula price. The base-rating plans incorporated in the orders are designed to influence the seasonal pattern of deliveries in the market. It is concluded that no seasonal reduction in the level of the differentials should be included in these orders at this time. Provision should be made, however, to prevent contra-seasonal movements of Class I prices except as they result from the operation of the supply demand adjustment included herein.

The prices resulting from the basic formula price and differential herein provided should be subject to adjustment for variation in the ratio of supplies of milk from approved producers to the sales of Class I milk. If a market is less than normally supplied, the differentials above the basic formula price should be increased in order to induce a greater supply of milk. Conversely, if the market is more than normally supplied, the differential should be reduced. Such adjustment should not be made, however, until the order in each market has been in effect for a length of time sufficient for the pricing mechanism of the order to have had opportunity to affect the responses of producers to the needs of the market. In these markets the record indicates that a minimum milk supply for the market of approximately 108 to 110 percent of Class I sales in any month is necessary in any one month to compensate for unequal distribution among handlers and daily and weekly variations in receipts and sales.

The object of a supply-demand price adjustment in these markets is to bring about an automatic price increase when the supply of producer milk in relation to Class I utilization is such that a shortage in the months of seasonally low production is indicated, and a price decrease when the supply may be expected to be above that needed to supply Class I needs in the low production months.

The rates of change in the volumes of both production of milk and Class I sales have been rapid in these markets. Any supply-demand ratio used should reflect

conditions as currently as possible. Otherwise increased prices in spring months of high production may result from shortages in the previous fall months, and vice versa. The latest month for which data of receipts and sales are available for adjusting the Class I price to be announced on the 5th day of the month to which it applies is the second month preceding that month. It does not appear desirable to predicate adjustments on the experience of a single month; the experience of the latest two months for which data are available furnishes a more reliable indication without too much delay.

The use of a supply-demand ratio of two months requires consideration of the normal seasonal variations in production and sales that may be expected to occur. For months of seasonally high production the ratio of supplies to sales which indicates an adjustment in Class I prices should be higher than for those months in which production is normally less. The data available with reference to seasonal variations in production in the North Texas and Wichita Falls markets indicate some changes from year to year, with less seasonal variations in production in 1949 and 1950 than in 1947 and 1948. For purposes of the adjustment ratio it appears reasonable to expect seasonal variations in production slightly wider than the average of those shown for 1949 and 1950 in average production per producer but considerably narrower than those shown for the 1947–50 average monthly receipts adjusted for trend. Normally deliveries per day per producer appear to be about 25 percent greater in May and June, the months of highest production, than they are in November and December, the months of lowest production. There appears to be no significant seasonal variation in sales. Accordingly for purposes of this adjustment a supply equal to 125 percent of Class I sales in May and June is considered equivalent to a supply equal to 100 percent of sales in November and December. Similar ratios for each other two-month period are computed on the same basis.

In order to allow for the effect of year to year variations in the seasonal pattern of production, the supply-demand adjustment should not operate to modify the Class I price unless the relationship of supply to sales gives clear evidence that the quantity of milk deliveries will depart by a considerable amount from what is considered as an adequate but not excessive supply. It is therefore concluded that a supply of less than 100 percent of Class I sales in the short production months should result in an increase in price and that a supply of more than 115 percent of Class I sales in such months should result in a decrease in price. For other months these minimum and maximum percentages should reflect the seasonality of production to be expected in such months.

The rate of this adjustment should be 2.5 cents for each full percentage point that the supply-demand ratio actually prevailing for the second and third preceding months is either less than the minimum ratio established for such months (equivalent to 100 percent of Class I sales in the short production months) or is more than the maximum ratio established for such months (equivalent to 115 percent of Class I sales in the short production months). This rate of adjustment corresponds to slightly more than one percent of the differential included in the Class I price and should be adequate to compensate promptly for any maladjustment in supply that may occur.

The price for Class II milk in each market should be the higher of the butter-nonfat dry milk solids formula price or the average of paying prices of the four Texas manufacturing plants for the current month.

Producers originally proposed the use of the paying prices of four Texas manufacturing plants as the means of determining Class II prices. At the hearing, however, they advocated the use of a Class II price based only on the mid-west condenseries and the butter-powder price. Handlers proposed the use of the paying prices of local manufacturing plants only, and suggested a number of such plants without furnishing data concerning the volumes of milk handled and the paying prices that have prevailed.

The local production of milk for manufacturing use does not supply the needs of the areas for the products manufactured there. It is necessary to import throughout the year substantial quantities of cream, condensed skim milk and nonfat dry milk solids for use in the manufacture of ice cream. A number of handlers have ice cream manufacturing facilities and buy imported ingredients to a considerable extent. Surplus Grade A milk is also used in the manufacture of ice cream but only at a price level commensurate with the prices of alternative ingredients in the form of nonfat dry milk solids, condensed skim milk, and unapproved cream. The prices of these products will therefore determine the prices for approved milk used to make ice cream. The costs of imported cream and milk solids are much more closely related to the prices of butter and nonfat dry milk solids than to the paying prices of mid-west condenseries. These costs include transportation costs from Oklahoma, Kansas, Missouri, Wisconsin, or Minnesota. The butter-powder formula price included in the orders has every month since September 1950 been almost identical with the price charged under the Chicago order for 4.0 percent milk used in the manufacture of butter and nonfat dry milk solids. Such a price should allow handlers to dispose of surplus milk in competition with both locally produced and imported supplies.

The only data concerning local manufacturing plants relate to those operated by handlers or their affiliates and to a cheese plant operated by a cooperative association for which annual patronage dividends are paid farmers in addition to the paying prices quoted for each month. While the use of the paying prices of plants operated by handlers or their affiliates as a sole determinant of producer prices would not be appropriate, the use of such prices as an alternative to a formula price based on national market values of butter and powder will prevent the price for Class II milk from being less than that paid for ungraded milk in the locality. The four plants selected appear the most representative that could be selected.

The class prices computed under the terms of the order would be those for milk containing 4.0 percent butterfat. The class prices for each handler should be adjusted by a butterfat differential to reflect the average test of producer milk classified in each class. Such differential for Class II milk shall be computed on the basis of the price of Grade A (92-score) bulk creamery butter at Chicago for the delivery period plus 15 percent. This differential represents a value somewhat less than the generally accepted value of butterfat for butter. With regard to Class I milk such differential should be computed on the same price for butter, plus 25 percent, reflecting the higher value of butterfat for fluid use. These differentials are both low in comparison with those in many other markets. This is in recognition of the fact that cream sales are low in the markets and that the average test of producer milk is high. As a consequence the market deficits are more concerned with total volume of receipts than with butterfat. The use of these moderate butterfat differentials will serve to allocate a higher proportion of the total price of each class to the skim milk which is in shorter supply.

The parity price of all milk sold at wholesale in the United States, which is the applicable parity price under present legislation, was $4.76 per hundredweight as of March 15, 1951. Such price does not reflect what the record shows to be the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing areas; nor would it insure a sufficient quantity of pure and wholesome milk for the marketing areas, or be in the public interest.

No adjustments are provided in the pricing provisions of the North Texas order with respect to the location of approved plants at which milk is received from producers. No such adjustments were proposed by producers or handlers of the North Texas marketing area. The record indicates that no such adjustments are now in effect. With respect to the Wichita Falls marketing area it was indicated that an adjustment in price to producers was customarily made with respect to milk received at a cooling plant at Windthorst, approximately 24 miles from Wichita Falls. This cooling plant is owned and operated by a cooperative association which receives uncooled milk twice daily from its members, cools such milk, and delivers it to Wichita Falls handlers. The order provides no adjustment in minimum class prices with respect to the milk received at this cooling plant, but does permit the cooperative association which is the handler to deduct not to exceed 25 cents per hundredweight from the uniform prices of the order for milk received at this plant. Many producers would not be able to supply the market without the cooling facilities provided by this plant.

7. *Payments to producers.* The "market-wide" type of pool with base-rating

plan should be established in these orders for the purpose of distributing among producers returns from the sale of their milk. Under this plan all producers receive the same uniform price for their milk (or when bases are applicable and uniform price for base milk and a uniform price for milk in excess of base) irrespective of the utilization made by such milk by individual handlers.

The alternative to the market-wide pool is the individual-handler pool. Under this latter system producers delivering to each handler receive a uniform price based on each handler's utilization of milk. Because different handlers utilize different proportions of their milk as Class I and Class II, the uniform prices of individual handlers would vary one from the other. The order has been written to permit a cooperative association to become a handler when necessary to market the surplus milk of its members. Under these circumstances an individual-handler pool would result in an unequal sharing of the market among producers and would not be conducive to orderly marketing. It is concluded, therefore, that market-wide pools are necessary to distribute the returns from the sale of milk equally among producers and to create orderly marketing of producer milk.

In the computation of the value of producer milk, provision should be made for the inclusion of the value of milk classified in excess of reported receipts from producers, other handlers, and other sources. This provision is necessary to account for differences between the reported and actual weights and tests of milk received from producers.

The butterfat differential to be used in making payments to producers should be fixed at one-tenth of the price of Grade A (92-score) butter on the Chicago market multiplied by 1.2. This differential is the same as that established under many other marketing orders. The producer butterfat differential merely affects the proration of returns among producers, and it in no way affects handlers' costs for milk.

The distribution among producers of the returns from the sales of milk should be made through the medium of a base-rating plan. Improvement in the seasonal pattern of production has resulted from the base features of present buying plans in these markets. The proposals for base-rating plans are supported by both producers and handlers in each market. Under the plans as hereinafter provided new bases would be established each year on the basis of total deliveries made by each producer during the short production months of October through January. The bases so established would be used in making payments to producers during the months of greatest production, i. e., April through June.

Producers proposed that the bases so established should be used in making payments to producers during the months of February through September. It does not appear necessary that bases be used for so many months for effective results from the plan. Restricting payments on the base to the months definitely associated with flush production will provide greater flexibility, and will provide individual producers better opportunity to make adjustments in their production plans. It also permits new producers to enter the market to meet prospective needs without unduly affecting the returns of producers with established bases.

A uniform price for base milk during these months would be computed which would reflect the value of milk for the market as a whole after the prior assignment of deliveries of milk in excess of base to the lowest available use class. The price of base milk would thus be enhanced above the average for the market and the uniform price for excess milk would be below the average. The lower price applicable to milk in excess of base deliveries tends to limit the deliveries of such milk during the months of surplus production. Conversely, the value of a large base gives impetus to the delivery of milk in the season of short production. The influences of these two forces tends to cause a more even seasonal pattern of milk deliveries than if payments were made during all months of the year on a straight uniform price basis.

It is necessary to provide certain rules in connection with the establishment and transfer of bases to provide reasonable administrative workability of the plan. In order to accomplish this purpose and preserve the effectiveness of the plan no provisions should be made for the transfer of partial bases. However, transfer of the entire base of an individual producer to members of his family in case of death, retirement, or entry into military service is permitted. Provision is also made for transfer of the entire base to one of the joint holders in the case of the termination of joint landlord-tenant relationships. These rules should assure the workability of the plan and at the same time place no undue hardship upon any producer since the established bases are effective in determining producer payments in only three of the twelve months of each year.

Although uniform prices are computed once a month, provision should be made to pay producers on a semi-monthly basis. The majority of producers on these markets have customarily been paid twice a month and it is concluded that this practice should be continued. The advance payment to be made on or before the last day of the delivery period and covering receipts of producer milk during the first 15 days of the delivery period should be at not less than the Class II price for the preceding delivery period. Payment at this rate will largely eliminate the possibility of handlers making overpayments to producers who may leave the market before the end of the delivery period. Final payment for milk received during each delivery period should be made on or before the 16th day after the end of the delivery period.

In the case of a qualified cooperative association, which so requests, the handler should make the advance and final payments sufficiently in advance of the date for payment to other producers to enable the cooperative association to pay its members at that date. The dates which have been provided for these various payments are so spaced that ample time is provided the handlers and the market administrator for the filing of reports, the computation of the various prices and the writing and mailing of checks.

8. Certain other provisions should be adopted to enable proper and efficient administration of the orders.

(a) *Administrative assessment.* Each handler should be required to pay to the market administrator, as his pro rata share of the cost of administration of the order, 4 cents per hundredweight, or such lesser sum as the Secretary may from time to time prescribe, on all receipts at his pool plant within the delivery period of (1) milk from producers (including such handler's own production) and (2) other source milk which is classified as Class I.

The market administrator in each market must have sufficient funds to enable him to administer properly the terms of the order and the act provides that the administration of the order be financed through assessment against handlers. In view of the anticipated volumes of milk on which the rate would apply it is concluded that a maximum rate of 4 cents per hundredweight is necessary at this time to guarantee sufficient administrative funds. In the event at a later date a lesser amount proves to be sufficient for proper administration, provision is made to enable the Secretary to reduce the assessment accordingly.

(b) *Deduction for marketing services.* Provision should be made for the dissemination of market information to producers and for the verification of weights and for the sampling and testing of milk received from producers for whom such services are not being rendered by a qualified cooperative association. This provision, including the assessing of producers in payment thereof, is specifically authorized by the act. Five cents per hundredweight or such lesser rate as the Secretary may determine should be deducted by handlers from the payment to producers and turned over to the market administrator to finance such services. This rate was proposed by producer groups on the basis of experience with check sampling, weighing, and testing programs in other marketing areas. In the event any qualified cooperative association is determined to be performing such services for any producer, handlers should pay to the cooperative association such deductions as are authorized by such producer in lieu of the payment to the market administrator.

(c) *Other administrative provisions.* The other provisions of the order are of a general administrative nature, are incidental to the other provisions of the orders, and are necessary for the proper and efficient administration of the respective orders. They provide for the selection of the market administrator, define his powers and duties, prescribe the information to be reported by handlers each month and the length of time that records must be retained. A plan for liquidation of each order in the event of its suspension or termination should also be provided.

Producer-handlers should be exempt from the regulatory provisions of the order except that they should be required to file reports as requested by the market administrator. Since a producer-handler may change his status from time to time it is necessary that the market administrator have authority to require such reports as will enable him to verify the current status of a producer-handler and to supplement other market information. In order that cooperative associations may be in position to allocate milk more equitably among handlers in times of shortage and thus insure each handler a more equitable supply of milk, the market administrator should furnish such an association each month a report of the utilization of its milk by each handler who received milk from its members. Since this report would include only milk received from the association and would not reveal the handler's total operations, confidential information would not be disclosed.

An approved plant which is subject to the regulatory provisions of another milk marketing agreement or order issued pursuant to the act and which the Secretary determines disposes of a greater volume of its Class I milk in such other marketing area than in this marketing area should be partially exempt from the provisions of these orders. It would be impractical to attempt to regulate a handler under two separate orders with respect to the same milk. Accordingly, it should be provided in each order that if an approved plant disposes of a greater volume of its Class I milk in a marketing area, regulated by another Federal milk marketing order, than is disposed of in the marketing area here defined such plant shall be exempt from the pricing, payment, administrative assessment, and marketing service provisions of whichever of these orders is involved. Such a handler, however, should make reports with respect to receipts and utilization as the market administrator may require, to insure equity between handlers, such a handler should not be permitted to purchase milk for sale as Class I milk in either area at less than the price paid by regulated handlers of the area in which the milk is sold. Therefore, a handler exempt under these provisions is required to make such payments as will equalize his cost with other handlers.

Each order should provide limitations on the period of time handlers shall retain books and records which are required to be made available to the market administrator, and on the period of time in which obligations under the order shall terminate. The provision made in this regard is identical in principle with the general amendment made to all orders in operation on July 30, 1947, effective February 22, 1949, and the Secretary's decision of January 26, 1949 (14 F. R. 444), covering the retention of records and limitation of claims is equally applicable in this situation and is adopted as a part of this decision.

General findings. (a) The proposed marketing agreements and the orders and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply of and demand for milk in the marketing areas, and the minimum prices specified in the proposed marketing agreements and the orders are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The proposed orders will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Proposed findings and conclusions. Briefs were filed on behalf of the North Texas Producers Association, the Wichita Falls Area Milk Producers Association (proponents) the Central West Texas Milk Producers Association, and 25 handlers. The general brief submitted on behalf of handlers was supplemented by three briefs on behalf of certain of these handlers. The briefs contained proposed findings of facts, conclusions, and arguments with respect to the proposals discussed at the hearing. Every point covered in the briefs was carefully considered along with the evidence in the record in making the findings and reaching the conclusions hereinafter set forth. To the extent that such suggested findings and conclusions contained in the briefs are inconsistent with the findings and conclusions contained herein the request to make such findings or to reach such conclusions is denied on the basis of the facts found and stated in connection with the conclusions in this decision. Motions were filed after the hearing on behalf of a group of handlers to (a) reopen the hearing, (b) fix a date for the filing of reply briefs, and (c) provide an opportunity for argument prior to the issuance of a recommended decision. It was requested further that the present proposal of the opponents be rejected in toto and that no decision be reached on the issuance of an order until the "submission of a new and different proposal by the proponents, upon which lawful notice may be given." It was contended that this is necessary to a meaningful record under the statute.

The purpose of reopening the hearing, as stated in the motion of handlers, is to permit them to produce evidence relative to proposals made during the hearing to change provisions of the proposed order. Full opportunity for all interested persons to be heard on all issues in this proceeding was provided at the hearing. Any changes proposed at the hearing related closely to the character of the provisions sought to be amended. In our view the issues are clear on the record, and there has been ample time to meet such issues. Therefore, the request to await the submittal by the proponents of further proposals for hearing are denied. The request to reopen the hearing is likewise denied for the same reasons.

Ample time was allowed following the hearing for filing of briefs and proposed findings and conclusions. A reasonable period of time subsequent to this recommended decision is allowed for the filing of exceptions to the findings and conclusions and to the recommended marketing agreements and orders contained herein. Such procedure provides adequate opportunity for all interested parties to present their views and arguments and leaves no useful purpose to be served by oral arguments or reply briefs. Accordingly the motions to provide for oral arguments and reply briefs is denied.

Recommended marketing agreements and orders. The following orders are recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreements are not included in this decision because the regulatory provisions thereof would be identical with those contained in the recommended orders.

Recommended Order for North Texas Marketing Area

DEFINITIONS

§ 943.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 943.2 *Secretary.* "Secretary" means the Secretary of Agriculture or such other officer or employee of the United States as is authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 943.3 *Department.* "Department" means the United States Department of Agriculture or such other Federal agency as is authorized to perform the price reporting functions specified herein.

§ 943.4 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 943.5 *Cooperative association.* "Cooperative association" means any cooperative marketing association of producers which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; and

(b) To have full authority in the sale of milk of its members and to be engaged in making collective sales or marketing milk or its products for its members.

§ 943.6 *North Texas marketing area.* "North Texas marketing area," hereinafter called the marketing area, means all territory, including all municipal corporations, Federal military reservations, facilities and installations and State institutions, within the counties of Cooke, Collin, Dallas, Delta, Denton, Ellis, Fannin, Grayson, Hopkins, Hunt, Johnson, Kaufman, Lamar, Parker, Rockwall, and Tarrant, all in the State of Texas.

§ 943.7 *Approved plant.* "Approved plant" means:

(a) A milk plant approved by any health authority having jurisdiction in the marketing area from which milk, skim milk, buttermilk, flavored milk,

flavored milk drinks, or cream labeled Grade "A" are disposed of for fluid consumption in the marketing area on wholesale or retail routes (including plant stores); or,

(b) A milk plant approved by and under the routine inspection of the appropriate health authority of any municipal corporation in the marketing area which serves as a receiving station for a plant described in paragraph (a) of this section by receiving, weighing and commingling producer milk.

§ 943.8 *Unapproved plant.* "Unapproved plant" means any milk plant which is not an approved plant.

§ 943.9 *Handler.* "Handler" means: (a) Any person in his capacity as the operator of an approved plant; or

(b) Any cooperative association with respect to the milk of any producer which it causes to be diverted to an unapproved plant for the account of such cooperative association.

§ 943.10 *Producer.* "Producer" means any person, other than a producer-handler, who produces milk which is received directly from the farm at an approved plant: *Provided,* That if ungraded milk is regularly received at the premises of such approved plant with the approval of the applicable health authority having jurisdiction, only those persons whose milk is received at such approved plant who are producing milk under a dairy farm permit or rating issued by such health authority for the production of milk to be disposed of for consumption as Grade A milk shall be producers: *And provided further,* That if the applicable health authority shall notify the operator of an approved plant and the market administrator in writing that a person whose milk has been received at such approved plant is no longer qualified to have his milk received at such plant such person shall not be a producer on the basis of receipt of milk at such plant from the effective date of such notice until the effective date of a written notice from such health authority to the market administrator that such person is again qualified to have his milk received at such plant. "Producer" shall include any such person whose milk is caused to be diverted by a handler to an unapproved plant, and milk so diverted shall be deemed to have been received at an approved plant by the handler who causes it to be diverted. "Producer" shall not include a person with respect to milk produced by him which is received at a plant operated by a handler who is subject to another Federal marketing order and who is partially exempt from the provisions of this order pursuant to § 943.61.

§ 943.11 *Producer milk.* "Producer milk" means all skim milk and butterfat in milk produced by a producer which is received by a handler either directly from producers or from other handlers.

§ 943.12 *Other source milk.* "Other source milk" means all skim milk and butterfat other than that contained in producer milk.

§ 943.13 *Producer-handler.* "Producer-handler" means any person who produces milk and operates an approved plant, but who receives no milk from producers.

§ 943.14 *Base milk.* "Base milk" means producer milk received by a handler during any of the months of April through June which is not in excess of each producer's daily average base computed pursuant to § 943.80 multiplied by the number of days in such month for which such producer delivered milk to such handler.

§ 943.15 *Excess milk.* "Excess milk" means milk received by a handler during any of the months of April through June which is in excess of base milk received from each producer during such month, and it shall include all milk received from producers for whom no daily average base can be computed pursuant to § 943.80.

MARKET ADMINISTRATOR

§ 943.20 *Designation.* The agency for the administration hereof shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

§ 943.21 *Powers.* The market administrator shall have the following powers with respect to this order:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

§ 943.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this order, including but not limited to the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary.

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of funds provided by § 943.97 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses (except those incurred under § 943.96) necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for herein, and upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Submit his books and records to examination by the Secretary and furnish such information and reports as the Secretary may request;

(g) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends;

(h) Publicly announce, at his discretion, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 10 days after the day upon which he is required to perform such acts, has not:

(1) Made reports pursuant to §§ 943.30 to 943.32, inclusive;

(2) Maintained adequate records and facilities pursuant to § 943.33; or

(3) Made payments pursuant to §§ 943.90 to 943.95, inclusive.

(i) On or before the 12th day after the end of each month, report to each cooperative association which so requests the amount and class utilization of milk received by each handler from producers who are members of such cooperative association. For the purpose of this report the milk so received shall be prorated to each class in the proportion that the total receipts of milk from producers by such handler were used in each class;

(j) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate the prices determined for each month as follows:

(1) On or before the 5th day of each month the minimum price for Class I milk, pursuant to § 943.51 (a) and the Class I butterfat differential pursuant to § 943.52 (a), both for the current month; and the minimum price for Class II milk pursuant to § 943.51 (b) and the Class II butterfat differential pursuant to § 943.52 (b), both for the preceding month; and,

(2) On or before the 12th day of each month, the uniform prices computed pursuant to § 943.71 or § 943.72, as applicable, and the butterfat differential computed pursuant to § 943.81, both applicable to milk delivered during the preceding month; and

(k) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.

(l) Furnish to a cooperative association for its members the data furnished pursuant to § 943.31 (a).

REPORTS, RECORDS AND FACILITIES

§ 943.30 *Reports of receipts and utilization.* On or before the 7th day after the end of each month, each handler, except a producer-handler, shall report to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(a) The quantities of skim milk and butterfat contained in milk received from producers and, for the months of

April through June, the aggregate quantities of base milk and excess milk;

(b) The quantities of skim milk and butterfat contained in (or used in the production of) receipts from other handlers;

(c) The quantities of skim milk and butterfat contained in receipts of other source milk (except Class II products disposed of in the form in which received without further processing or packaging by the handler);

(d) The utilization of all skim milk and butterfat required to be reported pursuant to this section;

(e) The disposition of Class I products on routes wholly outside the marketing area; and

(f) Such other information with respect to receipts and utilization as the market administrator may prescribe.

§ 943.31 *Payroll reports.* On or before the 20th day of each month, each handler shall submit to the market administrator his producer payroll for deliveries of the preceding month, which shall show:

(a) The total pounds and the average butterfat test of milk received from each producer and cooperative association, the number of days, if less than the entire month, for which milk was received from such producer, and, for the months of April through June, such producer's deliveries of base milk and excess milk;

(b) The amount of payment to each producer and cooperative association; and,

(c) The nature and amount of any deductions or charges involved in such payments.

§ 943.32 *Other reports.* (a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

(b) Each handler who causes milk to be diverted for his account directly from producers' farms to an unapproved plant shall, prior to such diversion, report to the market administrator and to the cooperative association of which such producer is a member his intention to divert such milk, the proposed date or dates of such diversion, and the plant to which such milk is to be diverted.

§ 943.33 *Records and facilities.* Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:

(a) The receipts and utilization of all receipts of producer milk and other source milk;

(b) The weights and tests for butterfat and other content of all milk, skim milk, cream and milk products handled;

(c) Payments to producers and cooperative associations; and,

(d) The pounds of skim milk and butterfat contained in or represented by all milk, skim milk, cream and milk products on hand at the beginning and end of each month.

§ 943.34 *Retention of records.* All books and records required under this order to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: *Provided,* That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly, upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 943.40 *Skim milk and butterfat to be classified.* All skim milk and butterfat received within the month by a handler and which is required to be reported pursuant to § 943.30 shall be classified by the market administrator pursuant to the provisions of §§ 943.41 to 943.46, inclusive.

§ 943.41 *Classes of utilization.* Subject to the conditions set forth in §§ 943.43 and 943.44, the classes of utilization shall be as follows:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat (1) disposed of in the form of milk, skim milk, buttermilk, flavored milk drinks, cream, cultured sour cream, any mixture (except eggnog and bulk ice cream mix) of cream and milk or skim milk, (2) used to produce concentrated (including frozen) milk, flavored milk, or flavored milk drinks disposed of for fluid consumption neither sterilized nor in hermetically sealed cans, and (3) all other skim milk and butterfat not specifically accounted for as Class II milk;

(b) Class II milk shall be all skim milk and butterfat:

(1) Used to produce any product other than those specified in paragraph (a) of this section;

(2) Disposed of for livestock feed;

(3) In shrinkage up to 2 percent of receipts from producers;

(4) In inventory variations of milk, skim milk, cream, or any product specified in paragraph (a) of this section.

§ 943.42 *Shrinkage.* The market administrator shall allocate shrinkage over a handler's receipts as follows:

(a) Compute the total shrinkage of skim milk and butterfat for each handler; and

(b) Prorate the resulting amounts between the receipts of skim milk and butterfat in receipts from producers and of other source milk.

§ 943.43 *Responsibility of handlers and reclassification of milk.* (a) All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim milk or butterfat can prove to the market administrator that such skim milk or butterfat should be classified otherwise.

(b) Any skim milk or butterfat shall be reclassified if verification by the market administrator discloses that the original classification was incorrect.

§ 943.44 *Transfers.* Skim milk or butterfat disposed of by a handler either by transfer or diversion shall be classified:

(a) As Class I milk if transferred or diverted in the form of milk, skim milk or cream, to the approved plant of another handler (except a producer-handler), unless utilization in Class II is mutually indicated in writing to the market administrator by both handlers on or before the 7th day after the end of the month within which such transaction occurred: *Provided,* That if either or both handlers have received other source milk the skim milk or butterfat so transferred or diverted shall be classified at both plants so as to allocate the greatest possible Class I utilization to producer milk.

(b) As Class I milk, if transferred or diverted to a producer-handler in the form of milk, skim milk, or cream.

(c) As Class I milk, if transferred or diverted in the form of milk or skim milk from an approved plant to an unapproved plant more than 200 miles distant by the shortest highway distance as determined by the market administrator.

(d) As Class I milk, if transferred in the form of cream under Grade A certification from an approved plant to an unapproved plant located more than 200 miles distant and as Class II milk if so transferred without Grade A certification.

(e) As Class I milk if transferred or diverted in the form of milk, skim milk or cream from an approved plant to an unapproved plant located not more than 200 miles distant by shortest highway distance as determined by the market administrator, unless:

(1) The handler claims classification as Class II milk on the basis of a utilization mutually indicated in writing to the market administrator by both the operator of the unapproved plant and the handler on or before the 7th day after the end of the month within which such transfer occurred; and

(2) The operator of the unapproved plant maintains books and records showing the recipts and utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification: *Provided,* That if the Class I utilization of skim milk and butterfat in such plant exceeds receipts at such plant of skim milk and butterfat, respectively, in milk direct from dairy farmers who the market administrator determines constitutes the regular source of supply for fluid usage of such unapproved plant in markets supplied by it, an amount of skim milk and butterfat equal to such excess shall be classified as Class I milk.

§ 943.45 *Computation of the skim milk and butterfat in each class.* For each month, the market administrator

shall correct for mathematical and for other obvious errors the monthly report submitted by each handler and shall compute the pounds of skim milk and butterfat in Class I milk and Class II milk for such handler.

§ 943.46 *Allocation of skim milk and butterfat classified.* After making the computations pursuant to § 943.45, the market administrator shall determine the classification of milk received from producers as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II the pounds of skim milk determined pursuant to § 943.41 (b) (3).

(2) Subtract from the remaining pounds of skim milk in Class II the pounds of skim milk in other source milk: *Provided,* That if the receipts of skim milk in other source milk are greater than the remaining pounds of skim milk in Class II, an amount equal to the difference shall be subtracted from the pounds of skim milk in Class I;

(3) Subtract from the remaining pounds of skim milk in each class the skim milk received from other handlers according to its classifiation as determined pursuant to § 943.44 (a);

(4) Add to the remaining pounds of skim milk in Class II the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and

(5) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk received from producers, subtract such excess from the remaining pounds of skim milk in series beginning with Class II milk. Any amount so subtracted shall be called "overage."

(b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section.

(c) Determine the weighted average butterfat content of Class I and Class II milk computed pursuant to paragraphs (a) and (b) of this section.

MINIMUM PRICES

§ 943.50 *Basic formula price to be used in determining Class I prices.* The basic formula price to be used in determining the price per hundredweight of Class I milk shall be the highest of the prices computed pursuant to paragraphs (a), (b), and (c) of this section.

(a) The average of the basic or field prices per hundredweight reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department, divided by 3.5 and multiplied by 4.0:

Present Operator and Location

Borden Co., Mount Pleasant, Mich.
Carnation Co., Sparta, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Borden Co., Greenville, Wis.
Borden Co., Black Creek, Wis.
Borden Co., Oxfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Jefferson, Wis.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Company, Manitowoc, Wis.
White House Milk Company, West Bend, Wis.

(b) The price per hundredweight computed by adding together the plus values to subparagraphs (1) and (2) of this paragraph:

(1) From the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any price range as one price) per pound of Grade A (92-score) bulk creamery butter per pound at Chicago, as reported by the Department during the month, subtract 3 cents, add 20 percent thereof, and multiply by 4.0.

(2) From the simple average as computed by the market administrator of the weighted averages of carlot prices per pound for nonfat dry milk solids, spray and roller process, respectively, for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the preceding month through the 25th day of the current month by the Department, deduct 5.5 cents, multiply by 8.5, and then multiply by 0.96.

(c) The average of the basic or field prices reported to have been paid or to be paid for ungraded milk of 4.0 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department:

Present Operator and Location

Carnation Co., Sulphur Springs, Tex.
The Borden Co., Mount Pleasant, Tex.
Lamar Creamery, Paris, Tex.
Fairmont Foods Co., Wichita Falls, Tex.

§ 943.51 *Class prices.* Subject to the provisions of § 943.52, the minimum prices per hundredweight to be paid by each handler for milk received at his plant from producers during the month shall be as follows:

(a) *Class I milk.* The basic formula price for the preceding month plus $2.00, subject to the following:

(1) For each month after this order shall have been in effect twelve months such price shall be increased 2.5 cents for each full percentage point that the percentage of the total Class I milk disposed of by all handlers (exclusive of producer-handlers and handlers partially exempt from this order pursuant to § 943.61) during the second and third months preceding such month represented by the total volume of receipts from producers by all handlers during such months is less than the minimum percentage listed below opposite the month for which such adjustment would apply, and such price shall be decreased 2.5 cents for each full percentage point that such percentage exceeds the maximum percentage listed below opposite the month for which such adjustment would apply:

Month:	Percentages Minimum	Percentages Maximum
January	100	115
February	100	115
March	100	115
April	100	115
May	105	120
June	115	132
July	120	140
August	125	150
September	120	140
October	110	127
November	110	127
December	105	120

(2) Except for adjustments pursuant to subparagraph (1) of this paragraph, such price for each of the months of October, November and December shall not be less than that for the preceding month, and such price for each of the months of April, May and June shall not be more than that for the preceding month.

(b) *Class II milk.* The higher of the prices computed pursuant to § 943.50 (b) or (c) for the current month.

§ 943.52 *Butterfat differentials to handlers.* If the average butterfat content of the milk of any handler allocated to any class pursuant to § 943.46 is more or less than 4.0 percent, there shall be added to the respective class price, computed pursuant to § 943.51, for each one-tenth of 1 percent that the average butterfat content of such milk is above 4.0 percent, or subtracted for each one-tenth of 1 percent that such average butterfat content is below 4.0 percent, an amount equal to the butterfat differential computed by multiplying the simple average, as computed by the market administrator, of the daily wholesale selling price per pound (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter at Chicago as reported by the Department during the appropriate month by the applicable factor listed below and dividing the result by 10:

(a) *Class I milk.* Multiply such price for the preceding month by 1.25;

(b) *Class II milk.* Multiply such price for the current month by 1.15.

APPLICATION OF PROVISIONS

§ 943.60 *Producer-handlers.* Sections 943.40 through 943.46, 943.50 through 943.52, 943.70 through 943.73, 943.80 through 943.81, and 943.90 through 943.97 shall not apply to a producer-handler.

§ 943.61 *Handlers subject to other orders.* In the case of any handler who the Secretary determines disposes of a greater portion of his milk as Class I milk in another marketing area regulated by another milk marketing agreement or order issued pursuant to the act, the provisions of this part shall not apply except as follows:

(a) The handler shall, with respect to the total receipts of skim milk and butterfat, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator.

(b) If the price which such handler is required to pay under the other Fed-

eral order to which he is subject for skim milk and butterfat which would be classified in Class I milk under this order is less than the price provided by this order, such handler shall pay to the market administrator for deposit into the producer-settlement fund (with respect to all skim milk and butterfat disposed of as Class I milk within the marketing area) an amount equal to the difference between the value of such skim milk or butterfat as computed pursuant to this order and its value as determined pursuant to the other order to which he is subject. Such payments shall be made on or before the 13th day of the following month.

DETERMINATION OF UNIFORM PRICE

§ 943.70 *Computation of value of milk.* The value of milk received during each month by each handler from producers shall be a sum of money computed by the market administrator by multiplying the pounds of such milk in each class by the applicable class prices and adding together the resulting amounts: *Provided,* That if the handler had overage of either skim milk or butterfat, there shall be added to the above values an amount computed by multiplying the pounds of overage deducted from each class pursuant to § 943.46 by the applicable class prices.

§ 943.71 *Computation of aggregate value used to determine uniform price(s).* For each month the market administrator shall compute as follows an aggregate value from which to determine the uniform price(s) per hundredweight for milk of 4.0 percent butterfat content received from the producers:

(a) Combine into one total the values computed pursuant to § 943.70 for all handlers who made the reports prescribed in § 943.30 and who made the payments pursuant to §§ 943.90 and 943.93 for the preceding month.

(b) Add not less than one-half of the cash balance on hand in the producer-settlement fund, less the total amount of the contingent obligations to handlers pursuant to § 943.94.

(c) Subtract if the average butterfat content of the milk included in these computations is greater than 4.0 percent or add if such average butterfat content is less than 4.0 percent an amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to § 943.91 and multiplying the resulting figure by the total hundredweight of such milk:

§ 943.72 *Computation of uniform price.* For each of the months of July through March, the market administrator shall compute the uniform price per hundredweight for all milk of 4.0 percent butterfat content received from producers at an approved plant as follows:

(a) Divide the aggregate value computed pursuant to § 943.71 by the total hundredweight of milk included in such computation; and

(b) Subtract not less than 4 cents nor more than 5 cents.

§ 943.73 *Computation of uniform prices for base milk and excess milk.* For each of the months of April through June the market administrator shall compute the uniform prices per hundredweight for base milk and for excess milk, each of 4.0 percent butterfat content, received from producers at an approved plant as follows:

(a) Compute the total value on a 4.0 percent butterfat basis of excess milk included in the computations pursuant to § 943.71 by multiplying the hundredweight of such milk not in excess of the total quantity of Class II milk included in these computations by the price for Class II milk of 4.0 percent butterfat content, multiplying the hundredweight of such milk in excess of the total hundredweight of such Class II milk by the price for Class I milk of 4.0 percent butterfat content, and adding together the resulting amounts;

(b) Divide the total value of excess milk obtained in paragraph (a) of this section by the total hundredweight of such milk, and adjust to the nearest cent. The resulting figure shall be the uniform price for excess milk of 4.0 percent butterfat received from producers;

(c) Subtract the value of excess milk obtained in paragraph (a) of this section from the aggregate value computed pursuant to § 943.71 and adjust by any amount involved in adjusting the uniform price of excess milk to the nearest cent;

(d) Divide the amount obtained in paragraph (c) of this section by the total hundredweight of base milk included in these computations;

(e) Subtract not less than 4 cents nor more than 5 cents from the amount computed pursuant to paragraph (d) of this section. The resulting figure shall be the uniform price for base milk of 4.0 percent butterfat content received from producers.

DETERMINATION OF BASE

§ 943.80 *Computation of daily average base for each producer.* For the months of April through June of each year the market administrator shall compute a daily average base for each producer as follows, subject to the rules set forth in § 943.81:

(a) Divide the total pounds of milk received by a handler(s) from such producer during the months of October through January immediately preceding by the number of days, not to be less than ninety, of such producer's delivery in such period.

§ 943.81 *Base rules.* (a) A base shall apply to deliveries of milk by the producer for whose account that milk was delivered during the base forming period;

(b) Bases may be transferred only by notifying the market administrator in writing before the last day of any month that such base is to be transferred to the person named in such notice only as follows:

(i) In the event of the death, retirement, or entry into military service of a producer the entire base may be transferred to a member(s) of such producer's immediate family who carries on the dairy operations.

(ii) If a base is held jointly and such joint holding is terminated, the entire base may be transferred to one of the joint holders.

PAYMENTS

§ 943.90 *Time and method of payment.* Each handler shall make payment as follows:

(a) On or before the 15th day after the end of the month during which the milk was received, to each producer for whom payment is not made pursuant to paragraph (c) of this section, at not less than the applicable uniform price(s) for such month computed pursuant to §§ 943.72 and 943.73, adjusted by the butterfat differential computed pursuant to § 943.91, and less the amount of the payment made pursuant to paragraph (b) of this section: *Provided,* That if by such date such handler has not received full payment for such month pursuant to § 943.94, he may redeem his total payments to all producers uniformly by not less than the amount of reduction in payments from the market administrator; he shall, however, complete such payments pursuant to this paragraph not later than the date for making such payments next following receipt of the balance from the market administrator.

(b) On or before the 25th day of each month, to each producer for whom payment is not made pursuant to paragraph (c) of this section for milk received during the first 15 days of such month, at not less than the Class II price of the preceding month.

(c) On or before the 13th and 23rd days of each month, in lieu of payments pursuant to paragraphs (a) and (b) of this section respectively, to a cooperative association which so requests, with respect to producers for whose milk such cooperative association is authorized to collect payment, an amount equal to the sum of the individual payments otherwise payable to such producers. Such payment shall be accompanied by a statement showing for each producer the items required to be reported pursuant to § 943.31.

§ 943.91 *Producer-butterfat differential.* In making payments pursuant to § 943.90, there shall be added to or subtracted from the uniform price for each one-tenth of 1 percent that the average butterfat content of the milk received from the producer is above or below 4.0 percent, an amount computed by multiplying by 1.2 the simple average as computed by the market administrator of the daily wholesale selling prices per pound (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter at Chicago as reported by the Department during the month, dividing the resulting sum by 10, and rounding to the nearest one-tenth of a cent.

§ 943.92 *Producer-settlement fund.* The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund," into which he shall deposit all payments made by handlers pursuant to §§ 943.61 (b), 943.93 and 943.95, and out of which he shall make all payments to handlers pursuant to §§ 943.94 and 943.95.

§ 943.93 *Payments to the producer-settlement fund.* On or before the 13th day after the end of the month during which the milk was received, each handler, including a cooperative association which is a handler, shall pay to the market administrator the amount, if any, by which the value of the milk received by such handler from producers as determined pursuant to § 943.70 is greater than the amount required to be paid producers by such handler pursuant to § 943.90.

§ 943.94 *Payments out of the producer-settlement fund.* On or before the 14th day after the end of the month during which the milk was received, the market administrator shall pay to each handler, including a cooperative association which is a handler, the amount, if any, by which the value of the milk received by such handler from producers during the month as determined pursuant to § 943.70 is less than the amount required to be paid producers by such handler pursuant to § 943.90: *Provided,* That if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market adminstrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

§ 943.95 *Adjustment of accounts.* Whenever verification by the market administrator of any handler's reports, books, records, accounts or payments discloses errors resulting in money due:

(a) the market administrator from such handler;

(b) such handler from the market administrator; or

(c) any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.

§ 943.96 *Marketing services.* (a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers (other than himself) pursuant to § 943.90, shall deduct 5 cents per hundredweight or such amount not exceeding 5 cents per hundredweight as may be prescribed by the Secretary, and shall pay such deductions to the market administrator on or before the 15th day after the end of each month. Such moneys shall be used by the market administrator to sample, test, and check the weights of milk received and to provide producers with market information.

(b) In the case of producers for whom a cooperative association is actually performing the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deduction specified in paragraph (a) of this section, such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and such producers and on or before the 15th day after the end of each month pay such deduction to the cooperative association rendering such services, accompanied by a statement showing the quantity of milk for which such deduction was computed for each such producer.

§ 943.97 *Expenses of administration.* As his pro rata share of the expense of administration hereof, each handler shall pay to the market administrator on or before the 15th day after the end of the month 4 cents per hundredweight, or such amount not exceeding 4 cents per hundredweight as the Secretary may prescribe, with respect to all receipts within the month of (a) other source milk which is classified as Class I milk, and (b) milk from producers including such handler's own production.

§ 943.98 *Termination of obligation.* The provisions of this section shall apply to any obligation under this order for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this order shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and,

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this order, to make available to the market administrator or his representatives all books and records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this order shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8 (c) (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 943.100 *Effective time.* The provisions hereof or any amendment hereto shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 943.101.

§ 943.101 *Suspension or termination.* The Secretary may suspend or terminate this order or any provision hereof whenever he finds this order or any provision hereof obstructs or does not tend to effectuate the declared policy of the act. This order shall terminate in any event whenever the provisions of the act authorizing it cease to be in effect.

§ 943.102 *Actions after suspension or termination.* If, upon the suspension or termination of any or all provisions of this order, there are any obligations thereunder, the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 943.103 *Liquidation.* Upon the suspension or termination of the provisions hereof, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such litigation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 943.110 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

§ 943.111 *Separability of provisions.* If any provision of this part or its application to any person or circumstances, is held invalid, the application of such provision and the remaining provisions

of this part to other persons or circumstances, shall not be affected thereby.

Recommended Order for Wichita Falls, Texas, Marketing Area

DEFINITIONS

§ 945.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 945.2 *Secretary.* "Secretary" means the Secretary of Agriculture or such other officer or employee of the United States as is authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 945.3 *Department.* "Department" means the United States Department of Agriculture or such other Federal agency as is authorized to perform the price reporting functions specified in this part.

§ 945.4 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 945.5 *Cooperative association.* "Cooperative association" means any cooperative marketing association of producers which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; and,

(b) To have full authority in the sale of milk of its members and to be engaged in making collective sales or marketing milk or its products for its members.

§ 945.6 *Wichita Falls, Texas, marketing area.* "Wichita Falls, Texas, marketing area," hereinafter called the marketing area, means all territory, including all municipal corporations, Federal military reservations, facilities and installations, and State institutions, within Wichita County, Texas.

§ 945.7 *Approved plant.* "Approved plant" means:

(a) A milk plant approved by any health authority having jurisdiction in the marketing area from which milk, skim milk, buttermilk, flavored milk, flavored milk drinks, or cream labeled Grade "A" are disposed of for fluid consumption in the marketing area on wholesale or retail routes (including plant stores); or,

(b) A milk plant approved by and under the routine inspection of the appropriate health authority of any municipal corporation in the marketing area which serves as a receiving station for a plant specified in paragraph (a) of this section by receiving, weighing and commingling producer milk.

§ 945.8 *Unapproved plant.* "Unapproved plant" means any milk plant which is not an approved plant.

§ 945.9 *Handler.* "Handler" means:

(a) Any person in his capacity as the operator of an approved plant; or

(b) Any cooperative association with respect to the milk of any producer which it causes to be diverted to an unapproved plant for the account of such cooperative association.

§ 945.10 *Producer.* "Producer" means any person, other than a producer-handler, who produces milk which is received at an approved plant: *Provided,* That if ungraded milk is regularly received at the premises of such approved plant with the approval of the applicable health authority having jurisdiction, only those persons whose milk is received at such approved plant who are producing milk under a dairy farm permit or rating issued by such health authority for the production of milk to be disposed of for consumption as Grade A milk shall be producers: *And provided further,* That if the applicable health authority shall notify the operator of an approved plant and the market administrator in writing that a person whose milk has been received at such approved plant is no longer qualified to have his milk received at such plant, such person shall not be a producer on the basis of receipts of milk at such plant from the effective date of a written notice from such health authority to the market administrator that such person is again qualified to have his milk received at such plant. "Producer" shall include any such person whose milk is caused to be diverted by a handler to an unapproved plant, and milk so diverted shall be deemed to have been received at an approved plant by the handler who causes it to be diverted. "Producer" shall not include a person with respect to milk produced by him which is received at a plant operated by a handler who is subject to another Federal marketing order and who is partially exempt from the provisions of this part pursuant to § 945.61.

§ 945.11 *Producer milk.* "Producer milk" means all skim milk and butterfat in milk produced by a producer which is received by a handler either directly from producers or from other handlers.

§ 945.12 *Other source milk.* "Other source milk" means all skim milk and butterfat other than that contained in producer milk.

§ 945.13 *Producer - handler.* "Producer-handler" means any person who produces milk and operates an approved plant, but who receives no milk from producers.

§ 945.14 *Base milk.* "Base milk" means producer milk received by a handler during any of the months of April through June which is not in excess of each producer's daily average base computed pursuant to § 945.80 multiplied by the number of days in such month for which such producer delivered milk to such handler.

§ 945.15 *Excess milk.* "Excess milk" means producer milk received by a handler during any of the months of April through June which is in excess of base milk received from each producer during such month, and shall include all milk received from producers for whom no daily average base can be computed pursuant to § 945.80.

MARKET ADMINISTRATOR

§ 945.20 *Designation.* The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

§ 945.21 *Powers.* The market administrator shall have the following powers with respect to this part:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

§ 945.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary.

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of funds provided by § 945.98 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses (except those incurred under § 945.97) necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Submit his books and records to examination by the Secretary and furnish such information and reports as the Secretary may request;

(g) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends;

(h) Publicly announce, at his discretion, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 10 days after the day upon which he is required to perform such acts, has not:

(1) Made reports pursuant to §§ 945.30 to 945.32, inclusive;

(2) Maintained adequate records and facilities pursuant to § 945.33; or

(3) Made payments pursuant to §§ 945.80 to 945.96, inclusive.

(i) On or before the 12th day after the end of each month, report to each cooperative association which so requests the amount and class utilization of milk received by each handler from producers who are members of such cooperative association. For the purpose of this report the milk so received shall be prorated to each class in the proportion that the total receipts of milk from producers by such handler were used in each class;

(j) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate the prices determined for each month as follows:

(1) On or before the 5th day of each month the minimum price for Class I milk, pursuant to § 945.51 (a) and the Class I butterfat differential pursuant to § 945.52 (a), both for the current month; and the minimum price for Class II milk pursuant to § 945.51 (b) and the Class II butterfat differential pursuant to § 945.52 (b), both for the preceding month; and,

(2) On or before the 12th day of each month, the uniform prices computed pursuant to § 945.71 or § 945.72, as applicable, and the butterfat differential computed pursuant to § 945.81, both applicable to milk delivered during the preceding month; and,

(k) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.

(l) Furnish to a cooperative association for its members the data furnished pursuant to § 945.31 (a).

REPORTS, RECORDS AND FACILITIES

§ 945.30 *Reports of receipts and utilization.* On or before the 7th day after the end of each month, each handler, except a producer-handler, shall report to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(a) The quantities of skim milk and butterfat contained in milk received from producers and, for the months of April through June, the aggregate quantities of base milk and excess milk;

(b) The quantities of skim milk and butterfat contained in (or used in the production of) receipts from other handlers;

(c) The quantities of skim milk and butterfat contained in receipts of other source milk (except Class II products disposed of in the form in which received without further processing or packaging by the handler);

(d) The utilization of all skim milk and butterfat required to be reported pursuant to this section;

(e) The disposition of Class I products on routes wholly outside the marketing area; and,

(f) Such other information with respect to receipts and utilization as the market administrator may prescribe.

§ 945.31 *Payroll reports.* On or before the 20th day of each month, each handler shall submit to the market administrator his producer payroll for deliveries of the preceding month, which shall show:

(a) The total pounds and the average butterfat test of milk received from each producer and cooperative association, the number of days, if less than the entire month, for which milk was received from such producer, and, for the months of April through June, such producer's deliveries of base milk and excess milk;

(b) The amount of payment to each producer and cooperative association; and,

(c) The nature and amount of any deductions or charges involved in such payments.

§ 945.32 *Other reports.* (a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

(b) Each handler who causes milk to be diverted for his account directly from producers' farms to an unapproved plant shall, prior to such diversion, report to the market administrator and to the cooperative association of which such producer is a member his intention to divert such milk, the proposed date or dates of such diversion, and the plant to which such milk is to be diverted.

§ 945.33 *Records and facilities.* Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:

(a) The receipts and utilization of all receipts of producer milk and other source milk;

(b) The weights and tests for butterfat and other content of all milk, skim milk, cream and milk products handled;

(c) Payments to producers and cooperative associations; and,

(d) The pounds of skim milk and butterfat contained in or represented by all milk, skim milk, cream and milk products on hand at the beginning and end of each month.

§ 945.34 *Retention of records.* All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: *Provided,* That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly, upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 945.40 *Skim milk and butterfat to be classified.* All skim milk and butterfat received within the month by a handler and which is required to be reported pursuant to § 945.30 shall be classified by the market administrator pursuant to the provisions of §§ 945.41 to 945.46, inclusive.

§ 945.41 *Classes of utilization.* Subject to the conditions set forth in §§ 945.43 and 945.44, the classes of utilization shall be as follows:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat (1) disposed of in the form of milk, skim milk, buttermilk, flavored milk drinks, cream, cultured sour cream, any mixture (except eggnog and bulk ice cream mix) of cream and milk or skim milk, (2) used to produce concentrated (including frozen) milk, flavored milk, or flavored milk drinks disposed of for fluid consumption neither sterilized nor in hermetically sealed cans, and (3) all other skim milk and butterfat not specifically accounted for as Class II milk;

(b) Class II milk shall be all skim milk and butterfat:

(1) Used to produce any product other than those specified in paragraph (a) of this section;

(2) Disposed of for livestock feed;

(3) In shrinkage up to 2 percent of receipts from producers;

(4) In inventory variations of milk, skim milk, cream, or any product specified in paragraph (a) of this section.

§ 945.42 *Shrinkage.* The market administrator shall allocate shrinkage over a handler's receipts as follows:

(a) Compute the total shrinkage of skim milk and butterfat for each handler; and

(b) Prorate the resulting amounts between the receipts of skim milk and butterfat in receipts from producers and of other source milk.

§ 945.43 *Responsibility of handlers and reclassification of milk.* (a) All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim milk or butterfat can prove to the market administrator that such skim milk or butterfat should be classified otherwise.

(b) Any skim milk or butterfat shall be reclassified if verification by the market administrator discloses that the original classification was incorrect.

§ 945.44 *Transfers.* Skim milk or butterfat disposed of by a handler either by transfer or diversion shall be classified:

(a) As Class I milk if transferred or diverted in the form of milk, skim milk or cream, to the approved plant of another handler (except a producer-handler), unless utilization in Class II is mutually indicated in writing to the market administrator by both handlers on or before the 7th day after the end of the month within which such transaction occurred: *Provided,* That if either or both handlers have received other source milk the skim milk or butterfat so transferred or diverted shall be classified at both plants so as to allocate the

greatest possible Class I utilization to producer milk.

(b) As Class I milk, if transferred or diverted to a producer-handler in the form of milk, skim milk, or cream.

(c) As Class I milk, if transferred or diverted in the form of milk or skim milk from an approved plant to an unapproved plant more than 200 miles distant by the shortest highway distance as determined by the market administrator.

(d) As Class I milk, if transferred in the form of cream under Grade A certification from an approved plant to an unapproved plant more than 200 miles distant and as Class II milk if so transferred without Grade A certification.

(e) As Class I milk if transferred or diverted in the form of milk, skim milk or cream from an approved plant to an unapproved plant not more than 200 miles distant by shortest highway distance as determined by the market administrator, unless:

(1) The handler claims classification as Class II milk on the basis of a utilization mutually indicated in writing to the market administrator by both the operator of the unapproved plant and the handler on or before the 7th day after the end of the month within which such transfer occurred; and

(2) The operator of the unapproved plant maintains books and records showing the receipts and utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification: *Provided*, That if the Class I utilization of skim milk and butterfat in such plant exceeds receipts at such plant of skim milk and butterfat, respectively, in milk direct from dairy farmers who the market administrator determines constitutes the regular source of supply for fluid usage of such unapproved plant in markets supplied by it, an amount of skim milk and butterfat equal to such excess shall be classified as Class I milk.

§ 945.45 *Computation of the skim milk and butterfat in each class.* For each month, the market administrator shall correct for mathematical and for other obvious errors the monthly report submitted by each handler and shall compute the pounds of skim milk and butterfat in Class I milk and Class II milk for such handler.

§ 945.46 *Allocation of skim milk and butterfat classified.* After making the computations pursuant to § 945.45, the market administrator shall determine the classification of milk received from producers as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II the pounds of skim milk determined pursuant to § 945.41 (b) (3).

(2) Subtract from the remaining pounds of skim milk in Class II the pounds of skim milk in other source milk: *Provided*, That if the receipts of skim milk in other source milk are greater than the remaining pounds of skim milk in Class II, an amount equal to the difference shall be subtracted from the pounds of skim milk in Class I;

(3) Subtract from the remaining pounds of skim milk in each class the skim milk received from other handlers according to its classification as determined pursuant to § 945.44 (a);

(4) Add to the remaining pounds of skim milk in Class II the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and

(5) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk received from producers, subtract such excess from the remaining pounds of skim milk in series beginning with Class II milk. Any amount so subtracted shall be called "overage."

(b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section.

(c) Determine the weighted average butterfat content of Class I and Class II milk computed pursuant to paragraphs (a) and (b) of this section.

MINIMUM PRICES

§ 945.50 *Basic formula price to be used in determining Class I prices.* The basic formula price to be used in determining the price per hundredweight of Class I milk shall be the highest of the prices computed pursuant to paragraphs (a), (b) and (c) of this section.

(a) The average of the basic or field prices per hundredweight reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department, divided by 3.5 and multiplied by 4.0:

Present Operator and Location

Borden Co., Mount Pleasant, Mich.
Carnation Co., Sparta, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Borden Co., Greenville, Wis.
Borden Co., Black Creek, Wis.
Borden Co., Orfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Jefferson, Wis.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

(b) The price per hundredweight computed by adding together the plus values pursuant to subparagraphs (1) and (2) of this paragraph:

(1) From the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any price range as one price) per pound of Grade A (92-score) bulk creamery butter per pound at Chicago, as reported by the Department during the month, subtract 3 cents, add 20 percent thereof, and multiply by 4.0.

(2) From the simple average as computed by the market administrator of the weighted averages of carlot prices per pound for nonfat dry milk solids, spray and roller process, respectively, for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the preceding month through the 25th day of the current month by the Department, deduct 5.5 cents, multiply by 8.5, and then multiply by 0.96.

(c) The average of the basic or field prices reported to have been paid or to be paid for ungraded milk of 4.0 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or the Department:

Present Operator and Location

Carnation Co., Sulphur Springs, Tex.
The Borden Co., Mount Pleasant, Tex.
Lamar Creamery, Paris, Tex.
Fairmont Foods Co., Wichita Falls, Tex.

§ 945.51 *Class prices.* Subject to the provisions of § 945.52, the minimum prices per hundredweight to be paid by each handler for milk received at his plant from producers during the month shall be as follows:

(a) *Class I milk.* The basic formula price for the preceding month plus $2.00, subject to the following:

(1) For each month after this part shall have been in effect twelve months such price shall be increased 2.5 cents for each full percentage point that the percentage of the total Class I milk disposed of by all handlers (exclusive of producer-handlers and handlers partially exempt from this order pursuant to § 945.61) during the second and third months preceding such month represented by the total volume of receipts from producers by all handlers during such months is less than the minimum percentage listed below opposite the month for which such adjustment would apply, and such price shall be decreased 2.5 cents for each full percentage point that such percentage exceeds the maximum percentage listed below opposite the month for which such adjustment would apply:

	Percentages	
Month:	Minimum	Maximum
January	100	115
February	100	115
March	100	115
April	100	115
May	105	120
June	115	132
July	120	140
August	125	150
September	120	140
October	110	127
November	110	127
December	105	120

(2) Except for adjustments pursuant to subparagraph (1) of this paragraph, such price for each of the months of October, November and December shall not be less than that for the preceding month, and such price for each of the months of April, May, and June shall not be more than that for the preceding month.

(b) *Class II milk.* The higher of the prices computed pursuant to § 945.50 (b) or (c) for the current month.

§ 945.52 *Butterfat differentials to handlers.* If the average butterfat content of the milk of any handler allocated to any class pursuant to § 945.46 is more or less than 4.0 percent, there shall be added to the respective class price, computed pursuant to § 945.51, for each one-

tenth of 1 percent that the average butterfat content of such milk is above 4.0 percent, or subtracted for each one-tenth of 1 percent that such average butterfat content is below 4.0 percent, an amount equal to the butterfat differential computed by multiplying the simple average, as computed by the market administrator, of the daily wholesale selling price per pound (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter at Chicago as reported by the Department during the appropriate month by the applicable factor listed below and dividing the result by 10:

(a) *Class I milk.* Multiply such price for the preceding month by 1.25;

(b) *Class II milk.* Multiply such price for the current month by 1.15.

APPLICATION OF PROVISIONS

§ 945.60 *Producer-handlers.* Sections 945.40 through 945.46, 945.50 through 945.52, 945.70 through 945.73, 945.80, 945.81, and 945.90 through 945.97, shall not apply to a producer-handler.

§ 945.61 *Handlers subject to other orders.* In the case of any handler who the Secretary determines disposes of a greater portion of his milk as Class I milk in another marketing area regulated by another milk marketing agreement or order issued pursuant to the act, the provisions of this part shall not apply except as follows:

(a) The handler shall, with respect to the total receipts of skim milk and butterfat, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator.

(b) If the price which such handler is required by pay under the other Federal order to which he is subject for skim milk and butterfat which would be classified in Class I milk under this order is less than the price provided by this order, such handler shall pay to the market administrator for deposit into the producer-settlement fund (with respect to all skim milk and butterfat disposed of as Class I milk within the marketing area) an amount equal to the difference between the value of such skim milk or butterfat as computed pursuant to this order and its value as determined pursuant to the other order to which he is subject. Such payments shall be made on or before the 12th day of the following month.

DETERMINATION OF UNIFORM PRICE

§ 945.70 *Computation of value of milk.* The value of milk received during each month by each handler from producers shall be a sum of money computed by the market administrator by multiplying the pounds of such milk in each class by the applicable class prices and adding together the resulting amounts: *Provided,* That if the handler had overage of either skim milk or butterfat, there shall be added to the above values an amount computed by multiplying the pounds of overage deducted from each class pursuant to § 945.46 by the applicable class prices.

§ 945.71 *Computation of aggregate value used to determine uniform price(s).* For each month the market administrator shall compute as follows an aggregate value from which to determine the uniform price(s) per hundredweight for milk of 4.0 percent butterfat content received from producers:

(a) Combine into one total the values computed pursuant to § 945.70 for all handlers who made the reports prescribed in § 945.30 and who made the payments pursuant to §§ 945.90 and 945.93 for the preceding month.

(b) Add not less than one-half of the cash balance on hand in the producer-settlement fund, less the total amount of the contingent obligations to handlers pursuant to § 945.94.

(c) Subtract if the average butterfat content of the milk included in these computations is greater than 4.0 percent or add if such average butterfat content is less than 4.0 percent an amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to § 945.91 and multiplying the resulting figure by the total hundredweight of such milk.

§ 945.72 *Computation of uniform price.* For each of the months of July through March, the market administrator shall compute the uniform price per hundredweight for all milk of 4.0 percent butterfat content received from producers at an approved plant as follows: (a) Divide the aggregate value computed pursuant to § 945.71 by the total hundredweight of milk included in such computation; and (b) Subtract not less than 4 cents nor more than 5 cents.

§ 945.73 *Computation of uniform prices for base milk and excess milk.* For each of the months of April through June the market administrator shall compute the uniform prices per hundredweight for base milk and for excess milk, each of 4.0 percent butterfat content, received from producers at an approved plant as follows:

(a) Compute the total value on a 4.0 percent butterfat basis of excess milk included in the computations pursuant to § 945.71 by multiplying the hundredweight of such milk not in excess of the total quantity of Class II milk included in these computations by the price for Class II milk of 4.0 percent butterfat content, multiplying the hundredweight of such milk in excess of the total hundredweight of such Class II milk by the price for Class I milk of 4.0 percent butterfat content, and adding together the resulting amounts;

(b) Divide the total value of excess milk obtained in paragraph (a) of this section by the total hundredweight of such milk, and adjust to the nearest cent. The resulting figure shall be the uniform price for excess milk of 4.0 percent butterfat received from producers;

(c) Subtract the value of excess milk obtained in paragraph (a) of this section from the aggregate value computed pursuant to § 945.71 and adjust by any amount involved in adjusting the uniform price of excess milk to the nearest cent;

(d) Divide the amount obtained in paragraph (c) of this section by the total hundredweight of base milk included in these computations;

(e) Subtract not less than 4 cents nor more than 5 cents from the amount computed pursuant to paragraph (d) of this section. The resulting figure shall be the uniform price for base milk of 4.0 percent butterfat content received from producers.

DETERMINATION OF BASE

§ 945.80 *Computation of daily average base for each producer.* For the months of April through June of each year the market administrator shall compute a daily average base for each producer as follows, subject to the rules set forth in § 945.81:

(a) Divide the total pounds of milk received by a handler(s) from such producer during the months of October through January immediately preceding by the number of days, not to be less than ninety, of such producer's delivery in such period.

§ 945.81 *Base rules.* (a) A base shall apply to deliveries milk by the producer for whose account that milk was delivered during the base forming period;

(b) Bases may be transferred only by notifying the market administrator in writing before the last day of any month that such base is to be transferred to the person named in such notice only as follows:

(1) In the event of the death, retirement, or entry into military service of a producer the entire base may be transferred to a member(s) of such producer's immediate family who carries on the dairy operations.

(2) If a base is held jointly and such joint holding is terminated, the entire base may be transferred to one of the joint holders.

PAYMENTS

§ 945.90 *Time and method of payment.* Each handler shall make payment as follows:

(a) On or before the 15th day after the end of the month during which the milk was received, to each producer for whom payment is not made pursuant to paragraph (c) of this section, at not less than the applicable uniform price(s) for such month computed pursuant to §§ 945.72 and 945.73, adjusted by the butterfat differential computed pursuant to §945.91, and less the amount of the payment made pursuant to paragraph (b) of this section: *Provided,* That if by such date such handler has not received full payment for such month pursuant to § 945.94, he may redeem his total payments to all producers uniformly by not less than the amount of reduction in payments from the market administrator; he shall, however, complete such payments pursuant to this paragraph not later than the date for making such payments next following receipt of the balance from the market administrator.

(b) On or before the 25th day of each month, to each producer for whom payment is not made pursuant to paragraph (c) of this section for milk received during the first 15 days of such month, at

not less than the Class II price for the preceding month.

(c) On or before the 13th and 23rd days of each month, in lieu of payments pursuant to paragraphs (a) and (b) of this section respectively, to a cooperative association which so requests, with respect to producers for whose milk such cooperative association is authorized to collect payment, an amount equal to the sum of the individual payments otherwise payable to such producers. Such payment shall be accompanied by a statement showing for each producer the items required to be reported pursuant to § 945.31.

§ 945.91 *Producer-butterfat differential.* In making payments pursuant to § 945.90, there shall be added to or subtracted from the uniform price for each one-tenth of 1 percent that the average butterfat content of the milk received from the producer is above or below 4.0 percent, an amount computed by multiplying by 1.2 the simple average as computed by the market administrator of the daily wholesale selling prices per pound (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter at Chicago as reported by the Department during the month, dividing the resulting sum by 10, and rounding to the nearest one-tenth of a cent.

§ 945.92 *Location adjustment to producers.* In making payments pursuant to § 945.90 (a) to producers whose milk is received at the cooling plant located at Windthorst, Texas, currently operated by the Wichita Falls Area Milk Producers Association, Inc., the handler may deduct not to exceed 25 cents per hundredweight of milk. Such deductions shall not affect the computation of amounts to be paid by the handler or the market administrator pursuant to §§ 945.94 and 945.95.

§ 945.93 *Producer-settlement fund.* The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund," into which he shall deposit all payments made by handlers pursuant to §§ 945.61 (b), 945.94 and 945.96, and out of which he shall make all payments to handlers pursuant to §§ 945.95 and 945.96.

§ 945.94 *Payments to the producer-settlement fund.* On or before the 13th day after the end of the month during which the milk was received, each handler, including a cooperative association which is a handler, shall pay to the market administrator the amount, if any, by which the value of the milk received by such handler from producers as determined pursuant to § 945.70 is greater than the amount required to be paid producers by such handler pursuant to § 945.90.

§ 945.95 *Payments out of the producer-settlement fund.* On or before the 14th day after the end of the month during which the milk was received, the market administrator shall pay to each handler, including a cooperative association which is a handler, the amount, if any, by which the value of the milk received by such handler from producers during the month as determined pursuant to § 945.70 is less than the amount required to be paid producers by such handler pursuant to § 945.90: *Provided,* That if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

§ 945.96 *Adjustment of accounts.* Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors resulting in money due:

(a) The market administrator from such handler;

(b) Such handler from the market administrator; or,

(c) Any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which error occurred.

§ 945.97 *Marketing services.* (a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers (other than himself) pursuant to § 945.90, shall deduct 5 cents per hundredweight or such amount not exceeding 5 cents per hundredweight as may be prescribed by the Secretary, and shall pay such deductions to the market administrator on or before the 15th day after the end of each month. Such moneys shall be used by the market administrator to sample, test, and check the weights of milk received and to provide producers with market information.

(b) In the case of producers for whom a cooperative association is actually performing the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deduction specified in paragraph (a) of this section, such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and such producers on or before the 15th day after the end of each month pay such deduction to the cooperative association rendering such services, accompanied by a statement showing the quantity of milk for which such deduction was computed for each such producer.

§ 945.98 *Expenses of administration.* As his pro rata share of the expense of administration of this part, each handler shall pay to the market administrator on or before the 15th day after the end of the month 4 cents per hundredweight, or such amount not exceeding 4 cents per hundredweight as the Secretary may prescribe, with respect to all receipts within the month of (a) other source milk which is classified as Class I milk, and (b) milk from producers including such handler's own production.

§ 945.99 *Termination of obligation.* The provisions of this section shall apply to any obligation under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and,

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this order shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 945.100 *Effective time.* The provisions of this part or any amendment to this part shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 945.101.

§ 945.101 *Suspension or termination.* The Secretary may suspend or terminate this part or any provision of this part whenever he finds this order or any provision of this part obstructs or does not tend to effectuate the declared policy of the act. This part shall terminate in any event whenever the provisions of the act authorizing it cease to be in effect.

§ 945.102 *Actions after suspension or termination.* If, upon the suspension or termination of any or all provisions of this part, there are any obligations thereunder, the final acrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 945.103 *Liquidation.* Upon the suspension or termination of the provisions of this part, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such litigation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 945.110 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

§ 945.111 *Separability of provisions.* If any provision of this part or its application to any person or circumstances, is held invalid, the application of such provision and the remaining provisions of this part, to other persons or circumstances, shall not be affected thereby.

Filed at Washington, D. C., this 11th day of May 1951.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator.

[F. R. Doc. 51-5679, Filed, May 15, 1951; 8:52 a. m.]

[7 CFR, Part 987]

HANDLING OF IRISH POTATOES GROWN IN MAINE

ORDER DIRECTING THAT REFERENDUM BE CONDUCTED AMONG PRODUCERS; DETERMINATION OF REPRESENTATIVE PERIOD; DESIGNATING AGENTS TO CONDUCT SUCH REFERENDUM

Pursuant to the applicable provisions of Marketing Agreement No. 108, Order No. 87 (7 CFR Part 987), and the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.), it is hereby directed that a referendum be conducted among producers who, during the period July 1, 1949, to June 30, 1950, both dates inclusive (which period is hereby determined to be a representative period for the purpose of such referendum), were engaged, in the State of Maine, in the production of Irish potatoes for market, to determine whether such producers favor the termination of said marketing agreement and order.

The procedure applicable to this referendum shall be the "Procedure for the Conduct of Referenda Among Producers in Connection With Marketing Orders (Except Those Applicable to Milk and Its Products) To Become Effective Pursuant to the Agricultural Marketing Agreement Act of 1937, as Amended" (15 F. R. 5176), except as follows:

a. Paragraph (c) (1) is amended to read as follows:

(1) Conduct the referendum in the manner herein prescribed, by giving an opportunity to producers, who, during the representative period determined by the Secretary, have been engaged, within the specified production area, in the production for market of the commodity specified, to cast their ballots relative to the termination of Agreement No. 108, and Order No. 87.

b. Paragraph (c) (5) is amended to read as follows:

(5) Make available to producers and the aforesaid cooperative associations instructions on voting, and appropriate ballot and other necessary forms.

c. Paragraph (d) (3) is amended to read as follows:

(3) Distribute ballots and the aforesaid material to producers and receive any ballots which are cast; and

A. C. Cook, E. E. Gallahue, O. H. Chapin, and W. J. Higgins of the Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, are hereby designated as agents of the Secretary of Agriculture to conduct said referendum jointly or severally.

Copies of the aforesaid agreement and order may be examined in the Office of the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington, D. C., and at the office of the State of Maine Potato Committee, 163 Normal Avenue, Presque Isle, Maine. Ballots to be cast in the referendum and copies of the aforesaid agreement and order may be obtained from any referendum agent, and any appointee hereunder.

Done at Washington, D. C., this 11th day of May 1951.

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

[F. R. Doc. 51-5683; Filed, May 15, 1951; 8:54 a. m.]

CIVIL AERONAUTICS BOARD

[14 CFR, Part 41]

CERTIFICATION AND OPERATION RULES FOR SCHEDULED AIR CARRIER OPERATIONS OUTSIDE THE CONTINENTAL LIMITS OF UNITED STATES

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that adoption of the following rules is contemplated. All interested persons who desire to submit comments and suggestions for consideration by the Administrator of Civil Aeronautics in connection with the proposed rules shall send them to the Civil Aeronautics Administration, Office of Aviation Safety, Washington 25, D. C., within 30 days after publication of this notice in the FEDERAL REGISTER.

§ 41.1-3 *Airmen records (CAA rules which apply to § 41.1)*—(a) *Location of airmen records.* Each air carrier in accordance with the preface pages of the air carrier operating certificate, shall maintain at its major division offices current records of every airman utilized as a member of a flight crew or as an aircraft dispatcher under the jurisdiction of such offices.

(b) *Information necessary in the airmen records.* The following pertinent information, at least, shall be included in the airmen records:

(1) Name (full).

(2) Current duties and date of assignment (First Pilot) (Flight Engineer) etc.

(3) Airman Certificates (type, certificate number, and ratings).

(4) Date, result and class of last physical examination of all flight crew members.

(5) Date and result of last six months instrument competency flight check for first pilots.

(6) Date of last equipment and/or instrument competency certification for all pilots other than pilots in command.

(7) Record of first pilots flight time including instrument flight time and the flight time in the make and model of aircraft on which he is currently qualified.

(8) Record of company training for all pilots including actual flight, synthetic flight and maintenance of proficiency training.

(9) Any check pilot authorization.

(10) Any information on the individual considered desirable in these records by the air carrier as to special qualifications, duty assignment, etc.

(c) *Maintenance of airmen records.* (1) It is required that the above information on the airmen records be maintained accurately and currently.

(2) These records shall be available at any time for reference and inspection by authorized representatives of the Administrator of Civil Aeronautics for the determination of compliance with the appropriate qualifications and requirements prescribed by the Civil Air Regulations.

(3) The disposition of any dispatcher or flight crew member released from the employ of the air carrier, or who has become physically or professionally disqualified shall be so indicated in these records. Such records shall be retained

by the company for a period of not less than six months.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies secs. 601, 604, 52 Stat. 1007, 1010, as amended; 49 U. S. C. 551, 554)

[SEAL] ORA W. YOUNG,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 51-5594; Filed, May 15, 1951; 8:45 a. m.]

[14 CFR, Part 61]

SCHEDULED AIR CARRIER RULES

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that adoption of the following rules is contemplated. All interested persons who desire to submit comments and suggestions for consideration by the Administrator of Civil Aeronautics in connection with the proposed rules shall send them to the Civil Aeronautics Administration, Office of Aviation Safety, Washington 25, D. C., within 30 days after publication of this notice in the FEDERAL REGISTER.

§ 61.102 *Airmen records.* Each scheduled air carrier shall maintain such current records of dispatchers and flight crew members utilized by the air carrier in scheduled air transportation at such points on its routes as the Administrator may designate. These records shall contain such information concerning the qualifications of each airman as is necessary to show compliance with the appropriate qualifications and requirements prescribed by the regulations of this subchapter. No scheduled air carrier shall utilize in scheduled air transportation any dispatcher or flight crew member unless records are maintained for such airman as required herein.

§ 61.102-1 *Airmen records (CAA rules which apply to § 61.102)*—(a) *Location of airmen records.* Each air carrier shall maintain at its major division offices current records of every airman utilized as a member of a flight crew or as an aircraft dispatcher under the jurisdiction of such offices.

(b) *Information necessary in the airmen records.* The following pertinent information, at least, shall be included in the airmen records:

(1) Name (full).

(2) Current duties and date of assignment (First Pilot) (Flight Engineer) etc.

(3) Airman Certificates (type, certificate number, and ratings).

(4) Date, result and class of last physical examination of all flight crew members.

(5) Date and result of last six months instrument competency flight check for first pilots.

(6) Date of last equipment and/or instrument competency certification for all pilots other than pilots in command.

(7) Record of first pilots flight time including instrument flight time and the flight time in the make and model of aircraft on which he is currently qualified.

(8) Record of company training for all pilots including actual flight, synthetic flight and maintenance of proficiency training.

(9) Any check pilot authorization.

(10) Any information on the individual considered desirable in these records by the air carrier as to special qualifications, duty assignment, etc.

(c) *Maintenance of airmen records.* (1) It is required that the above information on the airmen records be maintained accurately and currently.

(2) These records shall be available at any time for reference and inspection by authorized representatives of the Administrator of Civil Aeronautics for the determination of compliance with the appropriate qualifications and requirements prescribed by the Civil Air Regulations.

(3) The disposition of any dispatcher or flight crew member released from the employ of the air carrier, or who has become physically or professionally disqualified shall be so indicated in these records. Such records shall be retained by the company for a period of not less than six months.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply secs. 601, 604, 52 Stat. 1007, 1010, as amended; 49 U. S. C. 551, 554)

[SEAL] ORA W. YOUNG,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 51-5595; Filed, May 15, 1951; 8:45 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR, Part 9]

[Docket No. 9971]

AERONAUTICAL SERVICES

NOTICE OF PROPOSED RULE MAKING

1. Notice is hereby given of proposed rule making in the above entitled matter.

2. It is proposed to amend Part 9 of the Commission's rules governing aeronautical services by eliminating the provisions of § 9.431 (b), adopted this date in Docket 9827[1] which requires the Commission licensees in Alaska to guard the frequency 3105 kc.

3. The purpose of this proposal is to eliminate the requirement contained in the above-mentioned section in view of the fact that this requirement no longer appears to serve any useful purpose. The requirement has been transferred to Part 9 from Part 14 pursuant to the proceedings in Docket 9827. The transfer will become effective June 11, 1951. In view of the fact that when the time for filing comments in this proceeding expires, the amendments in Docket 9827 will have become effective and the aviation service provisions of Part 14 deleted, this notice deals only with a proposal to amend Part 9.

4. The authority for the proposed amendment is contained in sections 4 (i), 303 (b), (c), (d) and (r) of the Communications Act of 1934, as amended.

5. Any interested persons may file with the Commission on or before June 12, 1951, a written statement or brief in support, opposition, or for modification of the proposed amendment. Within fifteen days from the last day for filing of the original comments or briefs, comments or briefs in reply thereto may be filed. The Commission will consider such comments before taking action in this matter. The comments relating to this proposal which were filed in Docket 9827 are hereby made a part of this proceeding and will be considered in conjunction therewith. If any comments will appear to warrant the holding of an oral argument or hearing, notice of the time and place therefor will be given.

6. In accordance with the provisions of § 1.764 of the Commission's rules, original and fourteen copies of all statements, briefs or comments shall be furnished to the Commission.

Adopted: May 9, 1951.

Released: May 10, 1951.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-5643; Filed, May 15, 1951; 8:48 a. m.]

[1] See F. R. Doc. 51-5685, Title 47, Chapter I, *supra*.

FEDERAL POWER COMMISSION

[18 CFR, Part 157]

[Docket No. R-120]

APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

NOTICE OF EXTENSION OF TIME FOR FILING COMMENTS

MAY 10, 1951.

Amendment of Part 157 of Subchapter E, regulations under the Natural Gas Act, to prescribe requirements for form and filing of applications for certificates of public convenience and necessity under section 7 of the Natural Gas Act.

1. On March 14, 1951, there was published in the FEDERAL REGISTER notice of proposed rule making in the above-entitled matter (16 F. R. 2400-2404), wherein it was provided that any interested persons might submit to the Federal Power Commission, not later than 60 days from date of publication, data, views, and comments in writing concerning the proposed amendments.

2. Additional time having been requested, notice is hereby given that an extension of time to and including July 14, 1951, is hereby granted within which interested persons may submit to the Federal Power Commission, Washington 25, D. C., data, views, and comments in writing concerning the proposed amendments in the above-entitled matter. The Commission will consider these written submittals before acting upon the proposed amendments.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-5602; Filed, May 15, 1951; 8:46 a. m.]

FEDERAL SECURITY AGENCY

Social Security Administration

[45 CFR, Parts 301, 320]

ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS; DISCLOSURE OF OFFICIAL RECORDS AND INFORMATION

NOTICE OF PROPOSED RULE-MAKING

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946 (60 Stat. 238, 5 U. S. C. 1003) that the regulations set forth in tentative form below, are proposed to be prescribed by the Director of the Bureau of Federal Credit Unions with the approval of the Commission for Social Security and the Federal Security Administrator, as amendments to § 301.7 and § 320.4 of the present regulations of the Bureau of Federal Credit Unions (45 CFR 301.7, 15 F. R. 3526; and 45 CFR 320.4, 13 F. R. 9347, respectively). The proposed regulations are designed to revise, supplement, amend and clarify the existing regulations.

Prior to the official adoption of the proposed regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Director of the Bureau of Federal Credit Unions, Federal Security Agency, Federal Security Building, Washington 25, D. C., within a period of fifteen days from the date of the publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under authority contained in section 16 (a) of the Federal Credit Union Act, as amended (48 Stat. 1221, 12 U. S. C. 1766, and section 2 of the act of June 29, 1948 (62 Stat. 1091).

[SEAL] C. R. ORCHARD,
Director,
Bureau of Federal Credit Unions.

Approved: May 8, 1951.

A. J. ALTMEYER,
Commissioner for Social Security.

Approved: May 10, 1951.

JOHN L. THURSTON,
Acting Federal Security Administrator.

1. Section 301.7 (15 F. R. 3526) is hereby amended to read as follows:

§ 301.7 *Fee for examination.* Each Federal credit union shall pay to the Bureau of Federal Credit Unions a fee for each examination. Except as to instances to which § 301.8 are applicable, the fee shall be assessed at 50 cents per $100 of the Federal credit union's assets as of the effective date of the examination or at the examiner-day rate fixed by the Bureau of Federal Credit Unions, whichever is lower: *Provided, however,* That the minimum fee for each examination shall be $5.00. During the months of June and December of each year, the Bureau of Federal Credit Unions shall compute and fix the examiner-day rate for making examinations for the ensuing 6-month period beginning July 1 and January 1, respectively. In computing this examiner-day rate, the Bureau will be guided by the anticipated cost of the examination program including but not limited to such items as salaries, travel, etc., which are properly chargeable to the examination program. Adjustments in the examiner-day rate will be made promptly to reflect any legislative changes in travel allowances and salary classifications applicable to Federal credit union examiners. The check in payment of the examination fee shall be made payable to the Treasurer of the United States and the check shall be delivered to the examiner at the completion of the examination.

2. Section 320.4 (13 F. R. 9347) is hereby amended to read as follows:

§ 320.4 *Information which may be disclosed and to whom.* Disclosure of any records or information of the Bureau of Federal Credit Unions declared to be confidential is hereby authorized only in the following cases and for the following purposes:

(a) To any Department, Agency or instrumentality of the United States Government where the records or information are required by such Department, Agency or instrumentality in the course of discharging its official duties: *Provided,* That the Director, Bureau of Federal Credit Unions, finds that such disclosure is not contrary to the public interest or to any applicable Federal law, or to any rule, regulation, or directive of the Executive branch of the Federal Government.

(b) To the proper Federal law enforcement and prosecuting authorities: *Provided,* That (1) such records or information relate to a violation of a Federal criminal law, and (2) such disclosure is not contrary to any Federal law or to any rule, regulation or directive of the Executive branch of the Federal Government. Neither the Bureau of Federal Credit Unions nor any employee of the Bureau may disclose any records or information to any State law enforcement or prosecuting authority unless specifically authorized to make such disclosure by the Director of the Bureau. The Director, Bureau of Federal Credit Unions may authorize the Bureau or an employee of the Bureau to disclose records or information relating to the violation of a State criminal law to appropriate State law enforcement and prosecuting authorities, provided that such disclosure is not contrary to any Federal law or to any rule, regulation or directive of the Executive branch of the Federal Government if the Director determines that such disclosure (1) is not contrary to the public interest and (2) will neither interfere with nor adversely affect either the performance of the functions, duties or responsibilities of the Bureau of Federal Credit Unions or any investigation or prosecution which may be conducted or contemplated either by the Bureau or by any other Federal department, agency or instrumentality.

(c) To any person properly and directly concerned upon a verified written application by such person showing substantial interest in the said record or information: *Provided,* That the Director, Bureau of Federal Credit Unions, finds that such disclosure is not contrary to the public interest or to any Federal law, rule, regulation or directive of the Executive branch of the Federal Government.

(d) To any Federal credit union: *Provided,* That (1) such records or information pertain solely to the affairs of the said Federal credit union, and (2) the records or information are not classified "restricted" by the Bureau of Federal Credit Unions.

[F. R. Doc. 51-5629; Filed, May 15, 1951; 8:47 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Defense Solid Fuels Administration

[DSFA Delegation 1]

SECRETARY OF COMMERCE

DELEGATION OF AUTHORITY WITH RESPECT TO DISTRIBUTION OF COAL CHEMICALS PRODUCED AS BY-PRODUCTS OF COKE MADE FROM COAL

Pursuant to section 902 (b) of Executive Order 10161 (September 9, 1950, 15 F. R. 6105), and Defense Production Administration Delegation No. 1 (January 24, 1951, 16 F. R. 738), issued under the Defense Production Act of 1950 (Public Law 774, 81st Congress), there are hereby delegated to the Secretary of Commerce all functions delegated to the Secretary of the Interior by Defense Production Administration Delegation 1 with respect to the distribution of coal chemicals produced as by-products of coke made from coal.

The functions herein delegated may be redelegated within the Department of Commerce in the discretion of the Secretary of Commerce.

This delegation shall take effect upon publication in the FEDERAL REGISTER.

OSCAR L. CHAPMAN,
Secretary of the Interior.

MAY 2, 1951.

[F. R. Doc. 51-5763; Filed, May 15, 1951; 11:09 a. m.]

DEPARTMENT OF THE TREASURY

Fiscal Service, Bureau of Accounts

[Dept. Circ. 570, Rev. Apr. 20, 1943, 1951, 48th Supp.]

FRANKLIN NATIONAL INSURANCE CO. OF NEW YORK

SURETY COMPANIES ACCEPTABLE ON FEDERAL BONDS

MAY 1, 1951.

A Certificate of Authority has been issued by the Secretary of the Treasury to the above company under the act of Congress approved July 30, 1947 (6 U. S. C. secs. 6–13), as an acceptable surety of Federal bonds. An underwriting limitation of $485,000.00 has been established for the company. Further details as to the extent and localities with respect to which the company is acceptable as surety on Federal bonds will appear in the next issue of Treasury Department Form 356, copies of which, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Section of Surety Bonds, Washington 25, D. C.

[SEAL] E. H. FOLEY,
Acting Secretary of the Treasury.

[F. R. Doc. 51–5636; Filed, May 15, 1951; 8:48 a. m.]

[Dept. Circ. 570, Rev. Apr. 20, 1943, 1951, 55th Supp.]

AETNA INSURANCE CO.

SURETY COMPANIES ACCEPTABLE ON FEDERAL BONDS

MAY 1, 1951.

A Certificate of Authority has been issued by the Secretary of the Treasury to the above company under the act of Congress approved July 30, 1947, (6 U. S. C. secs. 6–13), as an acceptable surety on Federal bonds. An underwriting limitation of $4,215,000.00 has been established for the company. Further details as to the extent and localities with respect to which the company is acceptable as surety on Federal bonds will appear in the next issue of Treasury Department Form 356, copies of which, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Section of Surety Bonds, Washington 25, D. C.

[SEAL] E. H. FOLEY,
Acting Secretary of the Treasury.

[F. R. Doc. 51–5635; Filed, May 15, 1951; 8:47 a. m.]

[Dept. Circ. 570, Rev. Apr. 20, 1943, 1951, 56th Supp.]

WORLD FIRE AND MARINE INSURANCE CO.

SURETY COMPANIES ACCEPTABLE ON FEDERAL BONDS

MAY 1, 1951.

A Certificate of Authority has been issued by the Secretary of the Treasury to the above company under the Act of Congress approved July 30, 1947 (6 U. S. C. secs. 6–13), as an acceptable surety on Federal bonds. An underwriting limitation of $574,000.00 has been established for the company. Further details as to the extent and localities with respect to which the company is acceptable as surety on Federal bonds will appear in the next issue of Treasury Department Form 356, copies of which, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Section of Surety Bonds, Washington 25, D. C.

[SEAL] E. H. FOLEY,
Acting Secretary of the Treasury.

[F. R. Doc. 51–5633; Filed, May 15, 1951; 8:48 a. m.]

[Dept. Circ. 570, Rev. Apr. 20, 1943, 1951, 57th Supp.]

STANDARD INSURANCE CO. OF NEW YORK

SURETY COMPANIES ACCEPTABLE ON FEDERAL BONDS

MAY 1, 1951.

A Certificate of Authority has been issued by the Secretary of the Treasury to the above company under the act of Congress approved July 30, 1947 (6 U. S. C. secs. 6–13), as an acceptable surety on Federal bonds. An underwriting limitation of $722,000.00 has been established for the company. Further details as to the extent and localities with respect to which the company is acceptable as surety on Federal bonds will appear in the next issue of Treasury Department Form 356, copies of which, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Section of Surety Bonds, Washington 25, D. C.

[SEAL] E. H. FOLEY,
Acting Secretary of the Treasury.

[F. R. Doc. 51–5637; Filed, May 15, 1951; 8:48 a. m.]

[Dept. Circ. 570, Rev. Apr. 20, 1943, 1951, 61st Supp.]

CONNECTICUT FIRE INSURANCE CO.

SURETY COMPANIES ACCEPTABLE ON FEDERAL BONDS

MAY 1, 1951.

A Certificate of Authority has been issued by the Secretary of the Treasury to the above company under the act of Congress approved July 30, 1947 (6 U. S. C. secs. 6–13), as an acceptable surety on Federal bonds. An underwriting limitation of $2,200,000.00 has been established for the company. Further details as to the extent and localities with respect to which the company is acceptable as surety on Federal bonds will appear in the next issue of Treasury Department Form 356, copies of which, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Section of Surety Bonds, Washington 25, D. C.

[SEAL] E. H. FOLEY,
Acting Secretary of the Treasury.

[F. R. Doc. 51–5634; Filed, May 15, 1951; 8:47 a. m.]

[Dept. Circ. 570, Rev. Apr. 20, 1943, 1951, 62d Supp.]

PHOENIX INSURANCE CO.

SURETY COMPANIES ACCEPTABLE ON FEDERAL BONDS

MAY 1, 1951.

A Certificate of Authority has been issued by the Secretary of the Treasury to the above company under the act of Congress approved July 30, 1947 (6 U. S. C. secs. 6–13), as an acceptable surety on Federal bonds. An underwriting limitation of $6,785,000.00 has been established for the company. Further details as to the extent and localities with respect to which the company is acceptable as surety on Federal bonds will appear in the next issue of Treasury Department Form 356, copies of which, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Section of Surety Bonds, Washington 25, D. C.

[SEAL] E. H. FOLEY,
Acting Secretary of the Treasury.

[F. R. Doc. 51–5632; Filed, May 15, 1951; 8:47 a. m.]

DEPARTMENT OF LABOR

Wage and Hour Division

[Administrative Order 411]

SPECIAL INDUSTRY COMMITTEE NO. 10 FOR PUERTO RICO

APPOINTMENT TO INVESTIGATE CONDITIONS AND RECOMMEND MINIMUM WAGE RATES

1. Pursuant to authority under the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U. S. C., and Sup., 201 et seq.), I, F. Granville Grimes, Jr., Acting Administrator of the Wage and Hour Division, United States Department of Labor, do hereby appoint and convene a special industry committee for Puerto Rico composed of the following representatives:

For the Public

A. Cecil Snyder, Chairman, San Juan, P. R.
Beatriz Lassalle—Santurce, P. R.
Paul F. Brissenden—Dobbs Ferry, N. Y.

For the Employers

Martin Velez—Vega Alta, P. R.
Jaime Vick—San Juan, P. R.
Wilfred Bradshaw—Indianapolis, Ind.

For the Employees

Nicolas Nogueras-Rivera—San Juan, P. R.
Alberto E. Sanchez—San Juan, P. R.
Emil Rieve—New York, N. Y.
Walter J. Mason—Washington, D. C.

Emil Rieve and Walter J. Mason shall serve as members of the committee in such order as the Administrator shall direct, but they shall not serve concurrently.

2. The special industry committee herein created, in accordance with the provisions of the Fair Labor Standards Act, as amended, and regulations promulgated thereunder (Title 29, Chapter V, Code of Federal Regulations, Part 511), shall meet beginning on June 12, 1951, at 10:00 a. m. in Room 412, New York Department Store Building Stop 16½, Ponce de Leon Avenue, Santurce,

San Juan, Puerto Rico, and shall proceed to investigate conditions in the industries in Puerto Rico hereinafter enumerated and recommend to the Administrator minimum wage rates for all employees in said industries in Puerto Rico, who within the meaning of said act are "engaged in commerce or in the production of goods for commerce" excepting employees exempted by virtue of the provisions of section 13 (a) and employees coming under the provisions of section 14. Minimum wage rates recommended by the committee shall be the highest rates (not in excess of 75 cents per hour) which it determines will not substantially curtail employment in such industries and will not give any industry in Puerto Rico a competitive advantage over any industry in the United States outside of Puerto Rico.

Said special industry committee shall investigate conditions respecting, and recommend minimum wage rates for, the employees in the following industries in Pureto Rico: foods, beverages, and related products industries; paper, paper products, printing, publishing, and related industries; jewel cutting and polishing industry; communications, utilities, and miscellaneous transportation industries; shoe manufacturing and allied industries; and the general division of the textile and textile products industry.

3. For the purpose of this order these industries are defined as follows:

Foods, Beverages, and Related Products Industries. (a) The manufacture or processing of foods, beverages, ice, tobacco, and related products; the packaging of all food products when done in conjunction with their manufacture or processing; and the gathering or collecting of wild berries, plants, flowers, gums, saps, seeds and other forms of wild plant or animal life.

(b) It includes, but without limitation, meat, poultry, dairy, and sea-food products; fruit and vegetable products; grain mill products; candy, chewing gum, and other confectionery products; dessicated, shredded and prepared coconut; snuff, chewing tobacco and smoking tobacco; nonalcoholic beverages; natural, mineral and carbonated waters; animal feeds; malt, baking powder, yeast and other leavening compounds; refined edible fats and oils; starch; tea; cracked, shelled and salted nuts; flavoring extracts; spices; and other miscellaneous food products and preparations.

Provided, however, That the definition shall not include any product or activity included in the vegetable, fruit and nut packing and processing industry, the bakery products industry, the sugar manufacturing industry, and the chemical, petroleum and related products industries, as defined in the wage orders for those industries in Puerto Rico, and in the alcoholic beverage and industrial alcohol industry, the cigar and cigarette industry, and the leaf tobacco industry, as defined in Administrative Order No. 403 (15 F. R. 7125), appointing Special Industry Committee No. 9 for Puerto Rico.

Paper, Paper Products, Printing, Publishing, and Related Industries. The manufacture of pulp from wood, rags and other fibers; the conversion of such pulp into paper or paper board; the manufacture of building board from bagasse and similar materials; the manufacture of paper, paper board and pulp into bags, boxes, containers, tags, cards, envelopes, pressed and molded pulp goods and all other converted paper products, and the manufacture of all like products in which a synthetic material in sheet form, such as cellophane and pliofilm, is the basic component; the printing performed on any of the foregoing products; and the printing or publishing of newspapers, books, periodicals, maps, music and all other products or services of typesetters and advertising typographers, electrotypers and stereotypers, photoengravers, steel and copper plate engravers, commercial printers, lithographers, gravure printers, private printing plants of concerns engaged in other business, binderies, and news syndicates.

Jewel Cutting and Polishing Industry. The sawing, cutting, grinding, polishing, and other processing of gem diamonds and other precious and semi-precious stones, and of natural and synthetic jewels for industrial use, including, but without limitation, jewel bearings and industrial diamonds.

Communications, Utilities, and Miscellaneous Transportation Industries. The industry carried on by any wire or radio system of communication or by messenger service; by any concern engaged in the production and distribution of gas, electricity or steam; the distribution of water or the operation of sanitation facilities; and by any concern engaged in transportation by air, rail, pipeline, motor vehicle, or other means, or in related activities including stevedoring, consolidating, forwarding, crating and boxing.

Provided, however, That the definition shall not include any activity included in the definitions of the wage orders applicable in Puerto Rico for the railroad, railway express, and property motor transport industry, the shipping industry, the sugar manufacturing industry, or any other industries in Puerto Rico for which wage orders have been issued.

Shoe Manufacturing and Allied Industries. (a) The manufacture or partial manufacture of footwear from any material and by any process except knitting (including crocheting), vulcanizing of the entire article or vulcanizing (as distinct from cementing) of the sole to the upper. The term footwear as used herein includes but without limitation: Athletic shoes, boots, boot tops, burial shoes, custom-made boots and shoes, moccasins, puttees (except spiral puttees), sandals, shoes completely rebuilt in a shoe factory, and slippers.

(b) The manufacture from leather or from any shoe upper material of all cut stock and findings for footwear, including bows, ornaments and trimmings: *Provided, however,* That the production of bows, ornaments and trimmings by a manufacturer not otherwise covered by this definition shall not be included.

(c) The manufacture of the following types of cut stock and findings for footwear from any material except from rubber or composition of rubber, molded to shape: Outsoles, midsoles, insoles, taps, lifts, rands, toplifts, bases, shanks, boxtoes, counters, stays, stripping, sock linings, and heel pads.

(d) The manufacture of heels from any material except molded rubber, but not including the manufacture of wood-heel blocks.

(e) The manufacture of cut upper parts for footwear, including linings, vamps and quarters.

(f) The manufacture of pasted shoe stock.

(g) The manufacture of boot and shoe patterns. This definition supersedes the definitions contained in any and all wage orders heretofore issued for other industries in Puerto Rico to the extent that such definitions include products or operations covered by the definition of this industry.

General Division of the Textile and Textile Products Industry. This division consists of the preparation of textile fibers; the manufacture of batting, wadding, and filling; the manufacture of yarn, cordage, twine, felt, woven and knitted fabrics, and lace-machine products, from cotton, jute, sisal, coir, maguey, silk, rayon, nylon, wool or other vegetable, animal, or synthetic fibers, or from mixtures of these fibers; and the manufacture of blankets, textile bags, oil cloth and artificial leather, and woven carpets and rugs: *Provided, however,* That the definition shall not include the ginning and compressing of cotton; the manufacture from any fiber of hand-loomed fabrics, blankets, rugs and similar textiles; the manufacture from kenaf, coir, sisal, jute or other hard or coarse textile fiber or mixtures of these fibers of yarn, bagging, bags, rope, matting and similar textiles and textile products; and the chemical manufacturing of synthetic fiber and such related processing of yarn as is conducted in establishments manufacturing synthetic fiber.

Signed at Washington, D. C., this 11th day of May 1951.

F. GRANVILLE GRIMES, JR.
Acting Administrator,
Wage and Hour Division.

[F. R. Doc. 51-5649; Filed, May 15, 1951; 8:49 a. m.]

LEARNER EMPLOYMENT CERTIFICATES

ISSUANCE TO VARIOUS INDUSTRIES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938, as amended (52 Stat. 1068, as amended; 29 U. S. C. and Supp. 412), and Part 522 of the regulations issued thereunder (29 CFR Part 522), special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates applicable

under section 6 of the act have been issued to the firms listed below. The employment of learners under these certificates is limited to the terms and conditions therein contained and is subject to the provisions of Part 522. The effective and expiration dates, occupations, wage rates, number or proportion of learners, and learning period for certificates issued under the general learner regulations (§§ 522.1 to 522.14) are as indicated below; conditions provided in certificates issued under special industry regulations are as established in these regulations.

Single Pants, Shirts and Allied Garments, Women's Apparel, Sportswear and Other Odd Outerwear, Robes and Leather and Sheep-Lined Garments Divisions of the Apparel Industry Learner Regulations (29 CFR 522.160 to 522.166, as amended September 25, 1950; 15 F. R. 5701; 6326).

Angelica Uniform Co., Summersville, Mo., effective 5-7-51 to 11-6-51; 10 learners for expansion purposes (women's washable service apparel).

Angelica Uniform Co., Summersville, Mo., effective 5-7-51 to 5-6-52; 10 learners for normal labor turnover (women's washable service apparel).

Ann Lee Frocks, 631 Fellow Avenue, Lyndwood, Hanover Township, Pa., effective 5-7-51 to 5-6-52; 10 learners for normal labor turnover (dresses).

The Davidson Bros. Corp., Royal Square, West Warwick, R. I., effective 5-7-51 to 5-6-52; 10 percent for normal labor turnover (ladies' slips, petticoats and gowns).

Elder Manufacturing Co., Ste. Genevieve, Mo., effective 5-9-51 to 5-8-52; 10 percent for normal labor turnover (boys' shirts).

Fontana Sports Wear, P. O. Box 347, Celina, Tex., effective 5-4-51 to 11-3-51; 15 learners for expansion purposes (sportswear).

Gunnin Manufacturing Co., Dawson, Ga., effective 5-7-51 to 5-6-52; 10 learners for normal labor turnover (men's sport shirts).

Harry Lang Manufacturing Co., Des Moines, Iowa, effective 5-4-51 to 5-3-52; 10 percent for normal labor turnover (children's cotton play clothes; Government H. B. twill pants).

Liberty Sport Togs, 176 West Louden Street, Philadelphia, Pa., effective 5-4-51 to 5-3-52; for normal labor turnover, 10 percent or 10 learners, whichever is greater (boys' sportswear).

Linwood Mills, Inc., LaFayette, Ga., effective 5-8-51 to 11-7-51; 10 learners for expansion purposes only (woven rayon and cotton sport shirts).

Minnette Manufacturing Co., 606 Market Street, Duncannon, Pa., effective 5-8-51 to 5-7-52; 10 learners for normal labor turnover (U. S. Army field jackets).

Miracle Dress & Sportswear, Inc., 412 Applegate Avenue, Pen Argyl, Pa., effective 5-7-51 to 5-6-52; for normal labor turnover, 10 percent or six learners, whichever is greater (blouses).

MOModes Manufacturing Co., 240 Pennsylvania Avenue, Scranton, Pa., effective 5-7-51 to 11-6-51; 20 learners for expansion purposes only (ladies' dresses).

The Newton Co., Newton, Miss., effective 5-2-51 to 11-1-51; 19 learners for expansion purposes (ladies' slacks; men's slacks and pants).

P. & M. Dress Co., 344 Main Street, Turkey Run, Shenandoah, Pa., effective 5-7-51 to 5-6-52; for normal labor turnover, 10 percent or five learners, whichever is greater (women's dresses).

Pamplin Dress Co., Inc., Pamplin, Va., effective 5-7-51 to 5-6-52; for normal labor turnover, 10 percent or four learners, whichever is greater (girls' cotton dresses).

Pine Springs Shirt Co., Inc., 60 Hill Street, Greenwich, N. Y., effective 5-7-51 to 5-6-52; 10 percent for normal labor turnover (men's dress and sport shirts).

Pliantform Foundations, Inc., 250 Gerham Street, Canandaigua, N. Y., effective 5-1-51 to 4-30-52; for normal labor turnover, 10 percent or 10 learners, whichever is greater (brassieres and girdles).

Pollak Bros., Inc., 227 West Main Street, Fort Wayne, Ind., effective 5-4-51 to 5-3-52; 10 percent for normal labor turnover (house dresses, smocks, and brunch coats).

Salant & Salant, Inc., First Street, Lexington, Tenn., effective 5-4-51 to 11-3-51; 80 learners for expansion purposes (cotton work shirts).

The Salem Co., Inc., Junia and Lomond Avenues, Winston-Salem, N. C., effective 5-7-51 to 11-6-51; 15 learners for expansion purposes only (denim overalls; women's dungarees).

Sherrod Shirt Co., High Point, N. C., effective 5-9-51 to 5-8-52; 10 percent for normal labor turnover (work shirts, sport shirts, pajamas).

Smoler Bros., Inc., Kay Ashton Division, Herrin, Ill., effective 5-4-51 to 11-3-51; 100 learners for expansion purposes only (women's, misses', and juniors' dresses).

Tamco Corp., 6341 South Harper Avenue, Chicago, Ill., effective 5-7-51 to 5-6-52; 10 learners for normal labor turnover (men's and boys' shirts and pajamas).

Tobyhanna Manufacturing Co., Inc., Tobyhanna, Pa., effective 5-7-51 to 5-6-52; for normal labor turnover, 10 percent or 4 learners, whichever is greater (women's blouses).

Trenton Shirt Manufacturing Co., Mercersburg Plant, Mercersburg, Franklin, Co., Pa., effective 5-3-51 to 5-2-52; 10 learners for normal labor turnover (work shirts).

The Turner Manufacturing Co., 107 Twelfth Avenue, North, Nashville, Tenn., effective 5-3-51 to 11-2-51; 70 learners for expansion purposes (men's and boys' sport shirts).

Valley View Manufacturing Co., Valley View, Pa., effective 5-2-51 to 5-1-52; for normal labor turnover, 10 percent or 10 learners, whichever is greater (ladies' dresses, housecoats, etc.).

Ware Knitters of New Hampshire, Berlin, N. H., effective 5-7-51 to 5-6-52; 10 percent for normal labor turnover (cotton knitted outerwear).

Well-Made Novelty Co., South Murray Street, Bangor, Pa., effective 5-7-51 to 5-6-52; for normal labor turnover, 10 percent or 10 learners, whichever is greater (ladies' blouses).

Cigar Industry Learner Regulations (29 CFR 522.201 to 522.211, as amended January 25, 1950; 15 F. R. 400).

General Cigar Co., Inc., Johnstone and Neville Streets, Perth Amboy, N. J., effective 5-7-51 to 5-6-52; 10 percent of the total number of productive factory workers engaged in each of the authorized occupations: cigar machine operating 320 hours, packing cigars retailing for more than 6 cents each 320 hours, and machine stripping 160 hours; 60 cents per hour.

Hosiery Industry Learner Regulations (29 CFR 522.40 to 522.51, as revised January 25, 1950; 15 F. R. 283).

Gainor Hosiery Division, Madison, N. C., effective 5-2-51 to 5-1-52; 5 percent for normal labor turnover.

Gainor Hosiery Division, Madison, N. C., effective 5-2-51 to 1-1-52; five additional learners for expansion purposes (supplemental certificate).

Gray-Line Hosiery Co., Eddington, Pa., effective 5-8-51 to 5-7-52; three learners for normal labor turnover.

Kenbridge Hosiery Mills, Inc., Kenbridge, Va., effective 5-10-51 to 5-9-52; five learners for normal labor turnover.

Myerstown Hosiery Mills, Cherry Street and Stover Avenue, Myerstown, Pa., effective 5-7-51 to 5-6-52; four learners for normal labor turnover.

Independent Telephone Industry Learner Regulations (29 CFR 522.82 to 522.93, as amended January 25, 1950; 15 F. R. 398).

Villisca Farmers Telephone Co., Villisca, Iowa, effective 5-7-51 to 5-6-52.

Knitted Wear Industry Learner Regulations (29 CFR 522.69 to 522.79, as amended January 25, 1950; 15 F. R. 398).

Carbondale Underwear Manufacturing Co., Inc., 7 Eighth Avenue, Carbondale, Pa., effective 5-3-51 to 5-2-52; three learners for normal labor turnover.

Carolyn's Fashions, Inc., Moscow, Pa., effective 5-4-51 to 5-3-52; five learners for normal labor turnover.

Dixie Belle Textiles, Inc., Gibsonville, N. C., effective 5-3-51 to 10-16-51; 10 learners for expansion purposes only.

Greyhill Manufacturing Corp., 340 East Boundary Avenue, York, Pa., effective 5-2-51 to 11-1-51; 10 learners for expansion purposes only.

Limerick Knitting Mills, Inc., Limerick, Maine, effective 5-7-51 to 11-6-51; 15 learners for expansion purposes only.

Limerick Knitting Mills, Inc., Limerick, Maine, effective 5-7-51 to 5-6-52; 5 percent for normal labor turnover.

McComb Manufacturing Co., McComb, Miss., effective 5-7-51 to 11-6-51; 100 learners for expansion purposes only.

McComb Manufacturing Co., McComb, Miss., effective 5-7-51 to 5-6-52; 5 percent for normal labor turnover.

Markham Sportswear Co., North East Corner of Twenty-third and Arch Streets, Philadelphia, Pa., effective 5-7-51 to 5-6-52; five learners for normal labor turnover.

A. H. Schreiber Co., Inc., Washington Street, Mount Holly, N. J., effective 5-7-51 to 5-6-52; 5 percent for normal labor turnover.

A. H. Schreiber Co., Inc., Washington Street, Mount Holly, N. J., effective 5-7-51 to 11-6-51; 10 learners for expansion purposes only.

Terre Hill Manufacturing Co., Inc., 123 West Main Street, Terre Hill, Pa., effective 5-1-51 to 4-30-52; 5 percent for normal labor turnover.

Regulations Applicable to the Employment of Learners (29 CFR 522.1 to 522.14).

Better Built Spring Co., 123 South Street, Baltimore, Md., effective 5-4-51 to 11-3-51; five learners for normal labor turnover; wire spring machine operator, clip assembly machine operator, and clip trimmer operator each 320 hours; 60 cents per hour for first 160 hours, 65 cents per hour for next 80 hours, and 70 cents per hour for remaining 80 hours (wire springs).

Cameo Curtains of New Bedford, Inc., Riverside Avenue and Manomet Street, New Bedford, Mass., effective 5-4-51 to 11-3-51; 10 percent for normal labor turnover; sewing machine operator, 240 hours; 65 cents per hour (curtains).

Daniel Manufacturing Co., 1011 West El Segundo Boulevard, Gardena, Calif., effective 5-2-51 to 11-1-51; two learners for normal labor turnover; finishers, casters, glazers, and kiln setters each 320 hours; 60 cents per hour (pottery).

Fabriko, Inc., Green Lake, Wis., effective 5-4-51 to 11-3-51; 20 learners for normal labor turnover; sewing machine operators, 320 hours; hand embroiderers, 240 hours; 60 cents per hour (advertising caps and aprons).

Freeman & Freeman, 229 Franklin Road, Roanoke, Va., effective 5–4–51 to 11–3–51; two learners for normal labor turnover; sewing machine operators, 250 hours; 60 cents per hour (ladies' belts, buckles and buttons).

Hoover Products, Inc., Railroad Street, Canfield, Ohio, effective 5–7–51 to 11–6–51; four learners for normal labor turnover; assemblers and spray painter, 160 hours; 65 cents per hour (plastic and infants' toys).

Hub Bait Co., 200 Prairie St., Beaver Dam, Wis., effective 5–4–51 to 11–3–51; two learners for normal labor turnover; flytiers, 120 hours; 60 cents per hour (fishing tackle).

Levine Bros. Bag Co., 42–46 Mill Street, Kingston, N. Y., effective 5–14–51 to 11–13–51; two learners for normal labor turnover; sewing machine operator, 160 hours; 60 cents per hour (reconditioning cotton and burlap bags).

Charles Navasky & Co., Inc., Osceola Mill, Pa., effective 5–1–51 to 10–31–51; 50 learners for normal labor turnover; machine operating (except cutting), hand-sewers, and pressers each 480 hours; 60 cents per hour for first 240 hours and 65 cents per hour for remaining 240 hours (men's and boys' clothing).

Pfaltzgraff Pottery Co., York, Pa., effective 5–17–51 to 11–16–51; 10 percent for normal labor turnover; pottery maker (not including mould runners and board carriers, helpers, floor hands, and clean-up laborers), 320 hours; 60 cents per hour (pottery).

Pioneer Coat Front Corp., 1027 Callowhill St., Philadelphia, Pa., effective 5–7–51 to 5–6–52; 7 percent for normal labor turnover; machine operators (except cutting), pressers, and hand-sewers, each 480 hours; 60 cents per hour for first 240 hours and 65 cents per hour for remaining 240 hours (coat fronts).

West Craft Co., 5024 South State Street, Murray, Utah, effective 5–2–51 to 11–1–51; two learners for normal labor turnover; plaster molders, 320 hours; 65 cents per hour (plastic figurines).

Westinghouse Electric Corp., Photoflash Lamp Bulb Plant, Bowling Green, Ky., effective 5–16–51 to 11–15–51; 175 learners for expansion purposes; machine operators only in the manufacture of photoflash lamp bulbs, 480 hours; 60 cents per hour for first 160 hours, 65 cents per hour for second 160 hours, and 70 cents per hour for remaining 160 hours (photofinish lamps).

The Worth Co., 444 Briggs St., Stevens Point, Wis., effective 5–6–51 to 11–5–51; 10 learners for normal labor turnover; fly tiers, 320 hours; 60 cents per hour (fishing tackle).

Each certificate has been issued upon the employer's representation that employment of learners at subminimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be canceled in the manner provided in the regulations and as indicated in the certificates. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of Part 522.

Signed at Washington, D. C., this 9th day of May 1951.

MILTON BROOKE,
Authorized Representative of the Administrator.

[F. D. Doc. 51–5587; Filed, May 15, 1951; 8:45 a. m.]

DEFENSE PRODUCTION ADMINISTRATION

[Delegation 1, as amended May 15, 1951]

SECRETARIES OF INTERIOR, AGRICULTURE AND COMMERCE, AND INTERSTATE COMMERCE COMMISSIONER

DELEGATION OF AUTHORITY WITH RESPECT TO ISSUANCE OF CERTIFICATES

Pursuant to the Defense Production Act of 1950 (Public Law 774, 81st Cong.) and Executive Order No. 10200 issued January 3, 1951 (16 F. R. 61), certain of the functions conferred upon the Defense Production Administration by said order are delegated as follows:

1. The functions conferred upon the President by title I of the Defense Production Act of 1950 are hereby delegated to the same officers and agencies to whom the said functions were delegated by section 101 of Executive Order No. 10161 issued on September 9, 1950 (15 F. R. 6105).

2. Each officer and agency to whom functions are delegated by this Delegation No. 1 shall, with respect to the materials and facilities within his particular jurisdiction make recommendations to the Defense Production Administrator for the issuance of certificates by the Administrator for action under sections 302 and 303 of the Defense Production Act of 1950 (loans, purchases, commitments, etc.) as specified in paragraph 2b of section 2 of Executive Order 10200, and in sections 303 and 304 of Executive Order 10161, as amended. Such officers and agencies shall perform such additional functions with respect to the issuance of such certificates as may be prescribed by any regulations or procedures prescribed by appropriate authority. This paragraph shall not be construed to limit or affect the authority of the Secretary of Agriculture under section 303 of Executive Order 10161, as amended by Executive Order 10200.

3. Each officer and agency to whom functions under title I of the Defense Production Act of 1950 are delegated shall, with respect to the materials and facilities within his particular jurisdiction, make recommendations to the Defense Production Administrator for the issuance of certificates under subsection (e) of section 124A of the Internal Revenue Code, as added by section 216 of the Revenue Act of 1950, approved September 23, 1950, subject to any regulations and procedures prescribed by appropriate authority.

4. Each officer and agency to whom functions under title I of the Defense Production Act of 1950 are delegated may, with respect to the materials and facilities within his jurisdiction, carry out the consultations referred to in subsection 708 (a) of that act, and make recommendations to the Defense Production Administrator for the approval of voluntary agreements and programs as provided in section 708 of that act.

5. The functions delegated hereby may be redelegated with or without authority for further redelegation, and redelegations in effect on the date hereof shall continue in effect until rescinded or modified by appropriate authority.

6. The functions delegated by the preceding paragraphs of this Delegation No. 1 or redelegated by, or by authority of, the delegates hereunder shall be exercised subject to the direction and control of the Defense Production Administrator.

This delegation shall take effect immediately (May 15, 1951).

EDWIN T. GIBSON,
Acting Defense Production Administrator.

[F. R. Doc. 51–5770; Filed, May 15, 1951; 11:51 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 9967]

PEOPLES BROADCASTING CORP. (WOL)

ORDER DESIGNATING APPLICATION FOR HEARING ON STATED ISSUES

In re application of Peoples Broadcasting Corp., Washington, D. C. (WOL), for renewal of license of synchronous amplifier located in Silver Spring, Maryland; Docket No. 9967, File No. BR–1130.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 3d day of May 1951;

The Commission having under consideration the above entitled application of the Peoples Broadcasting Corporation; and

It appearing, that the Commission is unable to determine that a grant of this application would be in the public interest;

It is ordered, That pursuant to section 309 (a) of the Communications Act of 1934, as amended, the above entitled application is designated for hearing on the following issues:

1. To secure full information concerning the technical operation of the synchronous amplifier.

2. To determine whether the synchronous amplifier has been operated at all times in accordance with the terms of its license and Commission Rules, particularly with respect to power output, quality and character of emissions.

3. To determine whether the proposed operation is technically feasible in the light of the present and past performance of the synchronous amplifier.

4. To determine whether the existing and proposed operations of WOL comply with Commission rules and Standards of Good Engineering Practice and International Agreements particularly with reference to utilization of local channels.

5. To determine in view of the information adduced whether a grant of the subject application will serve the public interest.

It is further ordered, That the hearing be held in Washington, D. C., on the 10th day of July, 1951.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51–5645; Filed, May 15, 1951; 8:48 a. m.]

[Docket Nos. 9968–9970]

BANKS INDEPENDENT BROADCASTING CO. (WINX)

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Banks Independent Broadcasting Co., Washington, D. C. (WINX), Docket No. 9968, File No. BR–1104; for renewal of licenses of synchronous amplifiers located at 8th and Eye Streets NW., Washington, D. C., and Rock Creek Park, near East-West Highway, Montgomery County, Maryland, and Developmental Broadcast Station KG2XCK, Docket No. 9969, File No. BREX–59; and for construction permit to change main transmitter location of WINX from Garden City, Arlington, Virginia, to 8th and Eye Streets NW., and establish synchronous amplifier in Rock Creek Park and abandon present synchronous amplifiers and developmental broadcast station KG2XCK as presently operated, Docket No. 9970, File No. BP–7772.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 3d day of May 1951;

The Commission having under consideration the above entitled applications of the Banks Independent Broadcasting Company;

It appearing, that the Commission is unable to determine that a grant of these applications would be in the public interest;

It is ordered, That pursuant to section 309 (a) of the Communications Act of 1934, as amended, the above entitled applications are designated for hearing on the following issues:

1. To secure full information from the licensee company concerning the operation of the WINX synchronous amplifiers and the developmental broadcast station KG2XCK, particularly with respect to its program of research and experimentation.

2. To determine whether the continued operation of these synchronous amplifiers and Station KG2XCK as presently authorized is justified in the light of their past and present performance.

3. To determine whether the licensee has satisfied the requirements of a developmental station in the light of Commission rules.

4. To determine what interference, if any, has been caused to other broadcast stations as a result of the operation of these synchronous amplifiers, and Station KG2XCK and associated equipment.

5. To secure further information regarding plans of the existing licensee company for further experimentation and development in the operation of Station KG2XCK, and these synchronous amplifiers.

6. To determine what interference, if any, may be caused to other existing broadcast stations by the operation proposed in the application for construction permit.

7. To determine whether the proposed operation is technically feasible.

8. To determine whether the existing and proposed operations of WINX comply with Commission rules and standards of Good Engineering Practice and International Agreements particularly with reference to utilization of local channels.

9. To determine whether operations as limited in Issue 10 would comply with the Commission's rules and Standards of Good Engineering Practice.

10. To determine in view of the information adduced, whether a grant, in whole or in part, of the subject applications will serve the public interest.

It is further ordered, That the hearing be held in Washington, D. C. on July 17, 1951.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51–5646; Filed, May 15, 1951; 8:48 a. m.]

[Change List. No. 7]

DOMINICAN REPUBLIC BROADCAST STATIONS

LIST OF CHANGES, PROPOSED CHANGES, AND CORRECTIONS

APRIL 25, 1951.

Notifications under the provisions of Part III, section 2 of the North American Regional Broadcasting Agreement. List of changes, proposed changes, and corrections in assignments of Dominican Republic Broadcast Stations modifying appendix containing assignments of Dominican Republic Broadcast Stations (mineograph 47214–2) attached to the recommendations of the North American Regional Broadcasting Agreement Engineering Meeting, January 30, 1941.

DOMINICAN REPUBLIC

Call letters	Location	Power	Time designation	Class	Probable date to commence operation
HI8B	Bella Vista (Santiago)	610 kilocycles, 1 kw	U	III	In operation: Oct. 10, 1950.
HI1L	La Vega (change of location: previously in Santiago).	1230 kilocycles			Jan. 16, 1951.

[F. R. Doc. 51–5647; Filed, May 15, 1951; 8:48 a. m.]

FEDERAL SECURITY AGENCY

Social Security Administration

BUREAU OF PUBLIC ASSISTANCE

ORGANIZATION, DELEGATION OF FINAL AUTHORITY, PLACES AT WHICH INFORMATION MAY BE SECURED

The material on organization, delegation of final authority, and places at which information may be secured as published on September 11, 1946 (11 F. R. 177A 532), and amended on December 15, 1948 (13 F. R. 7746), December 16, 1948 (13 F. R. 7790), and May 20, 1949 (14 F. R. 2765) is hereby amended to read as follows:

Sec.
651. General.
652. Bureau of Public Assistance.
653. Regional Representative.
654. Delegation of final authority.
655. Information concerning public assistance.
656. Public inspection of final opinions, orders and rules.
657. Availability of official records.

SECTION 651. *General.* The Bureau of Public Assistance is a part of the Social Security Administration of the Federal Security Agency and is the operating unit responsible for activities relating to the Federal-State system of public assistance. Functions relating to services in the area of State merit systems, and audits are performed by the Office of Federal-State Relations for all of the grant-in-aid programs of the Federal Security Agency. These services, along with the activities provided by the Office of Field Services as related to regional offices, are described in connection with the general organization of the Federal Security Agency.

SEC. 652. *Bureau of Public Assistance.* The Bureau of Public Assistance is headed by a Director. In her absence or disability an Assistant Director acts for her.

The Bureau of Public Assistance was established as the operating unit concerned with the administration of Titles I, IV, X, and XIV of the Social Security Act, which provide for grants-in-aid to the States for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, respectively. Under Title VII of the Social Security Act, the Bureau of Public Assistance has responsibility for participating in studies and making recommendations as to the most effective methods of providing economic security through social insurance and as to legislation and matters of administrative policy concerning public assistance and related subjects.

The four assistance programs, old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, are State-initiated and State-administered. The Social Security Act stipulates certain minimum conditions which the State's plan for administering its public assistance programs must meet. If these conditions are met, the act requires that the plan be approved. The particular eligibility requirements within the limits of the Social Security Act, and amounts of payment, however, are prescribed by the State. When a State plan is submitted and approved, the State becomes eligible for Federal funds in an amount determined in accordance with the provisions of the Federal act for assistance payments and for half the costs of administration.

Through its regional representatives and the departmental staff, the Bureau of Public Assistance reviews provisions and operation of State plans for these four special types of assistance to determine

their initial and continuing conformity with the specifications of the Social Security Act. The Bureau reviews the State's request for Federal funds and recommends the amount to be granted each quarter as the Federal share of expenditures under each approved plan. The Bureau also collects and analyzes data on the operation of all forms of public assistance in the States and advises them on developing and improving the operation of their public assistance programs.

The divisions of the Bureau are a Division of Program Operations, a Division of Program Standards and Development, a Division of State Administrative and Fiscal Standards, a Division of Program Statistics and Analysis, a Division of Technical Training, and for purposes of internal management, a Division of Administration.

(a) *Division of Program Operations.* The Division of Program Operations executes the Bureau's program for grants-in-aid to States, planning and conducting field activities, and coordinating services to regional staff and State agencies. It reviews State plan material and fiscal audits, conducts the continuing review of State and local administration, advises Director on questions of conformity with the act, reviews grant requests and makes recommendations for payments to States, keeps the Director currently advised on whether the operations of State plans meet the requirements of the act for continued certification of Federal funds, and provides the Bureau mail and messenger service.

(b) *Division of Program Standards and Development.* The Division of Program Standards and Development formulates policies, standards, and procedures on substantive content of public assistance programs, such as determination of eligibility and amount of assistance, and provision of welfare services. It prepares material on program development and improvement, initiates evaluation of program objectives and accomplishments as basis for Federal and State legislative recommendations and selection of major program emphases, develops standard-setting material on public assistance legislation to assist State agencies, provides technical assistance to regions and States, and maintains liaison within Agency and with other agencies and organizations in these areas.

(c) *Division of State Administration and Fiscal Standards.* The Division of State Administrative and Fiscal Standards formulates policies, standards and procedures on Federal requirements relating to proper and efficient administration of public assistance programs, such as organization and management standards and practices of State agencies, fiscal accountability of State agencies, fiscal policy affecting financing of programs, fiscal planning of State agencies, supervision of administration by State agencies, costs of administration, and technical aspects of Federal matching. It provides technical assistance to regions and States, and maintains liaison within Agency and with other agencies and organizations in these areas.

(d) *Division of Program Statistics and Analysis.* The Division of Program Statistics and Analysis compiles statistics and conducts research on operations of public assistance programs and their relation to social insurance and other welfare programs and to social and economic conditions for use of the Commissioner, Bureau, and State public assistance agencies. It provides technical supervision of Regional Research Analysts, renders consultative service to State agencies on reporting requirements of the Administration and the development of their statistical and research programs, and acts as liaison with other research organizations interested in public assistance.

(e) *Division of Technical Training.* The Division of Technical Training formulates policies, standards and procedures on staff development in State public assistance agencies. It provides technical assistance to regions and States on objectives, methods, and content of staff development programs, prepares training materials, recommends staff development methods for Bureau Staff and conducts selected training activities, cooperates with Federal and national agencies and educational institutions on personnel needs and training for public assistance programs, and maintains liaison within Agency and with other agencies and organizations in these areas.

SEC. 653. *Regional representatives.* Each regional office of the Federal Security Agency (see description of organization of Federal Security Agency) includes a representative of the Bureau of Public Assistance. The regional representative of the Bureau of Public Assistance and his staff are the major points of contact by State public assistance agencies and by other interested persons for securing general information. Required reports, official documents, and other related communications are submitted through the regional offices. The regional public assistance staff is available at all times to the State agency for consultation and advice on any aspect of the State's administration of public assistance. The regional public assistance representative is responsible for review of State plans and also initiates discussion with State public assistance agencies on the content of any of the reports or other materials submitted by the State which raise questions because of lack of clarity or incompleteness and because of possible conflict with basic requirements of the Social Security Act.

The regional public assistance representative, in addition to advising with States on the application of Federal standards and requirements and on the improvement of the State's administration, is responsible for conducting a continuing review of State and local public assistance operations to determine compliance with the minimum requirements of the Social Security Act. The regional public assistance staff also furnishes technical assistance to State agencies in carrying out research and statistical programs and in the development of data needed for program planning and appraisal of operations.

SEC. 654. *Delegation of final authority.* By delegation from the Federal Security Administrator, the Commissioner for Social Security (see also description of organization of Federal Security Agency) has the following authority in relation to public assistance:

(a) All powers and duties of the Administrator concerning public assistance, contained in Titles I, IV, VII, X, XI, and XIV of the Social Security Act, except that only the Administrator shall exercise the authority to disapprove a State plan, or an amendment of a State plan, under Titles I, IV, X, or XIV, and, except as hereafter specifically authorized by him, only the Administrator shall exercise the authority conferred by section 4, 404, 1004, or 1404 of the Social Security Act as amended.

SEC. 655. *Information concerning public assistance.* Information concerning public assistance, or any of the functions for which the Bureau of Public Assistance is responsible, may be obtained by request in person or by letter at the regional offices of the Federal Security Agency, or at the Washington, D. C., office, Third and Independence Avenue SW. Since the Bureau of Public Assistance exercises no authority with respect to determination of eligibility or amount of payment made by State public assistance agencies in individual cases, inquiries in such instances will be disposed of more expeditiously if addressed to the appropriate State public assistance agency.

SEC. 656. *Public inspection of final opinions, orders, and rules.* All final opinions or orders in the adjudication of cases and all rules relating to public assistance are available for public inspection, except that the Commissioner for Social Security may hold any such opinions, or orders, or parts thereof confidential for good cause. Opinions and orders not held confidential (or copies thereof) and all rules may be inspected at any of the regional offices or at the central office of the Bureau of Public Assistance, Social Security Administration, located at Washington, D. C. Requests to inspect at the central office must be submitted to the Director of the Bureau of Public Assistance.

SEC. 657. *Availability of official records.* The record of any hearing held by the Commissioner for Social Security including transcripts of testimony, exhibits and all documents received in evidence or made part of the record of such hearings are official records.

Official records relating to public assistance are made available for inspection to persons properly and directly concerned upon written application to the Director of the Bureau of Public Assistance, except that upon good cause found by the Commissioner such records or parts thereof may be held confidential. Notice of denial of a request to inspect

official records will be given promptly together with a statement of the reason for denial.

Dated: May 11, 1951.

A. J. ALTMEYER,
Commissioner for Social Security.

Approved: May 11, 1951.

JOHN L. THURSTON,
Acting Federal Security Administrator.

[F. R. Doc. 51-5678; Filed, May 15, 1951; 8:52 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 26093]

PETROLEUM PRODUCTS FROM NORFOLK, VA., TO HENDERSON, N. C.

APPLICATION FOR RELIEF

MAY 11, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for The Atlantic and Danville Railway Company, Atlantic Coast Line Railroad Company, and Southern Railway Company.

Commodities involved: Petroleum products, in tank-car loads.

From: Norfolk and Portsmouth, Va.

To: Henderson, N. C.

Gounds for relief: Circuitous routes.

Schedules filed containing proposed rates: C. A. Spaninger's tariff I. C. C. No. 1065, Supp. 219.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-5616; Filed, May 15, 1951 8:46 a. m.]

[Rev. S. O. 562, Kings I. C. C. Order 47]

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD CO.

REROUTING OR DIVERSION OF TRAFFIC

In the opinion of Homer C. King, Agent the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, because of bridge damage is unable to transport traffic routed over its line between Wabasha, Minnesota and Trevino, Wisconsin. *It is ordered,* That:

(a) Rerouting traffic: The Chicago, Milwaukee, St. Paul and Pacific Railroad Company is hereby authorized and directed to reroute or divert traffic on its line, routed over its line between Wabasha, Minnesota and Trevino, Wisconsin, over any available route to expedite the movement; the billing covering all such cars rerouted shall carry a reference to this order as authority for the rerouting.

(b) Concurrence of receiving roads to be obtained: The railroad named, desiring to divert or reroute traffic over the line or lines of another carrier under this order, shall confer with the proper transportation officer of the railroad or railroads to which such traffic is to be diverted or rerouted, and shall receive the concurrence of such other railroads before the rerouting or diversion is ordered.

(c) Notification to shippers: The carrier rerouting cars in accordance with this order shall notify each shipper at the time each car is rerouted or diverted and shall furnish to such shipper the new routing provided under this order.

(d) Inasmuch as the diversion or rerouting of traffic by said Agent is deemed to be due to carrier's disability, the rates applicable to traffic diverted or rerouted by said Agent shall be the rates which were applicable at the time of shipment on the shipments as originally routed.

(e) In executing the directions of the Commission and of such Agent provided for in this order, the common carriers involved shall proceed even though no contracts, agreements, or arrangements now exist between them with reference to the division of the rates of transportation applicable to said traffic; divisions shall be, during the time this order remains in force, those voluntarily agreed upon by and between said carriers; or upon failure of the carriers to so agree, said divisions shall be those hereafter fixed by the Commission in accordance with pertinent authority conferred upon it by the Interstate Commerce Act.

(f) Effective date: This order shall become effective at 4:00 p. m., May 8, 1951.

(g) Expiration date: This order shall expire at 11:59 p. m., June 8, 1951, unless otherwise modified, changed, suspended or annulled.

It is further ordered, That this order shall be served upon the Association of American Railroads, Car Service Division as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., May 8, 1951.

INTERSTATE COMMERCE COMMISSION,
HOMER C. KING,
Agent.

[F. R. Doc. 51-5618; Filed, May 15, 1951; 8:46 a. m.]

[Rev. S. O. 874, Rev. General Permit 8]

LIVESTOCK FEED WITH HIGH MOLASSES CONTENT

LOADING REQUIREMENTS

Pursuant to the authority vested in me in paragraph (d) of Revised Service Order No. 874 (16 F. R. 2040, 3133), permission is granted for any common carrier by railroad, subject to the Interstate Commerce Act to disregard the provisions of Revised Service Order No. 874 insofar as they apply to any car loaded with livestock feed with high molasses content, when any consignor advises that service would be denied because of its inability to meet the minimum requirements because the hygroscopic properties of the commodity make it unsalable when exposed.

The waybills shall show reference to this revised general permit and any consignor forwarding cars under this revised general permit shall furnish the permit agent with the car numbers, initials, weights, and destinations of the cars shipped under this revised general permit, as well as the car numbers, initials, and weights of all cars loaded with livestock feed with high molasses content; such information to be furnished on the first day of each month.

This general permit shall become effective at 12:01 a. m., May 10, 1951, and shall expire at 11:59 p. m., September 15, 1951, unless otherwise modified, changed, suspended or revoked.

A copy of this revised general permit has been served 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 notice of this permit shall 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.

Issued at Washington, D. C., this 9th day of May 1951.

HOWARD S. KLINE,
Permit Agent.

[F. R. Doc. 51-5622; Filed, May 15, 1951; 8:47 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 17707]

ANNA ALTSCHAEFFL ET AL.

In re: Rights of Anna Altschaeffl et al. under insurance contract. File No. F-28-31416-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Anna Altschaeffl, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown, of Anna Altschaeffl, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 74474013, issued by The Prudential Insurance Company of America, Newark, New Jersey, to Anna Altschaeffl, together with the right to demand, receive and collect said net proceeds, 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, Anna Altschaeffl or the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown, of Anna Altschaeffl, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof and the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown, of Anna Altschaeffl, are 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 23, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5650; Filed, May 15, 1951; 8:49 a. m.]

[Vesting Order 17708]

LISELOTTE MARIE EMMA MINNA BADER

In re: Rights of Liselotte Marie Emma Minna Bader (formerly Lotte Kauenhowen nee Doss) under insurance contracts. Files No. F-28-22119-H-1, H-2.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Liselotte Marie Emma Minna Bader (formerly Lotte Kauenhowen, nee Doss) whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the net proceeds due or to become due under contracts of insurance evidenced by policies No. 10 305 438 and 11 329 221, issued by the New York Life Insurance Company, New York, New York, to Walter P. Kauenhowen, together with the right to demand, receive and collect said net proceeds,

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 (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 23, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5651; Filed, May 15, 1951; 8:49 a. m.]

[Vesting Order 17711]

HANS KAYSER ET AL.

In re: Rights of Hans Kayser et al. under insurance contract. File No. D-28-12937-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Hans Kayser, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown, of Kurt E. Kayser, deceased, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 1,368,899, issued by The Mutual Benefit Life Insurance Company, Newark, New Jersey, to Kurt E. Kayser, together with the right to demand, receive and collect said net proceeds,

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 nationals of a designated enemy country (Germany);

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof and the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown, of Kurt E. Kayser, deceased, are 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 23, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5653; Filed, May 15, 1951; 8:49 a. m.]

[Vesting Order 17713]

CARMEN J. LORENZEN ET AL.

In re: Rights of Carmen J. Lorenzen et al. under insurance contracts. Files No. F-28-31388-H-1, H-2.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Carmen J. Lorenzen, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown, of Carmen J. Lorenzen, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That the net proceeds due or to become due under contracts of insurance evidenced by policies No. 84150452 and 84150453, issued by The Prudential Insurance Company of America, Newark, New Jersey, to Carmen J. Lorenzen, together with the right to demand, receive and collect said net proceeds, is property within the United States owned or con-

trolled 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, Carmen J. Lorenzen or the domiciliary personal representative, heirs, next of kin, legatees and distributees, names unknown of Carmen J. Lorenzen, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof and the domiciliary personal representatives, heirs, next of kin, legatees and distributees, names unknown of Carmen J. Lorenzen, are 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 23, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5654; Filed, May 15, 1951; 8:49 a. m.]

[Vesting Order 17710]

HENRIETTA E. GARRETT

In re: Estate of Henrietta E. Garrett, deceased. File No. D-28-1682; E. T. sec. Nos. 538 and 539.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the persons named in Exhibit A, attached hereto and by reference made a part hereof, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the domiciliary personal representatives, heirs-at-law, next of kin, legatees and distributees, names unknown, of the deceased persons named in Exhibit A, set forth below and by reference made a part hereof, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That the Finanzamt Breslau Nord is an agency or instrumentality of a designated enemy country (Germany);

4. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in Exhibit A, set forth below and by reference made a part hereof, and of the Finanzamt Breslau Nord, in, to and against the Estate of Henrietta E. Garrett, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany) and the aforesaid designated enemy country (Germany);

5. That such property is in the process of administration by Charles S. Starr and Frank G. Marcellus, administrators c. t. a., acting under the judicial supervision of the Orphans' Court of Philadelphia County, Pennsylvania;

and it is hereby determined:

6. That to the extent that the persons identified in Exhibit A, and by reference made a part hereof, are 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 23, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

Name of designated national	Address	Claim No. in proceeding
Emilie Bentling or Buntling Herford	Westfalen, Germany	
Josefine Bierach	Mainz-Gustavsburg, Gustav-Adolstrasse 12, Germany.	
Mrs. Hans Hermann Brandt	c/o Dr. Otto Bramsloew Neuenrode, Mecklenburg, Germany.	
Otto Brennenstuhl, trustee bankrupt, estate of August Dieterich.	Messkirch, Baden, Germany	
Horst Decker	29 Baustrasse (16), Ober-Ramstadt, Hessen, Germany (U. S. Zone).	
Abs Heinrich Fung	Ensheim-Swarland, Germany	
Jenovefa Gebauer, nee Kolarova	c/o Dr. Alfred Hampel Memmingen, Kempterstr. 29, Bavaria, Germany.	21200
Else Germer	Segelbererstrasse 21, Kiel, Germany	
Johann Glaszner, also known as Johann Glassner.	Seelingstadt, Kreis Gimma, Saxony, Germany	
Maria Heinz	c/o Dr. Hillebrand Buederich Lei Neuss, Kr. Dusseldoy, Germany (British Zone).	
Michel Kamensky	Longestr 191, Marlow/Mecklenburg, Germany	
Marie Hegerova Konig	(3-b) Bad Kohlgrub, No. 115½, Germany	12430
Elfriede Kreig	Dortmund Berghofen 26, Kohlweisslingweg, Germany (British Zone).	
Erwin Kretschmar	Hamburg, Germany	
Herman Kretschmar	Riestedt, Germany	
Anna Maria Sophia Kretschmer	Hamburg-Rahlstedt, Germany	
Domiciliary personal representatives, heirs-at-law, next of kin, legatees and distributees, names unknown, of Walter Johannes Kretschmer, deceased.	Germany	
Berta Ferber Legethoff	Essen/Ruhr, Germany	
Mrs. Lukas Leuthner	Ottenheim, Baden, Germany	
Emma Massler	Weil/Rhein, Otlingerstrasse 13, Germany (French Zone).	
Dina Meyer,	Furstenwall 189-II, Düsseldorf, Nordrhein-Westfalen, Germany.	
Finanzamt Breslau Nord	Germany	
Maria d. Orpinghaus	Remscheid, Rheinland, Germany	
Agnes Petri	Viereck in Pommern Pasewalk-Land, Germany	5714
Dr. Hans Eduard Plesmann	Gergstrasse 8, Lage-Lippe, Germany (British Zone).	
Bertha Pollak	23, Pelzgasse, Braunfels (Lahn), Oberhessen, Germany.	
Mrs. Max Raith	Deggendorf, Germany	
Christian Schaefer	c/o Louis Schaefer Postschliessfach 71, Linz/Rhein, Germany.	5342
Schaefer Family	Kempton, Bavira, Germany	
Bruno Schafer	Hous #5, Post Flieden, Kreis Fulda, Bagdlos, Germany.	5201
Christian Schafer	(13a) Geralzhafen, Ufr., Germany, U. S. Zone	
Elise Schäfer	Nordbegge, Hassenberg 81, i/b Hamm, Westfalen, Germany.	
Elise Schäffer	c/o H. Wilh. Kormeyer, Hankenberge, Bez. Osnabruck, Germany.	21049
Willi Scharpf	Reinsburgstrasse 18, Stuttgart, Germany	
Mrs. August Schlenz	Hochstrasse 25, Wuppertal-Elberfeld, Germany	
Heinrich Schmitt	Weidenhausen, District Biedenkopf Greater Hessen, Petersburg Nr. 39 Germany (U. S. Zone).	
Adolf Shafer	Gemmerich, Kreis St. Goarshausen, Germany	
Heinrich Seidel	Postfach 363, Stuttgart, Germany	
Berta Sinemus	Mayen/Eifel im Hombrich 1, Rhineland, Germany (French Zone).	
Pastor Martin Sinemus, 1. R	(18) Wahlschied uber Hensweiler (Saar), Germany	
Wilhelm Thomas	Kettelerpfad 16, Berlin-Tegel, Germany	5883
Else Tonn	Stuttgart, Germany	
Johanna Voigth	(16) Hausen near Offenbach/M 5, Steinheimerstrasse, Germany (U. S. Zone).	23078
Dr. Theodore Wanner	Lebanonstradde 3, Stuttgart, Germany	
Johann Wasilewski	c/o Paul Ahrens, Herzog-Wilhelm Strasse 26, Germany.	
Johannes Weber	Bachnang, Württemberg, Germany	
Paul Weiman	(22c) Koln, An den, Dominikanern 2 Nordrhein, Westfalen, Germany.	

[F. R. Doc. 51-5652; Filed, May 15, 1951; 8:49 a. m.]

[Vesting Order 17718]

HELDRING & PIERSON

In re: Accounts maintained in the name of Heldring & Pierson, The Hague, Holland, and owned by persons whose names are unknown. F-49-1274.

Under the authority of the Trading With the Enemy Act, as amended, Executive Orders 9193, as amended, 9788 and 9989, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: All property, rights and interests in the accounts identified in Exhibit A set forth below and by reference made a part hereof, together with

(a) Any other property, rights and interests which represent accumulations or accruals to, changes in form of, or substitutions for, any of the property, rights and interests in said identified accounts on October 2, 1950, and which are now held in other accounts being maintained as blocked or otherwise subject to the restrictions of Executive Order 8389, as amended, or regulations, rulings, orders or instructions issued thereunder, and

(b) Any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants) and any and all declared and unpaid dividends on any shares of stock in any of said accounts,

excepting from the foregoing, however, all lawful liens and setoffs of the respective institutions in the United States with whom the aforesaid accounts are maintained,

is property within the United States;

2. That the property described in subparagraph 1 hereof is owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or is evidence of ownership or control by persons, names unknown, who, if individuals, there is reasonable cause to believe are residents of a designated enemy country and which, if partnerships, associations, corporations, or other organizations, there is reasonable cause to believe are organized under the laws of a designated enemy country or on or since the effective date of Executive Order 8389, as amended, have had their principal places of business in a designated enemy country;

3. That the persons referred to in subparagraph 2 hereof are nationals of a designated enemy country;

and it is hereby determined:

4. That to the extent that the persons referred to in subparagraph 2 hereof are 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.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended, and the term "designated enemy country" has reference to Germany or Japan.

Executed at Washington, D. C., on April 23, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

[Accounts maintained in the name of Heldring & Pierson, The Hague, Holland]

Column I Name and address of institution which maintains account	Column II Designation of account
1. The Chase National Bank of the City of New York, 18 Pine St., New York, N. Y.	(a) Heldring & Pierson, blocked account, The Hague, Holland, as described by The Chase National Bank of the City of New York in its report on Form OAP-700, bearing its Serial No. 93, and (b) Heldring & Pierson, The Hague, Netherlands, Dutch residents account PS 86393, as described by The Chase National Bank of the City of New York in its report on Form OAP-700, bearing its Serial No. 255.
2. H. Hentz & Co., 60 Beaver St., New York 4, N. Y.	Credit balance, as described by H. Hentz & Co. in its report on Form OAP-700, bearing its Serial No. 7.
3. Guaranty Trust Co., of New York, 140 Broadway, New York 15, N. Y.	Heldring & Pierson, Korte Vijverberg, The Hague, Holland, as described by the Guaranty Trust Co. of New York in its report on Form OAP-700, bearing its Serial No. FB 50.

[F. R. Doc. 51-5655; Filed, May 15, 1951; 8:49 a. m.]

[Vesting Order 17722]

ANNIE HILLERS ET AL.

In re: Annie Hillers and L. F. Kruse, Administrator of the estate of Henry Heitmann, deceased, Plaintiffs in Error, versus Local Federal Savings and Loan Association, a corporation, Defendant in Error. File No. 017-20552.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Frederick Heitmann, George Heitmann and Frau Marie Thole, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the undivided three-fifths (3/5) interest of the persons named in subparagraph 1 hereof in those certain debts or obligations of The Local Federal Savings and Loan Association, Oklahoma City, Oklahoma, arising by reason of the issuance of Stock Certificates numbered 18918, 20222, and 1826 by The Local Building and Loan Association of Oklahoma City to Albert Heitmann, now deceased, 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 nationals of a designated enemy (Germany);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 25, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5656; Filed, May 15, 1951; 8:49 a. m.]

[Vesting Order 17723]

ARTHUR THOMAS TELLEFSEN AND ETHEL FRANCES TELLEFSEN

In re: In the matter of the petition of Arthur Thomas Tellefsen and Ethel Frances Tellefsen, his wife, to register the title to certain lands in Suffolk County, New York. File No. 017-25945.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Helene Enz, Johanna Frank and Christine Draude, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the children, names unknown, of Marie Frank, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That the property described as follows: All right, title, interest and claim of any kind or character whatsoever of the persons named in subparagraphs 1 and 2 hereof, and each of them, in and to all those certain tracts, pieces or parcels of land, situate, lying and being near St. James, L. I., Town of Smithtown, County of Suffolk and State of New York, known and designated on a certain map entitled "18th Map of Property of the

House and Home Co., situated near St. James, L. I., Town of Smithtown, Suffolk County, N. Y." surveyed by Israel G. Hawkins, C. E., and surveyor, subdivided by Robert Kurz, C. E., and filed in the office of the County Clerk of Suffolk County, and known as and by the plot Nos. Nineteen (19), Twenty (20), Twenty-one (21), Twenty-two (22), and Twenty-three (23) containing five (5) acres of land be the same more or less, being the same premises of which George Draude died seized and possessed, together with all hereditaments, fixtures, improvements and appurtenances thereto, and any and all claims for rents, refunds, benefits or other payments arising from the ownership of such property,

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 nationals of a designated enemy country (Germany);

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof and the children, names unknown, of Marie Frank, are 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 25, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5657; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17727]

ALFRED JUNG

In re: Securities owned by and debts owing to the personal representatives, heirs, next of kin, legatees and distributees of Alfred Jung, deceased. F-28-31431.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the personal representatives, heirs, next of kin, legatees and distributees of Alfred Jung, deceased, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. Three (3) Dominion of Canada 25 yr. 3¼% bonds, due 1/15/61, numbered E 37348, 24541 and 20930, each of $1,000.00 face value, said bonds presently in the custody of Credit Suisse New York Agency, 30 Pine Street, New York 5, New York in a Blocked Account for Credit Suisse, Zurich, together with any and all rights thereunder and thereto,

b. Two (2) Canadian Pacific Railway Company Perpetual 4 percent Cons. Deb. stock, evidenced by two certificates bearing numbers H 3937 and 3751, each of $500.00 face value and presently in the custody of Credit Suisse, New York Agency, 30 Pine Street, New York 5, New York in a Blocked Account for Credit Suisse, Zurich, together with any and all rights thereunder and thereto,

c. That certain debt or other obligation of Credit Suisse, New York Agency, 30 Pine Street, New York 5, New York in the amount of $331.17 as of April 2, 1951, representing a portion of funds on deposit in a Blocked Account for Credit Suisse, Zurich, Switzerland, maintained by the aforesaid agency, and any and all accruals to the aforesaid debt or other obligation, and any and all rights to demand, enforce and collect the same,

d. That certain debt or other obligation of Credit Suisse, New York Agency, 30 Pine Street, New York 5, New York in the amount of $911.54 as of April 2, 1951, representing a portion of funds on deposit in a blocked General Ruling No. 6 Account, entitled "Credit Suisse Zurich", maintained by the aforesaid agency, and any and all accruals to the aforesaid debt or other obligation, and any and all rights to demand, enforce and collect the same,

e. Those certain St. Louis-San Francisco Railway Company 1st Mortgage, Series A, 4% bonds, due 1/1/1997, having an aggregate face value of $600.00, said bonds presently in the custody of the Guaranty Trust Company, 140 Broadway, New York 15, New York in a Blocked Account for Credit Suisse, Zurich, together with any and all rights thereunder and thereto,

f. Those certain St. Louis-San Francisco Railway Company 2nd Mortgage, Conv. Income Series A, 4½% bonds, due 2022, having an aggregate face value of $400.00, said bonds presently in the custody of the Guaranty Trust Company, 140 Broadway, New York 15, New York in a Blocked Account of Credit Suisse, Zurich, together with any and all rights thereunder and thereto,

g. Thirty (30) shares of $100.00 par value common stock of Baltimore & Ohio Railroad Company, evidenced by certificates presently in the custody of the Guaranty Trust Company, 140 Broadway, New York 15, New York in a Blocked Account for Credit Suisse, Zurich, together with all declared and unpaid dividends thereon,

h. One (1) Voting Trust Certificate for Five (5) shares of 5% cum. pref. Series "A" stock of St. Louis-San Francisco Railway Company, said voting trust certificate presently in the custody of the Guaranty Trust Company, 140 Broadway, New York 15, New York in a Blocked Account for Credit Suisse, Zurich, together with any and all rights thereunder and thereto,

i. One (1) Voting Trust Certificate for Ten (10) shares of common stock of St. Louis-San Francisco Railway Company, said voting trust certificate presently in the custody of the Guaranty Trust Company, 140 Broadway, New York 15, New York in a Blocked Account for Credit Suisse, Zurich, together with any and all rights thereunder and thereto, and

j. That certain debt or other obligation of the Guaranty Trust Company, 140 Broadway, New York 15, New York in the amount of $413.13 as of March 28, 1951, representing a portion of funds on deposit in a blocked General Ruling No. 6 Account, entitled "Credit Suisse, Zurich", maintained by the aforesaid company, and any and all accruals to the aforesaid debt or other obligation, 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 personal representatives, heirs, next of kin, legatees and distributees of Alfred Jung, deceased, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the persons referred to in subparagraph 1 hereof are 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);

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 25, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5658; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17743]

CAISSE D'EPARGNE ET DE CREDIT

In re: Accounts maintained in the name of Caisse d'Epargne et de Credit, Vevey, Switzerland, and owned by persons whose names are unknown. F-63-2309, F-28-30821.

Under the authority of the Trading With the Enemy Act, as amended, Executive Orders 9193, as amended, 9788 and 9989, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: All property, rights and interests in the accounts identified in Exhibit A set forth below and by reference made a part hereof, together with

(a) Any other property, rights and interests which represent accumulations or accruals to, changes in form of, or substitutions for, any of the property, rights and interests in said identified accounts on October 2, 1950, and which are now held in other accounts being maintained as blocked or otherwise subject to the restrictions of Executive Order 8389, as amended, or regulations, rulings, orders or instructions issued thereunder, and

(b) Any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants) and any and all declared and unpaid dividends on any shares of stock in any of said accounts,

excepting from the foregoing, however, all lawful liens and setoffs of the respective institutions in the United States with whom the aforesaid accounts are maintained,

is property within the United States;

2. That the property described in subparagraph 1 hereof is owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or is evidence of ownership or control by persons, names unknown, who, if individuals, there is reasonable cause to believe are residents of a designated enemy country and which, if partnerships, associations, corporations, or other organizations, there is reasonable cause to believe are organized under the laws of a designated enemy country or on or since the effective date of Executive Order 8389, as amended, have had their principal places of business in a designated enemy country;

3. That the persons referred to in subparagraph 2 hereof are nationals of a designated enemy country;

and it is hereby determined:

4. That to the extent that the persons referred to in subparagraph 2 hereof are 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.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended, and the term "designated enemy country" has reference to Germany or Japan.

Executed at Washington, D. C., on April 25, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

[Accounts maintained in the name of Caisse d'Epargne et de Credit, Vevey, Switzerland]

Column I	Column II
Name and address of institution which maintains account	Designation of Account
Dominick & Dominick, 14 Wall St., New York 5, N. Y.	(a) Caisse d'Epargne et de Credit, Vevey, (b) Caisse d'Epargne et de Credit, Vevey, general ruling No. 6 account; as described by Dominick & Dominick in its report on Form OAP-700 bearing its Serial No. 9; (c) Caisse d'Epargne et de Credit, Vevey, as described by Dominick & Dominick in its report on Form OAP-700 bearing its Serial No. 10.

[F. R. Doc. 51-5659; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17754]

CONVERSION OFFICE FOR GERMAN FOREIGN DEBTS

In re: Accounts owned by Conversion Office for German Foreign Debts, also known as Konversionskasse fuer Deutsche Auslandschulden. F-28-6329-E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Conversion Office for German Foreign Debts, also known as Konversionskasse fuer Deutsche Auslandschulden, the last known address of which is Berlin CIII, Germany, is a public corporation organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Berlin, Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows:

a. That certain debt or other obligation of Manufacturers Trust Company, 55 Broad Street, New York 15, New York, arising out of a special interest account entitled "City of Heidelberg External 25 year 7½% Sinking Fund Gold Bonds", maintained at the said Manufacturers Trust Company, and any and all rights to demand, enforce and collect the same, and

b. Those certain Reichmarks certificates of indebtedness of Conversion Office for German Foreign Debts in the aggregate amount of approximately 73,555 RM, presently in the custody of Manufacturers Trust Company, 55 Broad Street, New York 15, New York, said certificates of indebtedness having been offered by the Conversion Office, together with the cash fund referred to in subparagraph 2-a above, in settlement of coupons appertaining to the bonds described in subparagraph 2-a above, and any and all rights thereunder and thereto,

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, Conversion Office for German Foreign Debts, also known as Konversionskasse fuer Deutsche Auslandschulden, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 30, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5660; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17755]

TANE KAMIMURA

In re: Bank account, safe deposit lease and contents owned by the personal representatives, heirs, next of him, legatees and distributees of Tane Kamimura, also known as Tane Y. Kamimura, deceased. D-39-5580-E-1; F-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the personal representatives, heirs, next of kin, legatees and distributees of Tane Kamimura, also known as Tane Y. Kamimura, deceased, who there is reasonable cause to believe are residents of Japan, are nationals of a designated enemy country (Japan);

2. That the property described as follows:

a. That certain debt or other obligation of Bank of America, National Trust and Savings Association, 3d and E Streets, San Bernardino, California,

arising out of a Savings Account, account number 5976, entitled "Mrs. Tane Kamimura," maintained at the San Bernardino main office of the said association, and any and all rights to demand, enforce and collect the same,

b. All rights and interests created in Tane Kamimura, also known as Tane Y. Kamimura under and by virtue of a safe deposit box lease agreement by and between Tane Y. Kamimura and The Bank of America, National Trust & Savings Association, San Bernardino, California relating to safe deposit box No. 2225, located in the vaults of the aforesaid association including particularly, but not limited to the right of access to said safe deposit box, and

c. All property of any nature whatsoever owned by Tane Kamimura, also known as Tane Y. Kamimura in the safe deposit box referred to in subparagraph 2 (b) hereof, and any and all rights of said person evidenced or represented by,

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 personal representatives, heirs, next of kin, legatees and distributees of Tane Kamimura, also known as Tane Y. Kamimura, deceased, the aforesaid nationals of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the personal representatives, heirs, next of kin, legatees and distributees of Tane Kamimura, also known as Tane Y. Kamimura, deceased, are 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 (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 30, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5661; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17760]

WALTER SEECK

In re: Property owned by Walter Seeck. D-63-87, F-63-6400.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Walter Seeck, whose last known address is 51 Thomas Knorrstrasse, Garmisch-Partenkirchen, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. That certain debt or other obligation of Swiss Bank Corporation, New York Agency, 15 Nassau Street, New York, New York, arising out of a deposit account, entitled "Swiss Bank Corporation Id. 584 Zurich, Switzerland" and further identified pursuant to General Ruling 17 as follows: "Dr. Rudolf Herforth, Alte Landstrasse 66, Zollikon, Switzerland; Miss Hedwig Metzger (Power of Attorney) Zollikerstrasse 132, Zollikon, Zurich, Switzerland; Mrs. Else Herforth (Power of Attorney) Alte Landstrasse 66, Zollikon, Zurich, Switzerland," said account maintained at the aforesaid Swiss Bank Corporation, New York Agency, and any and all accruals thereto, and any and all rights to demand, enforce and collect the same, and

b. All these securities presently on deposit with Swiss Bank Corporation, New York Agency, 15 Nassau Street, New York, New York, evidenced by certificates on deposit in an account entitled "Swiss Bank Corporation Id. 584 Zurich, Switzerland" and further identified pursuant to General Ruling 17 as follows: "Dr. Rudolf Herforth, Alte Landstrasse 66, Zollikon, Switzerland; Miss Hedwig Metzger (Power of Attorney) Zollikerstrasse 132, Zollikon, Zurich, Switzerland; Mrs. Else Herforth (Power of Attorney) Alte Landstrasse 66, Zollikon, Zurich, Switzerland," together with all declared and unpaid dividends thereon, and any and all rights thereunder and thereto,

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, Walter Seeck, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 30, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5662; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17775]

YRARRAZAVAL RODRIDGUEZ Y CIA, LTDA.

In re: Accounts maintained in the name of Yrarrazaval Rodriguez Y Cia, Ltda., Santiago, Chile, and owned by persons whose names are unknown. F-28-31171.

Under the authority of the Trading With the Enemy Act, as amended, Executive Orders 9193, as amended, 9788 and 9989, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: All property, rights and interests in the accounts identified in Exhibit A set forth below and by reference made a part hereof, together with

(a) Any other property, rights and interests which represent accumulations or accruals to, changes in form of, or substitutions for, any of the property, rights and interests in said identified accounts on October 2, 1950, and which are now held in other accounts being maintained as blocked or otherwise subject to the restrictions of Executive Order 8389, as amended, or regulations, rulings, orders or instructions issued thereunder, and

(b) Any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants) and any and all declared and unpaid dividends on any shares of stock in any of said accounts,

excepting from the foregoing, however, all lawful liens and setoffs of the respective institutions in the United States with whom the aforesaid accounts are maintained,

is property within the United States;

2. That the property described in subparagraph 1 hereof is owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or is evidence of ownership or control by persons, names unknown, who, if individuals, there is reasonable cause to believe are residents of a designated enemy country and which, if partnerships, associations, corporations, or other organizations, there is reasonable cause to believe are organized under the laws of a designated enemy country or on or since the effective date of Executive Order 8389, as amended, have had their principal places of business in a designated enemy country;

3. That the persons referred to in subparagraph 2 hereof are nationals of a designated enemy country;

and it is hereby determined:

4. That to the extent that the persons referred to in subparagraph 2 hereof are 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.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended, and the term "designated enemy country" has reference to Germany or Japan.

Executed at Washington, D. C., on May 2, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

[Accounts maintained in the name of Yrarrazaval Rodriguez Y Cia, Ltda., Santiago, Chile]

Column I	Column II
Name and address of institution which maintains account	Designation of account
The Chase National Bank of the City of New York, 18 Pine St., New York, N. Y.	Yrarrazaval Rodriguez Y Cia, Ltda., directive blocked a/c, as described by The Chase National Bank of the City of New York in its report on Form OAP-700, bearing its Serial No. 166.

[F. R. Doc. 51-5664; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17769]

OTTILIE HAACK

In re: Estate of Ottilie Haack, deceased. File No. D-28-12997.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Blasius Schmidt, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the person identified in subparagraph 1 hereof in and to the estate of Ottilie Haack, deceased, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy country (Germany);

3. That such property is in the process of administration by Charles Halsted and Dr. Allan W. MacGregor, as coexecutors, acting under the judicial supervision of the Surrogate's Court of Bergen County, New Jersey;

and it is hereby determined:

4. That to the extent that the person identified in subparagraph 1 hereof is 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 2, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5663; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17776]

AMERICAN EXPRESS CO., INC.

In re: Accounts maintained in the name of the American Express Co., Inc., Paris, France, and owned by persons whose names are unknown. F-27-2117.

Under the authority of the Trading With the Enemy Act, as amended, Executive Orders 9193, as amended, 9788 and 9989, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: All property, rights and interests in the accounts identified in Exhibit A set forth below and by reference made a part hereof, together with

(a) Any other property, rights and interests which represent accumulations or accruals to, changes in form of, or substitutions for, any of the property, rights and interests in said identified accounts on October 2, 1950, and which are now held in other accounts being maintained as blocked or otherwise subject to the restrictions of Executive Order 8389, as amended, or regulations, rulings, orders or instructions issued thereunder, and

(b) Any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants) and any and all declared and unpaid dividends on any shares of stock, in any of said accounts,

excepting from the foregoing, however, all lawful liens and setoffs of the respective institutions in the United States with whom the aforesaid accounts are maintained.

is property within the United States;

2. That the property described in subparagraph 1 hereof is owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or is evidence of ownership or control by persons, names unknown, who, if individuals, there is reasonable cause to believe are residents of a designated enemy country and which, if partnerships, associations, corporations, or other organizations, there is reasonable cause to believe are organized under the laws of a designated enemy country or on or since the effective date of Executive Order 8389, as amended, have had their principal places of business in a designated enemy country;

3. That the persons referred to in subparagraph 2 hereof are nationals of a designated enemy country;

and it is hereby determined:

4. That to the extent that the persons referred to in subparagraph 2 hereof are 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.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended, and the term "designated enemy country" has reference to Germany or Japan.

Executed at Washington, D. C., on May 2, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

[Accounts maintained in the name of The American Express Co., Inc., Paris, France]

Column I	Column II
Name and address of institution which maintains account	Designation of account
New York Agency, The American Express Co., Inc., 65 Broadway, New York, N. Y.	Demand account, as described by The American Express Co., Inc., New York Agency, in its report on Form OAP-700, bearing its Serial No. 0003.

[F. R. Doc. 51-5665; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17779]

HUGO KAUFMAN & CO.'S BANK N. V.

In re: Accounts maintained in the name of Hugo Kaufman & Co.'s Bank

N. V., Amsterdam, The Netherlands, and owned by persons whose names are unknown. F–49–846.

Under the authority of the Trading With the Enemy Act, as amended, Executive Orders 9193, as amended, 9788 and 9989, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: All property, rights and interests in the accounts identified in Exhibit A set forth below and by reference made a part hereof, together with

(a) Any other property, rights and interests which represent accumulations or accruals to, changes in form of, or substitutions for, any of the property, rights and interests in said identified accounts on October 2, 1950, and which are now held in other accounts being maintained as blocked or otherwise subject to the restrictions of Executive Order 8389, as amended, or regulations, rulings, orders or instructions issued thereunder, and

(b) Any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants) and any and all declared and unpaid dividends on any shares of stock in any of said accounts,

excepting from the foregoing, however, all lawful liens and setoffs of the respective institutions in the United States with whom the aforesaid accounts are maintained,

is property within the United States;

2. That the property described in subparagraph 1 hereof is owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or is evidence of ownership or control by persons, names unknown, who, if individuals, there is reasonable cause to believe are residents of a designated enemy country and which, if partnerships, associations, corporations, or other organizations, there is reasonable cause to believe are organized under the laws of a designated enemy country or on or since the effective date of Executive Order 8389, as amended, have had their principal places of business in a designated enemy country;

3. That the persons referred to in subparagraph 2 hereof are nationals of a designated enemy country;

and it is hereby determined:

4. That to the extent that the persons referred to in subparagraph 2 hereof are 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.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended, and the term "designated enemy country" has reference to Germany or Japan.

Executed at Washington, D. C., on May 2, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

[Accounts maintained in the name of Hugh Kaufman & Co.'s Bank N. V., Amsterdam, The Netherlands]

Column I Name and address of institution which maintains account	Column II Designation of account
Irving Trust Co., 1 Wall St., New York 15, N. Y.	New York Central R. R. Co. Ref. Imp. Mtge. Series A 4½ percent Bonds, as described by the Personal Trust Division Custody of the Irving Trust Co. in its report on Form OAP–700, bearing its Serial No. 42.

[F. R. Doc. 51–5666; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17781]

PRIVATBANKEN I KJOBENHAVN AKT.

In re: Accounts maintained in the name of Privatbanken i Kjobenhavn Akt., Copenhagen, Denmark, and owned by persons whose names are unknown. F–19–262.

Under the authority of the Trading With the Enemy Act, as amended, Executive Orders 9193, as amended, 9788 and 9989, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: All property, rights and interests in the accounts identified in Exhibit A set forth below and by reference made a part hereof, together with

(a) Any other property, rights and interests which represent accumulations or accruals to, changes in form of, or substitutions for, any of the property, rights and interests in said identified accounts on October 2, 1950, and which are now held in other accounts being maintained as blocked or otherwise subject to the restrictions of Executive Order 8389, as amended, or regulations, rulings, orders or instructions issued thereunder, and

(b) Any and all rights in, to and under any securities (including, without limitation, bonds, coupons, mortgage participation certificates, shares of stock, scrip and warrants) and any and all declared and unpaid dividends on any shares of stock in any of said accounts,

excepting from the foregoing, however, all lawful liens and setoffs of the respective institutions in the United States with whom the aforesaid accounts are maintained,

is property within the United States;

2. That the property described in subparagraph 1 hereof is owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or is evidence of ownership or control by persons, names unknown, who, if individuals, there is reasonable cause to believe are residents of a designated enemy country and which, if partnerships, associations, corporations, or other organizations, there is reasonable cause to believe are organized under the laws of a designated enemy country or on or since the effective date of Executive Order 8389, as amended, have had their principal places of business in a designated enemy country;

3. That the persons referred to in subparagraph 2 hereof are nationals of a designated enemy country;

and it is hereby determined:

4. That to the extent that the persons referred to in subparagraph 2 hereof are 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.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended, and the term "designated enemy country" has reference to Germany or Japan.

Executed at Washington, D. C., on May 2, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

[Accounts maintained in the name of Privatbanken i Kjobenhavn Akt., Copenhagen, Denmark]

Column I Name and address of institution which maintains account	Column II Designation of account
Guaranty Trust Co. of New York, 140 Broadway, New York 15, N. Y.	Deposit account—Privatbanken i Kjobenhavn Akt., Copenhagen, Denmark, as described by the Guaranty Trust Co. of New York in its report on Form OAP–700, bearing its Serial No. FB 49.

[F. R. Doc. 51–5667; Filed, May 15, 1951; 8:50 a. m.]

[Vesting Order 17795]

ROSITA MOHR

In re: Debt owing to Rosita Mohr. F–28–31447.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Ex-

ecutive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Rosita Mohr, whose last known address is Gretherstrasse, Loerrach, Baden, 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 Swiss Bank Corporation, New York Agency, 15 Nassau Street, New York, New York, in the amount of $1,573.54, arising out of and representing an undivided one-fourth (¼) interest in those certain funds held by Swiss Bank Corporation, New York Agency, for Swiss Bank Corporation, Basle, Switzerland, in the amounts and under the designations set forth below:

$432.95 in Swiss Bank Corporation, Basle, ordinary account,

$219.98 in Swiss Bank Corporation, Basle, special account No. 38992,

$5,641.25 in Swiss Bank Corporation, Basle, special account No. 38992, general ruling 6/17,

which funds are held by Swiss Bank Corporation, Basle, Switzerland, for the account of Family Foundation Arnolds of Basle, Switzerland, and any and all rights to demand, enforce and collect the aforesaid debt or other obligation,

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, Rosita Mohr, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is 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).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 4, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5671; Filed, May 15, 1951; 8:51 a. m.]

[Return Order 953]

FORGES ET ATELIERS DE MEUDON

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention to Return Published, and Property

Forges et Ateliers de Meudon, 175 Avenue de Verdun, Meudon, France; Claim No. 41382; March 9, 1951 (16 F. R. 2206); property described in Vesting Order No. 1601 (8 F. R. 8566, June 21, 1943) as Transaction Control No. 432 (c) relating to a disclosure of invention entitled "Pneumatic Chuck," inventor, Gabriel Chalicarne. This return shall not be deemed to include the rights of any licensees under the above disclosure of invention.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on May 9, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5673; Filed, May 15, 1951; 8:51 a. m.]

[Return Order 956]

TELEFON FABRIK AUTOMATIC AKTIESELSKAB

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

Claimant, Claim Nos., Notice of Intention To Return Published, and Property

Telefon Fabrik Automatic Aktieselskab, Copenhagen, Denmark; Claim Nos. 10828 and 11040; April 3, 1951 (16 F. R. 2904); property described in Vesting Order No. 664 (8 F. R. 4989, April 17, 1943) relating to United States Letters Patent Nos. 2,135,015; 2,146,228 and 2,253,136. This return shall not be deemed to include the rights of any licensees under the above patents.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on May 9, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5674; Filed, May 15, 1951; 8:51 a. m.]

[Return Order 957]

MARIA PFEFFERKORN ET AL.

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Maria Pfefferkorn, Alfons a/k/a Alfonso Pfefferkorn, Jakob Pfefferkorn, Ludesch, Vorarlberg, Austria; Claim No. 42163; April 3, 1951 (16 F. R. 2904); $14,402.51 in the Treasury of the United States, ⅓ to each claimant. All right, title and interest of claimants, and each of them, in and to the Estate of Thomas Pfefferkorn, a/k/a Anthony Thomas Pfefferkorn, a/k/a Thomas Anthony Korn, a/k/a Anthony Thomas Fuetscher, a/k/a Anthony Korn, a/k/a Thomas A. Korn, a/k/a Rev. Anthony Korn, a/k/a Rev. Thomas Fuetscher, deceased; estate administered by Potter Title and Trust Company, Pittsburgh, Pennsylvania, under the judicial supervision of the Orphans' Court of Allegheny County, Pennsylvania.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on May 9, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5675; Filed, May 15, 1951; 8:51 a. m.]

[Return Order 959]

SOCIETE DES PROCEDES SERGE BEAUNE

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published; and Property

Societe des Procedes Serge Beaune, Creteil (Seine), France; Claim No. 41695; April 3, 1951 (16 F. R. 2903); property described in Vesting Order No. 666 (8 F. R. 5047, April 17, 1943), relating to United States Letters Patent Nos. 2,143,617; 2,246,872 and 2,043,604. This return shall not be deemed to include the rights of any licensees under the above patents.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on May 9, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-5676; Filed, May 15, 1951; 8:52 a. m.]