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TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

DEFENSE MATERIALS PROCUREMENT AGENCY

Effective upon publication in the FEDERAL REGISTER, a new § 6.161 is added as follows:

§ 6.161 *Defense Materials Procurement Agency.* (a) Three assistants to the Administrator.

(b) One private secretary or confidential assistant to the Administrator.

(c) One Deputy Administrator.

(d) One assistant to the Deputy Administrator.

(E. S. 1753, sec. 2, 22 Stat. 403; 5 U. S. C. 631, 633. E. O. 9830, Feb. 24, 1947, 12 F. R. 1259; 3 CFR, 1947 Supp. E. O. 9973, June 28, 1948, 13 F. R. 3600; 3 CFR, 1948 Supp.)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] ROBERT RAMSPECK,
Chairman.

[F. R. Doc. 51-14221; Filed, Nov. 29, 1951; 8:47 a. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter B—Export and Diversion Programs [Amdt. 2]

PART 517—FRUITS AND BERRIES, FRESH

SUBPART—FRESH APPLE EXPORT PAYMENT PROGRAM (FISCAL YEAR 1952)

Section 517.250 *General statement*, is hereby amended by deleting the names and addresses of the Sacramento, California, Representatives of the Secretary under paragraph (b) and inserting in lieu thereof the following:

Anthony J. Tarlock and W. B. Blackburn
Fruit and Vegetable Branch
PMA, U. S. Department of Agriculture
P. O. Box 3638, Rincon Annex
San Francisco 19, California

Effective date. This amendment shall become effective at 12:01 a. m., e. s. t., December 3, 1951.

(Sec. 32, 49 Stat. 774, as amended, sec. 112, 62 Stat. 146; 7 U. S. C. 612c, 22 U. S. C. Sup. 1510)

Dated this 26th day of November 1951.

[SEAL] S. R. SMITH,
*Authorized Representative of
the Secretary of Agriculture.*

[F. R. Doc. 51-14217; Filed, Nov. 29, 1951; 8:46 a. m.]

TITLE 7—AGRICULTURE

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

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	§ 944.0 Findings and determinations.
	The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth in this subpart.
	(a) <i>Findings upon the basis of the hearing record.</i> Pursuant to Public Act No. 10, 73d Congress (May 12, 1933) as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act") and the 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 amending the order, as amended, regulating the handling of milk in the Quad Cities marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions of said order, as amended, and as hereby further amended, 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 of and demand for such milk, and the minimum prices specified in the order, as amended, and as hereby further amended, 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 delivered by handlers, as defined herein, are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in milk or its products.

(5) It is hereby found that the expenses of the market administrator for the maintenance and functioning of such agency will require the payment monthly by each handler, as his pro rata share of such expenses, three cents per hundredweight, or such amount not exceeding three cents per hundredweight as the Secretary may prescribe, with respect to all milk received by him during the month from producers (including such handler's own production) and with respect to other source milk received by him during such month which is classified as Class I.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order, as amended, effective not later than December 1, 1951. Any delay beyond December 1, 1951, in the effective date of this order amending the order, as amended, will seriously disrupt the orderly marketing of milk for the Quad Cities marketing area. The changes effected by this order amending the order, as amended, do not require of persons affected, substantial or extensive preparation prior to the effective date. In view of the foregoing, it is hereby found that good cause exists for making this order effective December 1, 1951 (see sec. 4 (c) Administrative Procedure Act, 5 U. S. C. 1003 (c)).

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing or shipping the milk covered by this

order amending the order, as amended, which is marketed within the Quad Cities marketing area) of more than 50 percent of the milk which is marketed within the said marketing area, refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area, and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order amending the order, as amended, is the only practicable means pursuant to the declared policy of the act of advancing the interests of producers of milk which is produced for sale in the Quad Cities marketing area; and

(3) The issuance of this order amending the order, as amended, is approved or favored by at least two-thirds of the producers who, during the determined representative period (July 1951), were engaged in the production of milk for sale in the Quad Cities marketing area.

Order relative to handling. It is therefore ordered that on and after the effective date hereof, the handling of milk in the Quad Cities marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended; and the aforesaid order, as amended, is hereby further amended to read as follows:

DEFINITIONS

§ 944.1 *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.).

§ 944.2 *Secretary.* "Secretary" means the Secretary of Agriculture or such other officer or employee of the United States as may be authorized to exercise the powers and to perform the duties of the said Secretary of Agriculture.

§ 944.3 *Quad Cities marketing area.* "Quad Cities marketing area" hereinafter called the "marketing area" means the territory lying within the corporate limits of the City of Clinton, Iowa, and that part of Camanche township, including the City of Camanche, lying east of sections 2, 11, 14, 23, 26, and 35, all in Clinton County, Iowa; the territory lying within the corporate limits of the Cities of Davenport and Bettendorf, Iowa, and Rock Island, Moline, East Moline and Silvis, Illinois; together with the territory lying within the following townships: Davenport, Rockingham and Pleasant Valley in Scott County, Iowa; and South Moline, Moline, Blackhawk, Coal Valley, Hampton, and South Rock Island in Rock Island County, Illinois.

§ 944.4 *Department.* "Department" means the United States Department of Agriculture or such other Federal agency as may be authorized to perform the price reporting functions of the United States Department of Agriculture.

§ 944.5 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 944.6 *Delivery period.* "Delivery period" means the calendar month or the total portion thereof during which this order is in effect.

§ 944.7 *Cooperative association.* "Cooperative association" means any cooperative marketing association of producers which the Secretary determines: (a) Is qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; (b) has full authority in the sale of milk of its members; and (c) is engaged in making collective sales of or marketing milk or its products for its members.

§ 944.8 *Producer.* "Producer" means any person who, in conformity with the Grade A quality requirements of the milk ordinance of any of the several municipalities in the marketing area or the Grade A Milk and Grade A Milk Products Law of the State of Illinois produces milk which (a) is received at a pool plant or (b) which is caused by a cooperative association to be diverted from a pool plant to a nonpool plant. This definition shall not include a person with respect to milk produced by him which is received by a handler who is subject to another Federal marketing order and who is partially exempt from the provisions of this subpart pursuant to § 944.56.

§ 944.9 *Handler.* "Handler" means (a) any person in his capacity as the operator of a pool plant, (b) a cooperative association which is a handler pursuant to paragraph (a) of this section with respect to the milk of any producer which it causes to be delivered to the pool plant of another handler, and (c) any cooperative association with respect to the milk of any producer which it causes to be diverted from a pool plant to a nonpool plant.

§ 944.10 *Pool plant.* "Pool plant" means (a) a plant from which Class I milk is disposed of as Grade A milk on wholesale or retail routes (including plant stores) within the marketing area, (b) a plant owned and operated by a cooperative association which is located within the marketing area, or (c) a plant which is under regular inspection by one or more of the health authorities of the several municipalities in the marketing area and which is approved for the receiving of Grade A milk and from which Grade A milk is regularly disposed of to plants described in paragraph (a) of this section for Class I use.

§ 944.11 *Producer - handler.* "Producer-handler" means any person who is both a producer and a handler and who receives no milk directly from the farms of other producers: *Provided,* That the maintenance, care and management of the dairy animals and other resources necessary to produce the milk, and the processing, packaging, and distribution of the milk are the personal enterprise and the personal risk of such person.

§ 944.12 *Producer milk.* "Producer milk" means all skim milk and butterfat which is produced by a producer, other than a producer-handler, and which is received by a handler either directly from producers or from other handlers.

§ 944.13 *Emergency milk.* "Emergency milk" means milk which is received by a handler under the conditions and subject to the limitations prescribed in § 944.57.

§ 944.14 *Other source milk.* "Other source milk" means all skim milk and butterfat except that contained in producer milk and in emergency milk.

MARKET ADMINISTRATOR

§ 944.20 *Designation.* The agency for the administration of this subpart shall be a market administrator who shall be a person selected by the Secretary. Such person shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of the Secretary.

§ 944.21 *Powers.* The market administrator shall have the power to:

(a) Administer the terms and provisions of this subpart;

(b) Make rules and regulations to effectuate the terms and provisions of this subpart;

(c) Receive, investigate, and report to the Secretary complaints of violations of the terms and provisions of this subpart; and

(d) Recommend to the Secretary amendments to this subpart.

§ 944.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this subpart, including but not limited to the following:

(a) Within 30 days following the date upon 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 the terms and provisions of this subpart;

(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 § 944.75 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses, except those incurred under § 944.76, 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 subpart, and, upon request by the Secretary, surrender the same to such person as the Secretary may designate;

(f) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(g) 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 date upon

which he is required to perform such acts has not made (1) reports pursuant to § 944.30, or (2) payments pursuant to §§ 944.65 to 944.70;

(h) On or before the 10th day after the end of each delivery period, report to each cooperative association which is a handler pursuant to § 944.9 (b) the amount and classification of milk caused to be delivered by such cooperative association to any handler, if such amount or classification reported by the handler differs from that reported by the cooperative association;

(i) Audit each handler's records and payments by inspection of such handler's records and the records of any other person upon whose utilization the classification of skim milk and butterfat for such handler depends;

(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 delivery period as follows:

(1) On or before the 5th day of each delivery period (i) the minimum price for Class I milk computed pursuant to § 944.50 (a) and the butterfat differential computed pursuant to § 944.51 (a), both for the current delivery period, and (ii) the minimum prices computed pursuant to § 944.50 (b) and (c) and the butterfat differentials computed pursuant to § 944.51 (b) and (c) for the previous delivery period; and

(2) On or before the 10th day of each delivery period the uniform price computed pursuant to § 944.61 and the butterfat differential computed pursuant to § 944.66, both for the previous delivery period; and

(k) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.

REPORTS, RECORDS AND FACILITIES

§ 944.30 *Delivery period reports of receipts and utilization.* On or before the 7th day of each delivery period each handler, except a producer-handler, shall report to the market administrator in the detail and on the forms prescribed by the market administrator:

(a) The quantities of skim milk and butterfat contained in (or used in the production of) all receipts within the preceding delivery period of (1) producer milk, (2) skim milk and butterfat in any form from other handlers, (3) emergency milk, and (4) other source milk (except nonfluid milk products disposed of in the form in which received without further processing or packaging by the handler) and the sources thereof;

(b) The utilization of all receipts required to be reported pursuant to paragraph (a) of this section; and

(c) Such other information with respect to all such receipts and utilization as the market administrator may prescribe.

§ 944.31 *Other reports.* Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

§ 944.32 *Records and facilities.* Each handler shall maintain and make avail-

able 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 to establish the correct data with respect to:

(a) The receipts and utilization, in whatever form, of all skim milk and butterfat received, including nonfluid milk products disposed of in the form in which received without further processing or packaging;

(b) The weights and tests for butterfat and for other content of all skim milk, 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 skim milk, milk, cream, and milk products on hand at the beginning and end of each delivery period.

§ 944.33 *Retention of records.* All books and records required under this subpart 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 calendar 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 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, 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

§ 944.40 *Skim milk and butterfat to be classified.* All skim milk and butterfat received during the delivery period by a handler from producers or other handlers or as emergency milk or as other source milk shall be classified by the market administrator pursuant to §§ 944.41 to 944.47.

§ 944.41 *Classes of utilization.* Subject to the conditions set forth in §§ 944.43 and 944.44, 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, flavored milk drinks, cream, or any mixture (except mixes for ice cream and frozen desserts) of cream and milk or skim milk containing more than 6 percent of butterfat, (2) used in the production of concentrated milk, not sterilized, for fluid consumption, and (3) not specifically accounted for under paragraphs (b) and (c) of this section.

(b) Class II milk shall be all skim milk and butterfat (1) used to produce evaporated milk, condensed milk, ice cream, mixes for ice cream and frozen desserts, yoghurt, aerated products such as Super-

Wip, Instant-Whip and similar products, cottage cheese or any other milk product not specified in paragraphs (a) and (c) of this section, and (2) disposed of to wholesale bakeries, candy manufacturers or soup companies.

(c) Class III milk shall be all skim milk and butterfat (1) used to produce butter, American-type Cheddar Cheese, animal feed, casein and nonfat dried milk solids; (2) in shrinkage up to 2 percent of receipts from producers and cooperative associations and of emergency milk; and (3) in shrinkage of other source milk.

§ 944.42 *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.

(b) Prorate the resulting amounts between the receipts of skim milk and butterfat contained in (1) producer milk and emergency milk, and (2) other source milk.

§ 944.43 *Responsibility of handlers and reclassification of milk.* (a) All skim milk and butterfat received by a handler shall be Class I milk, unless the handler who first receives such skim milk or butterfat can prove to the market administrator that it should be classified otherwise.

(b) Any skim milk or butterfat (except that transferred to a producer-handler) shall be reclassified if verification by the market administrator discloses that the original classification was incorrect.

§ 944.44 *Transfers.* Skim milk or butterfat disposed of by a handler, either by transfer or diversion shall, except as provided in § 944.45, be classified:

(a) As Class I milk if transferred or diverted in the form of milk, skim milk, or cream to another handler, except a producer-handler, unless utilization in another class is mutually indicated in writing to the market administrator by both handlers on or before the 7th day after the end of the delivery period within which such transaction occurred, but in no event shall the amount classified in any class exceed the total use in such class by the transferee handler: *Provided*, That if either or both handlers have received other source milk such milk so disposed of shall be classified at both plants so as to return the higher class utilization to producer milk.

(b) As Class I milk if transferred 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, skim milk, or cream to a nonhandler's plant unless (1) the handler claims other utilization on the basis of utilization mutually indicated in writing to the market administrator by both the handler and nonhandler on or before the 7th day after the end of the delivery period within which such transfer or diversion occurred, (2) such nonhandler maintains books and records showing the utilization of all skim milk and butterfat at his plant, which are made available if requested by the market administrator for the purpose of verification, and (3)

such nonhandler's plant had actually used not less than the equivalent amount of skim milk and butterfat in the use indicated in such statement: *Provided*, That if verification of such nonhandler's records discloses that an equivalent amount of skim milk and butterfat had not been used in such indicated utilization, the remaining pounds shall be classified in series beginning with the next higher price classification in which such nonhandler had utilization.

§ 944.45 *Receipts from a cooperative association.* Skim milk and butterfat caused to be delivered from a producer to any other handler by a cooperative association which is a handler pursuant to § 944.9 (b) shall be ratably apportioned over the receiving handler's total utilization of milk remaining after the subtraction of other source milk, receipts from other handlers which are not cooperative associations, and emergency milk.

§ 944.46 *Computation of skim milk and butterfat in each class.* For each delivery period the market administrator shall correct mathematical and other obvious errors in the delivery period report submitted by each handler and shall compute the total pounds of skim milk and butterfat, respectively, in Class I milk, Class II milk, and Class III milk for such handler.

§ 944.47 *Allocation of skim milk and butterfat classified.* After computing the classification of all skim milk and butterfat received by a handler pursuant to § 944.46, 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 III the pounds of skim milk determined pursuant to § 944.41 (c) (2);

(2) Subtract from the remaining pounds of skim milk in each class in series beginning with the lowest-priced class in which the handler has use, the pounds of skim milk contained in other source milk;

(3) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk contained in receipts from other handlers in accordance with its classification as determined pursuant to § 944.44 (a);

(4) Add to the remaining pounds of skim milk in Class III the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph;

(5) Subtract pro rata from the remaining pounds of skim milk in each class the pounds of skim milk contained in emergency milk;

(6) Subtract pro rata from the remaining pounds of skim milk in each class the pounds of skim milk received from a cooperative association which is a handler pursuant to § 944.9 (b); and

(7) If the remaining pounds of skim milk in all classes exceed the pounds of skim milk received from producers, an amount equal to the difference shall be subtracted from the pounds of skim milk in each class in series beginning with the lowest-priced class in which the han-

dlar has use. Any amount so subtracted shall be called "overrun."

(b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section.

MINIMUM PRICES

§ 944.50 *Class prices.* Subject to the provisions of §§ 944.51 and 944.52 the minimum prices per hundredweight to be paid by each handler for milk received at his plant from producers during the delivery period shall be as follows:

(a) *Class I milk.* The price for Class II milk for the preceding delivery period plus \$0.75 during May and June; plus \$1.15 during the months of July through November, inclusive, and plus \$0.95 during the remaining months of each year: *Provided*, That in no month shall the Class I price be less than the 70 mile zone price established per hundredweight of Class I milk under Order No. 41, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area plus 20 cents.

(b) *Class II milk.* The higher of the prices resulting from the computations made pursuant to subparagraphs (1) and (2) of this paragraph:

(1) The average of the basic or field prices reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the period from the 16th day of the preceding delivery period to the 15th day of the current delivery period at each of the manufacturing plants or places listed below for which prices are reported to the market administrator or to the Department:

Present Operator of Plant and Location

Amboy Milk Products Co., Amboy, Ill.
Borden Co., Dixon, Ill.
Borden Co., Sterling, Ill.
Carnation Co., Morrison, Ill.
Carnation Co., Oregon, Ill.
Carnation Co., Waverly, Iowa.
United Milk Products Co., Argo Fay, Ill.

(2) The price resulting from the following computation:

(i) Multiply by 6 the simple average 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 Department during the delivery period;

(ii) Add an amount equal to 2.4 times the simple average of the daily wholesale selling prices (using the midpoint of any price range as one price) per pound of the cheese known as "Twins" at Chicago as reported by the Department during the delivery period;

(iii) Divide the resulting sum by 7;

(iv) Add 30 percent thereof; and

(v) Multiply the resulting sum by 3.5.

(c) *Class III milk.* The higher of the prices resulting from the following computations by the market administrator:

(1) Multiply by 2.4 the simple average as published by the Department of the prices determined per pound of "Cheddars" on the Wisconsin Cheese Exchange at Plymouth, Wisconsin, during the delivery period and multiply such result by 3.5;

(2) From the simple average 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 Department during the delivery period, deduct 6 cents, multiply the resulting sum by 1.2, and multiply that result by 3.5; and add the result of the following: From the simple average of the weighted averages of carlot prices per pound for nonfat dry milk solids, spray and roller process, 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, deduct 6½ cents, multiply the result by 8.2 and multiply that result by 0.965: *Provided*, That, if such f. o. b. manufacturing plant prices for nonfat dry milk solids are not reported, there shall be used for the purpose of such computation the average of carlot prices for nonfat dry milk solids for human consumption, both spray and roller process, delivered at Chicago as reported by the Department during the delivery period; and in the latter event 8½ cents shall be used in lieu of the 6½ cent deduction in arriving at the computation.

§ 944.51 *Butterfat differentials to handlers*. If the average butterfat content of the milk of any handler allocated to any class pursuant to § 944.47 is more or less than 3.5 percent, there shall be added to the respective class price computed pursuant to § 944.50 for each one-tenth of 1 percent that the average butterfat content is above 3.5 percent, or subtracted for each one-tenth of 1 percent that such average butterfat content is below 3.5 percent, an amount equal to the applicable butterfat differential computed as follows:

(a) *Class I milk*. Multiply the simple average of the daily average 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 Department during the delivery period preceding that in which the milk was received by 1.40 and divide the resulting amount by 10.

(b) *Class II milk*. Multiply the simple average of the daily average 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 Department during the delivery period in which the milk was received by 1.20 and divide the resulting amount by 10.

(c) *Class III milk*. From the simple average 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 Department during the delivery period in which the milk was received, subtract 6 cents, multiply the result by 1.20 and divide the result by 10.

§ 944.52 *Emergency price provisions*.

(a) Whenever the provisions hereof require the market administrator to use a specific price or prices for any milk product for the purpose of determining

class prices or for any other purpose the market administrator shall add to the specified price the amount of any subsidy or other similar payments being made by any Federal agency in connection with the milk, or product, associated with the prices specified.

(b) If the specified price which the market administrator is required to use for the purpose of determining class prices or for any other purpose is not reported or published, the market administrator shall use a price determined by the Secretary to be equivalent to or comparable with the price specified.

APPLICATION OF PROVISIONS

§ 944.55 *Producer-handler*. Sections 944.40 to 944.47, 944.50 to 944.52, 944.60 and 944.61, 944.65 to 944.70, and 944.76 shall not apply to a producer-handler.

§ 944.56 *Handlers subject to other Federal 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 order issued pursuant to the act, the provisions of this subpart shall not apply except as follows:

(a) The handler shall, with respect to his total receipts and utilization 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 in accordance with the provisions of § 944.32.

(b) If the price which such handler is required to pay under the other order to which he is subject for skim milk and butterfat which is classified as Class I milk under this subpart, is less than the price provided by this subpart, such handler, on or before the 13th day after the end of the delivery period in which a bill is rendered, 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 subpart and its value as determined pursuant to the other order to which he is subject.

§ 944.57 *Emergency milk*. In any delivery period in which the market administrator determines that the supply of skim milk or butterfat in producer milk available to any handler is insufficient for such handler's disposition of Class I milk, skim milk or butterfat, other than that in producer milk, which is received by such handler and which is permitted by the health authorities of any of the municipalities in the marketing area to be disposed of as Grade A milk shall be considered emergency milk up to an amount equal to the difference between the receipts of skim milk or butterfat in producer milk by such handler and 108 percent of his total disposition of skim milk or butterfat in Class I milk.

DETERMINATION OF UNIFORM PRICE

§ 944.60 *Computation of the value of milk received from producers*. The

value of the milk received from producers during each delivery period by each handler shall be a sum of money computed by the market administrator by multiplying the pounds of milk in each class by the applicable class prices and adding together the resulting amounts: *Provided*, That, if the handler had overrun of either skim milk or butterfat there shall be added to the above value an amount computed by multiplying the pounds of overrun by the applicable class prices.

§ 944.61 *Computation of uniform price*. For each delivery period the market administrator shall compute the uniform price per hundredweight of milk received from producers as follows:

(a) Combine into one total the values computed pursuant to § 944.60 for all handlers who made the reports prescribed by § 944.30 and who made the payments pursuant to §§ 944.65 to 944.68 for the preceding delivery period.

(b) Add not less than one-half of the cash balance on hand in the producer-settlement fund less the total amount of contingent obligation to handlers pursuant to §§ 944.69 and 944.70;

(c) Subtract if the average butterfat content of the milk included in these computations is greater than 3.5 percent, or add, if such average butterfat content is less than 3.5 percent, an amount computed by: Multiply the amount by which the average butterfat content of such milk varies from 3.5 percent by the butterfat differential computed pursuant to § 944.66, and multiplying the resulting figure by the total hundredweight of such milk;

(d) Divide the resulting amount by the total hundredweight of milk included in these computations; and

(e) Subtract not less than 4 cents nor more than 5 cents from the amount per hundredweight computed pursuant to paragraph (d) of this section. The resulting figure shall be known as the uniform price for milk received from producers.

PAYMENT FOR MILK

§ 944.65 *Time and method of payment*. Each handler shall make payment as follows:

(a) On or before the 15th day after the end of the delivery period during which the milk was received, to each producer for milk received from him and for which payment is not made to a cooperative association pursuant to paragraphs (b) and (c) of this section, at not less than the uniform price computed in accordance with § 944.61, subject to the butterfat differential computed pursuant to § 944.66.

(b) On or before the 12th day after the end of the delivery period during which the milk was received, to a cooperative association which is not a handler pursuant to § 944.9 (b), for milk which it caused to be delivered to such handler from producers, if such cooperative association is authorized to collect such payments for its member producers and wishes to exercise such authority, an amount equal to the sum of the individual payments otherwise payable to such producers.

RULES AND REGULATIONS

(c) On or before the 12th day after the end of the delivery period during which the milk was received, to a cooperative association which is a handler pursuant to § 944.9 (b), for milk which was caused to be delivered to such handler by such cooperative association, at not less than the value of such milk computed by multiplying the pounds of such milk allocated to each class pursuant to § 944.47 by the applicable class prices provided in § 944.50.

§ 944.66 *Butterfat differential to producers.* In making payments pursuant to § 944.65 (a) there shall be added to or subtracted from the uniform price per hundredweight for each one-tenth of 1 percent that the average butterfat content of the milk received from each producer is above or below 3.5 percent an amount equal to the weighted average value of the butterfat allocated to each class pursuant to § 944.47 (b).

§ 944.67 *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 §§ 944.56, 944.68, and 944.70, and out of which he shall make all payments to handlers pursuant to §§ 944.69 and 944.70.

§ 944.68 *Payments to the producer-settlement fund.* On or before the 13th day after the end of the delivery period 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 § 944.60 is greater than the amount required to be paid producers by such handler pursuant to § 944.65.

§ 944.69 *Payments out of the producer-settlement fund.* On or before the 15th day after the end of the delivery period 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 delivery period, as determined pursuant to § 944.60 is less than the amount required to be paid producers by such handler pursuant to § 944.65: *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. No handler who has not received the balance of such payments from the market administrator shall be considered in violation of § 944.65 if he reduces his payments to producers by not more than the amount of the reduction in payment from the producer-settlement fund.

§ 944.70 *Adjustment of accounts.* Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors re-

sulting in moneys 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 payment set forth in the provisions under which such error occurred.

§ 944.71 *Termination of obligations.* The provisions of this section shall apply to any obligation under this subpart for the payment of money irrespective of when such obligation arose, except an obligation involved in an action instituted before August 1, 1949, under section 8c (15) (A) of the act or before a court.

(a) The obligation of any handler to pay money required to be paid under the terms of this subpart, 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 subpart, to make available to the market administrator or his representatives all books and records required by this subpart 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 subpart 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

subpart 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.

OTHER PAYMENTS

§ 944.75 *Expenses of administration.* As his pro rata share of the expense of administration of this subpart, each handler shall pay to the market administrator, on or before the 15th day after the end of the delivery period during which the milk was received, 3 cents per hundredweight or such lesser amount as the Secretary from time to time may prescribe, with respect to all receipts within the delivery period from producers (including such handler's own production and receipts from cooperative associations) and with respect to emergency milk or other source milk which is classified as Class I milk: *Provided*, That a handler which is a cooperative association shall pay such pro rata share of expense on only that milk of producers received by such cooperative association or caused by such cooperative association to be delivered to a nonpool plant.

§ 944.76 *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 § 944.65 shall make a deduction of 6 cents per hundredweight of milk or such lesser deduction as the Secretary from time to time may prescribe, with respect to the following:

(1) All milk received from producers at a plant not operated by a cooperative association; and

(2) All milk received at a plant operated by a cooperative association from producers who are not members of such cooperative association.

Such deductions shall be paid by the handler to the market administrator on or before the 15th day after the end of the delivery period during which the milk was received. Such moneys shall be expended by the market administrator for verification of weights and tests of milk received from such producers and in providing market information to such producers.

(b) In the case of each producer who is a member of, or who has given written authorization for the rendering of marketing services and the taking of a deduction therefor to a cooperative association, which the Secretary has determined is performing the services described in paragraph (a) of this section, such handler, in lieu of the deduction specified under paragraph (a) of this section, shall deduct from the payments made pursuant to § 944.65 (a) the amount per hundredweight authorized by such producer and shall pay such deduction to the cooperative association entitled to receive it on or before the

15th day after the end of the delivery period during which such milk was received.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 944.80 *Effective time.* The provisions of this subpart, or any amendment to this subpart, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 944.81 *Suspension or termination.* The Secretary shall, whenever he finds this subpart, or any provision hereof, obstructs or does not tend to effectuate the declared policy of the act, terminate or suspend the operation of this subpart or any such provision of this subpart.

§ 944.82 *Continuing obligations.* If, upon the suspension or termination of any or all provisions of this subpart, there are any obligations hereunder the final accrual or ascertainment of which require further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 944.83 *Liquidation.* Upon the suspension or termination of the provisions of this subpart, 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 accounts, 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

§ 944.90 *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 subpart.

§ 944.91 *Separability of provisions.* If any provision of this subpart or its application to any person or circumstance, is held invalid, the application of such provision, and of the remaining provisions of this subpart, to other persons or circumstances shall not be affected thereby.

Issued at Washington, D. C., this 27th day of November 1951, to be effective on and after the 1st day of December 1951.

[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 51-14220; Filed, Nov. 29, 1951; 8:47 a. m.]

No. 232—2

[957.308, Amdt. 2]

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

LIMITATION OF SHIPMENTS

Findings. 1. Pursuant to Order No. 57, as amended (7 CFR Part 957), regulating the handling of Irish potatoes grown in certain designated counties in Idaho and in 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 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 the time intervening between the date when 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; and this amendment relieves restrictions on the handling of Irish potatoes grown in the area regulated by Order No. 57, as amended.

Order, as amended. The provisions of § 957.308 (b) (16 F. R. 5833, 6501) are hereby amended to read as follows:

(b) *Order.* (1) During the period beginning 12:01 a. m., m. s. t., December 3, 1951, and ending 12:01 a. m., m. s. t., June 1, 1952, no handler shall ship potatoes of the Russet Burbank or long white varieties unless (i) such potatoes meet the requirements of the U. S. No. 1, or better, grade, and are at least 2 inches minimum diameter or 4 ounces minimum weight or (ii) such potatoes meet the requirements of the U. S. No. 2 grade, and are at least 1 7/8 inches minimum diameter or 3 ounces minimum weight, and (iii) no handler shall ship potatoes of the red skin varieties unless such potatoes meet the requirements of the U. S. No. 2, or better, grade, and are at least 1 1/2 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.

(2) The limitations set forth in subparagraph (1) of this paragraph shall not be applicable to shipments of potatoes for the following purposes: (i) Seed, (ii) export, (iii) sale to the Federal Government under programs authorized by the Secretary of Agriculture, (iv) canning, dehydration, or manufacture or conversion into starch, flour, meal, and alcohol, and (v) charity: *Provided*, That each handler making special purpose shipments pursuant hereto shall file an

application with the committee to do so, shall have each of such shipments (except shipments of seed potatoes) inspected and shall pay assessments in connection therewith, and for each such shipment made pursuant to subdivisions (ii), (iv), and (v), of this subparagraph, shall furnish a copy of the bill of lading applicable thereto to the committee: *Provided further*, That each handler making shipments of potatoes pursuant to subdivision (ii) of this subparagraph shall include in his application applicable thereto, the export license number and shall enter such number on the Federal-State inspection certificate and bill of lading applicable to such shipment, or in the event that no export license is required on such shipment the handler thereof shall furnish the committee with a copy of the Department of Commerce Shippers Export Declaration Form No. 7525-V applicable to such shipment, and that each application to ship potatoes pursuant to subdivisions (iv) and (v) of this subparagraph shall be accompanied by the applicant handler's certification and the buyer's certification that the potatoes to be shipped are to be used for the purposes stated in the application.

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

Done at Washington, D. C., this 27th day of November 1951, to become effective December 3, 1951.

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

[F. R. Doc. 51-14263; Filed, Nov. 29, 1951; 8:54 a. m.]

TITLE 8—ALIENS AND NATIONALITY

Chapter I—Immigration and Naturalization Service, Department of Justice

DECENTRALIZATION OF FUNCTIONS

EDITORIAL NOTE: In F. R. Doc. 51-13099, appearing at page 11058 of the issue for Wednesday, October 31, 1951, the following corrections have been made:

1. The last sentence of § 124.5 (c) now reads: "The Commissioner's decision shall be transmitted to the officer in charge of the district who shall advise the importer in writing of the decision."

2. In § 125.16 (d), the word "qualified" now reads "qualifies".

3. In the fourteenth line of § 160.8, the word "is" immediately preceding the word "knowingly" is deleted.

4. In the last sentence of § 164.4 (d), "applicaiion" now reads "application".

5. The headnote for § 164.5 now reads "§ 164.5 *Emergent cases.*"

6. In the headnote for paragraph (b) of 378.1, the word "Persons" now reads "Person".

7. In the third line of § 378.1 (c), "paragraphs" now reads "paragraph".

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 Regs., Amtd. 84]

PART 398—PRIORITY RATINGS AND SUPPLY ASSISTANCE ASSIGNED BY OIT

SUPPLY ASSISTANCE FOR FOREIGN PETROLEUM OPERATIONS

Section 398.8 *Supply assistance for foreign petroleum operations*, paragraph (e) *Instructions for Forms PAD-26A and IT-824* is amended by adding thereto the following unnumbered subparagraph after the second unnumbered subparagraph:

Item 11 (e) calling for the quantity of the materials used is to be filled in to show the quantity used by the project or program during the three month period beginning ten months prior to the beginning of the calendar quarter specified in Item 10 of the Form IT-824.

(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. 8919, Jan. 3, 1948, 13 F. R. 59; 3 CFR, 1948 Supp.)

This amendment shall become effective as of November 26, 1951.

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

[F. R. Doc. 51-14211; Filed, Nov. 29, 1951; 8:45 a. m.]

TITLE 22—FOREIGN RELATIONS

Chapter I—Department of State

PART 109—PROTECTION AND WELFARE OF INDIVIDUALS

CROSS REFERENCE: Sections 109.18 through 109.23, 109.26, and 109.27 are superseded by Part 120—Deaths and Personal Estates, of this title, *infra*.

[Dept. Reg. 108.144]

PART 120—DEATHS AND PERSONAL ESTATES NOVEMBER 21, 1951.

Part 120, Chapter I, Title 22, Code of Federal Regulations, is prescribed as follows. Part 120, as herein prescribed, supersedes §§ 109.18 through 109.23, 109.26, and 109.27, Chapter I, Title 22 of the Code of Federal Regulations.

REPORTING DEATHS OF UNITED STATES CITIZENS

- Sec.
120.1 Consular responsibility.
120.2 Exceptions to consular responsibility.
120.3 Telegraphic notifications of death.
120.4 Normal reporting procedure.
120.5 Reports of presumptive deaths.
120.6 Reports of deaths on the high seas.
120.7 Reports on deceased persons believed to be United States citizens.

- Sec.
120.8 Disposition of nationality documents.

DISPOSITION OF REMAINS

- 120.9 Consular responsibility.
120.10 Local burial.
120.11 Cremation.
120.12 Shipment of remains to the United States.
120.13 Remains requiring special handling.
120.14 Fees for disposing of remains.

PERSONAL ESTATES OF DECEASED CITIZENS

- 120.15 Statutory responsibility of consular officer.
120.16 Regulatory responsibility of consular officer.
120.17 Responsibility of consular agents.
120.18 Responsibility if legal representative is present.
120.19 Responsibility if trustee for personal estate is present.
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120.21 Responsibility if will intended to operate locally exists.
120.22 Responsibility if will intended to operate in the United States exists.
120.23 Responsibility in case of Department of Defense personnel.
120.24 Responsibility in case of Coast Guard personnel.
120.25 Responsibility in case of citizens dying on the high seas.
120.26 Responsibility in case of seamen.
120.27 Responsibility in case of Foreign Service personnel.
120.28 Effects to be taken into possession.
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120.30 Bank deposits in foreign countries.
120.31 Action when immediate possession is impracticable.
120.32 Action when property is in other consular districts.
120.33 Official notification to legal representative.
120.34 Correspondence relating to estates.
120.35 Procedure for inventorying and appraising effects.
120.36 Preparation and disposition of inventory.
120.37 Disposal of perishable property.
120.38 Collection of debts due deceased.
120.39 Payment of debts owed by deceased.
120.40 Consular officer not to act as administrator of estate.
120.41 Consular officer not to perform legal services or to employ counsel.
120.42 Consular officer not to assume financial responsibility.
120.43 Conditions under which estate can be released by consular officer.
120.44 Evidence of claimant's right to estate.
120.45 Shipment of personal estate to the United States.
120.46 Consular action on disagreements between claimants.
120.47 Consular action on unproved claim to estate.
120.48 Consular action on unclaimed estates.
120.49 Disposition of estate upon departure of responsible officer.
120.50 Final statement of account.
120.51 Preparation and disposition of final statement of account.
120.52 Fee services.
120.53 No-fee services.
120.54 Estates of Government personnel exempt from fee assessments.
120.55 Estates of citizens dying on the high seas exempt from fee assessments.

AUTHORITY: §§ 120.1 to 120.55 issued under sec. 302, 60 Stat. 1001; 22 U. S. C. 842. Interpret or apply R. S. 1709, as amended; 22 U. S. C. 1175.

REPORTING DEATHS OF UNITED STATES CITIZENS

§ 120.1 *Consular responsibility.* (a) A consular officer (or in his absence a diplomatic officer) is responsible for reporting to the Department, to the legal representative, and to the closest known relative the deaths of all United States citizens occurring in his consular district, except as otherwise provided in § 120.2. In order that he may be informed of such deaths, the consular officer should enlist the cooperation and assistance of the local authorities and the members of the American community.

(b) A consular agent is not authorized to report the deaths of United States citizens to the Department, to the legal representative and to the closest known relative. The consular agent should, however, immediately report the circumstances of the death to his principal consular officer, who then has the responsibility for reporting in the manner prescribed in §§ 120.1 through 120.8.

§ 120.2 *Exceptions to consular responsibility.*—(a) *Department of Defense personnel.* The Department of Defense is required to report officially the deaths of its military and civilian personnel. However, if no representative of the Department of Defense is present in the consular district where the death occurs, the consular officer should inform the Mission in the country to which he is assigned regarding the circumstances, for action by the appropriate attache. In colonial or trustee areas, or in countries in which no Defense Department attaches are assigned, the consular officer should telegraph the particulars of the death to the Department of State, indicating the maximum length of time before local burial is mandatory, for action by the Department of Defense. All inquiries concerning the death of any person falling within this category should be referred to the Department of Defense, Washington 25, D. C. Instructions in this paragraph do not apply to reporting the deaths of dependents of Department of Defense personnel, or to reporting the deaths of contractor personnel, i. e., United States civilians employed in foreign countries by commercial concerns operating under contract with the Department of Defense, or their dependents. The deaths of such persons should be reported in the manner prescribed in § 120.4.

(b) *Coast Guard personnel.* The United States Coast Guard is required to report officially the deaths of its military and civilian personnel. If death occurs in any country in Europe or the British Isles in which a Coast Guard detail is not assigned, the consular officer should inform the Senior Coast Guard Merchant Marine Detail Officer (Europe), London, England, by telegraph. If the death occurs outside Europe or the British Isles, the consular officer should telegraph the particulars of the death to the Department of State, indicating the maximum length of time before local burial is mandatory, for action by the Coast Guard. All inquiries concerning the death of Coast Guard personnel

should be referred to the Commandant, United States Coast Guard, Washington 25, D. C. The instructions in this section do not apply to reporting the deaths of dependents of Coast Guard personnel. The deaths of such persons should be reported in the manner prescribed in § 120.4.

§ 120.3 *Telegraphic notifications of death—(a) Use of telegraph.* When instructions must be obtained from the next of kin or other interested person in the United States as to disposition of the remains, notification of death should be sent by telegraph to the Department for forwarding. If available to the consular officer, the name and address of the next of kin or legal representative (§ 120.18) should be included in the message. In instances in which the remains must be disposed of immediately, the consular officer may communicate by telegraph direct with the next of kin or legal representative, requesting instructions for disposition of the remains. In such event the telegram to the Department should indicate that this action has been taken.

(b) *Content of notification.* All such notifications should state the minimum cost of

- (1) Local burial;
- (2) Cremation (if applicable);
- (3) Embalming, preparing and shipping the remains; and
- (4) The maximum period of time before local burial is mandatory.

(c) *Payment of charges.* The cost of these initial notifications of death by telegraph is a proper charge against official funds. Subsequent telegrams relating to matters for personal decision are normally at the expense of interested parties.

§ 120.4 *Normal reporting procedure—(a) Purpose and use of Form FS-192.* Form FS-192, "Report of the Death of an American Citizen", is an administrative report established for the purpose of providing essential facts concerning the death of a United States citizen, and should be used to report the death officially to the Department, to the legal representative, and to the closest known relative of the deceased. Notification of death by telegraph does not eliminate the necessity for reporting the death on Form FS-192.

(b) *Information required on Form FS-192.* All information called for under the various headings of Form FS-192 should be supplied in as much detail as possible. When prolonged delay is experienced in procuring full data, the consular officer should prepare and distribute a preliminary report of death on Form FS-192, marking the report "Preliminary." This should be followed by a final and complete report as soon as full data is available. Expanded comments necessary to cover special circumstances concerning the death, should appear under the heading "Remarks". When applicable, statements covering the following subjects should also appear under the heading "Remarks":

- (1) Disposition made of the passport and certificate of naturalization (see § 120.8);

(2) If the deceased is known to have been a United States Government beneficiary, or was the recipient of Veterans Administration insurance, indication of the nature of the payments received.

(c) *Signing and sealing of Form FS-192.* All copies of the Form FS-192 should be signed by the consular officer with his name and official title typed below, and the consular impression seal should be impressed on each copy.

(d) *Transmission of Form FS-192 to the Department.* Form FS-192 normally should be sent in triplicate to the Department (original and two copies). However, Form FS-192 should be forwarded to the Department in quadruplicate, if the deceased was

(1) A United States Government beneficiary; or

(2) The recipient of Veterans Administration insurance; or

(3) An officer or employee of the United States Government (other than Department of Defense or Coast Guard).

(e) *Transmission of form to legal representative and next of kin.* A copy of Form FS-192 should be sent to the legal representative. A copy should also be sent to the closest known relative of the deceased (or relatives, if there are two or more persons having equal interests).

(f) *Transmission of form to other consular districts.* In the event that a part of the personal estate of the decedent is known to be in a consular district other than that in which the death occurs (see § 120.32), a copy of Form FS-192 should be sent to the consular officer in the other district.

(g) *Supplying extra copies of form.* Extra copies of Form FS-192 may be supplied by the consular officer upon request to any person having valid need therefor. When the Department receives direct requests for extra copies of Forms FS-192 from insurance companies and other parties in interest, certified copies of the original Form FS-192 are prepared in the Department.

(h) *Fees for issuance of Form FS-192 and extra copies.* No fee is prescribed for issuing Form FS-192. Extra copies of this form (see paragraph (g) of this section) may be supplied without charge under Item 35 of the Tariff of United States Foreign Service Fees.

§ 120.5 *Reports of presumptive deaths—(a) Provisional report.* Upon the receipt of evidence that a United States citizen is missing and is presumed to be dead, a report should be submitted to the Department on Form FS-192, with the title amended to read "Report of the Presumptive Death of an American Citizen". A statement should be inserted in the form under the heading "Cause of Death" such as the following: "Reported missing, believed to be dead", giving the source of the information upon which the presumption is based. A statement should also be included under the heading "Remarks" showing the requirements of local law for the establishment of legal presumption of the death of missing persons; i. e., whether under local law the legal presumption of death automatically arises at the expiration of a stipulated lapse of time, or whether formal action

is necessary to obtain legal confirmation of the death of missing persons.

(b) *Final report.* At such time as legal presumption of death arises in accordance with local law, or in the event that the fact of death is established, a final, complete report should be submitted to the Department on Form FS-192, marked "Final Report", in which reference should be made, under the heading "Remarks", to the provisional report.

§ 120.6 *Reports of deaths on the high seas—(a) On vessels of United States registry.* When a United States citizen (not a seaman) dies on board a vessel of the United States making a voyage from a port in the United States to any foreign port, the master of the vessel is required to enter the circumstances of the death in the official log book (46 U. S. C. 201). Customarily, these circumstances are reported to the consular officer at the first port of call. On the basis of the log entry, the consular officer should report the death on Form FS-192 in the manner prescribed for other United States citizens (see § 120.4). A copy of the text of the log entry, certified by the master, should be retained with the office copy of Form FS-192.

(b) *On vessels of foreign registry.* When a United States citizen dies on a vessel of foreign registry, all information obtained from the master of the vessel for purposes of reporting the death on Form FS-192, should be supported by a certified copy of the text of the log entry, if obtainable.

§ 120.7 *Reports on deceased persons believed to be United States citizens—*

(a) *Verification of citizenship.* As Form FS-192 may be accepted in courts of law, or considered elsewhere, as evidence of United States citizenship at the time of death, the consular officer should consult the regulations describing the evidence of citizenship which is acceptable for passport and registration purposes and should exercise due care in determining the citizenship status of the deceased. In doubtful cases he should transmit the Form FS-192 to the Department under cover of a despatch stating that the citizenship of the deceased has not been verified. The Department will then determine whether Form FS-192 may be released to the legal representative, next of kin, or other interested person, and will inform the consular officer of whatever action is taken.

(b) *Presumptions as to citizenship status.* When the deceased was not currently documented at a United States Foreign Service office as a United States citizen it must be assumed that, if the deceased was

(1) A native citizen, he had retained United States citizenship at the time of death, in the absence of evidence of an affirmative act of expatriation under paragraph 1, section 2 of the act of March 2, 1907 or section 401 of the Nationality Act of 1940;

(2) A naturalized citizen, he had lost nationality of the United States after two years residence in the territory of a foreign state of which he was formerly a national or in which the place of his birth was situated, provided that he acquired through such residence the na-

tionality of such foreign state; or three years continuous residence in such territory, provided that he did not acquire through such residence nationality of such foreign state; or five years continuous residence in any other foreign country, unless there is evidence that his case comes within one of the exceptions established under sections 405 or 406 of the Nationality Act of 1940. The residence of three or five years in the foreign state will be regarded as continuous if the foreign state was the place of his general abode during such residence. Uninterrupted personal presence in such state is not necessary.

§ 120.8 *Disposition of nationality documents—(a) Passport.* The passport of a deceased United States citizen should be cancelled by the consular officer and either returned to the Department or delivered to the person having a legitimate interest therein. Only a person who is included in the passport may be considered to have a legitimate interest in it. The date and place of death should be noted on the passport, and an appropriate notation made on Form FS-192 (see § 120.4 (b) (1)).

(b) *Certificate of naturalization.* The certificate of naturalization of a deceased United States citizen should be taken up by the consular officer and forwarded to the Department for transmission to the Department of Justice; or, if the certificate is claimed by any person who may have a legitimate interest therein, it should be endorsed by the consular officer to show the date and place of death of the person to whom it was originally issued, and should then be delivered to the person entitled thereto, with appropriate notation made on Form FS-192 (see § 120.4 (b) (1)).

DISPOSITION OF REMAINS

§ 120.9 *Consular responsibility.* (a) In the absence of relatives or other interested persons, the consular officer should exert all reasonable effort to carry out the expressed wishes of the deceased or next of kin as to local burial, cremation, or shipment of the remains, taking care that the legal requirements of the country are met. However, the consular officer is neither authorized nor expected to assume any financial responsibility for, or to incur any expense in connection with, the disposition of the remains of deceased persons unless specifically instructed to do so by the Department. When the next of kin or other interested person cannot be reached within the period provided by local law for the interment or preservation of dead bodies and sufficient funds can be realized from the personal estate of the deceased in the consular officer's possession, he should arrange for disposal of the remains locally and draw funds from the estate to cover the costs (see § 120.39; also § 120.30 as regards withdrawals from bank accounts). If there are not sufficient funds in the estate to cover the costs, and funds are unobtainable from relatives or other interested persons, there may be no alternative but to accept disposal of the remains by the local authorities in accordance with local law or regulations. (See also § 120.13 for remains requiring special handling.)

(b) A consular agent may, upon instructions from his principal consular officer, arrange for the disposition of remains of deceased United States citizens. His principal consular officer has, in accordance with §§ 120.9 through 120.14, the responsibility for reporting to relatives and for complying with the laws of the country in which the death occurred as well as the requirements of the United States.

§ 120.10 *Local burial—(a) Arrangements for funerals.* When the responsibility for local burial falls on the consular officer (see § 120.9), he should endeavor to carry out the expressed instructions of the deceased or, in the absence of such instructions, the wishes of the next of kin. Funeral services should be conducted in accordance with the rites of the religious faith of the deceased, if known. In each instance the consular officer should notify known friends of the deceased and other interested persons in the consular district (such as any American community organizations) of the date and place of the funeral. When practicable, the services should be attended by a member of the consular staff.

(b) *Report to relatives.* The next of kin, or other person whose wishes have been considered in making the arrangements for local burial, should be informed by letter of any funeral service that is held. As in the case of correspondence concerning estate matters (§ 120.34), all letters relating to the disposition of remains should be transmitted to the Department in duplicate for forwarding to the addressee in the United States.

(c) *Erection of markers.* If the consular officer is requested to make arrangements for the erection of markers on graves, he may assist to the extent of ascertaining any feasible procedure for making local arrangements and effecting direct remittance for this purpose, and informing the interested party accordingly.

(d) *Upkeep of graves.* The maintenance and repair of graves of persons whose remains are interred abroad, including officers and employees of the Foreign Service, is not a proper charge against official funds unless specifically authorized. If the consular officer is requested to make arrangements for the upkeep of graves, he may assist to the extent indicated in paragraph (c) of this section with respect to the erection of markers.

§ 120.11 *Cremation—(a) Arrangements.* When cremation is desired, and the facilities are available, the consular officer should see that all necessary arrangements are made if compatible with the requirements of the country in which the death occurred, having in mind particularly such local laws as may prohibit cremation unless specific request for such disposition was made in writing by the individual prior to death.

(b) *Disposition of ashes.* Disposition of the ashes should be made in accordance with the expressed wishes of the deceased or the next of kin, or other interested person. If shipment to the United States is desired, only local health

requirements must be met, as there are no sanitary requirements for entry of ashes into the United States. A marking should be made on, or a marker firmly affixed to, the container in which the ashes are shipped. The latter should be accompanied by

- (1) An official death certificate;
- (2) Cremation certificate;
- (3) Certificate from the crematorium stating that the container holds only the cremated remains of the deceased; and
- (4) A permit to export (if required locally).

§ 120.12 *Shipment of remains to the United States—(a) Arrangements.* Whenever the remains of persons who have died abroad, regardless of the nationality of the deceased, are to be shipped to the United States, the consular officer should assure himself that they are properly encased and accompanied by all necessary papers pertaining to the death, exhumation (if applicable) and preparation for shipment. The requirements of the country where the death occurred must be met at all times.

(b) *Local documents accompanying remains.* The following documents should accompany the remains for shipment, attached to the consular mortuary certificate (see paragraph (d) of this section):

(1) A certificate of death issued by the local registrar of deaths, or similar authority, identifying the remains, showing the place, date and cause of death as certified by the attending physician, with a listing of the cause of death conforming as far as practicable with the terminology of the International List of Causes of Death (needed to comply with United States Quarantine and interstate requirements);

(2) The affidavit described in paragraph (c) of this section (for United States Customs), which also would generally include evidence of embalming, when applicable (needed to comply with the requirements for interstate shipment);

(3) A "transit permit" authorizing export of the body out of the country, issued by the health authority at the port of embarkation, stating the date of its issuance, name of deceased, sex, race, age, cause and date of death (needed to comply with New York health requirements).

(c) *Packing and labeling of casket.* In order to facilitate clearance through United States Customs at the port of entry, the undertaker, or whatever person is responsible for packing the body for shipment, should be required to make a sworn declaration—to be attached to the consular mortuary certificate (see paragraph (d) of this section)—that the casket or box contains only the body of the deceased and the necessary clothing and packing. The sworn declaration should be made, if practicable, before the consular officer; if not, it should be made before a qualified local official, whose signature and seal can be authenticated by the consular officer. The outer box should be labeled in conformity with port of entry health requirements.

(d) *Consular mortuary certificate.* A consular mortuary certificate should be prepared indicating how the case is marked and addressed, means of transportation to the United States, name of carrier, date and place of shipment, port of entry and scheduled time of arrival. The documents listed in § 120.12 (b) should be ribboned to the consular mortuary certificate, which should be signed by the consular officer and sealed with the consular press seal.

§ 120.13 *Remains requiring special handling—(a) Foreign Service personnel.* In the absence of relatives or other interested persons, the consular officer should make all necessary arrangements for the disposition of the remains of deceased officers and employees of the Foreign Service according to specific instructions from the Department.

(b) *Personnel of other Government agencies.* The consular officer should extend to other departments or agencies of the United States Government all appropriate aid, in accordance with specific instructions received through the Department of State for the disposition of the remains of an employee who has died while serving in a foreign country.

§ 120.14 *Fees for disposing of remains.* No fees are prescribed for services in connection with the disposition of remains.

PERSONAL ESTATES OF DECEASED CITIZENS

§ 120.15 *Statutory responsibility of consular officer.* Sections 1175-1179 of Title 22 of the Supplement to United States Codes prescribe the statutory responsibility of officers of the United States Foreign Service for the personal estates of deceased United States citizens dying outside the United States.

§ 120.16 *Regulatory responsibility of consular officer.* Except as otherwise provided in §§ 120.18 through 120.26, the consular officer (or in his absence a diplomatic officer) should take possession and dispose of the personal estates (other than the articles described in § 120.29 and 120.30) of all United States citizens who die within his jurisdiction or were residing therein at the time of death. This responsibility should be discharged in accordance with the procedure prescribed herein so far as that procedure is authorized by:

- (a) Treaty provisions; or
- (b) The laws or authorities of the country wherein the estate is located; or
- (c) Established usage.

§ 120.17 *Responsibility of consular agents.* A consular agent has no statutory authority to take possession and dispose of the personal estate of a deceased citizen of the United States, except under the immediate supervision and as the agent of his principal consular officer. The consular agent, therefore, should immediately report the circumstances to, and request instructions from, his principal consular officer, who should assume the responsibility for taking possession and disposing of the personal estate in accordance with the regulations in this part.

§ 120.18 *Responsibility if legal representative is present.* According to law (22 U. S. C. 1175), the consular officer should not take possession or dispose of the personal estate of a deceased citizen who has left a legal representative in the country where the death occurred or in the country where he was residing at the time of death. As used here, the term "legal representative" means

- (a) An executor designated by will or testament;
- (b) An administrator appointed in intestate proceedings.
- (c) An agent of executor or administrator qualifying by power of attorney;
- (d) A child of legal age;
- (e) A parent;
- (f) The next of kin (nearest blood relative);
- (g) The surviving spouse.

§ 120.19 *Responsibility if trustee for personal estate is present.* Likewise, the law (22 U. S. C. 1175) stipulates that the consular officer should not take possession or dispose of the personal estate of a deceased citizen who has left in the country where the death occurred, or in which he was residing at the time of death, a "trustee by him appointed". The language of the statute includes any person, natural or juristic, appointed by the decedent in a will, or appointed by a deed to hold legal title to the personal property for the benefit of a named beneficiary.

§ 120.20 *Responsibility if "partner in trade" is present.* Although the law (22 U. S. C. 1175) also relieves the consular officer of responsibility if a "partner in trade" is present, the death of one member of a partnership automatically dissolves this relationship. Consequently, the surviving partner or partners have no beneficial interest as "partners in trade" in the personal estate of the deceased. The duties and responsibilities of provisional conservator of the personal estate of the deceased cannot therefore be assumed by a surviving partner, unless he is duly authorized to act as a legal representative of the deceased. Accordingly, the presence of a former "partner in trade" will not necessarily relieve the consular officer of his responsibility.

§ 120.21 *Responsibility if will intended to operate locally exists.* If a will is discovered which is intended to operate locally, and a local or domiciliary representative named by the decedent qualifies promptly and takes charge of the personal estate, the consular officer should assume no responsibility for the estate (§§ 120.18 and 120.19), and should not take possession, inventory and dispose of the personal property and effects, or in any way serve as agent for the local or domiciliary representative. However, if the laws of the country permit and if the local or domiciliary representative does not qualify promptly, the consular officer may have to take protective action in the interest of the estate to the extent of placing his seal on the personal property and effects of the decedent, such seal to be broken or removed only at the request of the local or domiciliary representative. Furthermore, he should see that the foreign authorities accord due

recognition to the American interests involved and provide proper protection for the property under local procedures. If prolonged delays are encountered by the local or domiciliary representative in making arrangements to take charge of the personal estate, the consular officer may request that the will be offered for probate, if in his judgment such action is advisable in the interest of the estate.

§ 120.22 *Responsibility if will intended to operate in the United States exists.* If a will that is intended to operate in the United States is found among the effects taken into possession by the consular officer, it should be forwarded immediately to the person or persons designated, in the event that their whereabouts are known. When this is impossible, the will should be sent to the appropriate court in the State of the decedent's domicile. Special directions contained in the will for the conservation by the consular officer of the personal estate should be observed by him so far as the laws of the foreign country and these regulations permit him to act.

§ 120.23 *Responsibility in case of Department of Defense personnel.* The Department of Defense is required, in the absence of a legal representative or other authorized person (see §§ 120.18 and 120.19), to assume responsibility for the disposition of the personal estates of its military and civilian personnel who have died abroad. However, when no representative of the Department of Defense, or other authorized person, is present at the time of death, the consular officer should take possession of the personal estate and hold it for disposition in accordance with instructions from the Department of Defense. No fee should be charged for services so rendered (§ 120.53). Instructions in this section do not apply to the personal estates of dependents of Department of Defense personnel; nor to contractor personnel, i. e., United States civilians employed in foreign countries by commercial concerns operating under contract with the Department of Defense, and their dependents. The estates of such persons should be disposed of in the manner prescribed by §§ 120.28 to 120.51, if no legal representative is present.

§ 120.24 *Responsibility in case of Coast Guard personnel.* The United States Coast Guard is required, in the absence of a legal representative or other authorized person (see §§ 120.18 and 120.19), to assume responsibility for the disposition of the personal estates of its military and civilian personnel who have died abroad. However, when no representative of the Coast Guard, or other authorized person, is present at the time of death, the consular officer should take possession of the personal estate and hold it for disposition in accordance with instructions from the Commandant, United States Coast Guard. No fees should be charged for services so rendered (§ 120.53). Instructions in this section do not apply to the personal estates of dependents of Coast Guard personnel. The estates of such persons should be disposed of in the manner

prescribed by §§ 120.28 to 120.51, if no legal representative is present.

§ 120.25 *Responsibility in case of citizens dying on the high seas*—(a) *Consular responsibility not provided by statute.* There is no express provision of law authorizing the consular officer to take possession and dispose of the personal estate of a citizen of the United States (not a seaman) who has died on the high seas.

(b) *When death occurs on board vessel of United States registry.* If the death occurred on board a vessel of the United States, the master of the vessel, in the absence of a legal representative or other authorized person (see §§ 120.18 and 120.19), should be requested to take custody and return the personal estate to the shipping company in the United States for forwarding to the legal representative or other authorized person.

(c) *When death occurs on board vessel of foreign registry.* Death on board a vessel of foreign registry is considered to have occurred in the territory of the country of the ship's registry, and the estate laws of that country are applicable in such cases. In the absence of a legal representative or other authorized person (see §§ 120.18 and 120.19), the consular officer should take possession and dispose of the personal estate, provided that the laws of the country of assignment as well as the laws of the country of the ship's registry permit. The procedure in such cases is identical with that followed in the disposition of the estate of any United States citizen who may have died within the consular district, except that no fees should be charged for services rendered (§ 120.55).

§ 120.26 *Responsibility in case of seamen.* See §§ 130.4 to 130.9 of this chapter for regulations regarding the disposition of the personal estates of seamen who have died while serving as members of the crew of a vessel of the United States. The consular officer should take possession and dispose of the personal estates of United States citizens who have died while serving as seamen on board foreign vessels, in the manner prescribed by § 120.25 (c).

§ 120.27 *Responsibility in case of Foreign Service personnel.* In the absence of a legal representative or other authorized person, the consular officer should take possession and dispose of the personal estates of deceased Foreign Service personnel in the manner prescribed by these regulations for other deceased citizens of the United States, except that no fee should be charged (§ 120.54). Travel orders issued by the Department for shipment of the personal effects of deceased officers and employees of the Foreign Service constitute only administrative authorization to transport the effects to a given destination, and in no way relieve the consular officer of the responsibility for satisfying himself of a claimant's right to the personal estate prior to shipment (§ 120.43).

§ 120.28 *Effects to be taken into possession.* Although no limitations are placed by law (22 U. S. C. 1175) on the nature and extent of the personal prop-

erty that should be taken into possession by the consular officer in the absence of a legal representative, experience has shown that the need exists to delimit by regulation the consular officer's obligations, but not his authority, in this regard. For example, the consular officer would not normally be expected to take physical possession of the articles covered in § 120.29 unless the items are of such nature and quantity as to be readily included with the personal effects of the nature described in this section, or unless such action, when physically possible, is necessary for the preservation or protection of the property. The consular officer does, however, have responsibility for taking reasonable steps to safeguard the articles of the personal estate which he does not take into possession until disposition can be effected by the legal representative. The personal effects which the consular officer would normally take into possession in any event include the following:

(a) Convertible assets, consisting of currency, redeemable transportation tickets, evidences of debts due and payable in the country of the officer's assignment, and any other instruments negotiable by the consular officer;

(b) Perishable property (including most foodstuffs), having commercial value;

(c) Luggage;

(d) Wearing apparel;

(e) Miscellaneous personal effects;

(f) Jewelry, heirlooms and articles of sentimental value;

(g) Non-negotiable instruments, defined as any document or instrument not saleable or transferrable by the consular officer, but which requires either the signature of the decedent or action by, or endorsement of, his legal representative; and includes transportation tickets not redeemed or redeemable by the consular officer, traveler's checks, promissory notes, evidences of debts not due and payable in the country of the officer's assignment, stocks, bonds or other similar instruments, bank books, books showing deposits in building and loan associations, etc. No fee is charged on non-negotiable instruments taken into possession by the consular officer; see § 120.53.

(h) Personal documents and papers.

§ 120.29 *Property not normally taken into possession.* The consular officer is not normally expected to take physical possession, as provisional conservator, of articles of personal property which may be found in residences and places of storage such as furniture, household effects and furnishings, bulky works of art, etc., unless the items are of such nature and quantity as to be readily included with the personal effects (§ 120.28), or unless such action, when physically possible, is necessary for the preservation or protection of the property (with particular care for articles of considerable intrinsic value); nor is the consular officer normally expected to take into physical possession watercraft, vehicles or livestock. Personal property not taken into possession should, however, be safeguarded by affixing the consular seal on the premises or on the

property (whichever is appropriate), provided the laws of the country permit; or by taking reasonable steps to assure that such items are placed in safekeeping (at the expense of the estate) until action can be taken by the legal representative. In order to protect the interests of the estate, the consular officer should prepare a list, in quintuplicate, of the articles not taken into physical possession, with indication of safeguarding measures taken, for submission with the inventory of effects which must be prepared for all items in his possession (see § 120.35). If the property which normally would be sealed by the consular officer is not immediately accessible, he should consider requesting the local authorities to seal the premises, or the property, or otherwise assure that the property remains intact until consular seals can be placed thereon or the property placed in safe storage, or until the legal representative assumes responsibility therefor.

§ 120.30 *Bank deposits in foreign countries.* The existence of bank deposits when known should be reported to the legal representative, or other authorized person, who should be informed of the general procedure required by local law to withdraw such deposits and whether legal counsel is advisable for that purpose. There is no express provision of law authorizing the consular officer to withdraw or otherwise dispose of bank deposits in foreign countries left by deceased United States citizens. Such deposits, therefore, are considered for the purpose of the regulations in this part as forming no part of the personal estate of a decedent, and no Foreign Service fees are chargeable thereon (§ 120.53 (c)). In the event that the consular officer is requested by the legal representative of the estate to withdraw bank balances on his behalf in order to defray local expenses in connection with the death and the settlement of the personal estate of the decedent, he may comply with such request if facilities are provided by the depository for this purpose. Funds withdrawn should be limited to the amount necessary to defray the expenses prescribed herein, and fees should be collected on the amount withdrawn, in accordance with § 120.52.

§ 120.31 *Action when immediate possession is impracticable.* The law imposes no affirmative obligation upon the consular officer to travel long distances for the purpose of taking on-the-spot possession of a personal estate. If occasion to visit the locality where the death occurred coincides with the need to take action, the consular officer should avail himself of the occasion to assume custody of the effects. Normally, however, the consular officer's initial responsibility in such cases does not extend beyond reasonable efforts to obtain possession of the estate. He should communicate with the persons, officials, or organizations having custody of the effects, requesting that the effects be delivered to him, at the expense of the estate, for lawful disposition. If the local authorities should decline to surrender possession to the consular officer in a case where he feels

that his right to take possession is clear, he may refer the matter to the mission. The consular officer's personal responsibility for any given item among the personal effects commences only when that item reaches his hand.

§ 120.32 *Action when property is in other consular districts.* If any portion of the personal estate is known to be in another consular district, mention of this should be made under "Remarks" in the Form FS-192; and a copy of this form should be sent to the consular officer concerned (see § 120.4 (f)) who should assume responsibility independently for taking possession and disposing of these effects in the manner prescribed herein. If the cash resources of the personal estate found in one consular district are insufficient to pay the decedent's debts in that district or in the country of the consular officer's assignment (see § 120.39), the funds found among the personal effects in the other consular district may be utilized to pay the decedent's debts in both districts or countries. In such cases, the consular officer who effects the transfer of the funds should enter the disbursement in his final statement of account (see § 120.51), including the funds transferred in the gross amount of the estate in his possession, for the assessment of fees as indicated in §§ 120.52 to 120.55. The funds transferred should also appear in the final statement of account of the consular officer receiving them as "receipts" and "disbursements", stating the source. However, no fee should be charged on the amount involved (see § 120.53 (b)).

§ 120.33 *Official notification to legal representative.* The preparation and forwarding of Form FS-192 complies with the law (22 U. S. C. 1176) as regards notification of death to the legal representative as well as to the Secretary of State. Failing by direct means to locate a legal representative, the consular officer may, if required in connection with the settlement of the estate, have recourse to giving public notice of the death in "one of the gazettes" (i. e. any suitable periodical) in the consular district.

§ 120.34 *Correspondence relating to estates.* All correspondence with persons in the United States regarding the personal estates of deceased citizens should be transmitted through the Department, in duplicate, for administrative control.

§ 120.35 *Procedure for inventorying and appraising effects.* After taking possession of the personal estate of a deceased citizen, the consular officer should immediately inventory and appraise the personal effects on the basis of the local market value, article by article, with the assistance of two other persons who should join him in signing the inventory and in certifying to the accuracy of the appraised value of each article inventoried. The inventory should include only that part of the personal estate actually taken into possession by the consular officer, regardless of value and the fact that the death may have occurred in one consular district and a portion of the personal effects may

be found in another consular jurisdiction. Care should be exercised not to over-estimate the value of the personal effects, which is the basis on which Foreign Service fees will be charged (§ 120.52). The consular officer may, in his discretion, call upon professional appraisers at the expense of the estate when warranted by the nature of the personal effects, i. e., expensive jewelry, furs, etc.

§ 120.36 *Preparation and disposition of inventory.* The inventory of effects should be prepared in quintuplicate. All copies should be signed by the consular officer and the two persons who assisted in its preparation, and they should be disposed of in the following manner:

- (a) The original retained in the office files;
- (b) Two copies, under cover of a despatch, sent to the Department (one copy for transmission to the General Accounting Office);
- (c) One copy to the legal representative (two copies if the next of kin is the legal representative); and
- (d) One copy to the next of kin.

§ 120.37 *Disposal of perishable property.* As soon as practicable after the consular officer takes possession, the perishable portion of the personal estate having commercial value (including most foodstuffs) should be sold at auction, i. e., to the most favorable bidder, unless the amount involved does not justify such expenditure. A newspaper advertisement, written or oral requests for bids from any interested party, or the services of a professional auctioneer, may all serve the purpose of insuring an impartial sale. When the value of the goods or circumstances do not justify such action, the consular officer may proceed directly with the sale of the goods.

§ 120.38 *Collection of debts due deceased.* The consular officer should endeavor to collect only those debts due the decedent from persons or concerns in the country in which the death occurred or in the country in which the decedent was residing at the time of death. Debts so collected are regarded as part of the decedent's personal estate, and should be included in the gross amount thereof for the assessment of fees (§ 120.52).

§ 120.39 *Payment of debts owed by deceased—(a) When cash resources suffice.* The decedent's debts which the consular officer is reasonably certain are legitimately owed in the country in which the death occurred, or in the country in which he was residing at the time of death, including expenses incident to the disposition of the remains and the personal effects, should be paid out of the cash resources of the personal estate taken into possession by the consular officer; namely, money found among the personal effects, proceeds of the sale of the perishable property, or funds received through the collection of debts owed the decedent. See § 120.32 in regard to the personal estate in another consular district. Any doubtful claim against the estate should be referred to the legal representative or other authorized person for consideration; a claim for damages for a negligent or

wrongful act of the decedent is not a debt to be paid by the consular officer unless it has been reduced to judgment.

(b) *When cash resources are insufficient.* In the event that the cash resources of the personal estate are not sufficient to pay the debts owing in the country in which the death occurred, or in the country in which the decedent was residing at the time of death, the consular officer should endeavor to obtain sufficient funds from the legal representative, next of kin or other interested person. See § 120.32 concerning funds found in another consular district. Fees are not charged on funds so furnished § 120.53. If the assets still are insufficient, the consular officer should sell at auction (see § 120.37), such portion of the personal estate as may be necessary to pay the debts and expenses. Articles which are most marketable, and at the same time least likely to be desired by the heirs of the decedent, should be sold first. Jewelry, heirlooms and articles which may have sentimental value to relatives, regardless of intrinsic value, should be sold only in case of necessity, and in the order named. Members of the decedent's family should be notified of the necessity for the sale, if practicable, in order that they may purchase these articles if they desire. Proceeds from the sale are regarded as forming part of the personal estate and should be included in the gross amount thereof for the assessment of Foreign Service fees (see § 120.52).

§ 120.40 *Consular officer not to act as administrator of estate.* The consular officer normally should not accept appointment from any foreign state or from a court in the United States to act as administrator, or to assist (except as provisional conservator) in administering the personal estate of a deceased citizen who has died, or was residing at the time of death, within his consular district. Neither should he accept appointment as guardian or in any other fiduciary capacity in the settlement of the estate without:

- (a) Having previously obtained the permission of the Secretary of State to accept such appointment; and
- (b) Having assured himself that he has authority so to act under treaty provisions, local law or usage.

If authorization is received as to appointment in any of the capacities indicated above, the consular officer will be required to execute bond, with surety to be approved by the Secretary of State (22 U. S. C. 1178, 1179).

§ 120.41 *Consular officer not to perform legal services or to employ counsel.* Owing to the legal restriction against engaging in foreign business or professional activity (22 U. S. C. 805), the consular officer should not act as attorney or agent for the estate. Neither should he employ counsel at the expense of the United States Government, or the estate, in collecting and disposing of the personal estate of a deceased citizen. If legal assistance is requested of the consular officer, the inquirer should either be supplied a list of attorneys or referred to the Department for such a list.

§ 120.42 *Consular officer not to assume financial responsibility.* The consular officer, as provisional conservator of the personal estate of a deceased citizen, is neither authorized nor expected to assume any financial responsibility, not to incur any expense in behalf of the estate, in excess of funds available for that purpose (see § 120.39 (a)).

§ 120.43 *Conditions under which estate can be released by consular officer.* The consular officer is responsible to the United States court having probate jurisdiction over the estate and to the parties in interest for the personal estate in his possession. He must be prepared to deliver the estate to, or otherwise dispose of it according to the wishes of, the legal representative of the decedent upon the presentation of satisfactory evidence of the latter's right to receive the estate, and upon the payment of the prescribed Foreign Service fees (§ 120.52). Determination of what constitutes satisfactory evidence of a claimant's right to the personal estate of a deceased citizen is also the responsibility of the consular officer. The consular officer, therefore, must satisfy himself that the evidence which he accepts is sufficient to relieve him as provisional conservator. Friends, traveling companions, employers, and business associates are not competent to relieve the consular officer of the duties and responsibilities enumerated in the regulations in this part, unless duly authorized as legal representatives of the estate (see § 120.18). Satisfactory evidence of a claimant's right to the personal estate of a decedent may be supplied in the manner indicated in § 120.44.

§ 120.44 *Evidence of claimant's right to estate—(a) Letters testamentary.* A certified copy of the letters testamentary (an instrument issued by a court of law under which a person, named as executor by a will, formally takes charge of the estate and proceeds to carry out the directions in the will) is prima-facie evidence of the executor's right to take possession of the personal estate.

(b) *Letters of administration.* A certified copy of the letters of administration (an instrument issued by a court of law in intestate proceedings appointing an administrator to take charge of the property of a decedent) is prima-facie evidence of the administrator's right to take possession of the personal estate.

(c) *Affidavit of next of kin.* When a decedent dies intestate, and the personal estate consists only of clothing and similar personal effects appraised at little or no commercial value, or in cases where the consular officer is fully satisfied of the legal right of the claimant and the value of the estate does not warrant the expense of probate proceedings, he may be justified in considering as satisfactory evidence an affidavit executed by the decedent's next of kin. The affidavit of the next of kin should be corroborated by the sworn statements of two persons acquainted with the affiant and familiar with the facts of the case. In any event, the consular officer must satisfy himself of the legal right of the claimant or claimants to the decedent's effects before

releasing the property that he has in his possession, and he must decide whether an affidavit is acceptable in lieu of a certified copy of the letters testamentary or the letters of administration.

§ 120.45 *Shipment of personal estate to the United States.* (a) When the consular officer is requested to ship to the United States the personal estate in his possession, he should deliver it to a forwarding company selected by the legal representative. Clearance by Customs in the United States will be facilitated if the personal estate is accompanied by a consular certificate identifying it and indicating its nature. If the entire shipment is covered by a single bill of lading, a certificate attached to the original bill of lading covering the shipment would be sufficient; otherwise, a certificate should accompany each parcel, box or case.

(b) Extra copies of the bill of lading can serve as a receipt from the forwarding company, one copy to be attached to the consular officer's final statement of account (§ 120.50), and one copy to be retained in the office files. If shipment by registered or insured parcel post, or by other safe means covered by receipt, is possible, there is no objection to forwarding the estate in this fashion, and postal or other receipts should be disposed of in the manner described above, with the original attached to the final statement of account. The personal effects of Foreign Service personnel (see § 120.27) and of personnel of other Government agencies (except Department of Defense and Coast Guard personnel) should be consigned to the United States despatch agent at the port of entry, for forwarding to the legal representative.

§ 120.46 *Consular action on disagreements between claimants.* If rival claimants or administrators (administrators may be appointed in different jurisdictions) demand the personal estate in the consular officer's possession, he should refuse to deliver the estate until an agreement has been reached, or judgment rendered, as to which claimant or administrator should receive it, and the consular officer so informed in writing. If, after one year, agreement has not been reached between rival claimants, or judgment rendered, the consular officer should notify all parties concerned and sell the entire personal estate at auction in the manner prescribed by § 120.37, with the exception of jewelry, heirlooms, and articles which may have sentimental value to relatives, regardless of intrinsic value. Should any of the personal property not have been taken into physical possession previously (see § 120.29), the consular officer should take possession of such property and, after preparing a supplementary inventory in the manner prescribed in §§ 120.35 to 120.36, include this portion of the estate with that already in his possession. The proceeds of the sale should be converted into United States dollars and, after payment of local debts (§ 120.39) and collection of the fee prescribed by § 120.52, should be transmitted, with any unsold portion of the estate in the consular officer's possession, to the Department of State for forwarding to the General Account-

ing Office for safekeeping and lawful disposition as conservator of the estate (22 U. S. C. 1175).

§ 120.47 *Consular action on unproved claim to estate.* If the evidence of a claimant's right to receive the estate is not considered sufficient to relieve the consular officer of his responsibility as provisional conservator, he may elect a period of time, no less than one year from the date of the decedent's death, within which settlement must be effected, in order to obviate interminable delay in disposing of the estate. In the consular officer's discretion, he may before releasing the estate, require the claimant to give bond in an amount fixed by the officer himself and to run for such period of time as he may designate, in order to protect himself against other possible claims against the estate. If claim to the estate is still unproved at the expiration of the period set, or the claimant refuses to meet the conditions of any bond which the consular officer may require, the consular officer should dispose of the entire personal estate in the manner prescribed by § 120.46.

§ 120.48 *Consular action on unclaimed estates.* If, after the expiration of one year from the date of the decedent's death, a legal representative has not appeared to claim the estate, the consular officer should dispose of the entire personal estate in the manner prescribed by § 120.46.

§ 120.49 *Disposition of estate upon departure of responsible officer—(a) Responsibility vested in officer, not post.* For the purpose of the regulations in this part, the consular officer who actually takes possession and disposes of the personal estate of the deceased, i. e., the officer whose signature appears on the inventory of effects, is considered to be the responsible officer. Consequently, upon his departure from the post, either on transfer or extended leave, provision should be made for the disposition of any estate remaining unsettled at the time of his departure.

(b) *Procedure when estate held for less than one year.* When the personal estate is held less than one year, the personal effects in the departing officer's possession should be turned over to another officer at the post against a receipt therefor, in triplicate, indentifying the property and cash on hand by reference to the inventory (§§ 120.35 to 120.36) and the trust fund records of the post.

(c) *Procedure when estate held for more than one year.* When the estate has been held for more than one year, the personal effects in the departing officer's possession should be forwarded to the Department for transmission to the General Accounting Office in the manner prescribed by § 120.46 and accounted for in accordance with § 120.50, unless circumstances as described in §§ 120.46 to 120.47 warrant continuing efforts to effect agreement between rival claimants, or to establish an unproved claim. If the estate is not forwarded to the Department, it should be turned over to another officer at the post in the same

manner authorized by paragraph (b) of this section.

§ 120.50 *Final statement of account.* The consular officer must account directly to the parties in interest and to the courts of law in estate matters. Consequently, he must keep an account of receipts and expenditures for the personal estate of the deceased; i. e., debit all moneys and effects which actually come into his possession, and credit all payments made on account of the estate. At such time as the consular officer is ready to deliver the estate, he should prepare his final statement of account, entering thereon the balance delivered to the legal representative or person designated by him (with name and address stipulated) or the balance forwarded to the Department for transmission to the General Accounting Office.

§ 150.51 *Preparation and disposition of final statement of account.* The final statement of account should be prepared in quadruplicate. All copies should be signed by the accountable officer and the consular impression seal impressed on each copy, and should be disposed of in the following manner:

- (a) The original, bearing the cancelled fee stamp or stamps (§ 120.52) should be sent to the legal representative with the final balance due the estate;
- (b) One copy retained in the office files; and
- (c) Two copies, under cover of a despatch, submitted to the Department (one copy for transmission to the General Accounting Office).

In all cases where the residue of the personal estate is to be transmitted to the General Accounting Office for safekeeping and disposition (see §§ 120.46 to 120.48), the original should be sent to the Department, together with the two copies normally submitted, accompanied by a despatch giving detailed information concerning the efforts made by the consular officer to deliver the personal effects to a legal representative or other authorized person. Any information concerning the last known address of the decedent in the United States should also be supplied.

§ 120.52 *Fee services.* The fee prescribed by Item No. 46 of the Tariff of the United States Foreign Service Fees constitutes the first charge against the personal estate and should be assessed on the gross value of the estate in the consular officer's possession (§ 120.38). The consular officer should collect a fee of \$2.00 for each \$100 of the total value, or fraction thereof, for taking into possession as provisional conservator, inventorying, selling and finally disposing of the personal estate of a deceased citizen in the manner prescribed by the regulations in this part. The personal estate should not be released until the fee has been collected.

§ 120.53 *No-fee services.* Fees are not chargeable:

- (a) For placing the official seal upon real or personal property or on the effects of the decedent, or for breaking or removing such seals (§ 120.29);

(b) On funds furnished by relatives or other interested persons to cover expenses incident to the death and disposition of the remains, or for the settlement of the estate (§ 120.39 (b));

(c) On securities and other instruments not negotiated (or not negotiable) by the consular officer (§ 120.28 (g)), or on bank deposits;

(d) On an estate, or the proceeds of an estate which may be released by local officials to the consular officer for forwarding to the United States;

(e) On the personal effects released by the consular officer to the legal representative or other authorized person in the country where the death occurred, or where the decedent was residing at the time of death, provided that none of the services prescribed by the regulations in this part, other than having taken possession and inventorying the effects, has been performed.

§ 120.54 *Estates of Government personnel exempt from fee assessments.* The personal estates of all officers and employees of the United States who die abroad while on official duty, including military and civilian personnel of the Department of Defense and United States Coast Guard (see §§ 120.23-120.24) are exempt from the assessment of any Foreign Service fees.

§ 120.55 *Estates of citizens dying on the high seas exempt from fee assessments.* The personal estates of all United States citizens who have died on the high seas are exempt from the as-

essment of any Foreign Service fees (see § 120.25).

The regulations in this part shall become effective on December 1, 1951.

SAMUEL D. BOYKIN,
Director, Office of Security
and Consular Affairs.

[F. R. Doc. 51-14260; Filed, Nov. 29, 1951; 8:55 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter VIII—Office of Rent Stabilization, Economic Stabilization Agency

[Controlled Housing Rent Reg., Amdt. 424]

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 419]

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

ARKANSAS, FLORIDA, OKLAHOMA, AND TENNESSEE

Amendment 424 to the Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and Amendment 419 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 respect:

In Schedule A, Item 288 is amended to read, and new Items 19b, 23, 55, and 246 are added, all as follows:

State and name of defense-rental area	Class	County or counties in defense-rental areas under regulation	Maximum rent date	Effective date of regulation
<i>Arkansas</i>				
(19b) Camden.....	A	Calhoun and Quachita.....	Sept. 1, 1950	Nov. 30, 1951
(23) Benton.....	A	Saline.....	July 1, 1951	Do.
<i>Florida</i>				
(55) Cocoa-Melbourne...	A	Brevard.....	Dec. 1, 1950	Do.
<i>Oklahoma</i>				
(246) Lawton.....	A	Comanche.....	Sept. 1, 1950	Do.
<i>Tennessee</i>				
(288) Clarksville.....	B	Montgomery County, Tenn., and Christian and Todd Counties, Ky.	Mar. 1, 1942	Sept. 1, 1942
	C	Montgomery County, Tenn., and Christian County, Ky.	Oct. 1, 1950	Nov. 30, 1951

These amendments are issued as a result of joint certifications pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (1) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204(m) of said act.

These amendments shall be effective November 30, 1951.

Issued this 28th day of November 1951.

Ed DUPREE,
Acting Director of
Rent Stabilization.

[F. R. Doc. 51-14296; Filed, Nov. 29, 1951; 8:56 a. m.]

TITLE 29—LABOR

Chapter V—Wage and Hour Division, Department of Labor

PART 522—EMPLOYMENT OF LEARNERS

SINGLE PANTS, SHIRTS AND ALLIED GARMENTS, WOMEN'S APPAREL, SPORTSWEAR AND OTHER ODD OUTERWEAR, RAINWEAR, ROBES AND LEATHER AND SHEEP-LINED GARMENTS DIVISIONS OF THE APPAREL INDUSTRY

On November 3, 1951, proposed amendments to §§ 522.162 and 522.163, relating to the employment of learners in the apparel industry at subminimum wage rates under the Fair Labor Standards Act, were published in the FEDERAL REGISTER (16 F. R. 11240).

The effect of these amendments is to raise from 57 cents to 60 cents per hour

RULES AND REGULATIONS

the minimum learner rate for the first 320 hours worked in the divisions of the apparel industry other than women's apparel, in any of the learner occupations for which a 480-hour learning period is provided, and to make a corresponding change in the minimum rate which may be paid during retraining.

Interested persons were given 15 days to submit data, views or arguments pertaining to the proposed amendments. No objections to such amendments were submitted by any party representing any division of the apparel industry affected by the amendments.

On the basis of all relevant information available I find it necessary, in order to prevent the curtailment of opportunities for employment, to adopt the proposed amendments to the regulations.

Accordingly, pursuant to authority under section 14 of the Fair Labor Standards Act of 1938, as amended, §§ 522.162 and 522.163 are amended as set forth in the FEDERAL REGISTER of November 3, 1951 (16 F. R. 11240), and as shown below.

1. Change the introductory language in § 522.162 (a), preceding the table, to read as follows:

§ 522.162 *Terms of special certificates.* (a) Special learner certificates may be issued authorizing the employment of learners in the divisions of the apparel industry specified in § 522.161 (a) subject to the following limitations as to occupation, duration of learning period, minimum rates of pay, and number or proportion: * * *

2. Amend § 522.162 as follows:

a. Delete paragraph (b).

b. Reletter paragraph (c) to paragraph (b) and amend it to read as follows:

(b) No experienced worker shall be employed under the terms of a special learner certificate, except as provided in Column C of paragraph (a) of this section.

3. Reletter paragraphs (d) and (e) to paragraphs (c) and (d) respectively.

3. In § 522.163, amend paragraph (c), to read as follows:

§ 522.163 *Definitions of terms.* * * *

(c) "Experienced worker" means a person who has been employed in any occupation listed in Column A of § 522.162 (a) for the respective learner periods authorized for those occupations listed in Column B of § 522.162 (a). Previous employment will be considered experience under §§ 522.160 to 522.166 only if it has been had within the past two years in any division or branch of the apparel industry or in manufacturing of men's and boys' underwear from any woven fabric in establishments in the knitted wear industry.

The amendments shall become effective on December 31, 1951.

(Sec. 14, 52 Stat. 1068, as amended; 29 U. S. C. 214.)

Signed at Washington, D. C., this 27th day of November, 1951.

WM. R. McCOMB,
*Administrator Wage and
Hour and Public Contracts Divisions.*

[F. R. Doc. 51-14258; Filed, Nov. 29, 1951;
8:53 a. m.]

TITLE 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

Subchapter C—Office of the Treasurer of the United States

PART 361—DISTRIBUTION OF UNCIRCULATED COINS FOR COLLECTION PURPOSES

DISTRIBUTION OF SETS OF UNCIRCULATED COINS

§ 361.0 *Distribution of sets of uncirculated coins.* The Treasurer of the United States is authorized to furnish during the period from January 1 to March 31, 1952, and during the like period in each calendar year thereafter, to persons applying therefor, sets of uncirculated coins minted during the preceding year upon receipt of an amount equal to the face value of the coins included in each set and the charges described below. These sets will consist ordinarily of two of each of the coins, other than commemorative and proof coins, struck at each of the coinage mints during the preceding year. The Treasurer of the United States, with the approval of the Secretary of the Treasury, shall prescribe a fee for each set of uncirculated coins, such fee to be based, in so far as practical, upon the estimated direct and indirect cost to the Government of the special work involved in assembling, packaging, handling, arranging for delivery, etc. in supplying sets of uncirculated coins. Each person who applies for sets of uncirculated coins shall pay the postage or other transportation expenses incidental to their delivery and shall deliver to the Treasurer with the application an amount equal to the face value of the coins included in each set, the amount of the handling fee and the amount of the postage or other transportation expenses incidental to their delivery. The Treasurer will accumulate sufficient uncirculated coins to meet the estimated yearly requirements for sets of uncirculated coins, but if the supply of uncirculated coins is exhausted prior to March 31 in any calendar year, no further sets will be supplied during such year. No more than one set of uncirculated coins for each calendar year shall be furnished to any person. Further information relative to the distribution of sets of uncirculated coins may be obtained by addressing the Treasurer of the United States, Cash Division, Washington 25, D. C.

(R. S. 161, Title V, Pub. Law 137, 82d Cong., 5 U. S. C. 22)

The provisions of this part shall become effective on January 1, 1952.

[SEAL] E. H. FOLEY,
Acting Secretary of the Treasury.

NOVEMBER 26, 1951.

[F. R. Doc. 51-14253; Filed, Nov. 29, 1951;
8:52 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 79, Revision 1]

CPR 79—CEILING PRICES ON PROCESSED DUCKS

REVISION 1

Pursuant to the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong., Pub. Law 96, 82nd Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Ceiling Price Regulation 79—Revision 1 is hereby issued.

STATEMENT OF CONSIDERATIONS

A careful study of all available evidence bearing upon the production, processing, and distribution of processed ducks indicates that there is substantial justification for certain changes in CPR 79. In order to simplify understanding of these changes they are presented within the framework of a complete regulation rather than in separate amendment form.

The fundamental pricing technique used in CPR 79 was that of establishing basing point cities within an eastern and a western zone of the United States. The ceiling prices resulting from the application of that system are adapted to a supply situation wherein the duck requirements of the eastern half of the United States are met by eastern production while the requirements of the western half of the United States are serviced by western production. The current supply and distribution pattern in the duck industry, however, is one that may be generally described as a movement from east to west. Currently the supplies of duck for consumption in western cities have emanated predominantly from Long Island rather than the western area of the United States. This is particularly true of the cities located along the West Coast. In CPR 79 ceiling prices for duck items sold in the eastern half of the United States were calculated on the basis of the ceiling price for the item in New York City plus the cost of transporting the item by rail from New York to the point of sale. This revision simply extends this "New York plus" system throughout the United States in order to enable western purchasers of duck to obtain supplies from eastern production areas.

A special pricing provision is established for farm-raised processed ducks marketed during the period November 1—January 15. For the remaining portion

of the year (January 16–October 30) ceiling prices for all farm-raised ducks are exactly the same as those for commercial-type ducks. These ducks originate principally in the States of North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, Minnesota, Wisconsin, and Illinois, and are processed and marketed almost entirely during the holiday months. Such ducks move largely eastward and at Midwestern points of consumption, where they are received in greatest volume, the large sizes of these ducks have historically commanded premium prices. Hence, when sold in the western zone, basic ceiling prices for these ducks are computed by subtracting the transportation factor from the point of sale to the several western zone basing point cities from the respective basic ceiling prices established for farm-raised ducks in the basing point cities. The highest price resulting from the calculation is the basic ceiling price at the point of sale. When sold in the eastern zone, the basic ceiling prices for these ducks are determined by adding to the applicable basic ceiling price fixed for Omaha the transportation factor from Omaha, Nebraska, to the eastern point of sale.

As a matter of price relationship the ceiling prices established in CPR 79 for Drawn and Ready-to-Cook ducks are from 1 to 2¢ per pound, respectively, too low in relation to the ceiling prices fixed for New York Dressed ducks. The narrowness in the price spread permitted between these types resulted from a calculation of Drawn and Ready-to-Cook prices based on the assumption that these two types were processed directly from live ducks in a straight-line type of processing operation. Contrary to this assumption it has been found that in most instances Drawn and Ready-to-Cook ducks are processed from New York Dressed rather than live ducks. Therefore, the economies resulting from complete processing directly from the live state are not available to the operators who must purchase New York Dressed rather than live ducks as the raw material for their processing operation. They thereby incur the cost of both labor and material necessary to the packaging of New York Dressed ducks and in addition, sustain a slightly greater processing shrinkage per bird than would a straight-line operator. In order to reflect actual cost of raw material to the processors of Drawn and Ready-to-Cook ducks the basic ceiling prices stated in section 3, table A for these types are adjusted upward.

In further recognition of actual costs of raw material necessary to the processing of Drawn and Ready-to-Cook ducks a separate schedule of monthly additions applicable to these ducks is provided in section 7, table B.

This schedule of additions is predicated upon the use of fresh New York Dressed ducks for the processing of Drawn and Ready-to-Cook ducks during the period July 1–October 31. The yield from fresh New York Dressed ducks to Drawn and Ready-to-Cook ducks is approximately 75 percent, hence basic ceiling

prices on these items during the period July 1–October 31 are permitted to rise (1.3) cents per pound for every (1.) cent per pound increase in prices of fresh New York Dressed ducks.

The additions permitted during the period November 1–March 31 reflect the fact that Drawn and Ready-to-Cook processors must utilize a substantial proportion of frozen rather than fresh New York Dressed ducks as their processing raw material. This frozen raw product represents a higher cost of raw material to the processor.

In CPR 79 as originally issued, the seasonal adjustments established in section 6, table B, for dressed ducks increased monthly from July to January, remained the same in February as in January, and declined in March. Since March is logically an out-of-storage month, and since fresh supplies from Long Island, the principal duck-producing area, do not become available in volume until April, the seasonal adjustment for dressed commercial-type ducklings in March has been made the same as for January and February. This should result in a more orderly liquidation of storage stocks.

It has been found that in some cases the distributive markups permitted in CPR 79 are insufficient. This is attributable to the fact that unlike chicken and turkey the distribution of ducks is characterized by small quantity sales. The costs incurred in servicing such sales are higher on a per pound basis than they would be in the case of volume business. A substantial segment of the distribution of processed ducks is done by wholesalers who, in the first instance acquired the ducks from a large wholesaler rather than from a processing plant. This type of procurement naturally entails higher cost than would be experienced in procurement direct from the processor. In order to permit all wholesale outlets to continue their normal distribution of processed ducks, table C of CPR 79 is revised with particular attention to the quantity of ducks involved in each sale. Also the markup permitted in table C for sales to the U. S. Government is revised to provide separate markups for sales of ducks packaged in the normal commercial or domestic pack and for sales in the military export pack. The amount of markup differential as between these two packs represents actual difference in packaging costs.

Several minor adjustments are made in the allowances provided in section 5 for the varying types of packaging materials. These adjustments conform to the several package differentials to prevailing trade practice.

The definitions of the several types of processed ducks have been revised so as to conform to the most recent quality and sanitation standards established for those types by the United States Department of Agriculture in its July 1951 issue of regulations dealing with these commodities. The "transportation factor" as defined in section 18 is adjusted upward from 1.20 to 1.50 in order to reflect all costs of tare, icing, and interim rate increases incurred in the rail transportation of processed ducks.

FINDINGS OF THE DIRECTOR OF PRICE STABILIZATION

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, as amended.

In the formulation of this regulation, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

Every effort has been made to conform this regulation to existing business practices, cost practices or methods, or means or aids to distribution. Insofar as any provisions of this regulation may operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, such provisions are found by the Director of Price Stabilization to be necessary to prevent circumvention or evasion of this regulation.

So far as practicable the Director of Price Stabilization gave due consideration to the national effort to achieve maximum production in the furtherance of the objectives of the Defense Production Act of 1950, as amended; to the requirements and standards of the act including those set forth in section 402 (d) (4) and 402 (k); and to relevant factors of general applicability.

REGULATORY PROVISIONS

Sec.

1. What this regulation does.
2. Pricing provisions to be used in determining your ceiling price.
3. Basic ceiling prices for processed commercial-type ducks.
4. Basic ceiling prices for farm-raised processed ducks.
5. Applicability of basic ceiling price in a particular transaction.
6. Processed ducks sold in containers other than those specified in section 3, table A.
7. Monthly adjustments in the basic ceiling prices of all processed commercial-type ducks.
8. Markups to basic ceiling prices.
9. Rounding of ceiling prices.
10. Prohibitions.
11. Exemptions.
12. Taxes.
13. Record-keeping.
14. Reporting.
15. Transfer of business or stock in trade.
16. Evasions and penalties.
17. Petitions for amendment.
18. Definitions.

AUTHORITY: Sections 1 to 18 issued under sec. 704, 64 Stat. 816 as amended; 50 U. S. C. App. Sup. 2154. Interest or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101–2110, E. O. 10161, September 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

SECTION 1. *What this regulation does.* This regulation establishes dollar and cent ceiling prices for sales, except at retail, of processed commercial-type and farm-raised duck items. This regulation does not, however, establish ceiling prices for canned duck items, imported duck items, or for duck items sold for export. The provisions of this regulation, as to the items covered herein, supersede those of the General Ceiling

Sec. 4. Basic ceiling prices for processed commercial-type duck items sold during the months of April, May, and June by selecting from table A the appropriate ceiling price for the commercial-type duck item at the basing point city of New York and add to it the "transportation factor", as defined in section 18, from New York City to your proposed point of sale.

TABLE A-1—BASIC CEILING PRICES FOR GRADES A, B, AND C PROCESSED FARM-RAISED DUCKS AT BASING POINT CITIES DURING THE PERIOD APRIL 1, THROUGH JANUARY 15
[In cents per pound]

Basing point city	New York Dressed, packed in boxes			Fresh kosher-killed, loose or in any container	Fresh dressed or in any container
	Fresh grades A and B	Frozen grades A and B	Frozen grade C		
Eastern Zone: Omaha, Nebr.	35.9	30.9	31.9	35.9	39.9
Western Zone: Chicago, Ill.	37.2	32.2	33.2	37.2	41.2
New Orleans, Los Angeles, San Francisco, Seattle, and Portland, Oreg.	38.2	33.2	34.2	38.2	42.2

Basing point city	Drawn, packed in boxes			Ready-to-cook, packed in boxes		
	Fresh grades A and B	Frozen grade C	Fresh grades A and B	Frozen grade C	Fresh grade C	Frozen grades A and B
Eastern Zone: Omaha, Nebr.	51.5	46.5	52.5	47.5	48.0	49.0
Western Zone: Chicago, Ill.	52.8	47.8	53.8	48.8	49.3	50.3
New Orleans, Los Angeles, San Francisco, Seattle, and Portland, Oreg.	53.8	48.8	54.8	49.8	50.3	51.3

The grade specifications as promulgated by the U. S. Department of Agriculture in Regulations Covering the Grading and Inspection of Poultry and Edible Products Thereof and U. S. Specifications for Classes, Standards, and Grades with Respect Thereto shall be used for all duck items referred to in this regulation.

(1) *In the western zone.* Select from table A-1 the appropriate ceiling price for the farm-raised processed duck item at each of the six basing point cities of Chicago, New Orleans, Los Angeles, San Francisco, Seattle, and Portland, Oregon. From the respective ceiling prices in each of these six cities subtract the "transportation factor", as defined in section 18, between each of the cities and your proposed point of sale. The highest price resulting from these subtractions shall be your basic ceiling price at the point of sale.

(2) *In the eastern zone.* Select from table A-1 the appropriate ceiling price for the farm-raised duck item at the basing point city of Omaha, Nebraska, and add to it the "transportation factor", as defined in section 18, from Omaha, Nebraska, to your proposed point of sale.

(a) *Delivered sales.* When you sell any processed duck item on the basis of delivery to your buyer's customary re-

If during the period November 1 through January 15, you sell a processed farm-raised duck item (see definition in section 18), your basic ceiling price is determined under sections 4 and 5. If you sell processed farm-raised ducks at any other time, your ceiling prices for such sales are the same as those otherwise established for sales of commercial-type ducks. Section 5 tells you the place at which the basic ceiling price is to be computed for transactions not subject to the provisions of section 8.

Section 6 establishes packaging differentials to be applied to the ceiling prices of commercial-type and farm-raised duck items packed in containers other than those specified in tables A and A-1.

Sec. 3. Basic ceiling prices for processed commercial-type ducks—(a) Basing point city. If during the months of April, May, or June, you sell in the basing point city of New York City, commercial-type New York dressed, Kosher-killed, Kosher-dressed, drawn, or ready-to-cook ducks in the containers specified, your basic ceiling prices are as follows:

TABLE A—BASIC CEILING PRICES FOR GRADES A, B, AND C PROCESSED COMMERCIAL-TYPE DUCKS AT NEW YORK CITY DURING THE PERIOD APR. 1-JUNE 30
[In cents per pound]

Basing point city	New York Dressed, packed in barrels			Fresh kosher-killed loose or in any container	Fresh kosher-dressed loose or in any container
	Fresh grades A and B	Frozen grades A and B	Frozen grade C		
New York City	29.0	30.0	25.0	29.0	33.0

Basing point city	Drawn, packed in barrels			Ready-to-cook, packed in boxes		
	Fresh grades A and B	Frozen grades A and B	Frozen grade C	Fresh grade C	Frozen grades A and B	Frozen grade C
New York City	43.0	38.0	44.0	41.0	47.0	42.0

The grade specifications as promulgated by the U. S. Department of Agriculture in Regulations Governing the Grading and Inspection of Poultry and Edible Products Thereof and U. S. Specifications for Classes, Standards, and Grades with Respect Thereto shall be used for all duck items referred to in this regulation.

(c) *All places other than New York City and Long Island.* For all places in the United States except New York City and Long Island, New York, you shall compute your basic ceiling price for any

Price Regulation. Insofar as this regulation does not establish a ceiling price for the sale of any particular duck item, the provisions of any applicable regulation issued by the Office of Price Stabilization shall continue to apply.

Sec. 2. Pricing provisions to be used in determining your ceiling price. In order to determine your ceiling price for a processed commercial-type duck item (see definition in section 18), you must first determine your basic ceiling price. Section 3 tells you how to determine your basic ceiling price at any place in the United States and section 5 tells you the place at which the basic ceiling price is to be computed for all sales, except those subject to the provisions of section 8. The latter section states the markups that may be added to a specified basic ceiling price in the case of particular types of sales of both commercial-type and farm-raised ducks. Section 7 permits you to make certain additions to your ceiling prices for commercial-type duck items sold in months other than April, May, and June to compensate for storage costs.

processed commercial-type duck items sold during the months of April, May, and June by selecting from table A the appropriate ceiling price for the commercial-type duck item at the basing point city of New York and add to it the "transportation factor", as defined in section 18, from New York City to your proposed point of sale.

TABLE A-1—BASIC CEILING PRICES FOR GRADES A, B, AND C PROCESSED FARM-RAISED DUCKS AT BASING POINT CITIES DURING THE PERIOD APRIL 1, THROUGH JANUARY 15
[In cents per pound]

Basing point city	New York Dressed, packed in boxes			Fresh kosher-killed, loose or in any container	Fresh dressed or in any container
	Fresh grades A and B	Frozen grades A and B	Frozen grade C		
Eastern Zone: Omaha, Nebr.	35.9	30.9	31.9	35.9	39.9
Western Zone: Chicago, Ill.	37.2	32.2	33.2	37.2	41.2
New Orleans, Los Angeles, San Francisco, Seattle, and Portland, Oreg.	38.2	33.2	34.2	38.2	42.2

Basing point city	Drawn, packed in boxes			Ready-to-cook, packed in boxes		
	Fresh grades A and B	Frozen grade C	Fresh grades A and B	Frozen grade C	Fresh grade C	Frozen grades A and B
Eastern Zone: Omaha, Nebr.	51.5	46.5	52.5	47.5	48.0	49.0
Western Zone: Chicago, Ill.	52.8	47.8	53.8	48.8	49.3	50.3
New Orleans, Los Angeles, San Francisco, Seattle, and Portland, Oreg.	53.8	48.8	54.8	49.8	50.3	51.3

The grade specifications as promulgated by the U. S. Department of Agriculture in Regulations Covering the Grading and Inspection of Poultry and Edible Products Thereof and U. S. Specifications for Classes, Standards, and Grades with Respect Thereto shall be used for all duck items referred to in this regulation.

(b) *Farm-raised ducks sold during the period January 16 through October 30.* If you sell processed farm-raised ducks during the period January 16 through October 30 your ceiling prices shall be the same as the applicable ceiling prices established by this regulation for sales of commercial type ducks.

Sec. 5. Applicability of basic ceiling price in a particular transaction. The basic ceiling price, as it may be modified by section 6, 7, and 8 of this regulation, for all processed duck items under this regulation, shall be established either for the place from which the seller makes shipment or the place at which the buyer receives delivery, to be determined as follows:

(a) *Delivered sales.* When you sell any processed duck item on the basis of delivery to your buyer's customary re-

ceiving point your ceiling prices shall be the basic ceiling price at your buyer's customary receiving point unless otherwise required by section 8, table C. If you sell on a delivered basis all costs of shipping the duck item to your buyer's customary receiving point shall be assumed and paid by you and in no event paid by the buyer.

(b) *F. o. b. sales.* If you sell *f. o. b.* your basic ceiling prices for processed ducks, except as otherwise provided in section 8, table C, shall be calculated in relationship to the buyer's customary receiving point. Where you sell any processed duck item at one place for shipment to another place at a price *f. o. b.* the seller's shipping point, or at a delivered price at a point other than the buyer's customary receiving point, you shall calculate your basic *f. o. b.* price as follows:

(1) First determine the basic ceiling price for the duck item at the buyer's customary receiving point; and

(2) Then subtract from such basic ceiling price the transportation factor from the place where shipment begins to the buyer's customary receiving point and the difference so obtained shall be your basic *f. o. b.* ceiling price.

(c) *F. o. b. sales by wholesalers, hotel supply houses, and any seller to the U. S. Government.* Your ceiling price shall be the basic ceiling price at your shipping point in the following instances:

(1) All sales by wholesalers, as defined in this regulation, to any type of buyer.

(2) All sales by any seller to the U. S. Government or any of its agencies.

(3) All sales by hotel supply houses to purveyors of meals and institutional users.

SEC. 6. Processed ducks sold in containers other than those specified in section 3, table A and section 4, table A-1.

(a) The basic ceiling price for Dressed or Drawn ducks packed in crates shall be 1 cent per pound more than the ceiling price for Dressed or Drawn ducks packed in barrels.

(b) The basic ceiling price for Dressed or Drawn ducks packed in boxes shall be 1½ cents per pound more than the ceiling price for Dressed or Drawn ducks packed in barrels. Conversely, the basic ceiling price for Dressed or Drawn ducks packed in barrels shall be 1½ cents less than the ceiling price for Dressed or Drawn ducks packed in boxes.

(c) The basic ceiling price for Ready-to-Cook ducks packed in boxes and with each duck enclosed in an individual plastic bag, shall be 1 cent per pound more than the ceiling price for Ready-to-Cook ducks packed in boxes.

(d) The basic ceiling price for Ready-to-Cook ducks packed in boxes, with each duck fully covered with cellophane, and enclosed in an individual carton, shall be 2 cents per pound more than the ceiling price for Ready-to-Cook ducks packed in boxes.

(e) The basic ceiling price for Ready-to-Cook ducks sold in barrels shall be

1½ cents per pound less than the ceiling price for Ready-to-Cook ducks sold in boxes.

(f) The basic ceiling price for Dressed, Drawn, or Ready-to-Cook ducks sold loose in quantities less than full barrel or less than full 12-duck box lots, shall be 1 cent per pound more than the basic ceiling price for the same pack of ducks in full barrels or full 12-duck boxes, provided, that this type sale is made at the purchaser's written request.

SEC. 7. Monthly adjustment in the basic ceiling prices of all commercial-type processed ducks. (a) The basic ceiling prices established in sections 3, 5, and 6 are effective during the months of April, May, and June of each year.

(b) For the remaining months of each year, the following additions may be made to the basic ceiling prices established in sections 3, 5, and 6:

TABLE B—MONTHLY ADJUSTMENTS IN CEILING PRICES FOR ALL PROCESSED COMMERCIAL-TYPE DUCK ITEMS

Month	Dressed, kosher-killed, kosher-dressed	Drawn and ready-to-cook
July.....	1.0	1.3
August.....	1.5	2.0
September.....	2.0	2.6
October.....	2.5	3.3
November.....	3.0	4.0
December.....	3.5	5.3
January.....	4.0	5.9
February.....	4.0	5.9
March.....	4.0	5.9

SEC. 8. Markups to basic ceiling prices. For any type of sale listed in table C of this section you determine your ceiling price by adding to the appropriate basic ceiling price, as determined under sections 3, 4, 5, 6, and 7, to the markup stated in table C for the type of sale you are making.

TABLE C—MARKUPS IN CENTS PER POUND THAT MAY BE ADDED TO APPLICABLE BASIC CEILING PRICES FOR CERTAIN SALES OF ALL PROCESSED DUCKS

Seller	Buyer	Form of sale	Basic ceiling price to which markup may be added	Markups in cents per pound
Any person.....	U. S. Government or any of its agencies.	Any quantity of ducks processed and packed to meet Government specifications. If delivered, must also be shipped according to Government specifications and requirements.	Basic ceiling price at seller's shipping point.	1½ cents if packaged in regular commercial or domestic pack. 2½ cents if packaged in export pack. If delivered, lowest actual transportation cost may also be added.
Any processor..	Any person, other than a wholesaler or U. S. Government or its agencies, whose customary receiving point is located within a radius of 50 miles from the point of slaughter.	Not more than 540 pounds of processed duck items delivered to buyer's customary receiving point in any 1 day.	Basic ceiling price at buyer's customary receiving point.	1 cent delivered or nondelivered.
Any wholesaler.	Any other wholesaler....	Any quantity of processed ducks.	Basic ceiling price at seller's shipping point.	1 cent delivered or nondelivered.
Do.....	Any person other than a wholesaler or the U. S. Government or its agencies.	More than 3,000 pounds of processed ducks.	do.....	1½ cents nondelivered, 2½ cents delivered.
		More than 360 pounds but less than 3,000 pounds of processed ducks.	do.....	3 cents nondelivered, 4 cents delivered.
		1 barrel, or 1 box of 12 ducks, or more, but not more than 360 pounds of processed ducks in the aggregate.	do.....	4 cents nondelivered, 5 cents delivered.
Any hotel supply house.	Any purveyor of meals or institutional user.	More than 1 barrel or 1 box of 12 ducks, but less than 3,000 pounds of processed ducks delivered in any 1 day.	do.....	5½ cents nondelivered, 6½ cents delivered.

SEC. 9. Rounding of ceiling prices. All calculations made pursuant to the provisions of this regulation on a per pound basis and involving a transaction of more than one pound shall be carried out to the third decimal place. The price per pound (carried to the third decimal place) shall be multiplied by the number of pounds sold and the total sales price then adjusted to the nearest cent except that where the total sales price ends with a decimal of \$0.005 the sales price shall be adjusted to the next higher cent.

SEC. 10. Prohibitions. (a) Regardless of any contract, agreement or other obligation, you shall not sell or deliver or cause to be sold or delivered, whether for your own account or otherwise, the

duck items specified in this regulation at a price higher than the ceiling prices established by this regulation; and you shall not buy or receive such duck items in the course of trade or business at a price higher than the ceiling prices established in this regulation; and you shall not agree, offer, solicit, or attempt to do any of the foregoing.

(b) Regardless of any contract, agreement, or other understanding to the contrary, you shall not in any manner share a markup with any person who could not himself have sold the duck items at that markup. This prohibition applies whether or not the person making the sale is an agent of the person to whom all or part of the price received for the ducks is to be returned.

RULES AND REGULATIONS

(c) No purchaser of ducks shall in the course of trade or business, pay to a broker or finder for his services any sum which, when added to the sum paid the seller for the ducks, exceeds the seller's ceiling price as established by this regulation. Any such payment shall be considered a violation of this regulation.

SEC. 11. Exemptions. The following sales are exempt from the provisions of this regulation:

(a) All retail sales of processed ducks. Ceiling prices for these sales are established under Ceiling Price Regulations 15 and 16.

(b) The sale, purchase, and delivery of canned duck products. These transactions are regulated by Ceiling Price Regulation 22 at the processor level, and by Ceiling Price Regulations 15 and 16 at the retail level.

(c) Export sales and sales for export. Ceiling prices for such sales are established under the provisions of Ceiling Price Regulation 61.

(d) All sales of imported ducks properly classified as "game" and all sales and purchases of imported processed specialty duck items. These transactions are regulated at the importer level by Ceiling Price Regulation 31 and all subsequent levels of distribution by the General Ceiling Price Regulation.

SEC. 12. Taxes. You may collect, in addition to your ceiling price, any tax upon or incident to a sale of duck covered by this regulation if you state the tax separately and if the applicable statute or ordinance does not prohibit sellers from stating and collecting the tax separately from the price.

SEC. 13. Record-keeping.—(a) *Commercial-type ducks.* Every seller and purchaser who is subject to this regulation and makes sales or purchases of commercial-type duck items in the value of \$200 or more in any one month, shall preserve and keep available for examination by the Director of Price Stabilization, for a period of two years after the date of sale or purchase, accurate records of each purchase and sale. These records must include:

- (1) The date of the purchase or sale.
- (2) The name and address of the buyer and seller.
- (3) The quantities, types, and grades of commercial-type duck items sold and bought and the type container in which sold and bought.
- (4) The type of sale made (delivered or non-delivered).
- (5) The total weights of each type and grade sold.
- (6) The price paid or received.

(7) *Farm-raised ducks.* Every seller and purchaser who is subject to this regulation and makes sales or purchases of farm-raised duck items in the value of \$200 or more in any one month, shall preserve and keep available for the examination by the Director of Price Stabilization, for a period of two years after the date of sale or purchase, an invoice of each purchase and sale. Each invoice must contain the following information:

- (i) The date of the purchase or sale.
- (ii) The name and address of the buyer and seller.

(iii) The quantities, types, and grades, of farm-raised duck items sold and bought and the type container in which sold and bought.

(iv) The type of sale made (delivered or non-delivered).

(v) The total weights of each type, and grade sold.

(vi) The price paid or received.

SEC. 14. Reporting. If you are a processor of farm-raised ducks you shall, before making any sales of such type ducks at the basic ceiling prices established in sections 4, 5, and 6 of this regulation, submit in writing, by registered mail, to the Director of Price Stabilization, Washington 25, D. C., the following information:

(a) Your firm name and address.

(b) A statement that you have customarily processed farm-raised ducks during a season including November and December but not exceeding three consecutive months in length.

(c) A statement that the farm-raised ducks that you will sell will be separately processed, packaged and designated as such on sales invoices.

(d) A statement that the farm-raised ducks that you will sell will include no commercial-type ducklings.

SEC. 15. Transfer of business or stock in trade. If the business, assets, or stock in trade of any seller are sold or otherwise transferred after the issuance of this regulation and the transferee carries on the business, the ceiling prices of the transferee shall be the same as those to which his transferor would have been subject if no transfer had taken place, and his obligation to keep records sufficient to verify those prices shall be the same. The transferor shall either preserve and make available or turn over to the transferee, all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the record keeping provisions contained in this regulation.

SEC. 16. Evasion and penalties.—(a) *Evasion.* Any practice which results in obtaining indirectly a higher price than is permitted by this regulation is a violation of this regulation. Such practices include, but are not limited to, devices making use of commissions, services, cross sales, transportation arrangements, premiums, discounts, special privileges, tie-in agreements, and trade understandings.

(b) *Penalties.* Persons violating any provision of this regulation are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Defense Production Act of 1950, as amended.

SEC. 17. Petitions for amendment. Any person seeking an amendment of any provision of this regulation may file a petition for amendment in accordance with the provisions of Price Procedural Regulation 1, Revised.

SEC. 18. Definitions. This regulation and the terms which appear in it shall be construed in the following manner, unless otherwise clearly required by the context:

(a) *Basing point cities for ducks.* New York is the basing point city for all commercial-type processed ducks. Omaha, Nebraska is the "eastern zone" basing point city for all farm-raised ducks sold in that zone. Chicago, New Orleans, and the four Pacific Coast cities of Los Angeles, San Francisco, Portland (Oregon), and Seattle are the "western zone" basing point cities for all farm-raised ducks sold in that zone.

(b) *Eastern zone.* The "eastern zone" for ducks shall consist of all the United States east of the line running south from the Canadian border along the eastern shore of Lake Michigan, the Illinois-Indiana State line, the Illinois-Kentucky State line, and then south along the eastern bank of the Mississippi River to the Gulf of Mexico and shall in addition include the counties of Cook, Lake and DuPage in the State of Illinois, and the counties of Kenosha, Racine and Milwaukee in the State of Wisconsin.

(c) *Western zone.* The "western zone" for ducks shall consist of all the United States not included in the "eastern zone."

(d) *Transportation factor.* "Transportation factor" means the lowest carlot freight rate for dressed poultry in cents per pound between any two points existing prior to the establishment of the interim increases of 6 and 9 percent, multiplied by 1.50. The factor of 1.50 is regarded as a reasonable additional allowance for interim increases, tare, and icing.

(e) *Basic ceiling price.* The term "basic ceiling price" means the highest price at which you may sell any processed duck item subject to this regulation, unless you are eligible to charge any of the markups provided by section 8. The term also means the price to which you may add any one of the markups permitted by section 8.

(f) *Place.* The word "place" means any city, town, village, hamlet or any unincorporated area in the United States where the purchase or sale of any duck item subject to this regulation occurs.

(g) *Person.* "Person" includes an individual, corporation, firm, partnership, association or other organized group of persons, or legal successors or representatives of any of the foregoing, and includes the United States Government or any Federal Agency or any other government or any of its political subdivisions.

(h) *Processor.* A "processor" of ducks is a person buying live ducks and processing such ducks into New York dressed, Kosher-killed, Kosher-dressed, drawn, or ready-to-cook form; or a person buying New York dressed, Kosher-killed, or Kosher-dressed ducks and processing such ducks into drawn or ready-to-cook form.

(i) *Wholesaler.* You shall not be considered a "wholesaler" within the meaning of this regulation and you shall not charge any of the wholesale markups established by this regulation unless you possess all of the following characteristics:

- (1) You must maintain a business establishment or establishments where you physically receive and stock, and from which you physically distribute, duck

items at wholesale generally to retailers and such other buyers as other wholesalers, purveyors of meals, institutional, industrial, and commercial and Government users.

(2) If you distribute processed ducks your business establishment must include both office and warehouse space. This warehouse space, if leased, must be definitely ascertainable and accessible to you and to your employees and you must have complete control of its duck contents. This space must be leased on a fixed and established minimum base rental not in any way contingent upon the poundage or volume of ducks stored therein.

(3) You must customarily physically receive and stock in the above described warehouse space of your establishment or establishments at least 60 percent of the processed ducks sold by you as a wholesaler.

(4) You or your own payroll employees must physically distribute at least 60 percent of the duck items distributed from your business establishment. No person on the payroll of a commercial warehouse or a common carrier or a contract carrier may be considered the employee of a wholesaler for this purpose.

(5) You must customarily distribute your processed duck items in quantity lots smaller than your purchases or receipts of such processed ducks.

(j) *Hotel supply house.* You are a "hotel supply house" if you sell and distribute 90 percent of your annual dollar volume of duck sales to hotels, restaurants, clubs, dining cars, steamship companies and institutional users and if, during a period of at least 12 months prior to January 26, 1951, you sold and distributed 90 percent or more of such annual dollar volume to such users.

(k) *Customary receiving point.* "Customary receiving point" means any place in the buyer's business establishment where he usually accepts delivery of, or title to, ducks from the particular seller or type of seller. When used with reference to the United States Government or any of its agencies, the term means a place located on property owned, leased or otherwise controlled by the buyer where the purchasing branch of the Government usually accepts delivery of, or title to, ducks to be used or distributed by it.

(l) *Commercial-type ducks.* "Commercial-type" ducks and ducklings are those ducks raised on farms where they contribute in the aggregate more than 50 percent of total cash farm income; which are forced-fed with commercial duck growing and breeder rations from day-old age up to the time of marketing; and for which the aggregate marketing season for producers and the aggregate period of volume processing by processors customarily exceeds three months in length. Commercial-type ducks include broiler and fryer ducklings and mature ducks, as defined by the United States Department of Agriculture. Commercial-type ducklings are of either sex, tender-meated, with a soft bill and soft

windpipe, whose feathers are in part not fully developed, and which are usually 7 to 10 weeks of age at the time of marketing.

(m) *Farm-raised ducks.* "Farm-raised" ducks are those ducks and ducklings raised on farms where they contribute in the aggregate less than 50 percent of total cash farm income or less than \$200 annually; which are not forced-fed with commercial duck growing or breeder rations from day-old age up to the time of marketing though they may be forced-fed with fattening ration for a limited time prior to processing; and for which the aggregate marketing season for producers and the aggregate period of volume processing by processors customarily does not exceed three months in length. Farm-raised ducks include roasting ducklings and mature ducks, as defined by the United States Department of Agriculture. Farm-raised ducklings are of either sex, tender-meated, with a bill that is not completely hardened, with a windpipe that is easily dented, and which are usually 15-16 weeks of age at the time of marketing.

(n) *Processed ducks.* "Processed ducks" means any duck that has been dressed, drawn, kosher-killed, frozen, eviscerated or transformed into any other form of killed and bled duck.

(o) *Giblets.* "Giblets" means the duck liver from which the bile sac has been removed, the duck heart from which the pericardial sac has been removed, and the duck gizzard from which the lining and contents have been removed: *Provided*, That each such organ has been properly trimmed and washed.

(p) *Split carcass ducks.* "Split carcass ducks" means drawn ducks which have been cut into halves by splitting the duck down the back so that each half contains, insofar as possible, equal parts of the duck.

(q) *Kosher-killed ducks.* "Kosher-killed ducks" means ducks that have been killed and bled in accordance with the requirements of the Hebraic dietary laws and are identified as "Kosher-killed" by a stamp or tag on each duck.

(r) *Kosher-dressed ducks.* "Kosher-dressed ducks" means ducks that have been killed, bled, and dry picked in accordance with the requirements of the Hebraic dietary law and are identified as "Kosher-dressed" by a stamp or tag on each duck.

(s) *Dressed ducks.* "Dressed ducks" means ducks which have been killed, bled, and plucked without regard to the method of plucking or finishing.

(t) *Drawn ducks.* "Drawn ducks" must meet the following requirements:

(1) The head, shanks, windpipe, esophagus, and entrails of each bird must be wholly removed without contamination of the body cavity. The shanks of each bird must be removed at the hock joint.

(2) Each bird must be in "whole carcass" or "split carcass" form when delivered to the purchaser.

(3) Each drawn duck must be sold either with giblets placed within its carcass or with giblets wrapped separately.

(4) If not prepared, sold, purchased, and delivered as described herein, ducks shall be priced as "dressed."

(u) *Frozen ducks.* If sold as "frozen" any processed duck item must meet the requirements established for frozen dressed poultry by the United States Department of Agriculture.

(v) *Ready-to-Cook ducks.* "Ready-to-Cook ducks" are "Dressed ducks" from which the pin-feathers, vestigial feathers and down, head, shanks, crop, oil gland, trachea, esophagus, entrails, reproductive organs, lungs, liver, heart, and gizzard have been removed, so that the carcass and giblets are ready-to-cook without need of further processing.

(1) Each duck must be eviscerated under the supervision of a Federally licensed inspector present at all stages of evisceration.

(2) Giblets must either be placed within the carcass of each duck or wrapped in water resistant paper and sold with it.

(3) Each duck must be enclosed in a water-resistant individual wrapping. A label shall be affixed to this wrapping stating, in prominent lettering, the name and address of the eviscerator and the plant number assigned the eviscerator by the United States Department of Agriculture, as follows:

Inspected for Wholesomeness by the U. S. Department of Agriculture P— (plant number).

(4) Each duck must be kept at a temperature that will preserve the duck until delivered to the purchaser in a state of wholesomeness equal to its wholesomeness at the time of its evisceration.

(5) In no event may you sell any processed duck item as "Ready-to-Cook" unless all the requirements established for "Ready-to-Cook" have been met. If some, but not all of these requirements have been met, the processed duck, if drawn in accordance with all the requirements for drawn ducks, shall be sold at a price not exceeding that established for the corresponding drawn duck item. If not drawn in accordance with all the requirements established for "Drawn ducks", then the dressed duck shall be sold at a price not in excess of that established for the corresponding "Dressed duck" item.

Effective date. This Ceiling Price Regulation 79, Revision 1, shall become effective January 15, 1952, or such earlier date between November 27, 1951 and January 15, 1952, as you may select. If you select such an earlier date, this regulation becomes effective as to you on that date for all duck items covered by this regulation.

NOTE: The Record-keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

MICHAEL V. DISALLE,
Director of Price Stabilization.

NOVEMBER 28, 1951.

[F. R. Doc. 51-14298; Filed, Nov. 28, 1951; 3:50 p. m.]

[Ceiling Price Regulation 30, Collation 1]

**CPR 30—MACHINERY AND RELATED
MANUFACTURED GOODS**

**COLLATION 1—INCLUDING AMENDMENTS
1-21**

Ceiling Price Regulation 30 is republished to incorporate the texts of Amendments 1 through 21, inclusive. Ceiling Price Regulation 30 was issued May 4, 1951 (16 F. R. 4108). Statements of Consideration for Ceiling Price Regulation 30 and for Amendments 1-21, inclusive, as previously published, are applicable to this republication. The effective dates of this regulation, and of the amendments, are shown in a note preceding the first section of the regulation.

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50. Violation.

AUTHORITY: Sections 1 to 50 Issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup., 2101-2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

DERIVATION: Sections 1-50 contained in Ceiling Price Regulation 30, May 4, 1951 (16 F. R. 4108), except as otherwise noted in brackets following text affected.

EFFECTIVE DATES: CPR 30, December 19, 1951, or such earlier date between May 28, 1951, and December 19, 1951, as you may select. If you select such an earlier date, the regulation becomes effective as to you upon that date for all of your commodities covered by the regulation, 16 F. R. 4108.

- Amendment 1, May 28, 1951, 16 F. R. 4890.
Amendment 2, May 28, 1951, 16 F. R. 4890.
Amendment 3, May 28, 1951, 16 F. R. 5010.
Amendment 4, June 19, 1951, 16 F. R. 5366.
Amendment 5, July 19, 1951, 16 F. R. 7150.
Amendment 6, July 31, 1951, 16 F. R. 7666.
Amendment 7, August 13, 1951, 16 F. R. 7931.
Amendment 8, August 27, 1951, 16 F. R. 8455.
Amendment 9, August 23, 1951, 16 F. R. 8542.
Amendment 10, September 5, 1951, 16 F. R. 8887.
Amendment 11, September 10, 1951, 16 F. R. 9086.
Amendment 12, September 11, 1951, 16 F. R. 9077.
Amendment 13, September 10, 1951, 16 F. R. 9159.
Amendment 14, September 22, 1951, 16 F. R. 9509.
Amendment 15, October 2, 1951, 16 F. R. 9890.
Amendment 16, October 2, 1951, 16 F. R. 9891.
Amendment 17, October 13, 1951, 16 F. R. 10259.
Amendment 18, October 15, 1951, 16 F. R. 10382.
Amendment 19, November 1, 1951, 16 F. R. 11162.
Amendment 20, November 9, 1951, 16 F. R. 11483.
Amendment 21, November 14, 1951, 16 F. R. 11483.

[Effective date of regulation amended by Amdts. 3, 6, 7 and 20]

COVERAGE

SECTION 1. Sellers and sales covered by this regulation—(a) Commodities. This regulation covers you if you are a manufacturer located in the United States, its territories or possessions, or the District of Columbia. It applies to any sale of any new and unused commodity listed in Appendix A as to which you are the manufacturer, except sales at retail. With this exception, this regulation supersedes any regulation previously issued by the OPS, in so far as transactions covered by this regulation are concerned. If, however, your gross sales of all commodities which you manufacture (regardless of the ceiling price regulation to which those commodities are subject) for your last complete fiscal year were less than \$250,000, you may elect not to use this regulation, but if you so elect, you may not use this regulation for any of your commodities.

[Paragraph (a) amended by Amdt. 2]

(b) Installation or erection services. If you are a manufacturer of a commodity covered by this regulation, or a parent, affiliate, or wholly owned subsidiary of the manufacturer, and you both sell that commodity and furnish the services required to install or erect that commodity, your ceiling price for the installation or erection service, when performed by you, is also established by this regulation.

CEILING PRICES ESTABLISHED

SEC. 2. Ceiling prices established by this regulation. This regulation establishes ceiling prices for commodities dealt in between July 1, 1949 and June 24, 1950, for modifications of such com-

modities, for new commodities introduced subsequent to June 24, 1950 and for the services of installation and erection of those commodities. There are also special provisions relating to (a) rounding ceiling prices, (b) retention of ceiling prices established under the General Ceiling Price Regulation where the change is less than 1 percent, (c) reduction of ceiling prices to reflect any increase in the value of scrap or waste material, (d) adjustment of ceiling prices quoted on a delivered basis for increases in transportation costs, and (e) adjustment of ceiling prices for commodities manufactured in more than one of your plants.

SEC. 3. General description of the pricing technique. (a) Your ceiling price to your largest buying class of purchaser for sale of any commodity covered by this regulation is your base period price for the commodity, plus the "labor cost adjustment" and the "materials cost adjustment". Section 45 (Definitions) explains the meaning of your "largest buying class of purchaser". Sections 4 through 9 tell you how to obtain your base period price. Sections 11 through 13 tell you how to calculate the "labor cost adjustment". Sections 14 through 26 tell you how to calculate the "materials cost adjustment". If you do not wish to make either of these calculations, you may use your base period price as your ceiling price to your largest buying class of purchaser. If you wish to calculate only one of the adjustments, you may do so, in which case you will add only the amount of that one adjustment to your base period price.

(b) Your ceiling price for the sale of the commodity to your largest buying class of purchaser must be consistent in every respect with your base period price; that is, it must carry all customary delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale.

(c) Your ceiling price for sale of the commodity to your other classes of purchasers to whom you made sales during your base period is determined by applying your price differentials last used during your base period. In the event you made no base period sales to a particular class of purchaser, you apply your customary differentials in effect during your base period, or if none, then those last in effect before your base period. If you are selling to an entirely new class of purchaser you determine your base period price for that class of purchaser under section 9 of this regulation. For each class of purchasers you must maintain all delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale last in effect prior to the end of your base period. An explanation of what is meant by "class of purchaser" is found in section 45 (Definitions).

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BASE PERIOD PRICES

SEC. 4. Base period. "Base period" refers to the period April 1, through June 24, 1950 or any previous calendar quarter ended not earlier than September 30, 1949, which you may elect to use. Whatever base period you elect must be used for all commodities in the same category. There is an exception in case of a commodity for which you cannot establish a base period price under sections 7, 8 or 9 during the base period you select. In that case, you may use for that commodity any other base period permitted under this section during which you can establish a base period price under the provisions of sections 7, 8 or 9.

SEC. 5. Category. "Category" refers to a group of commodities which are normally classed together in your industry for purposes of production, accounting or sales. This is the same definition as used in section 4 (c) of the General Ceiling Price Regulation. You may, however, exclude from any category any commodity or group of related commodities for which the base period you have elected to use for the category is unrepresentative because of special seasonal characteristics of that commodity or group of related commodities. In that case, treat the commodity or related group of commodities as constituting a separate category.

SEC. 6. How to obtain your base period price. The following sections 7, 8 and 9 tell you how to establish your base period price. You must use the first of these sections which is applicable to the commodity being priced. You should note in particular that you may use section 9 only in the event that it is impossible for you to obtain a base period price under the provisions of sections 7 or 8 at any time between July 1, 1949 and June 24, 1950. The following provisions of this section must be applied to every base period price.

(a) If your base period price includes any excise, sales, or other similar tax which is not separately stated, you must follow the instructions contained in section 34.

(b) If your base period price is expressed as a list price less discounts, you make the adjustments of the base period price under section 3 (a) upon the basis of the net price to your largest buying class of purchaser.

Example: Your base period "list" price for commodity A is \$12.00 less a 20 percent discount to your largest buying class of purchaser. The "labor cost adjustment" and the "materials cost adjustment" which you are permitted to add to your base period price total \$3.84. You first take 80 percent of \$12.00, thus applying the 20 percent discount. The resulting amount, \$9.60, plus \$3.84 equals \$13.44, your "net" ceiling price to your largest buying class of purchaser. You can figure your "list" ceiling price by dividing your "net" ceiling price (\$13.44) by the same percentage (80 percent), giving \$16.80. Applying the 20 percent discount to your largest buying class of purchaser gives you \$13.44, or your "net" ceiling price to that class of purchaser.

(c) If, during the base period, you customarily produced the same commodity from two or more manufacturing establishments of your business and sold it at different prices depending upon the place of production, you must obtain a separate base period price and determine a separate ceiling price for each such establishment.

SEC. 7. Base period prices for commodities offered or delivered during the base period. This section refers to prices which you established during the base period by delivering or offering to deliver to a buyer a commodity or an erection or installation service. For these commodities and services you establish your base period price by selecting the first of the following prices which is available with respect to the commodity or service you are pricing:

(a) The highest published list price which you had in effect for your sale of the commodity or service during the base period, adjusted to reflect all applicable extra charges, discounts, or other allowances to your largest buying class of purchaser last in effect prior to the end of your base period.

(b) The highest price at which you either contracted to sell the commodity or service during your base period or made a written offer during your base period to sell the commodity or service. However, such a written offer may be used only if it was accepted in writing prior to October 1, 1950. This price must be adjusted to reflect all applicable extra charges and discounts or other allowances to your largest buying class of purchaser last in effect prior to the end of your base period.

(c) The highest price at which you delivered the commodity or service during your base period, adjusted to reflect all applicable extra charges and discounts or other allowances to your largest buying class of purchaser last in effect prior to the end of your base period.

SEC. 8. Base period prices for modified commodities. The provisions of this section refer only to a commodity (new and unused) for which you are able to establish a base period price under section 7 and which you have substantially modified subsequent to the end of your base period. (If the modification constitutes only a minor change in design or construction which does not substantially affect unit manufacturing materials cost or materially alter the services given by the commodity, your base period price for the modified commodity shall be the same as your base period price for the commodity before modification.) The increase or decrease in your cost resulting from any substantial change in design, specifications or equipment which you make in such a commodity shall be figured under this section and shall be added to or subtracted from your base period price of the commodity before modification. The resulting figure shall be your base period price for the modified commodity to your largest buying class of purchasers. The

method for computing this change in cost is as follows:

(a) You first figure the increase and decrease in the costs listed in this paragraph (a) which are attributable to the change in design, specifications, or equipment. This change in costs shall be figured by using:

(1) Factory labor cost at straight time labor rates in effect in your plant at the end of your base period for the labor cost added or eliminated. (In this computation you must use the method set forth in section 9 (d)).

(2) Direct material cost determined by using material and parts prices in effect to you at the end of your base period for the materials and parts both added and eliminated. (In this computation you must use the method set forth in section 9 (e). If you are unable to determine your base period cost for any material in accordance with the provisions of section 9 (h), you must apply the provisions of section 10.)

(3) Your base period cost for subcontracted services, determined under the method set forth in section 9 (f), plus transportation costs which you paid for shipment to you from the subcontractor. These transportation costs must not be in excess of the cost of transportation determined on the basis of the rates in effect at the end of your base period.

(4) Royalty payments, if any, determined at the rate you actually paid.

(5) If you sell the commodity on a freight allowed or a delivered price basis, transportation charges not in excess of those you had in effect at the end of your base period. These charges must be computed on the basis of the practice you had last in effect prior to the end of your base period.

(6) Where you sell the commodity on an installed or erected basis, the increase or decrease in the cost of installation or erection due to the modification of the commodity, figured in accordance with subparagraphs (1), (2), and (3), inclusive, of this paragraph.

(b) You shall then add or subtract the net increase or decrease in cost calculated under the provisions of paragraph (a) to or from your base period price for the commodity before modification.

Sec. 9. Base period prices computed by formula. This section is applicable only to a commodity (new and unused) or to an installation or erection service for which you cannot determine the base period price under section 7 or 8 of this regulation. You determine your base period price for such a commodity or service by using either the price determining method which you last had in effect during your base period, or if you had no price determining method in effect during your base period, by using a price determining method approved by OPS. You use this price determining method to determine a base period price for the commodity or service to your largest buying class of purchasers.

(a) *Price determining method where you had one in effect during your base period.* You shall use the method of determining price by relation to cost that

you last had in effect during your base period for determining the selling prices of commodities or services of the same or a similar type. This means that you must use the overhead rates, machine hour rates, if any, rates for general administrative and selling expenses, profit markup, discounts and allowances, and any other bases of computing price by relation to cost that were last in use in your plant, or in your field operations, during your base period and are applicable to the commodity or service being priced.

(b) *Price determining method where you had none in effect during your base period.* If you had no method of determining price by relation to cost in effect during your base period for commodities or services of the same or a similar type, you must file a proposed price determining method with the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C., before you deliver any commodity, or furnish any service, which is covered by this section. This price determining method must relate to labor and material costs, shop overhead rates, administrative and selling expenses, other cost factors, and profit margins, insofar as they are applicable, which you had in effect in your plant, or in your field operations, during your base period, for comparable commodities or services. As soon as you decide upon such a price determining method, you shall file a report by registered mail with the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C.

(1) *Report.* This report shall set forth a detailed description of the proposed price determining method; a detailed explanation of all factors included in the proposed price determining method and the manner in which they were determined and are applied; and a representative sample of prices computed in accordance with the proposed price determining method, showing in detail how they were computed.

After receipt of this report, OPS may approve the proposed price determining method, require you to file a revised price determining method, or establish a different price determining method. If the OPS fails to act within thirty days after it receives the required report (or any verification of the facts stated in the report that may be requested), the proposed price determining methods shall be deemed to be approved. This 30-day waiting period shall include each day subsequent to the date of receipt of the required report by the Office of Price Stabilization (or any verification of the facts stated in the report that may be requested), regardless of the date on which the report (or any verification of the facts stated in the report that may be requested) was received by the Office of Price Stabilization. However, OPS may disapprove this price determining method at any time. Such disapproval will not be retroactive as to any deliveries made before the date of the disap-

proval. In the event that the OPS finds that your production experience does not yet warrant the establishment of a permanent price determining method, it may either establish, or give temporary approval to, a price determining method and require further filing under this paragraph at a later date.

[Subparagraph (1) amended by Amdt. 6]

(2) *Interim pricing.* Prior to receipt of approval by the OPS of the proposed price determining method, or prior to the expiration of the thirty day period after receipt by the OPS of the required report (or of any verification of the facts stated in the report that may be requested), you may quote or charge prices determined in accordance with the proposed price determining method. However, until a price determining method has been established under this paragraph (b) not more than 75 percent of this price may be paid or received.

(c) *Application of price determining method.* You must apply your base period price determining method, or the price determining method approved by the OPS, in accordance with paragraphs (d) to (j), inclusive, of this section 9.

(d) *Direct labor costs—(1) Method of determining base period direct labor costs.* You shall determine direct labor costs by multiplying the straight-time labor rate for each classification of labor last in effect during your base period (see subparagraph (2) of this paragraph) by the estimated number of clock hours of that classification of labor. This estimate of the number of clock hours shall be based on previous production experience. If, during your base period, you used an average rate to determine labor costs, you shall determine labor costs by using the method of computing the average, last in effect during your base period, and labor rates determined in accordance with subparagraph (2).

(2) *Labor rates.* The rates used in determining allowable direct labor costs shall be the rate in your plant, or in your field operations, for each classification of labor that was last prevailing during your base period. If you require the use of labor of a classification not employed by you in your plant or in your field operation during your base period, you shall use as the rate for that classification of labor, the rate last prevailing during your base period in the locality in which the manufacturing, or erection or installation, is to be performed. If labor of that classification was not employed in that locality during your base period, you shall use the rate last prevailing during your base period in the most comparable locality, as accurately as you are able to determine that rate by the use of reasonable diligence.

(3) *Overtime and shift premium.* In calculating a base period price computed by formula, generally you are required to use as elements of the formula only straight-time labor rates. After you have calculated a base period price in this way, you may add an amount

for overtime or shift premium, if that will be required to produce the commodity. You may not add overtime or shift premium, however, where the commodity is one which will be sold by you pursuant to a published list price or will be sold by you to a person who will resell the commodity without substantially altering its form.

The amount to be added for overtime or shift premium shall be determined by multiplying the estimated number of overtime or shift premium hours, which you expect will be required to produce the commodity, by the overtime or shift premium rate in your plant, or in your field operations, for each classification of labor that was last prevailing during your base period. If you require the use of labor of a classification not employed by you in your plant, or in your field operations, during your base period, you shall use as the rate for that classification of labor, the rate last prevailing during your base period in the locality in which the manufacturing, or erection or installation, is to be performed. If labor of that classification was not employed in that locality during your base period, you shall use the rate last prevailing during your base period in the most comparable locality, as accurately as you are able to determine that rate by the use of reasonable diligence.

(e) *Material costs.* You shall determine the allowable cost of purchased raw materials, processed and fabricated materials, and parts or subassemblies as follows: Multiply the base period cost for each material, part or subassembly by the estimated quantity of that material, part or subassembly. This estimate of the quantity of the material, part or subassembly, which is to be used in the production, or installation or erection, of the commodity shall be based upon your previous production experience.

(f) *Subcontracted services.* If, during the base period, you processed a material or produced a part in your own plant, you may not use in your computations any cost for subcontracting of the processing of the material or the making of the part in excess of your base period cost of the processing of the material or the making of the part in your own plant. In all other cases, if you have materials processed or parts made by a subcontractor, you shall use your base period cost for such subcontracted services.

(g) *Expendable tools, etc.* To the extent that your base period price determining method, includes, or is based upon, prices paid for expendable tools, dies, jigs, fixtures, moulds, patterns or work-holding devices, you must use your base period cost for such items in calculating your base period price.

(h) *Base period cost.* To determine the base period cost to you for materials, parts, subassemblies, subcontracted services, or expendable tools, dies, jigs, fixtures, moulds, patterns or work-holding devices, you use the first of the following prices available to you. In no event may

the price you use be in excess of the ceiling price under the applicable ceiling price regulation. If you use subparagraphs (2), (3) or (4) of this paragraph, you must disregard any price based upon a departure from your normal buying practices. Such a departure would include quantities smaller than those you usually purchase or contract for, or use of a more distant or different class of supplier (other than the United States), or use of subcontracted services in an amount in excess of that used in your base period. For example, you must disregard any price based upon a change in your source of supply from a manufacturer to a reseller or warehouseman or from a domestic to a foreign source of supply. Likewise, you must disregard any price which is based upon a purchase of conversion steel, except as permitted in section 42. If you are unable to determine your base period cost in accordance with the methods set forth in subparagraphs (1) to (4), inclusive, you must apply the provisions of section 10.

(1) The exchange quotation for the nearest monthly contract as of the close of business on the last date in your base period (or the nearest preceding date for which such a quotation is available) for any commodity traded regularly upon a commodity exchange operating under the jurisdiction of the Commodity Exchange Authority.

(2) The net price per unit of the material, part, subassembly, or expendable tool, die, jig, fixture, mould, pattern or work-holding device shown on the invoice for the last delivery of the particular commodity or service to you prior to the end of your base period. If, however, the delivery was received more than thirty days prior to the end of your base period or was pursuant to a contract bearing a firm price entered into more than sixty days prior to the end of your base period, you need not use this subparagraph (2). If within thirty days prior to the end of your base period, you received more than one delivery of the same commodity or service, you must use an average cost. You obtain this average cost by dividing the net amount you paid for all deliveries of the commodity or service during the thirty-day period preceding the end of your base period by the total number of units of the commodity or service delivered to you during that period.

(3) The net price per unit of the commodity or service stipulated in the written contract for the commodity or service last prior to the end of your base period, provided that it was entered into not more than sixty days prior thereto.

(4) The net price per unit of the commodity or service stipulated in the written offer for sale of the commodity or service to you made last prior to the end of your base period, provided that the offer was made within sixty days of the end of your base period and that you still have the written offer or obtain a copy of it from the offeror.

(i) *Transportation costs.* If you pay any transportation costs for inbound

shipments, you may add these costs to the materials cost or cost of subcontracted services determined by you under (e) and (f). In determining these transportation costs you must use freight rates last in effect during your base period. If during your base period you had in effect a method of averaging transportation costs, you may continue to use that method of averaging transportation costs. The addition of transportation costs is, of course, subject to the limitations in paragraph (h) with respect to obtaining commodities or services from normal sources of supply.

(j) *Purchaser's allowance for scrap or waste.* Where your base period price determining method included an allowance to the purchaser for scrap or waste, generated during the manufacturing process, this allowance shall be determined as follows:

(1) If, during the base period, you determined the amount of this allowance by the current market price, you shall multiply the estimated quantity of scrap or waste by its last market price during your base period.

(2) If, during the base period, you determined the amount of this allowance by a percentage of the current market price, you shall first multiply the last market price in effect for the scrap or waste during your base period by the percentage of the market price you were using during your base period, and then multiply the result by the estimated quantity of scrap or waste.

Sec. 10. *Computation of ceiling price where you are unable to determine your base period cost.* This section applies if you are unable to determine your base period cost of any material, part, subassembly, subcontracted service, or expendable tool, die, jig, fixture, mould, pattern or work-holding device, which you use in the production of a commodity for which you must obtain a base period price under sections 8 or 9. This material, part, subassembly, subcontracted service, or expendable tool, die, jig, fixture, mould, pattern or work-holding device will be referred to in this section as the "item". You must apply paragraph (a) of this section if you are using section 8 and you must apply paragraph (b) if you are using section 9.

(a) If you are obtaining a base period price for a modified commodity under section 8:

(1) You compute the increase or decrease in cost attributable to the modification under the applicable provisions of section 8 but you disregard the cost of the "item" in calculating this increase or decrease in costs.

(2) Using the figure you find under subparagraph (1), you complete the calculations required by section 8.

(3) Using the figure you derive under subparagraph (2) as your base period price for the modified commodity, you compute your ceiling price under section 3 (a).

(4) You determine your current cost, not in excess of the applicable ceiling price, for the "item" you disregarded in subparagraph (1).

(5) You add the figures you find under subparagraph (3) and (4). This is your ceiling price for the modified commodity.

(b) If you are obtaining a base period price for a new commodity under section 9:

(1) You compute the base period price of the commodity in accordance with your base period price determining method or your OPS approved price determining method, as the case may be, but you disregard the cost of the "item" in computing your base period price.

(2) Using the figure you derive under subparagraph (1) as your base period price, you compute your ceiling price under section 3 (a).

(3) You determine your current cost, not in excess of the applicable ceiling price, of the "item" you disregarded in the computation under subparagraph (1) of this paragraph and add to this your markup over factory costs (total costs, less selling and general administrative expense) which is provided in the price determining method you used in subparagraph (1).

[Subparagraph (3) amended by Amdt. 4]

(4) You add the totals found under subparagraphs (2) and (3). This is your ceiling price for the new commodity.

HOW TO CALCULATE THE LABOR COST ADJUSTMENT

SEC. 11. *General description of how to calculate the "labor cost adjustment."* Sections 12 and 13 tell how to calculate the "labor cost adjustment." The calculations under both sections are designed to yield an average percentage increase in your factory labor cost based upon net sales and factory payroll data for your last fiscal year ended not later than December 31, 1950. The percentage is referred to as your "labor cost adjustment factor." Under section 12, the net sales and factory payroll data are for your entire business and the labor cost adjustment factor will be applied uniformly to the base period prices for all of your commodities. Under section 13, the net sales and factory payroll data are for a unit of your business and the labor cost adjustment factor will be applied uniformly to the base period prices of all commodities produced in that unit. If the commodities produced in the several units of your business have experienced significantly different labor cost increases, it will probably be to your advantage to use section 13 so as to reflect these differences more appropriately.

SEC. 12. *How to calculate the "labor cost adjustment" upon the basis of your entire business.* To calculate the "labor cost adjustment" upon the basis of your entire business, you do the following:

(a) Find the dollar amount of your net sales, and of your factory payroll for your entire business for your last fiscal year ended not later than December 31, 1950. You may not include in factory payroll labor costs which are part of general and administrative expenses, sales and advertising expenses, distribution costs, purchasing costs, cost of major repairs or replacement of plant

or equipment, cost of expansion of plant or equipment, or general research not directly applied to current production. You may include in factory payroll, however, such items as—direct labor, factory supervision, factory service labor (including ordinary maintenance of plant or equipment), factory stores labor (including materials control), factory quality control labor (including testing or inspection), painting, packaging, and crating labor, field erection and installation labor, and product engineering and development labor which is directly applied to current production or to current installation or erection.

(b) Divide the dollar amount of your factory payroll found under (a) by the dollar amount of your net sales found under (a). This will show what percentage your factory payroll is of your net sales. This percentage is referred to as your "labor cost ratio."

(c) Find the dollar amount of your factory payroll, as limited in paragraph (a) of this section, for your last payroll period ended not later than the end of your base period (if your base period is April 1 through June 24, 1950, you should use your last payroll period ended not later than June 30, 1950). The term "end of your base period" is explained in section 45 (*Definitions*) of this regulation. This payroll is referred to as "your base period payroll." Compute what the dollar amount of your base period payroll would have been upon the basis of your wage rates in effect on March 15, 1951. This is referred to as "your recomputed payroll." You may add to your recomputed payroll a dollar amount to reflect, for the labor covered by that payroll, any increase between the end of your base period and March 15, 1951, in the cost to you of insurance plans, pension contributions for current work, paid vacations and similar "fringe benefits". You may also add to your recomputed payroll a dollar amount to reflect, for the labor covered by that payroll, any increase between the end of your base period and March 15, 1951, in cost to you of required payments under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act and any state or local unemployment compensation law. You may not include in your recomputation of your base period payroll any wage increase or "fringe benefit" granted or determined after March 15, 1951, even though such wage increase or "fringe benefit" is retroactive to March 15, 1951, or any prior date, and is pursuant to a contract in effect on March 15, 1951. You may make the calculations called for by this paragraph in whatever appropriate way is best adapted to your accounting records and your basis of wage payments, e. g., hourly rates, piecework, or any other system of wage payments used by you.

[Paragraph (c) amended by Amdt. 4]

(d) Divide the dollar amount of the difference between your recomputed payroll and your base period payroll by your base period payroll. The resulting percentage is referred to as your "wage increase factor".

(e) Multiply your labor cost ratio derived under (b) by your wage increase factor derived under (d). The resulting percentage is referred to as your "labor cost adjustment factor".

(f) Multiply the base period price of the commodity being priced by your labor cost adjustment factor. The resulting amount is the "labor cost adjustment" to be added to the base period price in accordance with section 3 (a).

(g) If you use this section, it must be used for all of your commodities.

Example:

(1) Your fiscal year is the calendar year. Your net sales for the twelve months ended December 31, 1950, were \$1,000,000. Your factory payroll for the year was \$300,000 (the required exclusions having been made in arriving at this figure).

(2) \$300,000 divided by \$1,000,000 is 30 percent. This is your "labor cost ratio".

(3) Your factory payroll for the week ended June 24, 1950, was \$6,000 (the required exclusions having been made in arriving at this figure). At wage rates in effect March 15, 1951, the payroll would have been \$6,500. In addition, you have also granted longer paid vacations and a more liberal insurance plan which amounts to the equivalent of two and one-half cents per hour. The number of hours covered by your base period payroll was 4,000. Consequently the increased "fringe benefits" add an extra \$100 per week to your factory labor cost for the March 15, 1951, period. This makes your recomputed payroll at March 15, 1951, wage rates \$6,500, or a total increase of \$600.

(4) \$600 divided by \$6,000 is 10 percent. This is your "wage increase factor".

(5) 30 percent multiplied by 10 percent is 3 percent. This is your "labor cost adjustment factor".

(6) If your base period price was \$100, you multiply \$100 by 3 percent, giving \$3, the "labor cost adjustment".

SEC. 13. *How to calculate the "labor cost adjustment" upon the basis of a unit of your business.* To calculate the "labor cost adjustment" upon the basis of a unit of your business, you do the following:

(a) Find the dollar amount of your net sales, and of your factory payroll for your last fiscal year ended not later than December 31, 1950, relating to a unit of your business for which you regularly maintain separate accounts and in which the commodity being priced is produced. You must include in net sales the value, as shown on your records, of any transfer of a commodity or material from that unit to another unit of your business. If your records do not show a value you may not use this section. The provisions of section 12 (a) as to what may be included in factory payroll apply.

(b) Using the data found under (a) you make the calculations prescribed in paragraphs (b), (c), (d), (e) and (f) of section 12, for the unit of your business to which the data relate. This will give you the "labor cost adjustment" to be added to the base period price in accordance with section 3 (a).

(c) This section may be used only for commodities produced in the particular unit of your business to which the net sales and factory payroll data relate, and must be used for all commodities produced in that unit.

HOW TO CALCULATE THE MATERIALS COST ADJUSTMENT

Sec. 14. Manufacturing material. You will need to become familiar with the term "manufacturing material" in the following sections. The term "manufacturing material" does not include materials or subcontracted industrial services used in replacing, maintaining or expanding your plant or equipment, or other materials or supplies, the use of which is not directly dependent upon the rate at which you manufacture the commodity being priced or install or erect the commodity. It refers to a material entering directly into the commodity being priced or used directly in the manufacturing processes from which the commodity results, or used directly in the installation or erection of the commodity, together with packaging materials, containers (other than returnable containers), purchased fuel, steam or electric energy, and subcontracted industrial services which are directly related to the manufacture of the commodity, or which are directly related to the installation or erection of the commodity. It also includes the following tools, supplies and materials if they are expended directly in the production of the commodity being priced or in the installation or erection of the commodity:

Binders (such as oil, pitch, paste, etc.).
Chalk.
Core sand and core oil.
Cutting oils and compounds used in processing departments.
Cutting tools (such as drills, saws, reamers and grinding wheels).
Deoxidizing agents (such as aluminum, copper chromium, beryllium, phosphorus, etc.).
Facings (such as graphite, soap stone, sea-coal, etc.).
Flux.
Laboratory supplies or photographic supplies used for quality control purposes.
Molders sand.
Polishing compounds.
Slushing oil.
Timber.
Welding rods and supplies.

It also includes the following commodities only if they are permitted to be included as expense items for Federal tax purposes:

Core boxes.
Dies.
Foundry flasks.
Jigs or fixtures.
Patterns.
Plate shop and sheet metal holders.
Templates.

Sec. 15. General description of the methods available. (a) There are four alternative methods available to you for calculating the "materials cost adjustment". You should use the one best suited to your particular situation. Only manufacturing materials may be taken into account in your calculations and you will measure their change in cost to you between prescribed dates. You are permitted, however, to omit any manufacturing material which is not significant or whose cost has not decreased between the prescribed dates. This section only contains general descriptions, as an aid to understanding. The exact provisions which are in the following sections are controlling.

(1) **Method 1.** Method 1 allows you to measure the increase in your manufacturing materials costs upon the basis of a unit of your business not larger than a plant, or, if you have only one plant, upon the basis of your entire business. Under this method, which is set forth in section 17, you calculate a percentage increase in your manufacturing materials costs upon the basis of net sales and materials put into production during a yearly accounting period. If you make the calculations upon the basis of your entire business, you apply the percentage increase uniformly to all of your commodities. If the calculations are upon the basis of separate units of your business, you apply the percentage increase for each unit uniformly to all of the commodities produced in that unit. There are specific limitations upon the use of this method where you have had significant substitution of materials.

(2) **Method 2.** Method 2 is for an individual commodity and is based upon the increase in your unit manufacturing materials cost for that commodity. Under this method the "materials cost adjustment" will ordinarily differ for each commodity. You should probably use this method, therefore, if the various commodities you produce have had substantially different material cost increases since the end of your base period, or vary widely from each other in the ratio between unit manufacturing materials cost and sales price. This method, however, is more burdensome because it requires a separate calculation for each commodity.

(3) **Method 3.** Method 3 is for a product line and is based upon the increase in your unit manufacturing materials cost for the best selling commodity in the product line. A percentage figure for this increase is derived which is applied to the base period price of each commodity in the product line. This method may be more appropriate than Method 2 if you have a number of closely related commodities whose material cost increases have been about the same.

(4) **Method 4.** Method 4 may also be used for a product line, or it may be used for a category. It is based upon the increase in the cost of the bill of materials used in producing the goods sold during an accounting period of three months or less. Like Methods 1 and 3 it yields a uniform materials cost adjustment factor for all commodities in the product line or category. If your records are in a form which permits you to use this method, you may find it simpler to apply than Method 1.

(b) You may select whichever one of the four methods you consider best suited to the nature of your business and most adaptable to the records you maintain. If you select the first, third or fourth method, you must use it for each commodity in the particular unit of your business (or for all of your commodities if your calculations are based upon your entire business), product line or category involved.

Sec. 16. Omission of certain manufacturing materials from your calculations. Under any of the four alternative methods which you use for calculating the

"materials cost adjustment" you may omit from your calculations any manufacturing material which is not significant or whose cost to you has not decreased between the prescribed dates. Consequently, a reference to "each manufacturing material" under any of the four methods means each such material you are including in your calculations.

Sec. 17. Method 1 (Aggregate method). To calculate the "material cost adjustment" under this method, you do the following:

(a) Find the dollar amount of your net sales for your last fiscal year ended not later than December 31, 1950, for your entire business, or for a unit of your business for which you regularly maintain accounts and in which the commodity being priced is produced. You may not, however, use your entire business for this calculation if you operate more than one plant. Nor may you use a unit of your business which includes the output of more than one plant, although you may use a unit less inclusive than a plant. If you use a unit of your business, you must include in net sales the value of any commodity or material transferred from that unit to another unit of your business. The value shall be that shown in your records. If your records do not show a value, you may not use that unit of your business for making your calculations.

(b) Multiply the physical amount of each manufacturing material which you used during the same fiscal year, either in your entire business or a unit of your business, whichever you are calculating on, by the dollars-and-cents amount of the change in net cost per unit of the material to you between the end of your base period and December 31, 1950. The term "end of your base period" is explained in section 45 (*Definitions*). For any material listed in Appendix B you may figure the change to March 15, 1951. For any material listed in Appendix D you may figure the change to August 1, 1951. Before starting to figure the change in net cost per unit of the material, you should read carefully the instructions contained in sections 21 through 26.

[Paragraph (b) amended by Amdt. 10]

(c) Add together the resulting figures derived under (b) which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. Subtract the total of the decreases from the total of the increases.

(d) Divide the final figure derived under (c) by the amount of your net sales found under (a). The resulting percentage is referred to as your "materials cost adjustment factor".

(e) Multiply the base period price of the commodity being priced by your materials cost adjustment factor. This will give the "materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

(f) If you use this section and your calculations are based upon your entire business, the materials cost adjustment factor which you derive must be used for all of your commodities. If your calcu-

lations are based upon a particular unit of your business, the materials cost adjustment factor which you derive must be used for all commodities produced in that unit and may not be used for commodities produced in any other unit of your business.

(g) You may not use this section if you have replaced, in any significant degree, the materials used by you during the base period with lower-priced substitute materials. (For example, if you are a manufacturer of automotive parts and you are now using a significantly large percentage of steel to replace the copper and brass you used during your base period, you may not use this method.)

SEC. 18. Method 2 (individual commodity method). To calculate the "materials cost adjustment" under this method, you do the following:

(a) Find the physical amount of each manufacturing material which you normally used in the base period per unit of the commodity being priced.

(b) Multiply this physical amount of each of these manufacturing materials by the change in its net cost per unit to you between (1) the last day of the base period you elected for the commodity being priced and (2) December 31, 1950. For any material listed in Appendix B you may figure the change to March 15, 1951. For any material listed in Appendix D you may figure the change to August 1, 1951. Before starting to figure the change in net cost, you should read carefully the instructions contained in sections 21 through 26.

[Paragraph (b) amended by Amdt. 10]

(c) Add together the resulting figures derived under (b) which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. The difference between these totals is the "materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

Example: The commodity you are pricing uses three different manufacturing materials. For each unit of the commodity, you require 5 pounds of material A, 10 pounds of material B, and 1 pound of material C. Before the end of your base period material A cost you \$1.00 per pound, material B \$2.00 per pound and material C \$0.50 per pound. Your net cost per unit of material A on your last invoice before December 31, 1950, was \$1.50 and for material B it was still \$2.00. Material C is listed in Appendix B; your last invoice prior to March 15, 1951, was \$1.00 per pound. Your increase for material A was, therefore, 5 multiplied by 50 cents (the difference between \$1.50 and \$1.00) or \$2.50. Material B has not changed in price and may, therefore, be omitted. For material C, 1 pound multiplied by 50 cents equals 50 cents. In addition, the commodity was heat treated for you by an outside contractor at a cost of \$1.00 per unit before the end of your base period and the price for this service as of March 15, 1951, was \$1.25, a difference of 25 cents. Your materials cost increase for the commodity is, therefore, \$2.50 for material A, 50 cents for material C, and 25 cents for the heat treating service, or a total of \$3.25. This is the "materials cost adjustment".

SEC. 19. Method 3 (product line method using best selling commodity).

This method is essentially the same as Method 2 except that the calculations are made for the best selling commodity in a product line. To calculate the "materials cost adjustment" under this method, you do the following:

(a) Select the best selling commodity in the product line of which the commodity being priced is a part.

(1) "Product line" refers to a group of closely related commodities which differ in such respects as model, size or brand name and which are normally classed together as a product line in your industry. Generally speaking, each commodity in the same product line must serve the same purpose and must be made by the same manufacturing process from substantially the same materials. A product line may never be broader than a category and usually will be narrower. The relationship between the commodities will normally be substantially closer in a product line than in a category. For example, milling machines, lathes and screw machines are separate product lines, but a single category of machine tools.

(2) The "best selling commodity" refers to the commodity in a product line which accounted for the greatest dollar volume of sales in the product line in your base period.

(b) Using the best selling commodity, make the calculations prescribed in section 18. This will give the "materials cost adjustment" for the best selling commodity, i. e., the amount to be added to its base period price.

(c) Divide the "materials cost adjustment" by the base period price of the best selling commodity. The resulting percentage is referred to as your "materials cost adjustment factor".

(d) Apply your materials cost adjustment factor to the base period price of each commodity in the product line. The resulting figure for each commodity is the "materials cost adjustment" to be added to the base period price of that commodity in accordance with section 3 (a).

(e) If you use this section it must be used for each commodity in the product line for which you have made your calculations.

Example: You have three commodities in a product line, whose base period prices were \$8, \$10 and \$12, respectively. The best selling item was the \$10 commodity. The "materials cost adjustment" for that commodity calculated under section 18 was \$2, or 20%. The "materials cost adjustment" for the \$8 commodity is, therefore, 20% of \$8, or \$1.60, and for the \$12 commodity, 20% of \$12, or \$2.40.

SEC. 20. Method 4 (composite bill of materials method). Under this method you make your calculations for the increase in your manufacturing materials cost for a product line or a category. To calculate the "materials cost adjustment" under this method, you do the following:

(a) Find the total net sales of all commodities in the product line or category for your last complete accounting period of three months or less ended not later than the last day of your base period (or if your base period is April 1 through June 24, 1950, ended not later

than June 30, 1950). You must include in net sales the value, as shown in your records, of any transfer of a commodity in that product line or category to another unit of your business. If your records do not show a value, you may not use this section for that product line or category.

(b) Find the total physical amount of each manufacturing material used in producing the commodities in that product line or category sold in that accounting period. (Note that, in contrast to Method 1, you find here the physical bill of materials used in producing the goods sold in a short accounting period; while, under Method 1, you find the aggregate quantities of materials used, i. e., put into the production process, in an annual accounting period.)

(c) Multiply this total physical amount by the dollar-and-cents change, between (1) the end of your base period, and (2) December 31, 1950, in net cost to you per unit of the material used. For any material listed in Appendix B you may figure the change to March 15, 1951. For any material listed in Appendix D you may figure the change to August 1, 1951. Add together the resulting figures which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. The difference between these totals is your increase in manufacturing materials cost. Before starting to figure the change in net cost you should read carefully the instructions contained in sections 21 through 26.

[Paragraph (c) amended by Amdt. 10]

(d) Divide your increase in manufacturing materials cost derived under (c) by the amount of your net sales found under (a). This percentage is referred to as your "materials cost adjustment factor".

(e) Apply your materials cost adjustment factor derived under (d) to the base period price of the commodity being priced. The resulting figure is the "materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

(f) You may use this section only if you use it for each commodity included in the product line or category.

SEC. 20A. Option to propose a method. If you have not filed Public Form No. 8 showing computations made in accordance with the provisions of this regulation by September 1, 1951 and believe that none of the four alternative methods available to you for calculating the "material cost adjustment" can practically be used by you, you may propose a substitute method in the manner specified in the following paragraph of this section. It is the opinion of the Director of Price Stabilization that the four methods offered provide adequate alternatives for all business, and a substitute plan will be considered only in exceptional cases of multi-product manufacturers whose established accounting practices and system of materials control and distribution are of such a nature as to make the use of any of the four alternative methods extremely difficult. This must be affirmatively shown in the application. Your proposed method

must follow the same general techniques, definitions and limitations as the four alternative methods already provided and must achieve the same basic results.

You should submit your proposed method in writing to the Industrial Materials and Manufactured Goods Division, Washington 25, D. C., stating the reasons why you believe it appropriate and necessary, and why none of the four alternative methods can practicably be used by you, and setting forth in detail the steps to be taken under your proposed method. You may, if you prefer, submit your proposed method without actually calculating your ceiling prices under it, but you must show why the proposed method will reach the same basic results as any of the four alternative methods. Unless and until the Director of Price Stabilization approves your proposal in writing you may not use it.

[Sec. 20a added by Amdt. 14]

SPECIAL INSTRUCTIONS TO BE FOLLOWED IN CALCULATING THE MATERIALS COST ADJUSTMENT

SEC. 21. *General nature of these instructions.* Section 22 will apply to your calculations irrespective of which of the four alternative methods you use. Sections 22a through 26 may be applicable to you depending upon whether you are covered by certain described situations which are briefly indicated by the section headings and opening sentence of the section.

[Sec. 21 amended by Amdt. 17]

SEC. 22. *How to compute the net cost to you of a manufacturing material as of a prescribed date.* Under any of the four alternative methods you may use for calculating the "materials cost adjustment", you must figure the change, between prescribed dates, in the net cost to you per unit of each manufacturing material included in your calculations. (The earlier "prescribed date" is June 24, 1950, or another date depending on the base period you elected. The later "prescribed date" is December 31, 1950, March 15, 1951, or August 1, 1951, whichever date is applicable. To determine the net cost to you per unit of a manufacturing material as of a prescribed date, you use the first of the following prices available to you. In no event may the price you use be in excess of the ceiling price under a ceiling price regulation in effect on the date of the issuance of this regulation. If you use paragraphs (b), (c), (d), (e), (f), or (g) of this section, you must disregard any price based upon a departure from your normal buying practices. Such a departure would include quantities smaller than those you usually purchase or contract for, or use of a more distant or different class of supplier (other than the United States) or use of subcontracted industrial services in an amount in excess of that used in your base period. For example, you must disregard any price based upon a change in your source of supply from a manufacturer to a reseller or warehouseman or from a domestic to a foreign source of supply. Likewise, you must disregard

any price which is based upon a purchase of conversion steel, except as permitted in section 42 of this regulation.

[Paragraph above amended by Amdts. 4 and 10]

(a) The exchange quotation for the nearest monthly contract as of the close of business on the prescribed date (or the nearest preceding date for which such a quotation is available) for any commodity traded regularly upon a commodity exchange operating under the jurisdiction of the Commodity Exchange Authority and you must use the quotation for both of the prescribed dates. Also, you must use the same commodity exchange for both of the prescribed dates. If the commodity is one which is not itself quoted on such an exchange but another grade of that commodity is so quoted, you may use the exchange quotation for such other grade provided you do so for both of the prescribed dates.

(b) The net price per unit of the material shown on the invoice for the last delivery of the material to you prior to the prescribed date. If, however, the delivery was received more than 30 days prior to the prescribed date or was pursuant to a contract bearing a firm price entered into more than 60 days prior to the prescribed date, you may not use this paragraph. If, within 30 days prior to each of the applicable prescribed dates, you received more than one delivery of the same manufacturing material, you must use an average price for each such date. You obtain this average price by dividing the net amount you paid for all deliveries of the material during each of the 30-day periods by the total number of units of the material delivered to you during each period. In obtaining this average price you should not include any delivery made pursuant to a contract bearing a firm price entered into more than 60 days prior to the prescribed date. The average price for each period is the price you use for each of the respective prescribed dates. The term "30 days" as used in this paragraph means either a period of 30 consecutive days or an accounting month customarily used by you, provided that it is the last accounting month terminating not later than the applicable prescribed date. Where the applicable prescribed date is June 24, 1950, you may use an accounting month terminating not later than June 30, 1950.

[Paragraph (b) amended by Amdt. 4]

(c) The net price per unit of the material stipulated in the written contract for the material which you entered into last prior to the prescribed date, provided that it was entered into not more than 60 days prior thereto.

(d) The net price per unit of the material stipulated in the written offer for sale of the material to you made last prior to the prescribed date provided that the offer was made within 60 days prior to the prescribed date and that you still have the written offer or obtain a copy of it from the offeror.

(e) The net price per unit of the material shown on the invoice for the last delivery of the material to you prior to the prescribed date. You may elect not

to use this pricing method if you believe that the material cost change determined under this paragraph does not reflect the appropriate change in your cost of any material.

[Paragraph (e) added by Amdt. 4]

(f) The net price per unit of the material stipulated in the written contract for the material which you entered into last prior to the prescribed date. You may choose not to use this pricing method if you believe that the material cost change determined under this paragraph does not reflect an appropriate change in your cost of any material.

[Paragraph (f) added by Amdt. 4]

(g) The net price per unit of the material stipulated in the written offer for the sale of the material to you made last prior to the prescribed date, provided that you still have the written offer or obtain a copy of it from the offeror. You may choose not to use this pricing method if you believe that the material cost change determined under this paragraph does not reflect an appropriate change in your cost of any material.

[Paragraph (g) added by Amdt. 4]

(h) If none of the foregoing is available to you for one or both of the applicable prescribed dates, you may apply to the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C., for an appropriate increase in the cost of the manufacturing material for use in your calculations. If you make such an application, you must refer specifically to this paragraph; you must describe the commodity being priced and the manufacturing material; you must propose the amount of increase per unit of the manufacturing material you consider appropriate based upon what you would have paid for the material if you had purchased it on each of the applicable prescribed dates, you must set forth in detail supporting reasons and why this paragraph is applicable; and you must state the base period price of the commodity and the ceiling price you propose. You must file this application before using the increase you propose. Although you need not await a reply from the Director of Price Stabilization before using the increase you propose, he may at any time disapprove the increase you propose, stipulate the amount of increase which he will approve or request additional information.

[Paragraph (h) redesignated by Amdt. 4]

SEC. 22a. *Permissive computation of your materials cost adjustment on the basis of 75 percent of manufacturing materials.* If you have not already filed Public Form No. 8 showing computations made in accordance with the provisions of this regulation, you may elect to calculate your materials cost adjustment in the manner set forth in this section.

(a) *Aggregate method (section 17).* You shall compute your materials cost adjustment in the same manner as that set forth in section 17, except that you shall compute the dollars and cents change in net cost to you of the materials used as follows:

(1) Determine those manufacturing materials (as defined in section 14), which accounted for at least 75 percent of the total dollar value of all manufacturing materials which you used, during your last fiscal year ended not later than December 31, 1950, in the unit of your business for which you are making the calculation. However, you must include each manufacturing material which accounted for 3 percent or more of the total dollar value of all manufacturing materials which you used, during your last fiscal year ended not later than December 31, 1950, in the unit of your business for which you are making the calculation.

(2) Determine the total physical amount which you used during your last fiscal year ended not later than December 31, 1950, in the part of your business for which you are making the calculations, of each manufacturing material, which is in the group selected by you under subparagraph (1) of this paragraph. Multiply this physical amount of each of these materials by the dollars and cents change in net cost per unit of the material to you between the end of your base period and December 31, 1950. For any material listed in Appendix B you may figure the change to March 15, 1951. For any material listed in Appendix D you may figure the change to August 1, 1951.

(3) Add together the resulting figures derived under subparagraph (2) of this paragraph which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. Subtract the total of the decreases from the total of the increases.

(4) Determine the cost for all manufacturing materials which you used during your last fiscal year ended not later than December 31, 1950, in the unit of your business for which you are making the calculation.

(5) Divide the amount determined under subparagraph (4) by your cost of the manufacturing materials selected in subparagraph (1) of this paragraph which you used during your last fiscal year ended not later than December 31, 1950, in the unit of your business for which you are making the calculation.

(6) Multiply the amount determined under subparagraph (3) by the percentage determined under subparagraph (5) of this paragraph. The result is your increase in cost for all manufacturing materials, which you may use in calculating your materials cost adjustment under the aggregate method (section 17).

(b) *Individual commodity method (section 18)*. You shall compute your materials cost adjustment as follows:

(1) Determine those manufacturing materials (as defined in section 14) which account for at least 75 percent of the total dollar value of all manufacturing materials which you normally used in your base period per unit of the commodity being priced. However, you must include each manufacturing material which accounts for 3 percent or more of the total dollar value of all manufacturing materials which you normally

used in your base period per unit of the commodity being priced.

(2) Find the physical amount of each manufacturing material (in the group of materials you selected in subparagraph (1) of this paragraph) which you normally used in your base period per unit of the commodity being priced.

(3) Multiply this physical amount of each of these manufacturing materials by the change in the net cost per unit to you between the end of your base period and December 31, 1950. For any material listed in Appendix B you may figure the change to March 15, 1951. For any material listed in Appendix D you may figure the change to August 1, 1951.

(4) Add together the resulting figures derived under subparagraph (3) of this paragraph which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. Subtract the total of the decreases from the total of the increases.

(5) Determine the cost to you, as of the end of your base period, of all manufacturing materials which you normally used in your base period per unit of the commodity being priced.

(6) Divide the amount determined under subparagraph (5) by the cost to you, as of the end of your base period, of the materials selected in subparagraph (1) of this paragraph.

(7) Multiply the figure derived in subparagraph (4) by the percentage derived in subparagraph (6) of this paragraph. The result is your "materials cost adjustment" to be added to your base period price.

(c) *Product line method using best selling commodity (section 19)*. You shall compute your materials cost adjustment in the same manner as that set forth in section 19, except that you shall determine your materials cost adjustment for the best selling commodity in the product line in the manner set forth in paragraph (b) of this section.

(d) *Composite bill of materials method (section 20)*. You shall compute your materials cost adjustment in the same manner as that set forth in section 20, except that you shall compute the dollars and cents change in net cost to you of the materials used as follows:

(1) Determine those manufacturing materials (as defined in section 14), which accounted for at least 75 percent of the total dollar value of all manufacturing materials which you used in producing the commodities in the product line or category sold during your last complete accounting period of three months or less ended not later than the last day of your base period (or if your base period is April 1 through June 24, 1950, ended not later than June 30, 1950). However, you must include each manufacturing material which accounted for 3 percent or more of the total dollar value of all manufacturing materials which you used in producing the commodities in the product line or category sold during your last complete accounting period of three months or less ended not later than the last day of your base period (or if your base period is

April 1 through June 24, 1950, ended not later than June 30, 1950).

(2) Determine the total physical amount of each manufacturing material, which is in the group selected by you under subparagraph (1) of this paragraph, used in producing the commodities in that product line or category sold in that accounting period.

(3) Multiply this total physical amount by the dollars and cents change in net cost per unit of the material to you between the end of your base period and December 31, 1950. For any material listed in Appendix B you may figure the change to March 15, 1951. For any material listed in Appendix D you may figure the change to August 1, 1951.

(4) Add together the resulting figures derived under subparagraph (3) of this paragraph which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. Subtract the total of the decreases from the total of the increases.

(5) Determine the total cost to you, as of the end of your base period of all manufacturing materials which you used in producing the commodities, in the product line or category, which you sold during the accounting period used in your calculations.

(6) Divide the amount derived under subparagraph (5) by the total cost to you, as of the end of your base period, of the materials in the group selected under subparagraph (1) of this paragraph which you used in producing the commodities, in the product line or category, which you sold during the accounting period used in your calculations.

(7) Multiply the amount derived under subparagraph (4) by the percentage derived under subparagraph (6) of this paragraph. The result is your increase in cost for all manufacturing materials which you may use in calculating your materials cost adjustment under the composite bill of materials method (section 20).

[Sec. 22a added by Amtd. 17]

SEC. 23. *How to compute net cost as of the applicable prescribed dates where you are using a substitute material not used during the base period*. In the case of a substitute material not used by you during the base period (or used in lesser quantities or proportions) in the manufacture of the commodity being priced, you must, if you are using Methods 2, 3, or 4 for calculating "the materials cost adjustment", compute the net cost to you as of the end of your base period of the physical amounts of the materials normally used by you in your base period and the net cost to you as of December 31, 1950, March 15, 1951, or August 1, 1951, whichever date is applicable, of the physical amounts of the materials normally used by you now. The physical amounts of those materials normally used by you in your base period and now must relate to the same quantity of production of the commodities being priced in the case of Method 4, to a unit of the commodity being priced in the case of Method 2, and to a unit of the best selling commodity in the case of Method 3. Since this calculation cannot be made accurately under Method 1 (section 17),

you may not use that method for any unit of your business in which you are now using significant quantities of a substitute material whose current unit cost is lower than the current unit cost of the material used by you during the base period. However, if the current unit cost of the substitute material is the same or higher than the current unit cost of the material used by you during the base period, you may use Method 1, but without making any allowance for the higher cost of the substitute material.

[Sec. 23 amended by Amdts. 4 and 10]

SEC. 24. Inclusion of transportation costs in the computation of net cost of a manufacturing material as of a prescribed date. If a quotation, invoice, contract or written offer which you use under section 22 did not include transportation costs for delivery of the material to you, you may add the actual amount of the transportation costs which you paid or would have paid for delivery of the material to you, provided that you include them in your determination of the net price of the material as of both dates.

SEC. 25. How to calculate the "materials cost adjustment" for joint products or by-products. This section will concern you only if you manufacture joint products or by-products. If two or more commodities result from the same manufacturing operation or from common materials and you are unable to compute the unit manufacturing materials costs for each under section 18, you calculate the "materials cost adjustment" for each as follows:

(a) Establish an appropriate combined unit of production in which are represented the several commodities in the proportions in which they result from the same manufacturing operation or from common materials.

(b) Find the dollar value of the combined unit of production using base period prices for each commodity, determined in accordance with sections 7, 8 or 9, as the case may be.

(c) Using the same calculations as in section 18 (substituting, of course, the combined unit of production for the unit referred to therein), compute the increase in manufacturing materials cost per combined unit of production.

(d) Divide the increase in manufacturing materials cost per combined unit of production by the dollar value of that unit as determined under (b) above.

(e) Apply this percentage to the base period price of each of the commodities being priced. The resulting figure for each commodity is the "materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

SEC. 26. How to calculate the change in net cost of a manufacturing material which is produced in one unit of your business and transferred to another unit of your business. (a) You will be concerned with this section if you are a multi-unit organization and in your operations you transfer products for further processing or assembly between units of

your business for which you regularly maintain separate records. By way of illustration, such transfers may be between departments, plants, branches or divisions. This section deals specifically with a manufacturing material which you produce in one unit of your business and transfer to another unit of your business where it is used in producing the commodity being priced. Such a manufacturing material (which is referred to as a "transferred material") may also be sold to another person. This section provides three methods for figuring the change in cost of a transferred material in your calculations of the "materials cost adjustment" for the commodity being priced. The method you use depends first on how you calculated the "labor cost adjustment" for the commodity being priced and second, on whether you also sell the transferred material to other persons.

(b) If you calculated the "labor cost adjustment" for the commodity being priced upon the basis of your entire business or of a unit of your business that included the unit in which the transferred material is produced, you may not in calculating the change in cost of that material include any increase in your factory labor cost. Your calculation of the change in cost of the transferred material will therefore only take into account changes in the costs of the manufacturing materials directly related to the transferred material. Such change in cost of the transferred material will be included in your calculation of the "materials cost adjustment" for the commodity being priced.

(c) If your calculation of the "labor cost adjustment" for the commodity being priced was not based upon your entire business or upon a unit of your business that included the unit in which the transferred material is produced and if the transferred material is one you sell to other persons, you calculate its change in cost as follows:

(1) Find its base period price (i. e. to your largest buying class of purchaser).

(2) Find its ceiling price under this regulation to your largest buying class of purchaser, or if it is not subject to this regulation, its ceiling price under the applicable ceiling price regulation.

[Subparagraph (2) amended by Amdt. 12]

(3) The difference between the figure found under (2) and that found under (1) is the increase or decrease in the cost of the transferred material which you use in calculating the "materials cost adjustment" for the commodity being priced.

(d) If your calculation of the "labor cost adjustment" for the commodity being priced was not based upon your entire business or upon a unit of your business that included the unit in which the transferred material is produced, and if that material is not one you sell to other persons, you calculate its change in cost as follows:

(1) Find the value as shown in your records at which the transferred material was transferred, last prior to the end of your base period (i. e., the base

period for the commodity being priced), to the unit of your business in which the commodity being priced is produced.

(2) Using that transfer price as your base period price, determine what the ceiling price would be under this regulation or other applicable regulation.

(3) The difference between the figure found under (2) and that found under (1) is the increase or decrease in cost of the material to be used in calculating the "materials cost adjustment" for the commodity being priced.

Example: You are pricing a motor for which you produce the wire. The following paragraph illustrates the application of the three methods prescribed in section 26:

(a) You have treated the department in which the motor is produced and the department in which the wire is produced as a single unit in computing the "labor cost adjustment" for the motor. You purchase on the outside the copper and insulating materials used in producing the wire. The "materials cost adjustment" for the wire may include, as far as the wire is concerned, only the change in cost of the purchased copper and insulating materials.

(b) In calculating the "labor cost adjustment" for the motor you used only the department in which the motor is produced. You also sell the wire to others and calculated the "labor cost adjustment" for the wire upon the basis of the wire department. Therefore, in calculating the "materials cost adjustment" for the motor, the change in cost of the wire will be the difference between your ceiling price for the wire under this regulation to your largest buying class of purchaser, and your base period price for the wire to that class of purchaser.

(c) Assume the same facts as in (b) except that you produce the wire exclusively for your own use. You must compute what the ceiling price for the wire would be under this regulation, using the value at which the transfer between departments was made on your books last prior to the end of the base period. The difference between your computed ceiling price and your base period transfer value is the amount you use in calculating the "materials cost adjustment" for the motor.

(e) If you cannot calculate the change in cost of the transferred material under the preceding paragraphs of this section, or if the use of such paragraphs would not result in an appropriate change in cost, you may apply to the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C., for an appropriate change in the cost of the transferred material for use in your calculations. If you make such an application, you must refer specifically to this paragraph; you must describe the commodity being priced and the transferred material; you must propose the amount of increase per unit of the transferred material you consider appropriate; you must set forth in detail supporting reasons and why this paragraph is applicable. You must file this application before using the increase you propose. Although you need not await a reply from the Director of Price Stabilization, he may at any time disapprove the increase you propose, stipulate the amount of increase which he will approve or request additional information.

[Paragraph (e) added by Amdt. 12]

SPECIAL PROVISIONS RELATING TO CEILING PRICES

SEC. 27. *General nature of these provisions.* Sections 28 through 32 relate to adjustments of your ceiling prices under certain circumstances. Section 28 relates to rounding ceiling prices. Section 29 relates to retention of ceiling prices established under the General Ceiling Price Regulation where the change in price is less than 1 percent. Section 30 requires that you reduce your ceiling prices to reflect any increase in the value of scrap or waste material generated in your manufacturing processes. Section 31 permits you to adjust your ceiling prices quoted on a delivered basis for certain increases in transportation costs. Section 32 provides an optional method for adjusting your ceiling prices for commodities manufactured in more than one of your plants.

SEC. 28. *Rounding ceiling prices.* You may round your ceiling prices determined under this regulation so that they will be expressed in the nearest cents or fraction of a cent you normally employ. If you elect to do so you must similarly round the ceiling prices for all your commodities normally priced by you upon the same basis, to reflect decreases as well as increases. The increase in price due to rounding shall not be greater than 1 percent of your ceiling price prior to rounding, except in the following two instances. First, if you normally round your prices to the nearest cent or fraction of a cent, you may continue to do so, even though the increase exceeds 1 percent. Second, if you normally round to the nearest nickel the items on a price list from which you sell at established discounts, you may continue to do so even though the increase exceeds 1 percent. For example, if you normally quote to the nearest cent and your ceiling price for commodity A is \$.2160, you may round that ceiling price to \$.2200. However, if you round your ceiling price for commodity A and your ceiling price for commodity B is \$.2730 you must round its ceiling price to \$.2700. If you normally quote to the nearest nickel and your ceiling price for commodity A is \$1.68, you may round, that ceiling price to \$1.70. However, if you round your ceiling price for commodity A and your ceiling price for commodity B is \$1.47 you must round its ceiling price to \$1.45.

[Sec. 28 amended by Amdt. 18]

SEC. 29. *Retention of GPCR ceiling price where the change in price is less than 1 percent.* If your ceiling price for a commodity as determined under section 3 differs by less than 1 percent from that under the General Ceiling Price Regulation, you may continue to use your GPCR ceiling price. However, you may use this section only if you apply it to all your ceiling prices determined under section 3 differing by less than 1 percent from the GPCR ceiling prices, regardless of whether decreases or increases result. For example, your GPCR ceiling price for commodity A is \$10 and your ceiling price under section 3 is \$9.95. Your GPCR ceiling price for commodity B is \$8 and your ceiling price under section 3 is \$8.05. You may continue to

use \$10 as your ceiling price for Commodity A, but if you do so you must continue to use \$8 as your ceiling price for commodity B.

SEC. 30. *Requirement for reduction of your ceiling prices as otherwise determined for any increase in value of scrap or waste material.* (a) You will be concerned with this section if in the manufacturing process relating to the commodity being priced you generate any scrap or waste material which you will sell to other persons or which is transferred from one unit of your business to another, and if, between the end of your base period and March 15, 1951, there has been an increase in the value of such scrap or waste material. However, you need not make the adjustment called for in this section unless your sales of scrap or waste material are significant. They will be considered significant if, for the plant or other unit of your business in which the commodity being priced is produced, the value of your sales or transfers of scrap or waste material exceeded 3 percent of the total value of your sales or transfers of all commodities, during your most recent fiscal year ended not later than December 31, 1950.

(b) In the circumstances described in paragraph (a) where your sales of scrap or waste material are significant you must make an appropriate reduction in the ceiling prices for each of the commodities resulting from your manufacturing process to reflect the dollars-and-cents amount by which the value of the scrap or waste material generated in the manufacturing process has increased between the end of your base period and March 15, 1951. In calculating this increase in value you should use a method comparable to the one you employed for your calculation of the "materials cost adjustment" for the commodity being priced. For instance, if you used Method 2 (section 18) you should calculate the increase in value of your scrap or waste material per unit of the commodity being priced; if you used Method 1 (section 17) you should calculate the increase in value of your scrap or waste material by an aggregate method. The resulting dollars-and-cents amount reflecting the increase in value of your scrap or waste material per unit must be subtracted from your ceiling price as otherwise determined under this regulation.

SEC. 31. *Adjustment of ceiling prices quoted on a delivered basis for increases in transportation costs.* If your base period price was, and therefore your ceiling price is, a delivered price, you may adjust your ceiling price to reflect any increase, between the end of your base period and March 15, 1951, in transportation costs incurred by you (not including warehousing charges). You may include in this adjustment only increases resulting from transportation charges paid by you to other persons (excluding any person who is an employee, subsidiary or affiliate of yours or of whom you are a subsidiary or affiliate). This adjustment is made in the following manner:

(a) Where your base period price for the commodity being priced included

full transportation costs from point of shipment to point of delivery, you may adjust your ceiling price by the exact amount of the increase in transportation rates to you between such points, charged by the same carrier or class of carrier for the same class of transportation. You may not include any increase due to changing the class of carrier (e. g., from water or highway to rail) or to changing your customary method or quantity of shipment.

(b) Where your base period price was uniform within defined geographical zones but you maintained an established differential between each zone, you may calculate a transportation cost increase adjustment to be applied to the ceiling price for sales to each zone. This calculation is made in the following manner:

(1) Find the average transportation charge paid by you for deliveries of the commodity being priced to each zone during your last accounting period of not less than three months, ended not later than the end of your base period. If your base period is April 1 through June 24, 1950, you should use your last accounting period of not less than three months, ended not later than June 30, 1950.

(2) Find what the average transportation charge paid by you for deliveries of that commodity to each zone would be, using the transportation rates actually in effect on March 15, 1951.

(3) The dollars-and-cents amount of the difference between the average transportation charge found under (2) and that found under (1) for each zone may be added to your ceiling price for sales to that zone.

(c) Where your base period price was uniform for all sales of the commodity being priced to any destination within the United States, you may calculate a single transportation cost increase adjustment to be applied to the ceiling price for all sales within the United States in the same manner as under paragraph (b) of this section, treating the United States as a single zone.

SEC. 32. *Optional method for determining a uniform ceiling price for a commodity manufactured in more than one plant.* If the commodity being priced is manufactured in more than one of your plants and is customarily sold by you at a uniform price, but in adjusting the base period price for each plant different ceiling prices result, you may compute a uniform ceiling price. To do this, you first determine the ceiling price for each plant and multiply it by the number of units of the commodity sold from that plant during the last quarter of 1950. You then divide the total dollar amount of such sales from all plants by the total number of units sold from all plants. The resulting figure is your uniform ceiling price for the commodity. If sales from any of your plants in the last quarter of 1950 were not substantial, you may use the last three consecutive months of substantial sales in 1950, provided that you use the same period for all of your plants.

Example: You are producing the same commodity in two plants, and customarily charge

the same price from each. However, due to a difference in your wage rate changes, your ceiling price for plant A is \$2.00, and for plant B is \$2.10. Sales during the last quarter of 1950 were 1500 units from plant A and 1000 units from plant B. 1500 multiplied by \$2.00 is \$3000; 1000 multiplied by \$2.10 is \$2100; 1500 plus 1000 is 2500; \$3000 plus \$2100 is \$5100; \$5100 divided by 2500 is \$2.04. You may therefore use the uniform ceiling price of \$2.04 for sales from both plants.

MISCELLANEOUS PROVISIONS

SEC. 33. Export sales. Your sales for export are subject to the provisions of this regulation.

SEC. 34. Excise, sales or similar taxes—(a) Where the tax is included in your selling price. (1) If your base period price for a commodity includes any excise, sales or similar tax which is not separately stated, you must first ascertain the amount of such tax and exclude it from your base period price. Your base period price, with such tax so excluded, may then be used in making any appropriate computations for determining your ceiling price. After completing the computations, you may then add on the appropriate amount of such tax for inclusion as part of your ceiling price. In the case of any reduction or elimination of such a tax subsequent to the end of your base period, you must reflect the appropriate amount of such reduction or elimination in your ceiling price. In the case of any increases in such a tax subsequent to the end of your base period, you may include the appropriate amount of such increase as part of your ceiling price. Likewise, in the case of any similar tax first imposed subsequent to the end of your base period, you may include the appropriate amount of such tax as part of your ceiling price.

(2) If subsequent to the establishment of any ceiling price which includes any excise, sales or similar tax, the amount of such tax is reduced or eliminated, you must recompute and reduce your ceiling price to reflect the appropriate amount of the reduction in or elimination of such tax.

(3) If subsequent to the establishment of any ceiling price any excise, sales or similar tax is first imposed or any such tax, which had been included in your ceiling price, is increased, you may recompute and increase your ceiling price to reflect the appropriate amount of such new tax or of the increase in such tax.

(b) *Where the tax is separately stated and collected.* If it has been your practice to state and collect any excise, sales or similar tax separately from your selling price, you may, in addition to your ceiling price determined under this regulation for the same or similar commodities for which this has been your practice, collect the amount of any such tax paid as such by you. In the case of an increase in any excise, sales or similar tax or any new such tax which is not effective until after this regulation becomes effective as to you, you may, in addition to your ceiling price, if not prohibited by the tax law, state separately and collect the amount of such increase or new tax actually paid as such by you. A tax once stated separately from your

ceiling price may not thereafter be included in your ceiling price under this regulation.

[Sec. 34 amended by Amdt. 19]

SEC. 35. Prohibition against redetermination of ceiling prices. Once you have reported your ceiling price or proposed ceiling price for a commodity, as required by this regulation, you may not thereafter redetermine a higher ceiling price, except for the following reasons and upon compliance with the conditions specified.

(a) Changes affecting the computation of ceiling prices resulting from amendment, supplement, revision or official interpretation of this regulation. In case of such a redetermination you must file an amended Public Form No. 8 and such redetermination may reflect only the factors covered by the amendment, supplement, revision or official interpretation.

(b) Extension of the effective date of this regulation pursuant to Amendment 3 of this regulation. In case of such a redetermination you must file an amended Public Form No. 8 by July 2, 1951.

(c) Where the base period price is used as the ceiling price without making the calculations of either of the adjustments (labor cost adjustment or materials cost adjustment) or where the ceiling price is the base period price plus only one of the adjustments. Such a redetermination shall be made by filing an amended Public Form No. 8 showing the omitted calculated adjustment or adjustments and it may reflect only the adjustment or adjustments not calculated in the filed unamended Public Form No. 8.

(d) Purely arithmetical errors may be corrected at any time, but the corrections must be reported to the Director of Price Stabilization.

(e) The filing of an amended Form No. 8 under this section is subject to the provisions of section 46 of this regulation.

(f) Extension of the effective date of this regulation pursuant to Amendment 5 of this regulation. In case of such a redetermination, you must file an amended Public Form No. 8 by August 13, 1951.

(g) Any new excise, sales or similar tax or any increase in any such tax, in accordance with section 36 (a) of this regulation. You need not file any report of your redetermined ceiling price unless required to do so by the Director of Price Stabilization.

[Sec. 35 amended by Amdt. 4; paragraph (f) added by Amdt. 6; paragraph (g) added by Amdt. 19]

SEC. 36. Modification of ceiling prices by the Director of Price Stabilization. The Director of Price Stabilization may at any time disapprove or revise downward ceiling prices proposed to be used or being used under this regulation so as to bring them into line with the level of ceiling prices otherwise established by this regulation. Such downward revisions may, of course, be accompanied by upward revisions—as in a case where the Director of Price Stabilization requires

an apportionment of the "materials cost increase" for a unit of your business to avoid any inequities resulting from the application of sections 17 or 20.

SEC. 37. Recalculation of ceiling prices and announcement of "materials cost increase factors". The Director of Price Stabilization expects in due course to issue an amendment to this regulation providing for a recalculation of your ceiling prices hereunder. The primary purpose of this recalculation would be to reflect more accurately the materials prices established by this and other ceiling price regulations. The Director of Price Stabilization may also from time to time announce "materials cost increase factors" for certain materials in order to provide greater uniformity in the calculation of their change in price since the end of your base period. These factors will be percentage figures based on studies of some categories of important basic materials and parts. If such a factor is announced, it must be used in place of any change you have had in the price of the material covered by the factor, regardless of whether the factor is higher or lower. These "materials cost increase factors" may be announced by amendments or by supplementary regulations to this regulation.

SEC. 38. Adjustable pricing. Nothing in this regulation shall be construed to prohibit your making a contract or offer to sell a commodity at (a) the ceiling price in effect at the time of delivery or (b) the lower of a fixed price or the ceiling price in effect at the time of delivery. You may not, however, deliver or agree to deliver a commodity at a price to be adjusted upward in accordance with any increase in a ceiling price after delivery.

SEC. 39. Petitions for amendment. If you wish to have this regulation amended, you may file a petition for amendment in accordance with the provisions of Price Procedural Regulation 1 (15 F. R. 9055).

SEC. 40. Supplementary regulations. The Director of Price Stabilization may issue supplementary regulations modifying or implementing this regulation as he deems appropriate.

SEC. 41. Adjustment of ceiling prices where over-all loss in operations results. (a) This section permits you to apply for an upward adjustment of your ceiling prices established by this regulation, if as a result of these ceiling prices, you would operate at a loss.

(b) You may apply under this section if:

(1) Your total manufacturing operations have been conducted at a net loss for a period of operation under this regulation of at least one month, or would have been conducted at a loss if you had manufactured the commodities covered by this regulation in your customary quantities and proportions;

(2) The loss was attributable to the level of prices established by this regulation, and not to any of the following:

(i) Seasonal, non-recurring or temporary factors affecting your operations; or

(ii) A reduction in volume of production below the normal economical capacity of your plant; or

(iii) The payment of unlawful wages or excessive salaries or of unlawful or excessive prices for materials; or

(iv) The incurring of factory overhead costs or of selling, administrative and general costs which are abnormally high relative to sales or other costs unless such excess is demonstrated by clear and convincing evidence to have been unavoidable in the exercise of sound business judgment and management; or

(v) Any transactions with affiliated corporations or businesses which either are of a kind which would not result from arm's-length bargaining or differ from the transactions which you have customarily had with such affiliated corporations or businesses; or

(vi) Reserves for contingencies.

(3) The adjusted prices for which you apply will not be substantially out-of-line with the ceiling prices for similar commodities established for other sellers under this regulation.

(c) If you make application under this section, you must supply:

(1) Your name, address, a description of your manufacturing facilities and of the commodities you manufacture, and a statement of the principal types of customers to whom you sell;

(2) A detailed annual profit and loss statement for your firm for the years 1946 through 1949, and both an annual profit and loss statement, and if you regularly prepare them, quarterly profit and loss statements covering the year 1950 and each quarter since then;

(3) A detailed profit and loss statement covering a period of operations of one month or more under this regulation, together with a careful explanation of how it was prepared, including particularly a justification of any estimating procedures used in its preparation;

(4) For commodities covered by this regulation, either (i) a statement of your base period and ceiling prices to your largest buying class of purchaser (including delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale) and a schedule of your price differentials to your other classes of purchasers; or (ii) a copy of the report required and submitted to the Office of Price Stabilization; together with (iii) a statement of the section or sections under which you establish your ceiling prices.

(5) A showing that the loss in your current operations was not due to any of the six factors in paragraph (b) (2) of this section.

(6) A list of your principal competitors, and a statement of their ceiling prices under this regulation for commodities similar to yours, together with data showing the past relationship of your prices to those they have charged for the same or similar commodities.

(7) A proposed schedule of adjusted ceiling prices for commodities covered by this regulation, and a demonstration that, if these prices were charged, your operations would be at a break-even position.

(8) The application must refer specifically to this section of the regulation, must be signed by a responsible officer of your company, and must be sent to the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C.

(d) Within thirty days of the receipt of your application, the Director of Price Stabilization will grant or deny your application in full or in part, or request further information. The Director of Price Stabilization may, as a condition of granting your application in full or in part, require you to submit reports of subsequent operations and may revoke or modify the adjustment at any time. If, thirty days after the acknowledgement or receipt of your application (or of any additional information that may have been requested), none of the actions listed above has been taken, you may sell at your proposed ceiling prices until such time as the Director of Price Stabilization shall notify you that these prices have been disapproved. This 30-day waiting period shall include each day subsequent to the date of receipt of your application (or of any additional information that may have been requested), regardless of the date on which your application (or of any additional information that may have been requested) was received by the Office of Price Stabilization.

[Paragraph (d) amended by Amdt. 6]

SEC. 42. Use of "conversion steel" in calculating the "materials cost adjustment". This section permits you to reflect in your "materials cost adjustment" increases in cost occasioned by your use of more "conversion steel" (see definition in section 45 (z)) than you used in your base period. If you elect to use this section, you must compute this increase in cost in the manner set forth in paragraph (a) of this section. You must recompute this increase every three months as provided in paragraph (c) of this section. Also, you must file the report required by paragraph (b) of this section before you make the adjustment permitted by this section. As soon as you have filed this report you may reflect the increase determined under this section in your ceiling prices. However, the Director of Price Stabilization may disapprove, at any time, by order, your materials cost adjustment to the extent that it reflects an increase in your cost due to your increased use of conversion steel, if he determines that this increase is not based on lawful costs, is caused by your sale of steel, or has not been calculated properly under this section. This disapproval will not be retroactive as to any deliveries made before the date of issuance of the order of disapproval.

(a) *Computation of increased costs due to use of conversion steel.* You shall compute your increased costs due to the use of conversion steel as follows:

(1) Determine the tonnage of all steel (whether conversion steel or not) which you used during the period July 1, 1949 through June 30, 1950.

(2) Determine the tonnage of conversion steel which you used during the period July 1, 1949 through June 30, 1950

and for which you did not make an additional charge during this period.

(3) Divide the tonnage found under subparagraph (2) by the tonnage found under subparagraph (1) of this paragraph.

(4) Determine the dollar amount you paid for all "conversion steel" delivered to you during the period April 1 through June 30, 1950. You shall determine this amount by totalling the amount you paid for steel mill products which you have purchased for conversion to other steel mill products; the amount you paid for converting these steel mill products to other steel mill products; and the amount paid by you for transportation of these steel mill products to the place of conversion and to your plant after conversion.

(5) Divide the dollar amount you found under subparagraph (4) of this paragraph by the total tonnage of conversion steel delivered to you during the period April 1 through June 30, 1950.

(6) Multiply the dollar amount per ton found under subparagraph (5) by the ratio found under subparagraph (3) of this paragraph.

(7) Determine the tonnage of all steel, other than conversion steel, which you used during the period July 1, 1949 through June 30, 1950.

(8) Determine the tonnage of all conversion steel which you used during the period July 1, 1949 through June 30, 1950 and for which you made an additional charge during that period.

(9) Add the tonnages found under subparagraph (7) and subparagraph (8) of this paragraph.

(10) Divide the tonnage found under subparagraph (9) by the tonnage found under subparagraph (1) of this paragraph.

(11) Determine your delivered cost per ton of steel, other than conversion steel, as of the end of your base period (see section 22).

(12) Multiply your cost per ton found under subparagraph (11) by the ratio found under subparagraph (10) of this paragraph.

(13) Add your costs per ton found under subparagraph (6) and subparagraph (12) of this paragraph. The result is your average cost per ton of all steel (whether conversion steel or not) as of the end of your base period.

(14) Determine the tonnage of all steel (whether conversion steel or not) which you used during the period April 1 through June 30, 1951.

(15) Determine the tonnage of conversion steel which you used during the period April 1 through June 30, 1951.

(16) Divide the tonnage found under subparagraph (15) by the tonnage found under subparagraph (14) of this paragraph.

(17) Determine the dollar amount you paid for all "conversion steel" delivered to you during the period April 1 through June 30, 1951. You shall determine this amount by totaling the amount you paid for steel mill products which you have purchased for conversion to other steel mill products (not in excess of the applicable ceiling price); the amount you paid for converting these steel mill products to other steel mill products (not in

excess of the applicable ceiling price); and the amount paid by you for transportation of these steel mill products to the place of conversion and to your plant after conversion. However, you may not use as your total cost of any conversion steel an amount in excess of 200% of the current mill price for the same steel. The term "current mill price" means the delivered price, in carload lots, which the steel mill producer, from whom you purchased the greatest tonnage of steel during the period July 1, 1949, through June 30, 1950, has in effect. If you did not purchase any steel mill products from any steel mill producer during this period, you shall use the delivered price, in carload lots, which the steel mill producer nearest to you has in effect.

(18) Divide the dollar amount you find under subparagraph (17) of this paragraph by the total tonnage of "conversion steel" delivered to you during the period April 1 through June 30, 1951.

(19) Multiply your cost per ton found under subparagraph (18) by the ratio found under subparagraph (16) of this paragraph.

(20) Determine the tonnage of all steel, other than conversion steel, which you used during the period April 1 through June 30, 1951.

(21) Divide the tonnage found under subparagraph (20) by the tonnage found under subparagraph (14) of this paragraph.

(22) Determine your delivered cost per ton of steel, other than conversion steel as of March 15, 1951 (see section 22).

(23) Multiply your cost per ton found under subparagraph (22) by the ratio found under subparagraph (21) of this paragraph.

(24) Add your costs per ton found under subparagraph (19) and subparagraph (23) of this paragraph.

(25) Subtract your average cost per ton of steel as of the end of your base period, found under subparagraph (13), from your average cost per ton of steel found under subparagraph (24) of this paragraph. The result is the dollars and cents change in net cost per ton of all steel which you may use in calculating your materials cost adjustment under the applicable provisions of this regulation.

(b) *Report.* Before you reflect the adjustment permitted by paragraph (a) of this section in your ceiling prices you must file a report, by registered mail, with the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C. This report shall contain the following information (This report may be filed on a copy of Form OPS 92):

(1) A statement describing the nature of your manufacturing operations and, particularly, the commodities in which conversion steel is used.

(2) A detailed statement establishing separately the amount of all steel, other than conversion steel, all conversion steel for which you made an additional charge, and all conversion steel for which you did not make an additional charge, which you used during the period July 1, 1949 through June 30, 1950 and

during the period April 1 through June 30, 1951.

(3) A statement showing the total tonnage received and total dollar amount you paid for each specification of steel (whether conversion steel or not) delivered to you during the periods April 1 through June 30, 1950 and April 1 through June 30, 1951. Also state the total tonnage and the total dollar amount you received for each specification of steel (whether conversion steel or not) which you sold during each of these periods.

(4) Your increase in cost of steel calculated in accordance with the provisions of this section.

(c) *Recomputation.* If you elect to use this section, you must recompute your increased costs, due to the use of conversion steel, on October 1, 1951, and every three months thereafter. You shall make this recomputation in accordance with the method set forth in paragraph (a) of this section, except that you shall use your experience during the three months immediately preceding the date as of which the recomputation is required, instead of using your experience during the period April 1 through June 30, 1951. If this recomputation results in a greater increase in your ceiling prices than that previously determined by you under this section, you may use this greater increase. If this recomputation results in a lesser increase in your ceiling prices than that previously determined by you under this section, you must use this lesser increase.

Within thirty days after each required recomputation you must file a report of the recomputation, by registered mail, with the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C. This report shall contain the information required by paragraph (b) of this section, except that it shall contain the required information for the three months period for which you made the required recomputation.

(d) *Adjustable pricing.* Where you have not computed the increase in your ceiling price permitted by this section, you may sell or deliver a commodity at a price which may be adjusted upwards in accordance with the provisions of this section. If you do so the price at which the commodity is sold or delivered must be determined in accordance with the applicable provisions of this regulation, except this section. Final settlement shall be made at a price not in excess of the ceiling price determined in accordance with the applicable provisions of this regulation, including this section. Also, your computation of the increase in price of the commodity permitted by this section must be made for the calendar quarter immediately preceding the calendar quarter in which you deliver the commodity.

[Sec. 42 amended by Amdts. 6 and 15]

Sec. 43. *Temporary adjustments to carry out existing contracts.*—(a) *Who may apply for adjustment.* If at any time prior to the issuance date of this regulation, you entered into a bona fide contract for delivery of a commodity at a firm price subsequent to the effective

date of this regulation, and if your ceiling price as determined under this regulation is lower than the contract price, you may apply to the Director of Price Stabilization for an adjustment of your ceiling price, provided:

(1) The contract for future delivery was required by seasonal demands or normal business practices.

(2) The contract, if entered into subsequent to January 26, 1951, called for deliveries at a price which was lawful under ceiling price regulations in effect at that time.

(3) You acquired needed raw materials or component parts after the date of the contract at lawful prices in reliance upon and in order to fulfill the terms of the contract.

(b) *Calculation of the amount of the adjustment.* The adjusted ceiling price will be fixed in the following way:

(1) Take the total price of the quantity of raw materials or component parts acquired in reliance upon, and necessary in order to fulfill, the contract.

(2) Compute what the total price of the same quantity of raw materials or component parts would be as of the later of the two applicable prescribed dates used for your calculation of the "materials cost adjustment". In computing what the total price would be, you will, of course, apply the provisions of section 22.

(3) Subtract the figure arrived at in subparagraph (2) from the figure in subparagraph (1). The result is the total amount of the adjustment. If the figure arrived at in subparagraph (1) is no higher than that arrived at in subparagraph (2), you cannot apply for adjustment under this section.

(4) Divide the total amount of the adjustment by the number of units of the commodity called for by the contract. This gives you the adjustment per unit of the commodity. If the contract calls for the delivery of more than one commodity, the total amount of the adjustment may be distributed in any appropriate way among the several commodities.

(5) Add the adjustment per unit of the commodity under (4) to your ceiling price for that commodity. The result is your adjusted ceiling price. In no event, however, may you obtain an adjusted ceiling price higher than the contract price.

Example: You contracted in January, 1951, to supply a mail order house 1,000 units of a commodity at \$10.00 per unit, delivery to be made during the months of June, July, and August of 1951. Your ceiling price under this regulation is \$9.00. In order to comply with the terms of your contract, you purchased raw material sufficient to produce 600 units at a total cost of \$4,200. The cost of acquiring the same raw material as of December 31, 1950 (the later of the two applicable dates used in your calculation of the "materials cost adjustment") would be \$3,500. The total adjustment is \$700 (\$4,200 minus \$3,500 equals \$700). The total number of units called for in the contract was 1,000. Divide \$700 by 1,000. This gives you 70 cents. The adjustment per commodity becomes 70 cents and your adjusted ceiling price for the contract \$9.70. Subsequent sales to the contract purchaser and all sales to other purchasers must be at the regular ceiling price of \$9.00.

(c) *What your application must contain.* Applications for adjustment under this section must be filed on or before September 4, 1951, with the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C. Attached to the application should be the following:

- (1) A copy of the contract;
- (2) Copies of invoices covering the raw materials or component parts acquired in reliance upon and in order to fulfill the contract;
- (3) Copies of invoices or other supporting data which indicate your net cost as of the later of the two applicable dates you used in computing the "materials cost adjustment";
- (4) A copy of the work sheets used in the calculation of your ceiling price.
- (5) A report of your adjusted ceiling price and a detailed calculation showing how this price was determined.

[Paragraph (c) amended by Amdt. 6]

(d) *Action on your application.* You may not receive payment of any amount in excess of your ceiling price until 30 days after receipt by the Office of Price Stabilization of any application filed under this section. If the Director of Price Stabilization does not revise or modify the adjusted ceiling price reported by you or notify you that further information is requested, you may after these 30 days have elapsed receive payment at the adjusted ceiling price for all deliveries made since the date of filing. The Director of Price Stabilization may, however, at any time revise or modify the adjusted ceiling price, but such revision or modification will not apply to deliveries already made.

SEC. 43a. Manufacturers who cannot price under any other provisions. This section is applicable to you if you cannot determine your ceiling price under any other provision of this regulation because you started in business after January 1, 1950 (unless you are subject to section 47—Transfers of business or stock in trade), or for any other reason. If your ceiling price must be determined under this section, your ceiling price shall be a price, in line with ceiling prices otherwise established by this regulation, that is authorized by the Director of Price Stabilization. If you have issued, or propose to issue a price list for a commodity covered by this section, or if you sell, or propose to sell such a commodity to resellers, you must seek such authorization for specific prices. Otherwise, you may seek such authorization either for specific prices or for a method of determining prices by relation to cost. If you seek approval of specific prices, you must file the report required by paragraph (a) of this section. If you seek approval of a method of determining prices by relation to costs, you must file the report required by paragraph (b) of this section. You must file the required report, by registered mail, with the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C., before you sell, offer to sell or deliver a commodity or service covered by this section.

After receipt of this report, the Office of Price Stabilization may approve the proposed ceiling price or proposed price determining method, disapprove the proposed ceiling price or proposed price determining method, establish, by order, a different ceiling price or price determining method, or request further information. If, thirty days after receipt of the required report by the Office of Price Stabilization, none of the actions just listed has been taken, your proposed ceiling price or proposed price determining method shall be deemed to be approved.

The ceiling price or price determining method established in the manner just set forth shall be applicable to all subsequent sales and deliveries. However, if the Office of Price Stabilization determines that this price or price determining method is not in line with ceiling prices established by this regulation, it may disapprove that price or price determining method at any time. This disapproval will not be retroactive as to any deliveries made before the date of such disapproval.

(a) *Report where you are proposing a specific ceiling price.* Where you are proposing a specific ceiling price your report must contain the following information: (This information may be filed on a copy of Form OPS 90 which may be obtained from your nearest OPS Office.)

- (1) The name and address of your company.
- (2) A description of the commodity or commodities for which you seek a ceiling price. This description shall include the type of commodity; model and serial number, if any, and any other specifications commonly shown on price sheets for similar commodities.
- (3) The category or categories in which the commodity or commodities fall, and the most comparable category or categories dealt in by you during the base period, if any.

(4) A statement of the reasons why you cannot price the commodity or commodities under any other provision of this regulation.

(5) A statement of your current unit costs for the commodity or commodities, stating separately direct labor costs, direct materials costs, factory overhead, selling expenses, administrative expenses, any other cost factors, and profit markup.

(6) A statement of your proposed prices to all classes of purchasers, and your proposed list prices, if any, together with applicable discounts and allowances to all classes of purchasers.

(7) The names, addresses, and types of businesses of your two most closely competitive sellers of the same class; a statement of their ceiling prices for the most comparable commodity and their differentials to each of their classes of purchasers; and your reasons for selecting them as your most closely competitive sellers.

(8) If you are starting a new business, you should include a statement as to whether you or the principal owner of your business are now, or during the past twelve months have been engaged, in

any capacity, in the same or similar business at any other establishment. If so, you should state the trade name and address of each such establishment.

(b) *Report where you are proposing a price determining method.* Where you are proposing a price determining method, your report must contain the following information: (This report may be filed on a copy of OPS Form 91 which may be obtained from your nearest OPS Office.)

(1) The name and address of your company.

(2) A detailed description of your proposed price determining method, including all of the factors used and the manner in which they were determined and are to be applied.

(3) A statement of the period as of which you have determined the costs used in your proposed pricing method. For example: June 24, 1950 labor costs and June 24, 1950 material costs.

(4) The product lines or categories whose ceiling prices you propose to establish by the use of your proposed price determining method.

(5) A sample of prices computed in accordance with your proposed price determining method, showing in detail how they were computed.

(6) A statement of the reasons why you cannot determine your ceiling prices under any other provisions of this regulation.

(7) If you are starting a new business, you should include a statement as to whether you or the principal owner of your business are now, or during the past twelve months have been engaged, in any capacity, in the same or similar business at any other establishment. If so, you should state the trade name and address of each such establishment.

(c) *Interim pricing.* Prior to receipt of approval by the OPS of your proposed price or price determining method, or prior to the expiration of the thirty day period after receipt by the OPS of your application (or of any additional information that may have been requested), you may quote or charge the price proposed by you, or a price determined in accordance with your proposed price determining method. However, except as provided in paragraph (d) of this section, until a price or price determining method has been established under this section, not more than 75 percent of this price or a price determined in accordance with this method may be paid or received.

(d) *GCPR ceiling prices.* If you have established a ceiling price for a commodity or service covered by this section under the General Ceiling Price Regulation, you may, after making the report prescribed in paragraph (a) or (b) of this section, continue to use your ceiling price as so established until a ceiling price is established in accordance with the provisions of this section.

[Sec. 43a added by Amdt. 16]

SEC. 44. Records and reports—(a) Record-keeping requirements. (1) With respect to any commodity covered by this regulation the provisions of section 16 of the General Ceiling Price Regulation are hereby continued in effect insofar as

they apply to the preparation and preservation of "base period records" and such "current records" as have been made as a result of sales between January 26, 1951, and the effective date of this regulation.¹

(2) You shall prepare and preserve for the life of the Defense Production Act of 1950 and for two years thereafter all records necessary to determine whether you have computed your ceiling prices correctly, including (but not limited to) records showing base period prices and material and labor costs, and records showing costs, prices and sales, for the other applicable periods and dates referred to in the regulation.

The records to be preserved under this paragraph must include appropriate work sheets. The work sheets to be preserved must include all data and calculations required to determine your ceiling prices.

(3) You shall preserve for a period of two years all records showing the prices at which sales of commodities subject to the regulation have been made.

(b) *Reports.* (1) You must file with the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C., on or before the effective date of this regulation one or more reports on Public Form No. 8 in accordance with the instructions contained in Appendix C. Copies of the form may be obtained from any Regional or District Office of the Office of Price

¹ The portions of the General Ceiling Price Regulation here referred to applicable to manufacturers, are as follows:

Sec. 16. (a) *Base period records.* (1) You must preserve and keep available for examination by the Director of Price Stabilization those records in your possession showing the prices charged by you for the commodities or services which you delivered or offered to deliver during the base period * * *

(2) In addition, on or before March 22, 1951, you must prepare and preserve a statement showing the categories of commodities in which you made deliveries and offers for delivery during the base period * * *

(3) On or before March 22, 1951, you must also prepare and preserve a ceiling price list, showing the commodities in each category (listing each model, type, style, and kind), or the services, delivered or offered for delivery by you during the base period together with a description or identification of each such commodity or service and a statement of the ceiling price. Your ceiling price list may refer to an attached price list or catalogue * * *

(4) You must also prepare and preserve a statement of your customary price differentials for terms and conditions of sale and classes of purchasers, which you had in effect during the base period.

(b) *Current records.* If you sell commodities or services covered by this regulation you must prepare and keep available for examination by the Director of Price Stabilization for a period of two years, records of the kind which you customarily keep showing the prices which you charge for the commodities or services. In addition, you must prepare and preserve records indicating clearly the basis upon which you have determined the ceiling price for any commodities or services not delivered by you or offered for delivery during the base period * * *

"Base period" as used in section 16 of the General Ceiling Price Regulation means December 19, 1950, to January 25, 1951, inclusive.

Stabilization. If you report a ceiling price for any commodity higher than your ceiling price under the General Ceiling Price Regulation, you must file your report by registered mail, and you must wait fifteen days before selling as provided in section 46.

(2) The Director of Price Stabilization may from time to time require additional information or reports subject to the approval of the Bureau of the Budget under the Federal Reports Act of 1942.

SEC. 45. *Definitions and explanations.*—Unless the context otherwise requires, the definitions and explanations in this section shall be controlling. (a) *Automotive parts.* This term means all engine parts, body parts, chassis parts, motors, electric equipment and wheels, and all other component parts and subassemblies, of automobiles, trucks, busses, trailers, semi-trailers, and motorcycles (except rebuilt bodies of trucks, busses, trailers or semi-trailers) and all accessories and optional, extra and special equipment designed for use on, or with, such motor vehicles, and unfinished parts and components thereof, when in such form as to permit their use only as automotive parts, but does not mean any service or maintenance accessories such as anti-freeze, body polish, tools, etc., or tires, tubes, sheet or other non-processed glass.

[Paragraph (a) amended by Amdt. 4]

(b) *Category.* This term is defined in section 5.

(c) *Class of purchaser or purchaser of the same class.* Class of purchaser is determined in the first instance by reference to your own practice of setting different prices for sales to different purchasers or groups of purchasers. The practice may (but need not) be based on the characteristics or distributive level of the buyer (for instance, manufacturer, wholesaler, individual retail store, retail chain, mail order house, government agency, public institution). It may (but need not) be based on the location of the purchaser or the quantity purchased by him. If you have followed the practice of giving an individual customer a price differing from that charged others, that customer is a separate class of purchaser.

If in your industry a practice prevails of charging different prices for sales to groups of buyers based on their characteristics or distributive level, any such group to whom you did not make sales during your base period and for whom you did not have a customary differential in effect during or before your base period, is a separate class of purchaser as to you.

(d) *Commodity.* This term includes any item, object, material, article, product or supply.

(e) *Delivered.* A commodity shall be deemed to have been delivered if it was received by the purchaser or by any carrier, including a carrier owned or controlled by the seller, for shipment to the purchaser.

(f) *Director of Price Stabilization.* This term also applies to any official (including officials of Regional or District

offices) to whom the Director of Price Stabilization by order delegates a function, power or authority referred to in this regulation.

(g) *End of your base period.* This term means June 24, 1950, if your base period is April 1 through June 24, 1950, or if you elected a previous calendar quarter as your base period in accordance with section 4, it means the last day of that quarter. If, however, you have elected different base periods for different commodities or categories in accordance with sections 4 or 5, the date you will use as the end of your base period is determined as follows:

(1) If you are calculating the "labor cost adjustment" or the "materials cost adjustment" upon the basis of your entire business or of a unit of your business and your base period is the same for all commodities produced in that unit, the last day of that base period is the end of your base period.

(2) If you are calculating the "labor cost adjustment" upon the basis of your entire business or of a unit of your business and your base period for all of the commodities being priced is not the same, the last day of the particular base period you have elected which covers the group of commodities having the largest aggregate dollar volume of sales in calendar or fiscal year 1950 is the end of your base period for your calculation of the "labor cost adjustment."

(3) If you are calculating the "materials cost adjustment" upon the basis of your entire business or of a unit of your business and your base period for all of the commodities being priced is not the same, the last day of the particular base period you have elected for the group of commodities having the largest aggregate dollar volume of sales in calendar or fiscal year 1950 is the end of your base period for your calculation of the "materials cost adjustment."

(4) If you are calculating the "materials cost adjustment" for a commodity under method 2 (section 18) or method 3 (section 19) the end of your base period is the last day of the particular base period you are using.

(h) *Farm equipment.* This term means any mechanical equipment, attachment or part used primarily in connection with the production and farm processing for market and farm use of agricultural products, and also the categories of non-mechanical equipment, attachments and parts included in the partial list of farm equipment mentioned below. The term "farm equipment" does not include automobiles, trucks, general purpose tools, hardware items, hand tools, prefabricated farm buildings, grain bins, building materials, electrical equipment (except electrically motivated farm equipment and fence controllers), lawn mowers, sprays or other chemicals, commercial processing machinery, livestock, seeds, feeds or any other agricultural products. A partial list of "farm equipment" follows: farm tractors, garden tractors; planting, seeding and fertilizing machinery; plows and listers; harrows, rollers, pulverizers, and stalk cutters; cultivators and weeder; harvesting machinery (combines, binders,

pickers, potato diggers, pea and bean harvesters, beet lifters, etc.); haying machinery (mowers, rakes, hay loaders, stackers, balers, etc.); manure loaders; dairy farm equipment (milking machines, farm milk coolers (except mechanically refrigerated), farm cream separators, etc.); poultry farm equipment (incubators, brooders, feeders, waterers, etc.); bee keepers' equipment; agricultural spraying equipment; weed burners for farm use; barn and barnyard equipment; mechanical hog feeders; ironed singletrees, doubletrees and neck yokes; electrical fence controllers; farm water pumps and water systems; irrigation systems and equipment for farm use; windmills; windmill generating sets; portable farm grain elevators; wood slat corn cribbing woven with wire; silos; wood-sawing machines intended for farm use; machines for farm processing for market or farm use (farm size cane mills, cider mills, corn shellers, corn huskers and shredders, ensilage cutters, feed cutters, feed grinders and crushers, fruit presses, grain cleaners and graders, grain threshers, hammer mills, hay presses, peanut pickers, potato sorters and graders, syrup evaporators, etc.); farm wagons; and attachments and parts for all the foregoing.

(i) *Installation or erection service.* This term means the service of installation or erection required to install or erect a commodity covered by this regulation, where such service is performed by the manufacturer of the commodity, which is installed or erected, or by a parent, affiliate or a wholly owned subsidiary of the manufacturer of that commodity.

(j) *Largest buying class of purchaser.* This term refers to the "class of purchaser" of a commodity which bought from you the largest dollar amount of that commodity during your base period. It does not, however, include the United States or any agency thereof, any foreign purchaser, or any person to whom the only sales made during your base period were made under a written contract of at least 6 months' duration entered into prior to the base period, unless the United States or any agency thereof, any foreign purchaser or such contract purchaser was your only class of purchaser.

(k) *Manufacturer.* This term means any one of the following:

(1) Any person engaged in one or more operations in the fabrication, processing or assembly of the commodity being priced, including subcontractors.

(2) Any person who sells a commodity which has been produced on his account from materials or parts owned by him.

(3) Any person who sells a commodity under his own brand or trade name, where he produces the same or a similar commodity in his own plant, or where the commodity which he sells under his own brand or trade name is a replacement part for a commodity which he produces in his own plant.

[Subparagraph (3) amended by Amdt. 8]

(l) *Manufacturing material.* This term is explained in section 14.

(m) *Net cost or net price.* Each of these terms refers to the cost or price to you of a manufacturing material, less any discount (other than a customary cash discount) or allowance you took or could have taken. It does not include separately stated charges such as freight, taxes, etc.

(n) *Net sales.* This term refers to gross sales after trade discounts, less returns and allowances. In the case of sales where the selling price is a delivered price, transportation charges should not be deducted.

(o) *OPS.* This means the Office of Price Stabilization.

(p) *Person.* This term includes any individual, corporation, partnership, association or any other organized group of persons, or legal successors or representatives of the foregoing, and the United States or any other Government or their political subdivisions or agencies.

(q) *Plant.* This term refers to a single physical location where business is conducted or industrial operations are performed, for example, a factory or a mill. If such a single physical location comprises two or more units, with separate payroll and inventory records, engaged in distinct industrial activities, each unit shall be treated as a plant.

This definition of "plant" is based on the definition of "manufacturing establishment" in the Standard Industrial Classification which is consistent with that used by the Bureau of Census in the 1947 Census of Manufacturers and subsequent surveys.

(r) *Product line.* This term is explained in section 19.

(s) *Records.* This term means books or accounts, sales lists, sales slips, orders, vouchers, contracts, receipts, invoices, bills of lading, and other papers and documents.

(t) *Sale at retail.* Sale at retail means any sale to an ultimate user, other than an agricultural, commercial, industrial, governmental or institutional user.

(u) *Sell.* This term includes sell, supply (with respect to either commodities or services), dispose, barter, exchange, transfer and deliver, and contracts and offers to do any of the foregoing. The terms "buy" and "purchase" shall be construed accordingly.

(v) *Service.* This term includes any service rendered or supplied otherwise than by an employee.

(w) *Written offer or written offer for sale.* Each of these terms refers to an offer for sale made by means of the seller's price list or, if he has no price list, a written offer otherwise made in the seller's customary manner. The term does not include an offer at a price intended to withhold a commodity or service from the market or used as a bargaining price by a seller who usually sells at a price lower than his asking price.

(x) *You.* "You" means the person subject to this regulation. "Your" and "yours" are construed accordingly.

(y) *Casting.* This term means any product produced from molten metal or

alloy which is formed in a mold or die and on which no further operations are performed, except cleaning, snagging, rough grinding, inspecting, testing, rough drilling, or machining but only for the purpose of inspecting or cleaning. It also means any such product upon which further operations are performed, but only if it is designed solely to meet the buyer's specifications.

[Paragraph (y) added by Amdt. 4]

(z) *Conversion steel.* This term means steel mill products which have been obtained by the consumer in consequence of the consumer or some other person having furnished, directly or indirectly, to one or more steel producers or converters, steel mill products in a less finished form such as, but not limited to, ingots, blooms, billets, slabs, rods, skelp, and hot rolled sheets in coils, for the express purpose of procuring such steel mill products.

[Paragraph (z) added by Amdt. 15]

(aa) *Your ceiling price as determined under this regulation.* This term includes a ceiling price determined under CPR 30, or any supplementary regulations to CPR 30, unless the context clearly excludes from its meaning a price determined under a supplementary regulation to CPR 30.

[Paragraph (aa) added by Amdt. 20]

SEC. 46. *Prohibitions.* (a) On and after the effective date of this regulation, regardless of any contract or other obligation, (1) you shall not sell any commodity or service subject to this regulation at a price exceeding your ceiling price as determined under this regulation, and (2) no person shall buy from you, in the regular course of business or trade, any commodity or service subject to this regulation at a price exceeding your ceiling price as determined under this regulation.

(b) On and after the effective date of this regulation you shall not sell any commodity or service subject to this regulation unless you have complied with the report requirements of section 44, where you are required to do so.

(c) In the event your ceiling price for a commodity or service under this regulation is higher than your ceiling price under the General Ceiling Price Regulation you shall not sell the commodity or service at a price exceeding your ceiling price under the General Ceiling Price Regulation, except under the following conditions:

(1) You must send by registered mail a report, relating to that commodity or service, on Public Form No. 8 (in accordance with the instructions shown in Appendix C) to the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C. Copies of this form can be obtained from any Regional or District office of the Office of Price Stabilization.

(2) You must wait 15 days after the date of receipt by the Office of Price Stabilization of the report, as shown on your return receipt. This 15-day waiting period shall include each day subse-

quent to the date of receipt of your report by the Office of Price Stabilization, regardless of the date on which your report was received by the Office of Price Stabilization.

[Subparagraph (2) amended by Amdt. 6]

(3) At the end of that 15-day period, or on or after the effective date of this regulation, whichever is later, you may deliver that commodity or service at your ceiling price as determined under this regulation, unless and until notified by the Director of Price Stabilization to continue using your GCPR ceiling price, or such higher ceiling price as he may permit, either because your ceiling price proposed under this regulation has been disapproved in whole or in part, or because more information is required.

SEC. 47. Transfers of business or stock in trade. If the business, assets or stock in trade are sold, or otherwise transferred, after the issue date of this regulation, and the transferee carries on the business, or continues to deal in the same type of commodity or service, in an establishment separate from any other establishment previously owned or operated by him, the ceiling prices of the transferee shall be the same as those to which his transferor would have been subject if no such transfer had taken place, and his obligation to keep records sufficient to verify such prices shall be the same. The transferor shall either preserve and make available, or turn over, to the transferee all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the provisions of this regulation.

SEC. 48. Charges lower than ceiling prices. Lower prices than those established under this regulation may be charged, demanded, paid or offered.

SEC. 49. Evasion—(a) In general. The price limitations set forth in this regulation shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, delivery, purchase, lease of, or relating to, commodities or services covered by this regulation, alone or in conjunction with any other commodity or service, or by way of commission, service, transportation, or other charge, or discount, premium or other privilege, or by tying-agreement or other trade understanding, or otherwise.

(b) *Specific practices.* The following practices are, specifically but not exclusively, among the practices prohibited by paragraph (a) and are itemized here only to lessen the frequency of interpretative inquiries which experience indicates are likely to be raised under the general evasion provision:

(1) Paying a purchase commission, if the sum of the commission and the purchase price exceeds the ceiling price.

(2) Requiring a customer to furnish material for processing not in accordance with previous practice.

(3) Entering into a joint venture with any other person subject to this regulation for cross-selling, cross-purchasing or cross-servicing.

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(4) Reducing the period of any guaranty or warranty of performance in effect during your base period.

(5) Eliminating or reducing any maintenance, repair, replacement or installation service in effect during your base period.

(6) Granting less than a reasonable allowance for commodities received in trade.

(7) Eliminating or reducing rental or trade-in credits on purchases.

(8) Renting or leasing a commodity with an option to purchase, when the sum of the rental and the sale price exceeds the ceiling price established by this regulation for the sale of the commodity.

SEC. 50. Violation—(a) Civil and criminal action. Persons violating any provisions of this regulation are subject to the criminal penalties, civil enforcement actions and suits for treble damages provided for by the Defense Production Act of 1950.

(b) *Record-keeping and filing violations.* If any person subject to this regulation fails to keep the records or file the reports required by this regulation, or if any person subject to this regulation fails to establish a ceiling price or apply to the Office of Price Stabilization for the establishment of a ceiling price, if he is required to do so, the Director of Price Stabilization may issue an order fixing ceiling prices for the commodities or services such person sells. Any ceiling price fixed in this manner will be in line with ceiling prices established by this regulation. The order fixing the ceiling price may apply to all deliveries or transfers for which a ceiling price was not established in accordance with the provisions of this regulation, including deliveries or transfers completed prior to the date of issuance of the order. The issuance of such an order will not relieve the seller of his obligation to comply with the requirements of this regulation or of the various penalties for failure to do so.

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

MICHAEL V. DiSALLE,
Director of Price Stabilization.

By J. L. DWYER,
Recording Secretary.

APPENDIX A—COMMODITIES COVERED BY THIS REGULATION

The commodities covered by this regulation are listed below:

Abrasive products, including coated, bonded, natural stone and artificial abrasives.
Air-conditioning equipment, condensing units of 25 tons capacity and over.
Aircraft.
Aircraft parts (all parts, subassemblies and unfinished parts and components of aircraft which are in such form as to permit their use only as aircraft parts, except tires and tubes).

[Two items above added by Amdt. 1; last item above amended by Amdt. 4]

Anchors, marine, earth and rock.
Antennas, radio and television, except built-in antennas included within the cases of domestic radio or television receivers.

Anvils, except jewelers' anvils.
Arresters, lightning, including lightning rods.
Asphalt mixing plants and attendant plants.
Attachments and accessories for machinery and machine tools, including the following illustrative list:
Adapters.
Arbors.
Blocks, machine tool.
Brakes, spindle.
Centers, bench.
Centers, lathe.
Chucks, all types.
Clamps.
Collets.
Die heads.
Die sets.
Dogs, work driving.
Edges, straight.
Electric etchers and de-magnetizers.
Feeding devices.
Glass, level.
Grinders.
Ground steel stock for punches, dies, jigs, fixtures, etc.
Guides, adjustable.
Heads.
Holders, tool and work.
Mandrels, all types.
Plates, all types.
Posts, tool.
Saw accessories (sets, swages, guides, clamps, bracing tools).
Sockets.
Stops, machine.
Templates.
Torque wrenches.
Wheels, buffing and polishing.

Augers, earth.
Automotive parts (See definition in section 45).
Automotive testing and maintenance equipment, mechanical and electrical.
Automotive trucks (including fire trucks), hearses, flower cars and other vehicles designed for funeral use, ambulances, busses, motorcycles, motor scooters, and house and truck trailers.

[Above item amended by Amdt. 21]

Batteries, storage.
Battery chargers.
Bearings, antifriction (ball, roller, needle, etc.).
Bearings and bushings, ferrous and non-ferrous.
Belting, leather and textile.
Bimetallic thermal strips, fabricated.
Blocks and tackle.
Boilers, power, industrial and marine, 100 p. s. i. and higher working pressure.
Broom-making machinery.
Brushes, industrial, power-driven.
Brush-making machinery.
Bushings, porcelain, glass and steatite, for electrical uses.
Cable, insulated, electrical.
Cable accessories, electrical.
Can-making machinery and equipment.
Capacitors, electrical.
Carbon graphite and metal graphite for electrical uses.
Carriers, lumber, steel, etc., specifically designed for industrial or commercial use.
Cars, freight, including all types of flanged wheel mining and industrial cars.
Cars, passenger, for surface, subway or elevated lines.
Casters.
Cement-making machinery.
Ceramics machinery.
Chain, power transmission, including chain fittings and assemblies.
Chemical processing machinery.
Circuit breakers, electrical.
Clamps of the O and bar type, except those used for medical or dental purposes.
Clevises.
Clockwork systems, industrial, used in connection with mechanical instruments.

Coal preparation equipment.
Coke oven doors and jambs.

[Above item added by Amdt. 4]

Compressors, except those used with condensing units under 25 horsepower or 25 tons.

Concrete products machinery and equipment.

Condensers, synchronous, electrical.

Conduit.

Conduit fittings.

Control equipment, electrical, industrial.

Convertors, synchronous, electrical.

Conveyors and conveying systems, industrial.

Core drilling and core making machinery.

Cotton-ginning machinery.

Cranes, crawler, overhead bridge, locomotive, revolving, truck and others.

Cutting tools, including the following illustrative list:

- Augers, machine.
- Bits, machine.
- Blades, hacksaw—all types.
- Blades, power-driven saw.
- Blades, machine, shear, etc.
- Broaches.
- Chasers.
- Chisels, machine.
- Counterbores.
- Countersinks, machine.
- Cutters.
- Dies, cutting and threading.
- Dressers, abrasive wheel.
- Drills.
- Extractors.
- Files, rasps and burrs.
- Form tools.
- Hobs.
- Knives, machine.
- Knurling tools.
- Punches, machine.
- Reamers.
- Rules, creasing, cutting and perforating.
- Scraper blades, machine.
- Taps.
- Tips: tool (except pressed or formed sintered tungsten carbide not processed beyond final sintering, and stellite).

[Above item amended by Amdt. 13]

Cylinders, power, hydraulic, pneumatic and hydropneumatic.

Derricks.

Diamond tools: core bits, dies .002' and larger, dressing tools, shaped tools, wheels, etc.

Dies, jigs, and fixtures.

Die-casting machinery.

Distribution boards, electrical.

Dollies, industrial.

Dozers, angle, bull and push.

Dredging machinery.

Dry-cleaning and clothes-pressing machinery, except domestic.

Ducts for electrical uses, except those manufactured from asbestos, cement, ceramic materials or clay.

Dust-collecting equipment, industrial, portable and stationary, including industrial vacuum cleaners.

Economizers, steam, industrial and marine.

Electrodes.

Electroplating and hot-dip metal coating equipment, including preparatory and finishing equipment used in connection with metal coating processes.

Electro-therapeutic apparatus and supplies.

Electronic devices, equipment and parts (other than radio and television receivers).

Elevators, passenger and freight.

Engines, diesel and oil.

Engines, gas.

Engines, gasoline and kerosene, except toy and portable outboard motors.

[Above item amended by Amdt. 4]

Engines, steam, except toy.

Engine-generator sets.

Escalators (moving inclined stairways for raising or lowering passengers).

Excavating and earth-moving machinery, including power shovels, ditchers, draglines and power scrapers.

Fabricated structural steel shapes, plates and bars.

Fans and blowers, industrial, excluding unit heaters or unit ventilators, hand blowers, and desk, pedestal, portable, ceiling and wall-bracket type fans, but including warm air furnace fans, attic ventilating fans, pressure fans and blowers and built-in fans.

Farm equipment (see definition in section 45).

Feed-water heaters, industrial and marine.

Floor surfacing and floor maintenance machinery, industrial.

Food and beverage machinery, including baking, bottling, brewing, canning, confectionery, grain milling, meat packing, edible oil, sugar and dairy machinery and equipment.

Forgings (all ferrous and non-ferrous metal products commonly known as "forgings" which are formed by the use of power-actuated hammers, pressers, or forging machines, including "forgings" upon which supplementary operations, such as trimming, coining, testing, inspecting, heat treating, welding, machining, plating, or other surface coating, have been performed).

Foundry machinery, including ladles not over 40-ton capacity.

Furnaces and ovens, industrial and laboratory, except space heating, warm air furnaces, stoves, blast furnaces, open hearth furnaces, Bessemer converters, soaking pits, and coke ovens.

[Above item amended by Amdt. 4]

Fuses for the protection of electrical equipment.

Galvanometer and pyrometer movements.

Gas burners designed for use with products covered by this regulation.

Gaskets and packings, except those made in whole or in part of rubber.

Gauges, specifically designated for industrial or commercial use.

Gears, pinions, sprockets and speed reducers, including gear motors, motorized speed reducers and variable speed and other machine drives.

Generators, electrical.

Generators, gas.

Generator sets, diesel-electric, gas engine, electric and motor or engine driven.

Glass-making machinery.

Governors, engine.

Glass products, industrial, scientific and technical which are listed below:

Electrical glassware:

- Bulbs, glass portion (incandescent, fluorescent, indicator, auto lamp, radio, television, X-ray, radar and power tube).
- Bushings.
- Capacitors.
- Coil forms.
- Flares (glass base portion for lighting, radio, indicator, auto lamp, television, X-ray, radar and power tube).
- Fuse plugs.
- Insulators.
- Resistor tubes.
- Tubing (electrical, fluorescent).

Industrial glassware:

- Cylinders.
- Flat gauge glasses.
- Glass bulbs.
- Gauge cup and oil cup glasses.
- Meter and relay covers.
- Miscellaneous industrial glassware which is to be further fabricated by others or which is to be incorporated as a component part of an industrial product.

Laboratory and pharmaceutical glassware:

- Apparatus ware.
- Chemical ware.
- Instrument tubing.

Glass products—Continued

Laboratory and pharmaceutical glassware—Continued

Laboratory apparatus tubing.

[Above category amended by Amdt. 11]

Optical glass:

- Rough glass blanks for optical, ophthalmic and scientific use.

Signal glassware:

- Airplane running lights.
- Battery jars.
- Explosion resisting globes.
- Fresnels.
- Front glasses.
- Lenses.
- Obstruction lights.
- Optical ware (color and light filters).
- Roundels.

Ground steel stock for punches, dies, jigs, fixtures, etc.

Gyroscopes.

Hat-making and repairing machinery.

Heat exchanger equipment (when designed for use with products covered by this regulation).

Heaters, sand, stone or bitumen.

Heating, melting, burning and thawing equipment, portable, for industrial and transportation purposes, except mechanics' fire pots and blow torches.

Heating units and devices, electrical, industrial.

Hoists.

Hose and tubing, metal, flexible.

Hydraulic machinery.

Instruments, electrically or mechanically operated for measuring, testing, indicating or recording electrical quantities.

Instruments, mechanical, for indicating, measuring, recording and testing, including aircraft, laboratory, marine, precision and scientific mechanical instruments, but excluding tire gauges, carpenters' tools, clinical, dental, household, optical and surgical instruments, low pressure heating controls (such as thermostatic traps, blast traps and strainers), water level controls (all types), air temperature and humidity controls (all types), coin-operated devices and household refrigeration controls.

Insulators, porcelain, glass and steatite, for electrical uses.

Inter-communicating systems, electronic.

Jacks and jack screws.

Kilns (except brick), coolers and dryers specifically designed for industrial or commercial use.

Laundry machinery, except domestic.

Leather-working machinery.

Lighting equipment, electrical, for airway, commercial, flood-lighting, industrial, marine, seadrome, and street and highway uses.

Lighting fixtures, not portable.

Line material, transmission or trolley.

Loading and unloading equipment, specifically designed for industrial or commercial use.

Lock and dam machinery, which is designed exclusively for the control of water flow in locks, dams and structures when such locks, dams, and structures are designed for flood control, irrigation, power generation or transportation purposes.

Locomotives and tenders, including mining and industrial.

Logging and lumbering machinery and equipment.

Lubricating systems and devices, industrial, stationary.

Machinery, industrial, not listed elsewhere in this Appendix. The term "industrial machinery" means any machinery or equipment, not specifically excluded from the coverage of this regulation, which is used in the extraction, production or processing of commodities.

Machine tools (power driven machines used for shaping metal by cutting, abrading, straightening, forcing, forging or forming under pressure).

- Machine tool attachments (any accessory equipment furnished with a machine tool, or separately for use on a machine tool).
- Machines, tools, devices and appliances designed specifically for the installation, operation, maintenance and protection of tracks, yards, signals, rolling stock and motive power of surface, subway or elevated rail lines.
- Magnetos.
- Magnets, lifting, industrial.
- Marine equipment listed below:
- Anchors.
 - Boat hooks without handles.
 - Buoys, pontoons and rafts, metallic.
 - Capstans.
 - Chocks.
 - Cleats.
 - Controls, bulkhead and throttle.
 - Deck and manhole plates, machined.
 - Fog horns and whistles, manually operated.
 - Gooseneck and boom bands.
 - Hatch covers, metal.
 - Lights, oil.
 - Marlin spikes and belaying pins, metal.
 - Mooring and riding bits.
 - Port lights.
 - Pumps, marine, manually operated.
 - Reels, hawser, manually operated.
 - Rope guides and leaders.
 - Rowlocks.
 - Shackles.
 - Snaps.
 - Sockets.
 - Steering apparatus, manually operated.
 - Ventilators.
- Metals and alloys, special, electrical (except steel with less than 6 percent alloy content, in any fabricated form and pure tungsten or thoriated tungsten containing not less than 98 percent tungsten, rolled, drawn, ground or swaged, but not further fabricated other than by cutting or bending) used for electrical, magnetic, or glass-sealing purposes, including special contact alloys and special coated iron wire.
- [Above item amended by Amdt. 5.]
- Mining and quarrying machinery, including mine cars and trucks.
- Molds and patterns.
- Motion picture equipment, 35 millimeter, including sound equipment and parts for recording, reproducing and projecting, for studio, theatre, commercial or industrial use.
- Motors, electrical.
- Neon indicator attachments.
- Numbering and marking machines for use on metal, except office machines.
- Oil burners, industrial and marine, burning No. 5 oil or heavier, except horizontal, rotary and gun type burners.
- Oil mill machinery and equipment.
- Oil-well and oil-field machinery and equipment.
- Optical processing machinery.
- Ore-crushing and concentrating machinery.
- Ovens, industrial and laboratory, except coke ovens.
- Packaging, wrapping, filling and labeling machinery.
- Paint-making and ink-making machinery.
- Panelboards, electrical.
- Parts and subassemblies of any commodity listed in this Appendix, where the part or subassembly is in such form as to permit its use only in a commodity listed in this Appendix, except castings and mechanical rubber goods. The term "castings" is defined in section 45 *Definitions*.
- [Above item amended by Amdt. 4]
- Petroleum refining machinery.
- Pharmaceutical machinery.
- Pile drivers.
- Pipe wrapping and coating machinery.
- Pistons and piston rings.
- Plants, stationary, for railroad use in handling cinders, fuel, sand or water.
- Plastics fabricating and molding machinery.
- Pole-line hardware and line construction specialties.
- Power transmission equipment, industrial, including belt-tighteners, blocks and bearing housings, brackets, clutches, collars, couplings, hangers, motor bases, pillow blocks, pulleys, sheaves, shifters, universal joints and variable speed and other machine drives.
- Presses, specifically designed for industrial or commercial use.
- Printing machinery and equipment.
- Public address apparatus.
- Pulp, paper and paper products machinery.
- Pulverized fuel burners.
- Pumps, power operated, with or without power.
- Pumps, hand-operated except store fixtures.
- Railroad car and locomotive parts, and specialties for elevated, subway or surface lines, including:
- Axles.
 - Bearings, truck side.
 - Boilers, fireboxes, front ends and cabs, fittings, fixtures, devices, or appliances mounted thereon.
 - Brakes and brake gears.
 - Coupler devices or attachments.
 - Devices and appliances mounted on locomotives for treatment, distribution or control of water, fuel, steam, sand or electricity.
 - Doors and fixtures.
 - Draft gears, buffers, and attachments.
 - Driving, foundation, or running gear.
 - Grain control apparatus.
 - Journal boxes, assembled.
 - Heating, lighting, ventilation, and air-conditioning equipment.
 - Lubricating devices.
 - Miscellaneous fittings, fixtures, specialties, devices or appliances designed specifically for use on railroad cars or locomotives, except artillery or other exclusively military or naval equipment.
 - Safety appliances and warning devices.
 - Sides, roofs, ends, running boards, and brake steps.
 - Spring rigging, snubbers and shock absorbers.
 - Tires, steel.
 - Trucks, complete.
 - Underframes.
 - Wheels, iron and steel.
- Rectifiers, power, industrial.
- Refrigeration equipment, condensing units of 25 horsepower and over.
- Regulators, feeder voltage.
- Regulators and dampers, power operated, except those designed for domestic heating systems.
- Replacement units and assemblies for mechanical refrigerators having a refrigerated volume of 16 cubic feet or less, when sold by the manufacturer.
- Reproduction machinery, architectural and engineering, such as blueprinting, black and white printing, and brown printing machinery.
- Road and airport building and maintenance machinery, including graders, pavers, rollers, sprayers, mechanical road cleaning equipment, etc.
- Rock-crushers and plants.
- Rod, wire and tube-working machinery and equipment.
- Rolling mill machinery and auxiliary equipment.
- Rope fittings, manila and wire.
- Rubber and allied products machinery.
- Rubber tire and tube machinery and equipment, including tire recapping and re-treading molds and necessary parts (full circle and sectional molds, matrices, etc.), tire buffers and spot vulcanizers for tubes.
- Saws, specifically designed for industrial or commercial use.
- Scaffolds and towers.
- Scales, weighing, industrial and laboratory, except coin operated, counter, household, office and store types.
- Screw machine products, when sold by the manufacturer, except those for which the manufacturer issues a catalog or price list. The term "screw machine product" means any product that is made complete or in its first operation on a hand or automatic screw machine.
- Searchlights.
- Separators, steam, industrial and marine.
- Sewing machines, industrial.
- Sharpening and filing equipment.
- Ships (any ship or boat powered by an in-board engine and barges and cargo carrying barges whether powered or not).
- [Above item amended by Amdt. 4]
- Shoe manufacturing and repairing machinery.
- Signal equipment, railroad, including highway crossing signals.
- Signalling apparatus.
- Siren blowers.
- Skid platforms and pallets, all metal.
- Snow plows.
- Soot blowers and tube cleaners, power operated, industrial and marine.
- Sound recording and reproducing equipment and parts, including portable recorders and recording and transcription turntables, except home or office recording or reproducing equipment.
- Spraying devices, industrial, power-operated, for the application of any material.
- Spreaders for construction and road-building use.
- Springs, except furniture and bed springs.
- Spring winding and forming machinery.
- Sprockets, power transmission.
- Stackers, industrial.
- Stampings, metal, when sold by the manufacturer, except non-ferrous mill products, wire goods, steel mill products, or any product for which the manufacturer has issued a catalog or price list. The term "metal stampings" means stamped or pressed metal products which are mechanically processed by the use of dies and upon which further finishing operations may or may not have been performed, when sold unassembled. A metal stamping may consist of two or more stamped pieces which have been permanently joined by methods such as brazing, riveting, soldering or welding.
- Steam cleaning and degreasing equipment and parts, washing and cleaning equipment, except commercial and domestic dish and utensil washing and cleaning equipment.
- Steam specialties.
- Stokers, industrial and marine, with a capacity of 1200 pounds per hour or more.
- Stone working machinery.
- Sub-stations, unit (power distribution).
- Superheaters, industrial and marine.
- Surveying instruments, such as alidades, levels and transits.
- Switchboxes.
- Switches, electrical, knife and enclosed.
- Switchgear and switchgear accessories.
- Tanks and vessels, pressure, made of metal 10 B. W. G. and heavier, regardless of capacity, or of a capacity in excess of 192 gallons, regardless of gauge, except field erected storage tanks or cylinders which are designed primarily for the transportation of liquids or gases under pressure and which are not designed to be permanently attached to the vehicle transporting such tanks.
- Tanks and vessels, non-pressure, made of metal heavier than 10 B. W. G., regardless of capacity, or of a capacity in excess of 535 gallons, regardless of gauge, except all obround tanks; field erected tanks or vessels; products commonly known as plumbing fixtures, such as flush tanks and laundry trays; products commonly known as pans and cans, such as pails and buckets; non-returnable shipping retainers; refuse receptacles, drip and waste receivers; and septic tanks.

Telegraph apparatus.
 Telephone apparatus, including sound and powered telephone and non-electronic intercommunicating equipment.
 Testing sets for electronic equipment.
 Textile machinery, including equipment and accessories designed exclusively for use with such machinery.
 Tobacco working machinery.
 Tools, manually operated, for the cutting, forming and punching of metals.
 Tools, pipe and tube, manually operated, including beading, belling, banding, cleaning, cutting, expanding, and flaring and wrenches for operating.
 Tools, power-driven, portable or non-portable.
 Track work, fabricated (including but not limited to frogs, switches and cross-overs).

[Above item added by Amdt. 4]

Tractors.
 Trailers.
 Transformers, including specialty transformers.
 Trucks, industrial, hand.
 Trucks, power-operated, lift, platform and straddle.
 Turbine generator sets.
 Turbines and governors, gas, hydraulic and steam.
 Turnbuckles.
 Vises, all types, vise mounts, stands and supports.
 Water conditioning and purifying equipment, industrial.
 Water power equipment.
 Welding apparatus and supplies, electrical, including electrodes (except hard facing welding electrodes and other hard facing materials containing tungsten and copper and copper base alloy welding rod and welding wire).
 Welding and cutting apparatus and supplies, gas, including generators, welding rods and welding wire (except hard facing welding rods and other hard facing materials containing tungsten and copper and copper base alloy welding rod and welding wire).

[Above two items amended by Amdts. 5 and 9]

Well-drilling equipment.
 Wheels.
 Winches and windlasses, manually or power operated.
 Wire accessories, electrical.
 Wire, insulated, electrical.
 Wire machinery.
 Wiring devices, electrical.
 Woodworking machinery.
 X-ray and electro-therapeutic apparatus and supplies.

APPENDIX B

With respect to the following manufacturing materials, the change in net cost may be calculated up to March 15, 1951.

(a) Stumpage, logs, pulpwood, and other raw forest products.

(b) Gas, electricity, and steam.
 (c) All scrap and waste materials.
 (d) The following textile mill products:
 (1) All wood fibers which have been processed beyond the scouring stage.

(2) Wool yarn and fabrics as defined in Ceiling Price Regulation 18, together with all other yarns and fabrics containing 25% or more wool by weight, however manufactured.

(e) The following lumber and wood products:

(1) Lumber, plywood, veneers, shooks, millwork, wood containers, wood excelsior, wood excelsior pads, ties, posts, poles, piling, shuttle blocks, picker stick blanks, wagon and implement woodstock and wood parts, such as double trees, wagon tongues, neck yokes and wagon spokes.

(2) Other allied wood products including "turned wood products" (meaning any soft

wood or hardwood lumber products which have been turned on a cutting machine or passed through a dowel machine) or "shaped wood product" (meaning any soft wood or hardwood lumber products which have been shaped on a pattern or cutting machine).

(3) Wooden products which are completed and ready for ultimate farm use are not included unless they are specifically covered by subparagraphs (1) or (2) of this paragraph. A product is considered "completed and ready for ultimate farm use" within the meaning of this paragraph, even though it must still be painted, lacquered, varnished or upholstered, or subjected to further processing not affecting basic utility, but necessary for consumer acceptance or purchase.

[Paragraph (e) amended by Amdt. 4]

(f) The following chemicals and allied products:

(1) Crude and synthetic rubber.
 (2) Synthetic textile fibers and yarns.
 (3) Fermentation ethyl alcohol, acetone, and butyl alcohol.
 (4) Synthetic butyl alcohol made from fermentation ethyl alcohol.
 (5) Natural and synthetic glycerin.
 (6) Fatty acids which occur in vegetable and animal oils in the form of glyceride esters, such as stearic, palmitic, oleic and lauric acids.

[Subparagraph (6) amended by Amdt. 4]

(7) Paints, varnishes, and lacquers.
 (8) Naval stores.
 (9) All natural gums and resins.
 (10) All vegetable waxes.
 (11) All natural dyeing materials.
 (12) All essential or distilled oil.
 (13) Fats and oils for which ceiling prices are provided in Ceiling Price Regulation 6.
 (14) The following oilseeds or nuts, their oils and fatty acids or combinations of these oils so long as in normal trade practice they retain their identity:

Babassu kernels.	Ouricury kernels.
Babassu oil.	Ouricury oil.
Cacao butter.	Palm kernel oil.
Cashew nut shell liquid.	Palm kernels.
Castor beans.	Palm oil.
Castor oil.	Perilla seeds.
Cocoonut oil.	Perilla seed oil.
Cohune kernels.	Poppyseed.
Cohune oil.	Poppyseed oil.
Copra.	Rapeseed.
Coquito kernels.	Rapeseed oil.
Coquito oil.	Rubberseed.
Corozo kernels.	Rubberseed oil.
Corozo oil.	Sesame oil.
Hempseed.	Sesame seed.
Hempseed oil.	Sunflower seed.
Kapok seed.	Sunflower seed oil.
Kapok seed oil.	Tucum kernels.
Muru-muru kernels.	Tucum oil.
Muru-muru oil.	Tung oil.
Oiticica oil.	
Olive oil, edible, sulphur and other inedible.	

(15) Whale oil.
 (16) Sperm oil.
 (17) Fish oils, including cod oil and shark oil.

(18) Peanut oil.
 (19) Rice bran oil.
 (20) Oleo stock, oil and stearine.
 (21) Inedible tallow, greases and fat-bearing and oil-bearing animal waste materials as defined in Ceiling Price Regulation 6, Amendment 2.

(22) Wool grease.
 (23) Glue stock.
 (24) Casein.
 (25) Cotton linters.

(g) Crude petroleum and petroleum fuels and lubricants, including petroleum coke when used as fuel, and natural gas.

(h) Coke, coal chemicals, coke oven gas, as defined in General Ceiling Price Regulation, Supplementary Regulation 13.

(i) Bituminous coal, anthracite coal, coal briquettes, charcoal, and fuel processed from anthracite or bituminous coal.

(j) Cattle hide, kips, and calfskins, as defined in Ceiling Price Regulation 2.

(k) Hogskins, woolskins, sheep and lamb shearlings, pickled lambskins, pickled sheepskins, horsehides, deerskins, alligator skins, and snakeskins.

(l) Leather, tanned and finished.

(m) The following specified building materials:

(1) Cement, including standard Portland Cement; Special Portland Cement, such as high early strength masonry or mortar, low and moderate heat, oilwell, sulphate-resisting, white Portland; or any other cement generally classified as Special Portland Cement; alumina cement, natural cement, puzzolan (slaglime) cement; and masonry cement of the natural cement class; but excluding hydraulic lime.

(2) Ready mixed Portland cement concrete.

(3) Calcined gypsum plasters, not including finished products produced therefrom.

(4) Lime (construction, metallurgical, chemical, agricultural, refractory).

(5) Sand, gravel, crushed stone and slag, both aggregates and industrial.

(6) Light weight aggregates.

(7) Asphaltic concrete and bituminous paving mixes.

(8) Roofing granules, natural and artificial.

[Paragraph (m) amended by Amdt. 4]

(n) Primary metals, metallic alloys, metallic oxides, and metallic by-products.

[Paragraph (n) amended by Amdt. 4]

(o) All secondary metals and scrap.

(p) All metal powders.

(q) All metallic ores.

(r) (1) All non-metallic minerals which are obtained from their natural state solely by mechanical means such as grinding, washing, leaching, classification, flotation, evaporation, dehydration and the like. This term does not include commodities which are obtained by refining or purification processes involving recrystallization or chemical methods including carbonation, ionic interchange and similar methods.

(2) The exceptions provided in subparagraph (1) of this paragraph do not apply to the following dimension and building stone: Basalt and related stones; granite: building, ornamental and monumental; greenstone: interior, or exterior building, structural, ornamental, and monumental; limestone: building, ornamental, and monumental; marble: slabs-building, structural, and decorative; and ornamental and monumental marble; sandstone: building, structural, ornamental, floor and flagging (including bluestone and brownstone); slate: structural, electrical, roofing, floor, and flagging.

[Paragraph (r) amended by Amdt. 4]

(s) All cast, rolled, drawn, or extruded metals and alloys which have not been further fabricated, except cast iron soil pipe and fittings, cast iron water and gas pipe and fittings, and valve and pipe fittings.

[Paragraph (s) amended by Amdt. 4]

(t) Fabricated structural steel and steel plate and fabricated reinforcing bars, except metal lath and metal lath accessories (including cold rolled channels).

[Paragraph (t) amended by Amdt. 4]

(u) Wood pulp, paper, paper board, and converted paper and paperboard products.

(v) All imported materials, when purchased from a foreign supplier, or from a

seller in the United States in substantially the same form as that in which imported (except for services normally performed by importers such as sorting or packaging), or after simple processing operations only, such as wool scouring.

(w) All jute products containing more than 50 per cent by weight of jute.

(x) All industrial services.

(y) Merchant clays, as listed and described in the Bureau of Mines, U. S. Department of the Interior, current "Minerals Yearbook."

(z) The following iron and steel products: Wire rope and strand; wire (barbed and twisted); wire fence (woven or welded); wire netting; nails (cut and wire); staples; wire bale ties; fence posts; steel screen wire cloth, welded wire concrete reinforcing mesh; hoops; baling bands, and cotton ties; formed roofing and siding; valley, ridge roll, and flashing; welded pipe and tubing; rails and track accessories.

(aa) Glass containers and closures for glass containers except rubber closures and novelty closures not used by commercial bottlers or packers.

[Paragraphs (y), (z), (aa) added by Amdt. 4]

APPENDIX C—CHANGES IN USE OF OPS PUBLIC FORM NO. 8 WITH THIS REGULATION

OPS Public Form 8 and instructions for its use have been filed with the Division of the Federal Register as part of this regulation. Copies of this form and its instructions may be obtained from any District or Regional Office of the Office of Price Stabilization.

In using OPS Public Form 8, which is required to be filed by sections 44 and 46 of this regulation, you must make the following changes in the instructions which accompany OPS Public Form 8.

1. The report under this regulation must be filed with the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C., instead of with the Office of Price Stabilization, Washington 25, D. C.

2. In filing OPS Public Form 8 for commodities covered by this regulation, you may disregard items 8 (e) and (g) in the instructions, and the corresponding portions of the report, for any commodity for which, prior to the effective date of this regulation, you have not had a ceiling price established under sections 3, 6 or 7 of the General Ceiling Price Regulation.

3. The examples of "categories" contained in the instructions for OPS Public Form 8 are not applicable to the commodities covered by this regulation. Examples of "categories" under this regulation would be: machine tools, electric motors and electric storage batteries.

4. The definition of "product line" in this regulation differs from that contained in the instructions for OPS Public Form 8. A "product line" is defined in this regulation (Section 19 (a) (1)) as "a group of closely related commodities which differ in such respects as model, size or brand name and which are normally classed together as a product line in your industry. Generally speaking, each commodity in the same product line must serve the same purpose and must be made by the same manufacturing process from substantially the same materials".

5. The examples of "product line" contained in the instructions for OPS Public Form 8 are not applicable to the commodities covered by this regulation. Examples of "product line" under this regulation would be: fractional horsepower motors, automotive fan belts and crawler tractors.

6. The section number references in items 4 and 5 of the instructions for use of OPS Public Form 8 are incorrect for this regulation. For this regulation the reference in item 4 should be to sections 12 (e) or 13 (b),

instead of to 8 (e) or 9 (b); and the section references for item 5 should be to 17 (d), 19 (c), 20 (d) and 18 (c), instead of to 13 (d), 15 (c), 16 (d) and 14 (c).

APPENDIX D

With respect to the following manufacturing materials the change in net cost may be calculated up to August 1, 1951:

(a) Industrial diamonds.

(b) (1) Ferro-tungsten, tungsten metal powder, tungstic acid, tungstic oxide, ammonium para-tungstate, sodium tungstate crystals, and sodium tungstate anhydrous.

(2) High speed tool steels and specialty steels containing tungsten.

(3) Sintered tungsten carbide products and mixed powders used in the manufacture of such products.

(4) Hard facing products containing tungsten.

(5) Pure tungsten and thoriated tungsten products.

[App. D added by Amdt. 10]

[F. R. Doc. 51-14331; Filed, Nov. 29, 1951; 11:15 a. m.]

[Ceiling Price Regulation 55, Supplementary Regulation 7]

CPR 55—CEILING PRICES FOR CERTAIN PROCESSED VEGETABLES OF THE 1951 PACK

SR 7—CANNED SWEETPOTATO CEILING PRICE ADJUSTMENTS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738) this Supplementary Regulation 7 to Ceiling Price Regulation 55 is hereby issued.

STATEMENT OF CONSIDERATIONS

Canners of Southern sweetpotatoes in Louisiana, Alabama, and Mississippi represented to the Office of Price Stabilization that sales at ceiling prices calculated under Ceiling Price Regulation 55 would result in severe financial hardship and, in some cases, actual bankruptcy. They submitted data on prices and costs in support of this contention. A unique combination of circumstances has occasioned this situation. These canners buy their supply of raw sweetpotatoes in the open market in competition with buyers for the fresh market. This processing demand exerts little effect on the raw material price since less than 5 percent of the supply in these three states is used for processing. Moreover, the 1951 Southern sweetpotato crop is the smallest in recent years, being approximately one-half of the average production. As yet, there are no ceiling prices on sweetpotatoes sold for fresh use. Consequently, canners have been forced to pay above the legal minima for their raw material and cannot reflect such involuntary cost increases in calculating their ceilings.

OPS has regularly made "disaster adjustments" when crop yields have been significantly below normal. Although this Southern sweetpotato situation involves some of the same consequences as a crop failure, a disaster adjustment is inappropriate since the actual sweetpotato yield per acre is normal. This

short crop results from the fact that growers diverted much of their land to the production of other crops in 1951. Accordingly, OPS deems it appropriate to adjust some of the lower ceiling prices resulting from the above circumstances. However, this adjustment is based upon these exact circumstances and, as a matter of policy, such adjustments will not generally be given.

This supplementary regulation sets forth one table listing specific amounts by which canners may increase their ceiling prices otherwise calculated under CPR 55 for various container sizes of canned sweetpotatoes. Canners may not raise these previously calculated ceiling prices by the full amounts listed, however, if such adjusted ceiling prices would be above the maximum permitted adjusted ceiling prices listed in a second table. This method is employed so as to preserve the traditional price relationship among the different items of canned sweetpotatoes. No downward adjustment is required if a canner's ceiling price, otherwise determined under CPR 55, is above the appropriate amount specified in the second table. These adjustments, determined from the data submitted by the industry, will raise some ceiling prices previously calculated under CPR 55.

The Director of Price Stabilization has consulted with representatives of the industry before issuing this supplementary regulation, and has given consideration to their recommendations. It is his judgment that the ceiling prices and provisions of this supplementary regulation are generally fair and equitable and are necessary to effectuate the purposes of the Defense Production Act of 1950, as amended.

REGULATORY PROVISIONS

Sec.

1. What this supplementary regulation does.
2. Adjusted levels for canned sweetpotato ceiling prices.
3. Sales under Ceiling Price Regulation 55.

AUTHORITY: Sections 1 to 3 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101-2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

SECTION 1. What this supplementary regulation does. This supplementary regulation modifies Ceiling Price Regulation 55 by allowing canners of sweetpotatoes whose factories are located in Alabama, Louisiana, or Mississippi to increase their ceiling prices for canned sweetpotatoes processed in any of those states otherwise calculated under CPR 55 by adding specified amounts to such ceiling prices so long as these adjusted ceiling prices do not exceed listed maximum permitted adjusted ceiling prices.

Sec. 2. Adjusted levels for canned sweetpotato ceiling prices. If you have calculated ceiling prices for canned sweetpotatoes processed in Alabama, Louisiana, or Mississippi under CPR 55 without reference to this supplementary regulation, you may increase such ceiling prices for items of canned sweetpotatoes by adding to such ceiling prices the amounts specified in Table I. However, you may not increase your pre-

viously calculated ceiling prices to an amount in excess of the appropriate amount listed in Table II.

TABLE I—PERMITTED INCREASES

Container size	Amount per dozen containers
No. 2.....	\$0.15
No. 3 squat.....	.17
No. 2½.....	.22
No. 10.....	.75

TABLE II—MAXIMUM PERMITTED ADJUSTED CEILING PRICES
(Per dozen containers)

Container size	Wholesale		Other styles	
	Syrup	Dry	Syrup	Dry
No. 2.....	\$2.15	\$2.00	\$2.00	\$1.85
No. 3 squat.....	2.35	2.20	2.20	2.05
No. 2½.....	2.65	2.45	2.45	2.25
No. 10.....	9.25	8.50	8.50	7.75

Example. If your ceiling price as calculated under CPR 55 without reference to this supplementary regulation for a No. 2 can of whole style sweetpotatoes packed in syrup is \$2.10 f. o. b. factory per dozen containers, your adjusted ceiling price would be \$2.15. If you ceiling price for the same item were \$1.90, your adjusted ceiling price would be \$2.05.

SEC. 3. Sales under Ceiling Price Regulation 55. Processors may continue to sell canned sweetpotatoes at or below the ceiling prices established under CPR 55 without reference to the provisions of this supplementary regulation.

Example. If your ceiling price as calculated under CPR 55 without reference to this supplementary regulation for a No. 2 can of whole style sweetpotatoes packed in syrup is \$2.16 f. o. b. factory per dozen containers, your ceiling price remains \$2.16.

All provisions of Ceiling Price Regulation 55 not inconsistent with this supplementary regulation remain in full force and effect.

Effective date. This supplementary regulation shall become effective on November 29, 1951.

GARDNER ACKLEY,
Acting Director of Price Stabilization.

NOVEMBER 29, 1951.

[F. R. Doc. 51-14330; Filed, Nov. 29, 1951; 11:14 a. m.]

[Ceiling Price Regulation 76, Amdt. 1]

CPR 76—GLASSINE AND GREASEPROOF PAPERS

MODIFICATION OF CEILING PRICES

Pursuant to the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong., Pub. Law 96, 82nd Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 1 to Ceiling Price Regulation 76 is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment to Ceiling Price Regulation 76 makes three changes in that

regulation. (1) It requires the reporting of ceiling prices for related grades sold during the base period. (2) It corrects Schedule A—"Differentials for plain (not embossed) sheets". (3) It authorizes the Director of Price Stabilization to adjust ceiling prices for individual products which are substantially out of line with prices for other products or other sellers.

The regulation as issued requires the reporting of ceiling prices for related grades of glassine and greaseproof papers which were not sold during the base period. The reporting of the ceiling prices for related grades which were sold during the base period is needed to provide the information necessary for a proper consideration of the reports of new grades for consideration of applications under the new adjustment section.

Schedule A—"Differentials for plain (not embossed) sheets" is revised to correct an inadvertent error in the wording of the left-hand column. No change is made in the dollar and cent figures for differentials.

The new section on adjustment of ceiling prices provides that the Director of Price Stabilization may adjust any ceiling price established under this regulation so as to bring it into line with the level of ceiling prices established under this regulation. Modification of ceiling prices by the Director may be on his own initiative or on application by a manufacturer subject to the regulation. This authority will make possible the adjustment of out of line ceiling prices on related grades of glassine and

greaseproof. In view of the corrective nature of these changes in Ceiling Price Regulation 76, it was not practical nor necessary to consult with industry.

AMENDATORY PROVISIONS

Ceiling Price Regulation 76 is amended in the following respects:

1. Section 12, *Records and reports*, is amended by adding a new paragraph (d) as follows:

(d) Within 45 days after December 4, 1951, you shall file with the Director of Price Stabilization, Washington 25, D. C., by registered mail the following information:

(1) The name and address of your company;

(2) The brand name and grade name of each of your related grades of glassine and greaseproof papers currently offered and not included in your filing under section 5, with your ceiling price for each such paper computed pursuant to this regulation.

(3) Complete statement of your pricing point and freight allowances specifying your zones if any, and your freight allowances.

If you prepare the above information for your salesmen or customers on a printed schedule, you may use such schedule, with any additional information necessary, in filing under this section.

2. Schedule A in section 6, "Differentials for plain (not embossed) sheets," is amended by substituting for it the following schedule.

SCHEDULE A—DIFFERENTIALS FOR PLAIN (NOT EMBOSSED) SHEETS
STANDARD PACKING—PER HUNDREDWEIGHT

	Cases, bales, cartons, bundles			Skids (2,000 pounds net minimum)		
	Not trimmed	2 sides trimmed	4 sides trimmed	Not trimmed	2 sides trimmed	4 sides trimmed
More than 1,800 sq. in.....	\$3.00	\$3.50	\$4.00	\$2.00	\$2.50	\$3.00
1,800 sq. in. or less but not more than 1,200 sq. in.....	2.00	2.25	2.50	.50	1.50	1.75
1,200 sq. in. or less but not less than 600 sq. in.....	1.50	1.75	2.00	.50	1.25	1.50
Less than 600 sq. in. but not less than 144 sq. in.....	2.00	2.25	2.50	1.00	1.75	2.00
Less than 144 sq. in. but not less than 96 sq. in.....	2.50	2.75	3.00	.....	.....	.....
Less than 96 sq. in. but not less than 48 sq. in.....	3.00	3.25	3.50	.....	.....	.....
Less than 48 sq. in. but not less than 36 sq. in.....	.....	.....	4.00	.....	.....	.....
Less than 36 sq. in. but not less than 24 sq. in.....	.....	.....	5.00	.....	.....	.....
Less than 24 sq. in. but not less than 15 sq. in.....	.....	.....	6.00	.....	.....	.....
Less than 15 sq. in. but not less than 10 sq. in.....	.....	.....	9.00	.....	.....	.....
Less than 10 sq. in.....	.....	.....	16.00	.....	.....	.....

NOTE: No change is made to the notes to Schedule A.

3. A new section 17 is added to read as follows:

SEC. 17. Adjustment of ceiling prices. (a) Upon your application or upon his own motion the Director of Price Stabilization may adjust any ceiling price established under this regulation so as to bring it into line with the general level of ceiling prices established by this regulation.

(b) Applications for adjustment shall be filed with the Forest Products Division, Office of Price Stabilization, Washington 25, D. C., and contain the following:

(1) The brand name, grade name, if any, specifications and a sample of the paper which is the subject of the application.

(2) The ceiling price for this grade established under this regulation and the computations by which this price was calculated.

(3) The ceiling price of your most closely competitive mill for this grade, if available, or for a comparable grade of your most closely competitive mill. Give the name of your competitor, the brand and grade name, if any, of the paper used in the comparison. "Most closely competitive mill" means the mill which is considered the most direct competitor. A mill is in direct competition with another mill if it sells the same type of commodity to the same class of purchaser.

(4) Information as to the customary differentials, which existed prior to and during price control, between grades of paper demonstrating the necessity for adjusting the prices which are the sub-

ject of your application so as to bring them into line with the general level of ceiling prices established by this regulation.

(c) You may not make any adjustment applied for under this section unless and until you have been notified that you may do so by the Director of Price Stabilization.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup., 2154)

Effective date. This Amendment is effective December 4, 1951.

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

GARDNER ACKLEY,
Acting Director of Price Stabilization.

NOVEMBER 29, 1951.

[F. R. Doc. 51-14332; Filed, Nov. 29, 1951;
4:00 p. m.]

[Ceiling Price Regulation 98]

CPR 98—RESELLERS OF IRON AND STEEL PRODUCTS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Ceiling Price Regulation 98 is hereby issued.

STATEMENT OF CONSIDERATIONS

This regulation establishes ceiling prices for resellers of a wide variety of iron and steel products, including the following four major product groups: Industrial iron and steel products, merchant trade wire and tubular products, oil country tubular goods, and reusable pipe and industrial steel products. This regulation also applies to persons who act as finders, brokers, or intermediaries, or who otherwise participate in transactions covered by this regulation without actually buying and selling iron and steel products.

Under normal conditions, somewhere between 15 and 20% of the annual shipments of iron and steel products is distributed through warehouse resellers. Ordinarily, such warehouses sell in quantities too small to be economically handled by producing mills and in doing so they serve the needs of small manufacturers and processors whose consumption of iron or steel products is too small to be furnished from mill sources, as well as serving the maintenance, repair, and emergency breakdown requirements of various consumers; and the emergency and fill-in requirements of large consumers who buy from warehouse sources to avoid costly shutdowns which would otherwise occur because of the time involved in obtaining mill delivery. In 1949, there were approximately 28,000 warehouse resellers of iron and steel products who served about 300,000 regular customers and as many as 200,000 occasional purchasers. Under conditions such as those which now exist, such resellers become

an even more important part of the distribution mechanism for they are the only source through which small subcontractors and parts manufacturers can obtain the steel needed for the fulfillment of their defense orders. Although warehouses sell iron and steel products in substantially the same form as received, their business involves considerable investment in storage and handling facilities and in equipment to perform such operations as cutting, slitting, and pickling which are necessary to meet their customers' specifications.

Following the outbreak of hostilities in Korea, the resale market for iron and steel products became chaotic. Many persons who did not ordinarily deal in such products were able to enter the business and although they ordinarily acted only as "finders" or brokers they were able, in a large number of cases, to obtain prices substantially higher than those being charged by warehouse resellers. Although the margins of warehouse resellers during the base period of the General Ceiling Price Regulation (December 19, 1950 to January 25, 1951), generally were only slightly above those prevailing in the period immediately preceding the Korean outbreak, some warehouses substantially increased their markups in the interval between the two periods. These various price levels, unusual in the industry, were perpetuated by the General Ceiling Price Regulation and gave rise to conditions which have had an adverse effect upon the stabilization program and the defense effort. Products were diverted from normal channels to consumers who were able to pay high prices and "daisy chain" sales (transactions in which the title to products were transferred back and forth between brokers, each of whom added a percentage markup to his purchase price) became all too common. Furthermore, consumers who purchased material for use not infrequently found it more profitable to dispose of it on the basis of the ceiling prices of their "most closely competitive seller." These conditions became particularly acute in the case of re-usable products which generally were sold at prices well above the prevailing prices for new material.

This regulation is designed to correct this situation by (1) establishing ceiling prices on the basis of uniform industry-wide resale percentage markups (with allowances for customary geographical differentials) over current material costs; (2) eliminating resale markups on direct mill shipments; (3) eliminating multiple sales; (4) eliminating the so-called finder's fee except where the seller absorbs it in his ceiling price; (5) limiting the holder of excess stock to his costs and removing the resale profit in such transactions; and (6) establishing a more normal price relationship between new and reusable items.

The pricing methods set forth in this regulation are divided into four categories which reflect customary differences in the pricing bases of the industry and the different channels through which the products are distributed. The most

important group of products, tonnage-wise, is that generally designated as industrial iron and steel products. The pricing methods established by this regulation for these products when sold out of warehouse stock are those which have customarily prevailed in the industry. The markups for some products are set at different levels depending on the geographic location of the warehouse. Other items are sold on a uniform markup, whereas still others are sold on a mill parity basis. On industrial steel products, both mill and warehouse prices consist of a base price plus a number of extras. The base price applies to a complete commodity classification such as bars, plates, or structurals. The extras are related to the requirements of a specific order such as quantity, size, quality, finish and so forth. The warehouse resale price is determined by adding a "spread" or markup to the mill base price only (with a few exceptions). Practically all mill extras are passed along by the warehouse distributor without any markup. These mill extras, moreover, are the relatively permanent factors in both the mill and warehouse price structure. Historically, they do not fluctuate as do the base prices. For these reasons this price regulation permits the use of current mill base prices and current extras whereas the percentage markups are based on the pre-Korea spread generally prevailing in the industry. On this basis, the regulation accomplishes a modest rollback for most warehouses on many major industrial steel products. Warehouse resellers are also permitted, in computing their ceiling prices, to include a factor representing their incoming transportation costs.

Direct mill shipments of industrial steel products for the account of a warehouse must be made at the same price charged by the producing mill, which is consistent with the customary practice in the industry for this type of sale. Where warehouses purchase their products from other larger warehouses, they have customarily done so for the accommodation of their customers or for the realization of a small profit on the resale in small lot sales. This regulation allows such resellers their additional incoming transportation costs and their quantity differentials.

Another important function of the steel warehouse in connection with the resale of industrial iron or steel products is the reclamation of secondary or rejected materials classified as "rejects", "wasters" and "waste wasters". The tonnage of these secondary products handled by the warehouses is increasing. Such products are sorted and graded as to size and finish. Any unusable portions are cut out and discarded. When shearing is done only for the purpose of eliminating the defective part, thereby qualifying the product for a better grade, the purchaser pays nothing for the labor of shearing and the distributor absorbs the scrap loss. Only when the shearing is done definitely to the customer's specification is the cost of shearing charged to the customer. The markup established by this regulation for such a product is

the same as the markup the warehouse establishes for the comparable prime product.

Ceiling prices are also established by this regulation for the resale out of warehouse stock of certain imported industrial iron and steel products by persons other than importers. The warehouse markup over their cost of acquisition is equal in amount to the markup permitted by this regulation on sales of the same type of domestic iron and steel products sold out of warehoused stock. Importers, including those who put their products through the warehousing operation, are not covered by this regulation and remain under CPR 31 (Imports).

The holder of excess stock of industrial steel products is limited by this regulation to the sum of the mill price, his actual inbound transportation costs, and a \$2.00 per net ton charge to cover in and out handling. While this may result in some financial hardship to the holder in certain cases, such resale operations have never been a customary or normal function of his business. By the same token these provisions are necessary to preserve the proper distributive pattern and discourage this type of inflationary operation. Brokers participating in the purchase and resale of excess stocks have in many instances charged prices greatly in excess of the value of the material. While the resale of excess or distressed stock was customarily made by a broker, there was no fixed markup in most cases, the broker realizing whatever margin he could in each case between his purchase price and resale price which his customer was willing to pay. The 20-percent markup provided by this regulation on this type of sale for resellers approximates the average margin realized by such persons throughout the country during the period May 24, 1950 to June 24, 1950, and thereby constitutes a substantial rollback from the current level of ceiling prices. In addition, no multiple sales are permitted where the price charged to the purchaser would exceed the ceiling purchase price from the holder plus 20 percent of this price.

Under the provisions of this regulation, the person who does not buy and sell, but merely acts as an intermediary (broker, finder, etc.), in transactions covered by this regulation, may not charge the buyer anything for his services unless the person actually making the sale charges less than the applicable ceiling price. Under normal market conditions such intermediaries were not able to add any fee to the reseller's price and they were able to make such charges prior to the issuance of this regulation only because of the acute shortage which existed. Furthermore, the National Production Authority has issued regulations controlling the distribution of iron and steel products which eliminate the conditions giving rise to the operations of such intermediaries. Similarly, and for the same reasons, brokers and other resellers are prohibited by this regulation

from adding any markup in handling direct mill shipments to consumers.

The merchant trade wire and tubular products which include wire nails, roofing and siding, barbed wire, fence posts, and pipe are covered by this regulation when sold by jobbers. These jobbers are given their customary percentage markup over mill list prices. This regulation does not cover the retail seller who purchases from the jobber for resale. The same type of pricing structure has been established for jobbers (distributors) of oil country tubular products.

An important phase of the resale of iron and steel products is the reconditioning and resale of reusable products. This activity becomes increasingly important in times of shortage to augment the supply of iron and steel products. These salvageable items accrue largely from the dismantling of structures and the reclaiming of pipe that has served the purpose of its original installation.

The ceiling prices for reusable industrial steel products have been established at two levels, the level depending upon whether or not the item requires further reconditioning before use. While many resellers of such reusable products have been permitted under the GCPR to charge prices higher than those prevailing for the new prime product, this regulation restores the customary relationship between reusable items and new items which has prevailed in periods of high but not abnormal industrial activity.

Reusable pipe is often purchased while it is in the ground or in such other state that neither the seller nor the purchaser could accurately determine the precise condition of the pipe in order to calculate the ceiling price. Such pipe is normally purchased by reconditioners on a bid basis and is then segregated and reconditioned in their shops or field reconditioning units. This regulation exempts from price control such purchases by the reconditioner while at the same time establishing a ceiling price for the reconditioned pipe at a fixed percentage relationship with new prime pipe. This will enable the reconditioner in each case to determine his bid according to what he estimates the lot is likely to be worth having regard for his ceiling resale price. By this method the reconditioner's normal spread is preserved as nearly as possible under the circumstances without any unnecessary price restrictions. Inherent in such an exemption however, is the possibility of persons other than reconditioners bidding the price of the limited supply of unreconditioned pipe up to a point where it will be diverted from the normal channels of distribution. Consequently, a limitation has been placed on the purchase price which any person other than a reconditioner may pay for unreconditioned pipe. This will keep such pipe in its normal channels and protect the reconditioner from being eliminated from the resale transaction.

Some of the pipe is incapable of being reconditioned and must be resold for structural or redrawing purposes. Such pipe, which is known commercially as

"Structural pipe," invariably sells at a substantial discount from the prices obtained for reusable pipe. Most dealers have in the past segregated their structural pipe from pipe suitable only for scrap purposes and the ceiling price established by this regulation of \$65.00 per net ton is in line with the customary practice of charging for this type of pipe slightly less than midway between the prices of scrap iron and steel and those for reconditioned pipe.

In keeping with the NPA directives severely restricting the resale of conversion steel, resellers of any conversion steel as defined in this regulation must apply to the Office of Price Stabilization for the establishment of a ceiling price for each transaction.

In the judgment of the Director of Price Stabilization the provisions of this ceiling price regulation are generally fair and equitable and are necessary to effectuate the purposes of the Defense Production Act of 1950, as amended.

So far as practicable, the Director has given due consideration to the national effort to achieve maximum production in furtherance of the objectives of the Defense Production Act of 1950, as amended, and to relevant factors of general applicability.

In the opinion of the Director the ceiling prices established by this regulation provide the resellers of iron and steel products with their customary percentage margins over costs of materials prevailing during the period May 24, 1950 to June 24, 1950.

In formulating this regulation, the Director consulted with industry representatives to the extent practicable and has given full consideration to their recommendations.

The Director finds that insofar as this regulation may operate to compel any changes in business practices, cost practices, or methods such changes are necessary to prevent circumvention or evasion of the regulation and to effectuate the purposes of the Defense Production Act of 1950, as amended.

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AUTHORITY: Sections 1 to 51 issued under sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2101-2110. E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

PART I—COVERAGE

SECTION 1. *What this regulation does.* This regulation in general establishes ceiling prices for resellers of iron and steel products, including holders of excess stock of such products and removes them from the coverage of the General Ceiling Price Regulation (GCPR). The iron and steel products which are covered by this regulation are listed generally in section 2. All persons and transactions covered by this regulation are described in section 3.

The regulation, for the sake of simplicity in its use, is divided into five parts, three of which (Parts II, III, and IV) correspond to the three principal categories of products covered.

SEC. 2. *Products covered by this regulation.* (a) This regulation establishes ceiling prices for all new prime industrial steel products listed in Appendix A; all new secondary or rejected flat rolled or semi-finished steel products; all merchant trade iron or steel products listed in Appendix B; all oil country tubular products; all new secondary pipe and tubular products and structural pipe; reusable pipe and tubular products; and reusable industrial steel products.

(b) This regulation does not cover the following products:

(1) Punched, bent, cylindrically rolled, welded or riveted iron or steel products,

(2) Iron or steel scrap as defined in Ceiling Price Regulation 5,

(3) Imported iron or steel products except for industrial steel products listed in Tables A and B when sold from ware-

house stock by persons other than importers.

(4) Concrete reinforcing bars when sold by a fabricator of reinforcing bars who operates facilities for fabricating such bars at the location from which he is shipping, regardless of whether or not such bars have been fabricated by him, and

(5) Any formed roofing or siding which is formed from flat sheets by a reseller.

SEC. 3. *Persons and transactions covered by this regulation.* (a) This regulation applies to the following transactions:

(1) All sales by any reseller, including any holder of excess stock, of any new prime industrial steel product listed in Appendix A.

(2) All sales by any reseller, including any holder of excess stock, of any new secondary or rejected flat rolled or semi-finished steel product.

(3) All sales by any jobber of any merchant trade product listed in Appendix B except for certain small quantity sales described in section 20 (e).

(4) All sales by any jobber of secondary or rejected pipe and tubular products, including structural pipe.

(5) All sales by any reseller of oil country tubular goods. For a definition of oil country tubular goods see section 22.

(6) All sales by any person of reusable pipe and tubular products and reusable industrial steel products.

(7) All sales by any person, including holders of excess stock, of any conversion iron or steel product as defined in section 33 of this regulation.

(8) Sales of any imported industrial steel product listed in Tables A and B of this regulation which are purchased from an importer and which are sold out of warehouse stock. This regulation does not cover sales of iron and steel products by importers, ceiling prices for which are established by Ceiling Price Regulation 31.

(9) The services of finding any product or products covered by this regulation; finding a purchaser for such products; arranging for a sale or purchase of such products; or any other participation in the sale or purchase of such products by any person including a finder, broker, or other intermediary who does not take title to the material.

(b) The ceiling prices established by this regulation include any service rendered in connection with a sale or purchase of iron or steel products covered by this regulation. This includes services of cutting, flattening, painting, pickling, coating, heat treating, pipe cutting and threading, handling, loading, storing and other operations customarily performed on or with the material itself. It also includes the services of finding material, finding a purchaser, inspecting material, arranging for or making delivery of material in the seller's vehicle, and other services of the same general nature which relate to the sale or purchase of material.

(c) (1) You are a "reseller" for purposes of this regulation if you purchase a product or products covered by this regulation and resell such product or products in substantially the same form or condition except for such warehousing services as cutting, shearing, burning, torch cutting to length, size or shape; pipe threading; flattening; painting; pickling or coating; heat treating; and sorting, grading and storing.

(2) You are a reseller irrespective of whether you resell such product or products:

(i) From your warehouse or any other location regularly maintained by you for the purpose of taking physical possession of such products;

(ii) From a public warehouse or any other location not regularly maintained by you for the purpose of taking physical possession of such products; or

(iii) On direct shipment from the producing mill, holder of excess stock, warehouse reseller or any other reseller for your account.

(3) You are not a reseller of a product if you perform any fabricating or processing designed to prepare such product for final use or assembly including bending, punching, riveting or welding.

(4) A producer of iron and steel products is considered a reseller for the purpose of this regulation on all "warehoused stock" from a warehouse maintained by the producer for the express purpose of distributing iron or steel products and if the prices charged by the producer for shipments from such warehouse on January 25, 1951 were higher than the prices charged by him for mill shipments. A producer of iron and steel products is not considered a reseller for the purposes of this regulation on shipment from mill depots maintained by him as an aid in the distribution of the products on a mill price basis as of January 25, 1951.

(d) This regulation does not apply to sales for export or export sales by any person of any iron or steel product, ceiling prices for which are established by Ceiling Price Regulation 61 (Exports).

(e) This regulation also covers you if you purchase or receive in the regular course of trade or business any product covered by this regulation from any person covered by this regulation.

SEC. 4. *Geographical applicability.* This regulation applies in the 48 states of the United States and the District of Columbia.

SEC. 5. *General pricing instructions—*
(a) *Basic pricing calculations.* In general, this regulation requires you to compute your ceiling price (except for products covered by Part IV) by determining your average material costs during a calendar month, adding an amount calculated by applying a specified percentage markup to your average material cost, and adding incoming transportation costs and extras. Specific provisions are set forth for calculating each of the elements used in computing a ceiling price for each of the products covered by this regulation.

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You must determine your ceiling prices in accordance with applicable provisions of this regulation and apply them to your shipments in the following manner:

Wherever you are required by the regulation to recompute your ceiling prices monthly, you must, after the close of each calendar month, calculate your ceiling price for the product you are pricing by using the invoices received by you during that calendar month. This ceiling price applies to all of your shipments of the product made between 12:01 a. m. of the 16th of the following month and midnight of the 15th of the next succeeding month.

For example, this regulation becomes effective on December 16, 1951. Before that date you must determine your ceiling prices by using the invoices received by you between November 1 and November 30, 1951, inclusive. These ceiling prices apply to all shipments made by you after 12:01 a. m., December 16, 1951, and before midnight of January 15, 1952. After December 31, 1951, you must recalculate your ceiling prices by using the invoices received by you between December 1 and December 31, 1951, inclusive, and these ceiling prices apply to all shipments made by you after 12:01 a. m., January 16, 1952, and before midnight, February 15, 1952. Similar recalculations must be made after the close of each succeeding calendar month.

You may not include in any cost computations under this regulation the amount by which the prices you pay for any product or service exceed the ceiling prices for such product or services established under the applicable OPS ceiling price regulation.

(b) *Separate warehouses.* If you operate more than one warehouse, you must treat each warehouse as a separate reseller and must determine ceiling prices for each such warehouse on the basis of the costs of material delivered to it. As a matter of convenience, the terms "you" and "reseller" are used in the pricing provisions of this regulation to designate the warehouse from which shipment is made.

(c) *Classification of products.* The classification by type and product groups of the iron or steel products covered by this regulation shall be in accordance with the issues of the Steel Products Manuals published by the American Iron and Steel Institute in effect at the time you make shipment.

PART II—INDUSTRIAL STEEL PRODUCTS

SEC. 10. General pricing provisions for industrial steel products. (a) Sales of both prime and secondary or rejected new industrial steel products are divided into three general categories according to the nature of the sale.

(b) If you are a reseller who has put such products through the operations commonly known as the warehousing of iron or steel products, hereafter referred to as sales "out of warehoused stock" you determine your ceiling prices in accordance with sections 11, 12, 13, 14, or 15 depending on the type of product. If you

are a reseller of such products on a direct mill shipment or on a shipment direct from another reseller without putting the product through the warehousing operation, you must determine your ceiling price in accordance with section 16.

(c) All sales of excess stock either by the holder or by any reseller are determined in accordance with section 17.

(d) The operations commonly known as the "warehousing of iron or steel products" means the actual receipt and unloading of iron or steel products for sale or resale in substantially the same form as received into premises regularly maintained (not a public warehouse) and equipped with facilities for performing such operations as receiving, stocking, sorting and grading, pipe-threading, cutting, shearing, flame-cutting or burning to size or shape, and shipping and other like operations which are necessary or incidental to the resale and distribution of the particular products brought into those premises.

SEC. 11. Ceiling warehouse prices for industrial steel products in Table A. If you are selling any product listed in Table A out of warehoused stock, you must determine your ceiling price in accordance with the provisions of this section. Where you are engaged in shearing or slitting Cold Rolled Sheet into strip you must use as your ceiling price for the resulting strip the ceiling price which you have determined for Cold Rolled Strip in accordance with the provisions of this section.

(a) *How to determine your ceiling warehouse price for products purchased from mill sources.* (1) Your ceiling warehouse price for any product listed in Table A purchased from mill sources is determined by taking your ceiling warehouse base price and adding or subtracting the applicable extras and deductions in accordance with the provisions of paragraph (f) of this section and adjusting this figure in accordance with section 41 (Customary price differentials and terms of sale) of this regulation.

(2) You compute your ceiling warehouse base price for a product in the following manner:

(i) You find your monthly average material cost factor in accordance with the provisions of paragraph (d) of this section.

(ii) You determine your dollar and cents markup in accordance with the provisions of paragraph (c) of this section.

(iii) You determine your incoming transportation factor. This may be either your "customary incoming transportation factor" as defined in section 51 (Definitions) or your monthly average incoming transportation cost factor determined in accordance with paragraph (e) of this section.

(iv) Add the figures arrived at in (i), (ii), and (iii). The resultant sum is your ceiling warehouse base price for the product.

(3) This ceiling warehouse base price must be recalculated each month in the above manner and must be used in de-

termining your ceiling warehouse price for all your shipments from the 16th of the month to the 15th of the following month. For example: Costs from November 1 to November 30 are used to determine your ceiling warehouse base price for all shipments made by you during the period December 16 to January 15 and correspondingly your costs from December 1 to December 31 will be used to determine your ceiling warehouse base price for all shipments made by you during the period January 16 to February 15.

(b) *How to determine your ceiling warehouse price for products purchased from other warehouse resellers.* (1) Where you have received shipments of a product from sources other than the producing mill in addition to shipments received from mill sources, you must apply your ceiling warehouse base price for the product which you determined in accordance with the provisions outlined in paragraph (a) of this section to all your sales of that product regardless of your source of supply.

(2) (i) Where you are unable to determine a ceiling warehouse base price for a product in accordance with provisions outlined in paragraph (a) because of the fact that all the invoices received by you during the preceding calendar month for that product were from warehouse sources rather than mill sources, you must use the ceiling warehouse base price of the reseller who was your principal source of supply for that month. In determining this you must use the ceiling warehouse base price which such steel warehouse reseller had in effect on the last day of the preceding calendar month. This warehouse base price becomes your ceiling warehouse base price for shipments made from the 16th of the month to the 15th of the following month.

(ii) Your ceiling warehouse price is the sum of this ceiling warehouse base price, plus your monthly average incoming transportation cost factor for that product determined in accordance with paragraph (e), adjusted for the applicable extras and deductions in accordance with the provisions of paragraph (f) of this section and adjusted in accordance with section 41 of this regulation.

(3) Your ceiling warehouse base prices must be recalculated each month in accordance with the provisions of this section.

(c) *How to determine your dollar and cents markup.* (1) Except as provided in subparagraph (3) of this paragraph, you compute your dollar and cents markup for a product by multiplying your monthly average material cost factor by the applicable ceiling percentage markup established in Table A.

(2) *Percentage markups.* Table A sets forth the established ceiling percentage markups for each product according to the area in which the warehouse from which the product is shipped to the purchaser is located.

TABLE A

Product	Metropolitan area, New York	State of California	State of Texas	States of Oregon and Washington	All others
	Percent	Percent	Percent	Percent	Percent
Standard structural shapes.....	55	47 W	56	51	52
Junior channels.....	55	60	56	51	52
Junior beams.....	55	60	56	51	52
Wide flange beams.....	57	47 W	65	51	52
H. R. carbon bars and bar shapes.....	52	41 W	56	50	45
H. R. carbon plates.....	55	46 W	53	52	50
Floor plates.....	47	56	44	50	43
Abrasion resisting—All products.....	64	60	60	64	60
H. R. carbon sheets.....	56	46 W	57	52	51
H. R. carbon strip.....	59	50 W	63	56	54
C. R. sheets.....	46	47 W	43	46	43
Enameling sheets.....	52	52	52	52	52
C. R. strip—low carbon.....	48	48 W	48	48	48
High tensile low alloy—All products.....	48	50	48	50	48
C. F. carbon bars.....	36	31 W	59	46	33
Reinforcing bars unfabricated.....	52	41 W	56	50	45
Tin plate, black plate and short ternes.....	45	45	45	45	45

(3) **Exceptions**—(i) **California warehouses.** If you are situated in California, your dollar and cents markup for any product in Table A which is marked with a "W" is determined by applying the established percentage markup to the average mill base price for the product from West Coast producers instead of to your monthly average material cost factor. In other words you use only the invoices received from West Coast producers during the preceding calendar month in determining the average to which the percentage markup is to be applied. If you did not receive any invoices from West Coast producers during the preceding calendar month, you must go back to the last calendar month for which your written records show invoices having been received for the product from such producers. "West Coast producer" means a producer situated in the States of California, Oregon or Washington.

(ii) **Oregon and Washington warehouses.** If you are situated in Oregon or Washington you determine your dollar and cents markup by applying the percentage markup set forth in Column 4 to your monthly average delivered cost. Your delivered cost is the sum of your monthly average material cost factor and your monthly average incoming transportation cost factor determined in accordance with paragraphs (d) and (e) of this section, respectively.

(d) **How to determine your monthly average material cost factor.** (1) You compute your monthly average material cost factor for each product, except as provided in subparagraph (3) of this paragraph, by averaging the domestic mill base prices you paid for the product as shown on all the invoices received by you during the preceding calendar month, or the last calendar month for which your written records show invoices having been received for the product, disregarding the invoice date, or the actual shipping and receiving dates.

Mill base prices are the base prices for a product exclusive of all freight, and all quality, size or other extras.

Example. You receive the following invoices for Hot Rolled Bars during the preceding calendar month:

93,510 lb. at \$5.77 per 100 lb.
64,490 lb. at \$4.85 per 100 lb.
21,520 lb. at \$4.95 per 100 lb.

Total.....179,520 lb.

Analyzing these net prices, you establish the fact that you paid three different base prices:

93,510 lb. at \$4.80.....\$4,301.46
64,490 lb. at \$3.70..... 2,386.13
21,520 lb. at \$4.40..... 946.88

179,520 lb. \$7,634.47

Dividing \$7,634.47 by 179,520 lbs. results in your average base price cost for the month at \$4.253 per 100 pound for Hot Rolled Bars.

(2) The following are illustrative examples of mill extras which are not included in the mill base price set forth here only to lessen the frequency of interpretative inquiries which experience indicates are likely to be made in this industry:

(i) **Cold Finished Carbon Bars**—the base price is exclusive of the extra for Special Bar Quality (\$0.25 per 100 pounds) as well as other extras.

(ii) **Junior Channels, Junior Beams**—the base price is exclusive of the standard mill extra for size and quality as well as other extras.

(iii) **Cold Rolled Sheets**—the base price is for Standard Prime Commercial (satin) finish, box annealed, de-oxidized exclusive of extras for stretcher leveling, resquaring, deep drawing or any other special quality or condition as well as other extras.

(iv) **Hot Rolled Plates**—the base price is exclusive of any grade extra, i. e., A7 grade as well as other extras.

(3) (i) For Cold Rolled Strip, if you are situated outside of the States of California, Oregon and Washington, you must use the current mill base price for Cold Rolled Strip published by the American Steel and Wire Company for their producing point nearest the warehouse location. Since this is not an average actual cost figure, you disregard your actual invoices.

(ii) If you are situated within the States of California, Oregon and Washington you determine your monthly average material cost factor for Cold Rolled Strip in the same manner as for other products in subparagraph (1) of this paragraph.

(e) **How to determine your monthly average incoming transportation cost factor.** (1) If you are computing your ceiling price in accordance with paragraph (a) of this section, you find your monthly average incoming transportation cost per 100 pounds for each product, except as provided in subparagraph

(4) of this paragraph, by averaging the transportation costs to you for all shipments of this product applicable to the same invoices used in determining your monthly average material cost factor under paragraph (d) (1). If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the invoice by using the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g., railroad, truck, or barge) in effect at the time you are computing your ceiling price.

Example. You paid three different freight rates (including the transportation tax) for your invoices of Hot Rolled Bars:

Weight and rate per 100 pound	Charge
93,510 pound at \$0.67.....	\$626.52
64,490 pound at \$0.65.....	419.19
21,520 pound at \$0.05.....	10.76
	1,056.47

Dividing \$1,056.47 by the total weight gives you an average incoming freight cost for the month of \$0.588 per 100 lbs. on Hot Rolled Bars.

(2) If you are computing ceiling prices in accordance with paragraph (b) (2) of this section, you find your monthly average incoming transportation cost per 100 pounds for each product by averaging the cost to you of transporting the product from the various warehouse sources of supply to your warehouse. In computing this figure you must use all shipments of this product applicable to the invoices received by you during the preceding calendar month, disregarding the invoice date, or the actual shipping and receiving dates of the material involved. If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the invoice by using the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price.

(3) Trucking charges may be used in computing your monthly average incoming transportation costs under subparagraphs (1) or (2) only where all truck movement from the producing mill or other source of supply to your warehouse is involved. Where rail-truck movement is involved, no charges for trucking from the rail station or siding to your warehouse may be included in your computations.

(4) (i) For Cold Rolled Strip, if you are situated outside the States of California, Oregon, or Washington, you must use the current carload freight rate, plus

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an amount not to exceed the current transportation tax, from the nearest American Steel and Wire Company producing mill to the rail siding nearest your warehouse. Since this is not an average actual cost figure, you disregard your actual shipments.

(ii) If you are situated within the States of California, Oregon, or Washington you determine your monthly average incoming transportation cost factor for Cold Rolled Strip in the same manner that you do for other products in this paragraph.

(f) *Extras and deductions.* (1) You may add to your ceiling warehouse base price all published extras for size, quantity, quality, merchandising, finish, tolerance, cutting, coating, boxing, or other extras which you had in effect for the same items on January 25, 1951. You must deduct from your ceiling warehouse base price the applicable published quantity discounts which you had in effect for the same items on January 25, 1951.

(2) When it is necessary to send your product to a service company to perform any pickling and oiling operations, you may charge your customer the actual cost of the pickling and oiling increased by 50 percent. No trucking charge may be made to your customer for trucking involved in completing this pickling and oiling operation.

Sec. 12. Ceiling warehouse prices for industrial steel products in Table B. If you are selling any product listed in Table B out of warehouse stock, you must determine your ceiling price in accordance with the provisions of this section.

(a) *How to determine your ceiling warehouse price for products purchased from mill sources.* (1) Your ceiling warehouse price for any product listed in Table B purchased from mill sources is determined by taking your ceiling warehouse modified base price and adding or subtracting the applicable extras and deductions in accordance with the provisions of paragraph (f) of this section and adjusting this figure in accordance with section 41.

(2) You compute your ceiling warehouse modified base price for a product in the following manner:

(i) You find your monthly average material cost factor in accordance with the provisions of paragraph (d) of this section.

(ii) You determine your dollar and cents markup in accordance with the provisions of paragraph (c) of this section.

(iii) You determine your incoming transportation factor. This may be either your "customary incoming transportation factor" or your monthly average incoming transportation cost factor determined in accordance with paragraph (e) of this section, whichever is higher.

(iv) Add the figures arrived at in (i) and (ii) and, with the exception of Structural Tubing, even the resulting sum out to the nearest five cents. In the case of Structural Tubing you use the exact sum of the two items. You then add this amount to the figure arrived at in (iii). The resultant sum is your ceiling

warehouse modified base price for the product.

(3) This ceiling warehouse modified base price must be recalculated each month in the above manner and must be used in determining your ceiling warehouse price for all your shipments from the 16th of the month to the 15th of the following month. For example: costs from November 1 to November 30 are used to determine your ceiling warehouse modified base price for all shipments made by you during the period December 16 to January 15 and correspondingly your costs from December 1 to December 31 will be used to determine your ceiling warehouse modified base price for all shipments made by you during the period January 16 to February 15.

(b) *How to determine your ceiling warehouse price for products purchased from other warehouse resellers.* (1) Where you have received shipments of a product from sources other than the producing mill in addition to shipments received from such mill sources, you must apply your ceiling warehouse modified base price for the product which you determined in accordance with the steps outlined in paragraph (a) to all your sales of that product regardless of your source of supply.

(2) (i) Where you are unable to determine a ceiling warehouse modified base price for a product in accordance with the provisions outlined in paragraph (a) because of the fact that all the invoices received by you during the preceding calendar month for that product were from warehouse sources rather than mill sources, you must use the ceiling warehouse modified base price of the reseller who was your principal source of supply for that month. In determining this, you must use the ceiling warehouse

modified base price which such steel warehouse reseller had in effect on the last day of the preceding calendar month. This ceiling warehouse modified base price becomes your ceiling warehouse modified base price from the 16th of the month to the 15th of the following month.

(ii) Your ceiling warehouse price is the sum of this ceiling warehouse modified base price, plus your monthly average incoming transportation cost factor for that product determined in accordance with paragraph (e), adjusted for the applicable extras and deductions determined in accordance with the provisions of paragraph (f) of this section and adjusted in accordance with section 41 of this regulation.

(3) Your ceiling warehouse modified base prices must be recalculated each month in accordance with the provisions of this section.

(c) *How to determine your dollar and cents markup.* (1) Except as provided in subparagraph (3) of this paragraph, you compute your dollar and cents markup for a product by multiplying your monthly average material cost factor by the applicable ceiling percentage markup established in Column I of Table B.

(2) *Percentage markups.* The percentage markup which you may add for each product is set forth under Column I. These markups apply uniformly throughout the continental United States, except in the case of Aircraft Sheets, for which the markups are established according to the geographical area in which your warehouse is situated. Column II sets forth the items which are included in determining your monthly average material cost factor to which the percentage markup applies.

TABLE B

Product	Column I Percentage markup	Column II Material cost factor
Galvanized sheets—hot dipped.....	* 50	Mill base price + mill extras for gauge (24" to 30" width) and coating.
Galvanized, electric coated sheets and other related zinc coated sheets.....	* 50	Mill base price + mill extras for gauge (24" to 30" width) and coating.
Terne coated long sheets.....	* 50	Mill base price + mill extras for gauge (24" to 30" width) and coating.
Alloy bars—H. R.....	50	Mill base price + mill extras for grade (chemistry).
Alloy bars—C. F.....	50	Mill base price + mill extras for grade (chemistry).
Alloy plates.....	50	Mill base price + mill extras for grade (chemistry).
Tool steel sheets (approx. 1.00 percent carbon grade).....	45	Mill net price.
Structural tubing (hot rolled, butt welded).....	54	Mill net price.
"4130" aircraft sheets:		
- 0.1875 and heavier.....	40	Mill net price.
- 0.160 and lighter.....	50	Mill net price.
"1020 grade" aircraft sheets.....	50	Mill net price.

(3) *Exceptions.—(1) California warehouses.* If you are situated in California your dollar and cents markup for a product marked with an asterisk in Table B is determined by applying the percentage markup to your monthly average delivered cost for the product from Eastern producers only. This figure is computed by adding the monthly average material cost on such products determined from invoices received for shipments from Eastern producers only, plus the average incoming transportation cost applicable to these invoices. If you did not receive any invoices from Eastern producers during the preceding

calendar month you must go back to the last calendar month in which your written records show invoices having been received from such producers in determining your monthly average material cost. If the bills for transportation charges for any invoice from an Eastern producer are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the invoice by using the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calcu-

lation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price.

(ii) *Oregon and Washington warehouses.* If you are situated in Oregon or Washington, you determine your dollar and cents markup for any product marked with an asterisk, by applying the percentage markup to your monthly average delivered cost. Your delivered cost is the sum of your monthly average material cost factor and your monthly average incoming transportation cost factor determined in accordance with paragraphs (d) and (e) of this section respectively.

(d) *How to determine your monthly average material cost factor.* You must determine your monthly average material cost factor for each product in the following manner:

(1) For Galvanized, Galvanized and Terne Coated Sheets you average the mill base price, exclusive of all extras, on all invoices received by you during the preceding calendar month, or the last calendar month for which your written records show invoices having been received for this product. You disregard the invoice date, or actual shipping and receiving dates of the material. To this average mill base price you add the current mill extras published by your principal source of supply for gauge (24 to 30 inch width) and coating. This sum is your monthly average material cost factor.

(2) For Alloy Bars and Plates you average the mill base prices and the mill extra for grade (Chemistry) on all invoices received during the preceding calendar month, or the last calendar month for which your written records show invoices having been received by you for this product. You disregard the invoice date, or actual shipping and receiving dates of the material. No other extras may be included. This figure is your monthly average material cost factor.

(3) For Tool Steel Sheets, Structural Tubing and Aircraft Sheets you average the mill net prices on all invoices received by you during the preceding calendar month, or the last calendar month for which your written records show invoices having been received for this product. You disregard the invoice date, or actual shipping and receiving dates of the material. The mill net price is the mill base price plus all mill extras except freight and packing charges or, in other words, the total dollar value exclusive of freight and packing shown on these invoices, divided by the total weight of the items involved. This figure is your monthly average material cost factor.

(e) *How to determine your monthly average incoming transportation cost factor.* (1) If you are computing your ceiling price in accordance with paragraph (a) of this section, you find your monthly average incoming transportation cost per 100 pounds for each product, by averaging the transportation costs to you for all shipments of this product applicable to the same invoices used in determining your monthly aver-

age material cost factor under paragraph (d). If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the invoice by using the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price. For an example, see section 11 (e) (1).

(2) If you are computing ceiling prices in accordance with paragraph (b) (2) of this section, you find your monthly average incoming transportation cost per 100 pounds for each product by averaging the cost to you of transporting the product from the various warehouse sources of supply to your warehouse. In computing this figure you must use all shipments of this product applicable to the invoices received by you during the preceding calendar month, disregarding the invoice date, or the actual shipping and receiving dates of the material involved. If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the invoice by using the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price.

(3) Trucking charges may be used in computing your monthly average incoming transportation costs under subparagraphs (1) or (2) only where all truck movement from the producing mill or other source of supply to your warehouse is involved. Where rail-truck movement is involved, no charge for trucking from the rail station or siding to your warehouse may be included in your computations.

(f) *Extras and deductions.* You may include in your ceiling warehouse price all published extras for size, quantity, quality, merchandising, finish, tolerance, cutting, boxing, or other extras which you had in effect on January 25, 1951. You may not add any extras which are included in your monthly average material cost factor under paragraph (d).

You must deduct from your ceiling warehouse base price the applicable published quantity discounts which you had in effect for the same item on January 25, 1951.

SEC. 13. *Ceiling warehouse prices for industrial steel products in Table C—(a) General pricing provisions.* (1) If you are selling any product listed in Table C out of warehoused stock, you must determine your ceiling f. o. b. price in accordance with the provisions of this

section. The products listed in Table C are sold at the same price as that charged by the producing mill (up to a specified quantity), adjusted for the transportation factor and extras set forth in the provisions below, and adjusted in accordance with section 41 of this regulation. You may not add any resale markup to the mill price in computing your ceiling price for any product in this section when sold out of warehoused stock, except as specifically permitted herein for Mechanical Tubing, Tool Steel Bars and Drill Rod.

(2) In calculating your ceiling price for each product in accordance with the provisions of this section, you may use only the invoices received from your principal mill source of supply during the preceding calendar month. Correspondingly, whenever mill extras and differentials are used, they must be the mill extras, or differentials of your principal mill source of supply. The ceiling price for any product thus determined in accordance with applicable provisions set forth in this section becomes your ceiling price for all shipments from the 16th of the month to the 15th of the following month regardless of the actual source of supply. Your ceiling warehouse price for any product must be recalculated each month in accordance with the provisions of this section.

TABLE C

Stainless sheets.
Stainless bars and angles.
Stainless plates.
Stainless pipe and tubing.
Boiler tubes, seamless and welded.
Mechanical tubing, seamless and welded.
Tool steel bars and drill rod.

(b) *Stainless steel sheets, bars, angles, and plates.* You determine your ceiling warehouse price by adding the following extras to the current mill base price, f. o. b. producing point.

(1) *Quantity differentials.* You may add an amount not in excess of the current published mill quantity extras, except that the mill extra for quantities of 8,000 to 9,999 pounds may be used as your quantity extra on any amount in excess of 8,000 pounds per item when shipped out of warehoused stock.

(2) *Extras.* You may add only the current mill extras, except as follows:

(i) *Boxing charges.* Warehouses situated in California may include the following boxing extras for cold finished stainless bars instead of the current mill extra.

Quantities of 200 pounds or more: \$1.00 per 100 lb.

Quantities of less than 200 pounds: \$3.50 flat charge.

(ii) *Crating charges.* Instead of the current mill extra for crating you may include a charge not in excess of \$2.00 per 100 lb. You may not include any additional warehouse charge for crating.

(iii) *Cutting charges.* You may include an amount not in excess of the warehouse cutting extra you had in effect on January 25, 1951, except for Bars for which you must use the current mill extra for length.

(3) *Transportation factor.* You may include either (i) an amount not in excess of your "customary incoming trans-

portation factor" or (ii) an amount figured at the current rail carload freight rate (in the case of warehouses situated in California, Oregon, and Washington it need not be less than the current freight forwarder's rate) for such product from the nearest mill producing point of your principal source of supply to your warehouse plus an amount not in excess of the current transportation tax for such a shipment.

(c) *Stainless tubing and pipe.* You determine your ceiling warehouse price by adding the following extras and adjustments to the current mill base price, f. o. b. the producing point:

(1) *Quantity differentials.* If you are situated outside of the State of California, you may add an amount not in excess of the current mill quantity differential, except that the mill quantity differential for quantities from 1,000 to 2,499 feet or pounds per item may be used as your quantity extra for any quantity over 1,000 feet or pounds when shipped out of warehouse stock. If you are situated within California, you likewise must use the current mill quantity extra, except that the mill extra for quantities from 300 to 599 feet or pounds may be used as your quantity extra on any amount in excess of 300 feet or pounds per item when shipped out of warehouse stock.

(2) *Extras.* You may add only the current mill extras.

(3) *Transportation factor.* You may include either (i) an amount not in excess of your "customary incoming transportation factor" or (ii) your monthly average incoming transportation cost (including taxes) for shipments of the product from the mill producing point (in the case of warehouses situated in California, Oregon or Washington this amount need not be less than the current freight forwarder's carload rate from Chicago) of your principal source of supply to your warehouse applicable to the invoices received by you during the preceding calendar month or the last calendar month in which your written records show invoices having been received by you. In selecting the invoices you disregard the invoice date or the actual shipping and receiving dates of the material. If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price. Trucking charges may be used in computing your monthly average incoming transportation costs only where all truck movement from the producing mill or other source of supply to your warehouse is involved. Where rail-truck movement is involved, no charges for trucking from the rail station or siding to your warehouse may be included in your computations.

(d) *Boiler and pressure tubes, seamless and welded.* You determine your ceiling warehouse price by adding the following extras and adjustments to the current mill base price, f. o. b. the producing point:

(1) *Quantity differentials.* You may add an amount not in excess of the applicable published mill quantity extra, except the mill extra for quantities of 5,000 to 9,999 pounds may be used as your quantity extra for any amount in excess of 5,000 pounds per item when shipped out of warehouse stock.

(2) *Extras.* You may add only the current mill extras, except as follows: Cutting charges—You may include in your ceiling price an amount not in excess of the cutting charge you had in effect on January 25, 1951, or the current published mill cutting extra, whichever is greater.

(3) *Transportation factor.* You may include either (i) an amount not in excess of your "customary incoming transportation factor" or (ii) your monthly average incoming transportation cost (including taxes) for shipments of the product from the mill producing point of your principal source of supply to your warehouse applicable to invoices received by you during the preceding calendar month or the last calendar month in which your written records show invoices having been received by you. In selecting the invoices you disregard the invoice date or the actual shipping and receiving dates of the material. If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price. Trucking charges may be used in computing your monthly average incoming transportation costs only where all truck movement from the producing mill or other source of supply to your warehouse is involved. Where rail-truck movement is involved, no charges for trucking from the rail station or siding to your warehouse may be included in your computations.

(e) *Mechanical tubing.* You determine your ceiling warehouse price by adding the following extras and adjustments to the current mill base prices at the producing point:

(1) *Quantity differentials.* You may add an amount not in excess of the published mill quantity extras, except that the mill extra for quantities of 600 to 1,249 pounds or feet may be used as your quantity extra for any quantity over 600 pounds or feet per item when shipped out of warehouse stock.

(2) *Extras.* You may add only the current mill extras except as follows: Cutting charges—You may include in your ceiling price an amount not in excess of the cutting charge you had in

effect on January 25, 1951, or the current published mill cutting extra whichever is greater.

(3) *Transportation factor.* You may include either (i) an amount not in excess of your "customary incoming transportation factor" or (ii) your monthly average incoming transportation cost (including taxes) for shipments of the product from the mill producing point of your principal source of supply to your warehouse applicable to invoices received by you during the preceding calendar month or the last calendar month in which your written records show invoices having been received by you. In selecting the invoices you disregard the invoice date or the actual shipping and receiving dates of the material. If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price. Trucking charges may be used in computing your monthly average incoming transportation costs only where all truck movement from the producing mill or other source of supply to your warehouse is involved. Where rail-truck movement is involved, no charges for trucking from the rail station or siding to your warehouse may be included in your computations.

(4) *Markup.* On sales of quantities under 75 pounds or feet you may add the same percentage markup which your written records show you had in effect on June 24, 1950. If you are unable to determine a percentage markup because you were not in business at that time or were not selling Mechanical Tubing at that time and you propose to add a markup you must file an application under section 40 of this regulation.

(f) *Tool steel bars and drill rod.* You determine your ceiling warehouse price by adding the following factors to the current mill net price to consumers, f. o. b. point of production:

(1) *Transportation factor.* You may include in your ceiling price either (i) an amount not in excess of your "customary incoming transportation factor" or (ii) your monthly average incoming transportation cost (including taxes) for shipments of the product from the mill producing point of your principal source of supply to your warehouse applicable to invoices received by you. In selecting the invoices you disregard the invoice date or the actual shipping and receiving dates of the material. If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to

your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price. Trucking charges may be used in computing your monthly average incoming transportation costs only where all truck movement from the producing mill or other source of supply to your warehouse is involved. Where rail-truck movement is involved, no charges for trucking from the rail station or siding to your warehouse may be included in your computations.

(2) *Markup.* You may add the following markups:

\$3.30 per 100 pounds for warehouses situated on and east of the Mississippi River.

\$5.50 per 100 pounds for warehouses situated west of the Mississippi River.

SEC. 14. Ceiling warehouse prices for imported industrial steel products listed in Tables A and B. Your ceiling price for any imported industrial steel product listed in Tables A or B, which is purchased from an importer and which is put through the warehousing operation is determined in the following manner:

(a) You find the actual cost of acquisition of the product;

(b) You add an amount determined by applying the applicable percentage markup for the same domestic product established in section 11 or 12 of this regulation, for the geographical area in which your warehouse is situated, to the lowest published mill base price at the producing point nearest to the location of your warehouse. For the products listed in Table B, the mill base price to which the percentage markup applies may be modified by the addition of the extras permitted by paragraph (d) of section 12.

(c) You may add only the published extras for services performed in the course of the warehousing operation which you had in effect on January 25, 1951. You must deduct the applicable published quantity discounts which you had in effect for the same items on January 25, 1951.

(d) You adjust the resulting sum in accordance with section 41.

SEC. 15. Secondary or rejected industrial steel products. You determine your ceiling prices for the secondary or rejected steel products enumerated in paragraph (b) which have been put through a warehousing operation in accordance with the provisions of this section and adjust these prices in accordance with the provisions of section 41 of this regulation. Ceiling prices determined in accordance with paragraphs (g) and (h) must be recalculated each month. The ceiling price for any product thus determined becomes your ceiling price for all shipments from the 16th of the month to the 15th of the following month.

"Secondary or rejected steel products" as used in this section includes new iron or steel products which at the time of purchase contain imperfections or evidences of deteriorations such as: surface defects; lack of flatness in excess of

standard tolerances; camber in excess of standard tolerances; blisters; laminations; pipes; seams; perforations; stained, dirty, rusted, or pitted surfaces requiring scrubbing or pickling to restore clean surfaces; ragged edges or slivers; wrinkles; or any other defects customarily recognized as distinguishing secondary or off-grade from prime quality products. It also includes new steel products, which at the time of shipment contain any of these defects even though such products were of prime quality when purchased by you. It also includes steel products purchased by you as a reseller as other than prime quality or invoiced to you as such by your supplier. However, when a reseller purchases in one transaction prime quality and secondary or rejected steel products, the entire lot shall be considered secondary or rejected steel products unless the reseller's source of supply determines, before or at the time of shipment, the exact quantity of each and issues an invoice setting forth such information. The term "secondary or rejected steel products" does not include any re-usable steel products which are to be priced in accordance with section 31 of this regulation.

(a) *General pricing instructions.* (1) You may qualify any secondary or rejected steel product for a better grade of secondary or rejected product or for a prime quality product, if by sorting, gauging, or processing you can bring the products up to the specifications of the better grade or of the prime quality product. If they have been processed to qualify in all respects to the specifications of a prime quality product they will not be priced in accordance with the provisions of this section, but will be priced in accordance with the sections of this regulation applicable to prime industrial products.

(2) You must determine your ceiling prices for flat rolled products in accordance with paragraph (g) and for semi-finished products in accordance with paragraph (h) of this section.

(b) *Products covered.* (1) All flat rolled products, including but not limited to: Hot rolled sheets, cold rolled sheets, all coated sheets, hot rolled strip, cold rolled strip, plates, tin mill black sheets 28G and heavier and tin mill black plates 29G and lighter.

(2) Semi-finished products including, but not limited to: blooms, billets, slabs, sheet bars, skelp, and tube rounds, which have been rejected because of poor surface condition, lack of internal soundness or other defects which render the steel unsuitable for sale or use by the mill as a prime product.

(c) *Products not covered.* Any secondary or rejected iron or steel products described in paragraph (b) of this section which do not qualify as rejects, wasters or waste wasters as described in this section are not covered by this regulation and must be priced in accordance with Ceiling Price Regulation 5 and amendments thereto for sales of iron and steel scrap.

(d) *Specifications for rejects.* "Rejects" means flat rolled secondary or rejected steel products which meet the following requirements:

(1) Those which are sorted to a designated specific grade, size and gauge (or thickness);

(2) Contain no imperfections or have minor imperfections such as surface defects, lack of flatness, camber, off-grade, off-temper, and similar imperfections, and may be utilized without requiring unusual processing in order to remove or minimize the imperfections; and

(3) Conform to the following size restrictions:

(i) Sheet "rejects" (except for hot rolled or cold reduced sheets in U. S. S. gauge No. 28 or heavier, which were produced on a tin mill), may not be smaller than 18" wide by 50" long or have an area of less than 900 square inches. Hot rolled or cold reduced sheets in U. S. S. gauge No. 28 or heavier which were produced on a tin mill may not be smaller than 14" wide by 20" long or have an area less than 280 square inches.

(ii) Sheared plate "rejects" may not be smaller than 36" wide by 84" long or have an area less than 21 square feet.

(iii) Universal mill plate "rejects" may not be smaller than 6" wide by 60" long.

(iv) Hot rolled strip "rejects" may not be smaller than 36" long by 3" wide or have an area less than 108 square inches.

(v) Cold rolled strip "rejects" may not be smaller than 36" long by 3" wide or have an area less than 108 square inches.

(vi) Tin mill black plate "rejects" may not be smaller than 10" x 10" or have an area less than 100 square inches.

(e) *Specifications for wasters.* "Wasters" includes the following flat rolled secondary or rejected steel products which meet the requirements of either subparagraphs (1) or (2).

(1) Those which are sorted to a designated specific gauge (or thickness); are unsorted as to size; are of the same quality as rejects; and conform to the following size restrictions:

(i) Sheet "wasters" (except hot rolled or cold reduced sheets in U. S. S. Gauge No. 28, or heavier which were produced on a tin mill), may not be smaller than 15" wide by 40" long or have an area less than 600 square inches. Hot rolled or cold reduced sheets in U. S. S. Gauge No. 28, or heavier which were produced on a tin mill may not be smaller than 10" wide by 10" long or have an area less than 100 square inches.

(ii) Sheared plate "wasters" may not be smaller than 24" wide by 72" long or have an area less than 12 square feet.

(iii) Universal mill plate "wasters" may not be smaller than 6" wide by 60" long.

(iv) Hot rolled strip "wasters" may not be smaller than 36" long by 3" wide or have an area less than 108 square inches.

(v) Cold rolled strip "wasters" may not be smaller than 36" long by 3" wide or have an area less than 108 square inches.

(vi) Tin mill black plate "wasters" may not be smaller than 10" wide by 10" long or have an area less than 100 square inches.

(2) Those which would otherwise be of rejects classification (i. e., sorted as to size and of a designated specific gauge (or thickness)) except that they do not

meet the rejects size restrictions but do meet the wasters size restrictions.

(f) *Specifications for waste wasters.* "Waste wasters" includes the following flat rolled secondary or rejected steel products which meet the requirements of either subparagraphs (1) or (2):

(1) Those which are unassorted as to both size and gauge (or thickness), whether of reject or lower grade and conform to the following size restrictions:

(i) Sheet "waste wasters", (except hot rolled or cold reduced sheets in U. S. S. Gauge No. 28 or heavier which were produced on a tin mill), may not be smaller than 15" wide by 40" long or have an area less than 600 square inches. Hot rolled or cold reduced sheets in U. S. S. Gauge No. 28 or heavier which were produced on a tin mill may not be smaller than 10" wide by 10" long or have an area less than 100 square inches.

(ii) Sheared plate "waste wasters" may not be smaller than 24" wide by 72" long or have an area less than 12 square feet.

(iii) Universal mill plate "waste wasters" may not be smaller than 6" wide by 60" long.

(iv) Tin mill black plate "waste wasters" may not be smaller than 10" wide by 10" long or have an area less than 100 square inches.

(2) Those which are of reject and waster classifications but contain imperfections, in addition to those specified under rejects above, which appreciably limit the utility of the product (such as blisters, laminations, fluctuating gauges, perforations, dirty surfaces, bad edges, and wrinkles), and require further processing by the purchaser (such as shearing, pickling, scrubbing or gauging) in order to remove or minimize such imperfections; and meet the waste wasters size restrictions as set forth in subparagraph (1) of this paragraph.

(g) *How to determine your ceiling warehouse price for secondary or rejected flat rolled products.* Your ceiling price for secondary or rejected flat rolled products when sold from warehoused stock is the sum of the following amounts. No extras or differentials may be added except those specifically provided for in this paragraph.

(1) The mill net price f. o. b. point of production for the respective gauge and grade classification (that is, reject, waster or waste waster) of the product you are pricing. Cold rolled tin mill black sheet rejects 28G and heavier shall be priced on the same basis as cold rolled sheet rejects of the same gauge.

(2) A dollars and cents markup equal in amount to the dollars and cents markup you have established in accordance with the provisions of section 11 for the prime grade classification of the same product. For cold rolled tin mill black sheet rejects 28G and heavier you must use a markup equal in amount to the markup you have established for cold rolled sheet rejects of the same gauge.

(3) *Transportation factor.* You may include either (i) an amount not in excess of your "customary incoming transportation factor" or (ii) your monthly average incoming transportation cost

(including taxes) for shipments of the product from the mill producing point (in the case of warehouses situated in California, Oregon or Washington this amount need not be less than the current freight forwarder's carload rate from Chicago) of your principal source of supply to your warehouse applicable to the invoices for flat rolled secondary or rejected products received by you during the preceding calendar month or the last calendar month in which your written records show invoices having been received by you. In selecting the invoices you disregard the invoice date or the actual shipping and receiving dates of the material. If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price. Trucking charges may be used in computing your monthly average incoming transportation costs only where all truck movement from the producing mill or other source of supply to your warehouse is involved. Where rail-truck movement is involved, no charges for trucking from the rail station or siding to your warehouse may be included in your computations.

(4) Quantity differential you had in effect for the same product, regardless of grade classification, on January 25, 1951.

(5) Published mill quality extras when that quality is actually being furnished. You may not add any quality extra unless the invoice from the producing mill indicates the special quality of the product or unless after proper testing in your plant you have determined that the material meets the quality required and you assume responsibility for performance in accordance with the Manufacturer's Standard Practice as published by the American Iron and Steel Institute.

(6) Cutting extras when the product is cut to specifications from a size in stock either by shearing, slitting or burning to a different and exact dimension or dimensions specified in the buyer's order. No charge may be made for cutting for the purpose of reconditioning or reclaiming the material.

(7) Pickling and oiling charges: When it is necessary to send your product to a service company to perform any pickling and oiling operations you may charge the buyer the actual cost of the pickling and oiling increased by 50 percent. No trucking charge may be made for trucking involved in completing this pickling and oiling operation. For any product for which you are charging pickling and oiling charges you must use the producing mill's net price for the applicable grade classification of the unpickled product in your computation under subparagraph (1). No pickling or oiling extra may be

charged by you in addition to the mill net price for a product on which pickling and/or oiling was originally performed by the mill.

(h) *How to determine your ceiling warehouse price for secondary or rejected semi-finished products.* You compute your ceiling price for secondary or rejected semi-finished products sold out of warehoused stock in the following manner:

(1) You find the carload base price for the re-rolling grade (for prime grade if there is no re-rolling grade) for the same product, f. o. b. at the point of production.

(2) You add your average incoming transportation cost from the producing mill to your warehouse applicable to the invoices received by you during the preceding calendar month. In selecting the invoices you disregard the invoice date or the actual shipping and receiving dates of the material. If the bills for transportation charges for any invoice are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck, or barge) in effect at the time you are computing your ceiling price. Trucking charges may be used in computing your monthly average incoming transportation costs only where all truck movement from the producing mill or other source of supply to your warehouse is involved. Where rail-truck movement is involved, no charges for trucking from the rail station or siding to your warehouse may be included in your computations.

(3) You add the size extra. This is the prime mill extra for cross sectional area as published by the producing mill. No other extras may be added.

(4) You add a markup equal to 10 percent of the sum of the figures determined under subparagraphs (1), (2), and (3).

SEC. 16. *Prime or secondary or rejected new industrial steel products which are not sold out of warehouse stock.* If you are a reseller of any prime or secondary or rejected new industrial steel product listed in Appendix A (except excess stock which is covered by section 17) without putting it through the warehousing operation as defined in this regulation, you must determine your ceiling price in accordance with the provisions of this section.

(a) *Shipments direct from the producing mill.* If you purchase any prime or secondary or rejected new industrial steel product from a producing mill and resell such product without putting it through the warehousing operation, your ceiling price for such sale is the price charged by the producing mill, f. o. b. point of shipment, to the class of purchaser to whom shipment is made. However, direct mill shipment of special name steel differing in chemical analysis and quality from standard mill speci-

cations, and on which the seller takes responsibility as to performance, may be sold, after approval by the Director of Price Stabilization as to qualification in this respect, at prices to be determined by the Director of Price Stabilization on application of the reseller. The application must be mailed to the Office of Price Stabilization, Industrial Materials Division, Washington 25, D. C. and must contain the following information: Complete description of the material, quantity, size, grade or analysis, mill net price, transportation factor and suggested resale price. You may not sell at a price in excess of the mill price, f. o. b. point of shipment, until authorized in writing by the Director.

(b) *Direct shipments from sources other than the producing mill.* (1) If you purchase any prime or secondary or rejected new industrial steel product from a warehouse reseller and resell such product without putting the product through a warehousing operation, your ceiling price for such sale is the ceiling f. o. b. price for the product of the warehouse from which you purchased.

(2) If you purchase any prime or secondary or rejected new industrial steel product from any reseller, other than a warehouse reseller, and resell such product without putting the product through a warehousing operation, your ceiling price for such sale is the ceiling price for the product of the reseller from whom you purchased.

SEC. 17. Excess stock of industrial iron and steel products. Ceiling prices for excess stocks of any prime or secondary industrial iron or steel product listed in Appendix A when sold by a holder or any other reseller must be determined in accordance with this section.

"Excess stock" means any industrial steel product (other than conversion steel products) purchased by the holder for any purpose other than resale in substantially the same form as received but which is resold by the holder in substantially the same form as received and is not in such a condition as would require it to be sold as a re-usable industrial steel product under section 31 or as iron or steel scrap under Ceiling Price Regulation 5. It also includes industrial steel products purchased by the holder for export but sold for delivery within the continental limits of the United States.

"Holder" means any person who buys any industrial iron or steel product for a purpose other than resale, but who nevertheless resells such product in substantially the same form as received.

(a) *Ceiling prices for sales by holders of excess stock.* If you are a holder of excess stock of any prime or secondary industrial steel product listed in Appendix A, your ceiling price for the sale of such products is the sum of the following:

(1) The lowest published mill price, exclusive of any quantity extras, at the producing point nearest to the location of the material being offered for sale.

(2) The actual transportation costs incurred by the holder.

(3) A markup of \$2.00 per net ton.

(b) *Ceiling prices for the resale of excess stock by any person other than a*

holder. The ceiling price for the resale of any excess stock by any person other than the holder is determined in the following manner:

(1) *Warehouse sales.* If you purchase excess stock from a holder and put the product through the operation of warehousing iron or steel products, your ceiling price, f. o. b. warehouse, is your ceiling warehouse price established for the same industrial iron or steel product under sections 11, 12, 13, and 15 of this regulation.

(2) *Direct shipments.* On excess stock shipped directly from a holder to a consumer for the account of a reseller, or for any shipments of such stock by a reseller which are not put through the operation of warehousing iron or steel products, the ceiling price f. o. b. point of shipment, is the price paid the holder, provided it does not exceed the holder's ceiling price as determined in paragraph (a) of this section, plus an amount not to exceed 20% of the price paid to the holder.

(3) *Resellers affiliated with holders.* If you are a reseller who is directly or indirectly affiliated with or controlled by any holder of excess stock, your ceiling price for any excess stock sold at any time by the holder with whom you are affiliated or by whom you are controlled is the ceiling price of that holder.

PART III—MERCHANT TRADE WIRE AND TUBULAR PRODUCTS AND OIL COUNTRY TUBULAR GOODS

SEC. 20. Ceiling jobber prices for merchant wire and roofing and siding products. If you are a jobber selling any merchant wire product (including standard wire nails, annealed merchant quality and galvanized merchant quality wire) tie wire for automatic balers, or any roofing or siding product as defined in paragraph (a), you must determine your ceiling price, f. o. b. point of shipment, in accordance with the provisions of this section, except as provided in paragraph (d), and adjust it in accordance with the provisions of section 41 of this regulation. You do not determine your ceiling price under this regulation for any formed roofing or siding which you formed in your warehouse from sheet.

(a) *Definitions.* (1) The term "Merchant Wire Products" is used in its customary trade meaning and includes such commodities as wire nails and staples; barbed wire and twisted barb wire; twisted fence stays, wire fence, including farm field fence, poultry fence, ornamental lawn fence and diamond mesh fence, annealed and galvanized fence wire; merchant wire; stone wire; single loop bale ties and wire hoops. It also includes fence posts and tie wire for automatic balers. The term does not include manufacturer's wire, wire rope, lead head and cut nails, or welded wire fabric for reinforcement.

(2) "Manufacturer's wire" means any steel wire product of a type manufactured by a producer which is sold to be further processed by bending, welding or forming, etc., before being used by an ultimate consumer.

(3) "Standard wire nails" includes any wire nails, brads or staples for which

the mill price is customarily determined by using a mill producing point base price expressed in dollars and cents per 100 lbs. and which is not subject to percentage discounts.

(4) "Roofing and siding" means galvanized and other metallic coated or painted iron or steel sheets in rolls or which have been corrugated or otherwise formed and which are commonly used as overhead or side covering on buildings or other structures. It does not include metallic coated sheets in coils sold for other than roofing purposes, or formed sheets sold for use in the manufacture of culvert pipe or structural arches.

(5) "Jobber" means any seller of merchant trade products who procures his products from a producing mill and receives a jobber's allowance from any such producer on such purchases. It also includes any person who is commonly referred to as a "distributor" and who receives a like allowance from the producing mill.

(b) *Direct mill shipments.* Your ceiling price, f. o. b. producing point, for shipments directly from the producing mill to your customer for your account is the price of the producing mill to the type of customer to whom shipment is made, subject to all extras of the producing mill applicable to the particular sale. If a combination carload is shipped to a destination for several customers, none of whom has specified a full carload, you may charge an amount not in excess of the current freight rates from the producing mill to destination for the less than carload quantities shipped to each customer, plus an amount not to exceed the current applicable transportation tax.

(c) *Shipments out of warehouse stock for sale at wholesale.* For shipments sold out of warehouse stock you determine your ceiling price, f. o. b. warehouse, for any product covered by this section when sold to dealers or retailers; industrial, commercial or institutional buyers; or the Federal or any State government or any agency or any political subdivision thereof in accordance with either one of the methods described in subparagraphs (1) or (2), but in either case you must recalculate your ceiling prices each month as described in subparagraph (3) of this paragraph.

(1) (i) You determine the average domestic mill base price you paid for the product by averaging the mill base prices, less any jobber discounts, on all invoices received by you during the preceding calendar month, or the last calendar month for which your written records show invoices having been received for the product, disregarding the invoice date or actual shipping and receiving dates. Mill base prices are the base prices for a product exclusive of all freight, and all quality, size or other extras.

(ii) You add your average actual transportation costs (including taxes) paid for the product applicable to the invoices used in determining your monthly average mill base price in subdivision (1) of this subparagraph. If the bills for transportation charges for any invoice

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are not available as of the time you compute your costs, you must calculate the applicable transportation charge for the material covered by the published carrier rate (including taxes) for transporting the product involved from the shipping point shown on the invoice to your warehouse. In making this calculation you must use the rate for the kind of transportation by which the material is transported to your warehouse (e. g. railroad, truck or barge) in effect at the time you are computing your ceiling price. Trucking charges may be used in computing your monthly average incoming transportation costs only where all truck movement from the producing mill or other source of supply to your warehouse is involved. Where rail-truck movement is involved, no charges for trucking from the rail station or siding to your warehouse may be included in your computations.

(iii) You add an amount for extras not in excess of the current applicable mill extras, except for quantity extras, charged by the producing mill.

(iv) You add an amount equal to 20 percent of the aggregate of (i), (ii) and (iii).

(2) (i) You use the minimum carload base price for the product of your principal source of supply, f. o. b. its producing point nearest your warehouse, less any jobbers discount.

(ii) You add an amount figured at the current minimum carload freight rate plus an amount not to exceed the current applicable transportation tax from the producing point of your principal source of supply used in subdivision (i) of this subparagraph to the rail station or siding nearest your warehouse.

(iii) You add an amount not in excess of the current applicable mill extras, except for quantity extras, charged by your principal source of supply.

(iv) You add an amount equal to 20 percent of the aggregate of (i), (ii) and (iii).

(3) You must recalculate your ceiling prices each month in accordance with the provisions of this paragraph. This ceiling price becomes your ceiling price for all shipments made from the 16th of the month to the 15th of the following month.

(d) *Shipments from warehouse stock for sale at retail.* (1) For shipments out of warehoused stock your ceiling price f. o. b. warehouse for any product covered by this section when sold to contractors or individual consumers is the sum of the amount determined in accordance with paragraph (c) of this section, plus 20 percent of that amount.

(2) You must recalculate your ceiling price each month in accordance with the provisions of this paragraph. This ceiling price becomes your ceiling price from the 16th of the month to the 15th of the following month.

(e) *Small quantity sales.* Notwithstanding any other provision of this section you need not determine your ceiling price in accordance with this regulation for the sale of any merchant trade product in less than 100 pound lots.

SEC. 21. *Ceiling jobber prices for merchant trade pipe and tubular products.*

If you are a jobber selling any prime quality iron and steel standard pipe; line pipe; waterwell casing; large O. D. pipe; or wrought iron pipe, you must determine your ceiling price f. o. b. point of shipment in accordance with the provisions of this section, and adjust it in accordance with the provisions of section 41 of this regulation. You must recalculate your ceiling price for shipments out of warehouse stock each month. This ceiling price becomes your ceiling price for all shipments from the 16th of the month to the 15th of the following month.

(a) *Direct mill shipments.* You determine your ceiling price f. o. b. producing point for shipments directly from the producing mill to the consumer for your account in the following manner:

(1) *Carload lots.* You use the published mill list price, subject to the current mill flat card additions or discounts for carload lots, in effect on the date of shipment, f. o. b. cars at the producing point.

(2) *Less than carload lots.* You add an amount determined by applying whichever of the following percentage markups is applicable to the amount determined under subparagraph (1). No markup may be added for wrought iron pipe.

(i) Standard weight pipe and standard weight line pipe in sizes 6 inches and smaller: 25 percent markup.

(ii) Standard weight pipe and standard weight line pipe in sizes over 6 inches and all sizes of extra strong pipe, double extra strong pipe, waterwell casing and large O. D. pipe: 30 percent markup.

(b) *Shipments from warehouse stock.* You determine your ceiling price, f. o. b. warehouse, for shipment out of your warehouse stock in any quantity in the following manner:

(1) You use the published mill list price of your principal source of supply for the preceding calendar month subject to its current mill flat card discounts or additions for carload lots. In the case of wrought iron pipe you use the published mill list price of A. M. Byers Co. adjusted for its current mill flat card discounts or additions for less than carload lots.

(2) You add an amount figured at the current rail minimum carload rate of freight from the producing point of your principal source of supply to the rail station or siding nearest to your warehouse plus an amount not to exceed the current applicable transportation tax.

(3) You add an amount determined by applying whichever of the following percentage markups is applicable to the sum of the figures arrived at under subparagraphs (1) and (2). No markup may be added for wrought iron pipe.

(i) Standard weight pipe and standard weight line pipe in sizes 6 inches and smaller: 25 percent markup.

(ii) Standard weight pipe and standard weight line pipe in sizes over 6 inches and all sizes of extra strong pipe, double extra strong pipe, waterwell casing and large O. D. pipe: 30 percent markup.

SEC. 22. *Oil country tubular goods.* You determine your ceiling prices for

casing, tubing, drill pipe and drive pipe, and other products customarily referred to as Oil Country Tubular Goods in accordance with the provisions of this section. These prices must then be adjusted in accordance with section 41 of this regulation.

(a) *Direct mill shipments.* Your ceiling resale price for shipments of oil country tubular goods direct from the producing mill to the consumer in minimum carload lots is the current mill net price per 100 feet as published by the producing mill for minimum carload lots f. o. b. producing mill shipping point.

(b) *Shipments out of field or warehouse stock.* You determine your ceiling resale price, f. o. b. your stocking point, for shipments of oil country tubular goods out of your field or warehouse stock in any quantity in the following manner:

(1) You use the current mill net price per 100 feet as published by the producing mill for minimum carload lots;

(2) You add a markup of 10.6 percent on the amount determined under subparagraph (1).

(3) You add an amount figured at the current rail minimum carload freight rate from the producing mill to the rail siding nearest your stocking point plus an amount not to exceed the current applicable transportation tax.

SEC. 23. *Secondary or rejected pipe and tubular products.* If you are a jobber selling any new secondary or rejected pipe or tubular products you determine your ceiling price f. o. b. point of shipment in accordance with the provisions of this section and adjust this price in accordance with the provisions of section 41 of this regulation.

"Secondary or rejected pipe and tubular products" as used in this section includes new iron and steel standard pipe, waterwell casing, large O. D. pipe, wrought iron pipe, oil country tubular goods and boiler tubes rejected by the producer as sub-standard and not meeting the required specifications to which it was produced, and therefore unsuited at the time of the purchase from the producer for the purpose originally intended. When you purchase in one transaction prime quality and secondary or rejected pipe and tubular products, you must treat the entire lot as secondary or rejected pipe or tubular products unless your source of supply determines, before or at the time of shipment, the exact quantity of each and issues an invoice setting forth such information. The term "secondary or rejected pipe and tubular products" does not include any reusable pipe or tubular products which are priced under section 30 of this regulation.

(a) *Limited service pipe.* Where you purchase any secondary or rejected pipe or tubular product capable of withstanding, without leakage, liquids and gases at a minimum pressure of 50 pounds per square inch and condition the products in a manner set forth in subparagraph (3) of this paragraph so that it qualifies for limited service as pipe or tube, your ceiling price is the sum of the following:

(1) Cost of acquisition of the plain end secondary or rejected pipe from the producing mill, f. o. b. mill.

(2) Actual transportation charges including taxes for the products being priced from the producing mill to your warehouse. Where all truck movement from the producing mill to your warehouse is involved you may include in your computation your actual trucking charges including taxes. However, where rail-truck movement is involved, no charges for trucking from the rail station or siding to your warehouse may be included in your computations.

(3) Actual cost of conditioning the product, including threading, coupling and the correction of any defects necessary to fit the product for any purpose for which new pipe of prime quality of the same type and standard is customarily used. This cost must be determined in accordance with the cost formula you had in effect on January 25, 1951, using your current labor and material costs.

(4) A markup equal in amount to the markup you have established as a jobber in accordance with the provisions of sections 21 and 22 for the prime grade classification of the product for which it qualifies after conditioning.

(b) *Structural pipe.* Your ceiling prices for any secondary or rejected pipe and tubular product not capable of withstanding, without leakage, liquids and gases at a minimum pressure of 50 pounds per square inch but suitable for structural purposes or for redrawing is determined under section 32 (Structural pipe).

PART IV—RE-USABLE PRODUCTS, STRUCTURAL PIPE AND CONVERSION STEEL

SEC. 30. Re-usable iron and steel pipe—(a) *Re-usable iron and steel pipe.* Your ceiling price, f. o. b. point of shipment, for the sale of any re-usable iron and steel pipe is 80 percent of your ceiling jobber price, as determined in accordance with sections 21 and 22, for new pipe or tube of prime quality of the same type and standard for which the pipe you are selling is suitable.

If you are not a jobber of the new prime quality pipe you must apply under section 40 of this regulation to the appropriate OPS office for the establishment of a ceiling price for the re-usable item.

"Re-usable iron and steel pipe" means used iron and steel pipe, casing and tubing (including boiler tubing), with or without fittings, if the pipe is (1) suitable without further reconditioning for any purpose for which new pipe of prime quality of the same type and standard is customarily used and (ii) capable of conducting, without leakage, liquids and gases at a pressure of at least 50 pounds per square inch. "Re-usable iron and steel pipe" includes such pipe whether black or galvanized and whether plain end, or threaded, or furnished with couplings. The term includes used pipe contained in pipe lines, oil wells, or similar pipe assemblies whether or not it is sold in place. Cast iron pipe or chrome-nickel stainless steel pipe are not included.

(b) *Unreconditioned iron and steel pipe—*(1) *Sales to persons other than*

reconditioners. Your ceiling price f. o. b. point of shipment for the sale of any unreconditioned pipe to any person other than one who is a reconditioner is \$65.00 per net ton.

"Unreconditioned iron and steel pipe" means used iron and steel pipe, casing and tubing (including boiler tubing) included within the meaning of re-usable pipe which is capable of conducting, without leakage, liquids and gases at a pressure of at least 50 pounds per square inch but which requires reconditioning before it is suitable for any purpose for which new pipe of prime quality of the same type and standard is customarily used. The term includes used pipe contained in pipe lines, oil wells or similar pipe assemblies whether or not it is sold in place.

A "Reconditioner" is a person who customarily purchases unreconditioned pipe, brings it into his stock either at a location regularly maintained for the purpose of reconditioning pipe or at a place set up in the field for the purpose of reconditioning pipe and who resells the pipe after reconditioning.

(2) *Exemptions of sales to reconditioners.* Notwithstanding the provisions of any price regulation or order heretofore or hereafter issued by the Office of Price Stabilization, except an amendment to this regulation, all sales of unreconditioned iron and steel pipe to a reconditioner, as defined in this paragraph, are exempt from price control.

SEC. 31. Ceiling prices for re-usable industrial steel products—(a) *Products covered by this section.* (1) This section establishes ceiling prices for all re-usable industrial steel products (except those listed in (2) of this paragraph) which have been used; steel products which have been installed or erected but not placed in service; and steel products which have been prepared or fabricated for installation or erection if such products have not been restored to their original condition. It does not include any new steel product of less than prime quality. It does not include any building or any other structure dismantled and re-erected in its original form but does include steel products originating from the dismantling of structures when the products are sold for use as steel products.

(2) *The following used steel products are not covered by this section.* (i) Relaying rail, relaying girder rail and used track accessories.

(ii) Reusable iron and steel pipe and sub-standard or used structural pipe.

(iii) Reusable steel storage tanks.

(iv) Used cotton bale ties.

(v) Any used merchant trade product.

(b) *Ceiling shipping point prices—*(1) *Re-usable industrial steel products suitable for re-use without further reconditioning.* Your ceiling shipping point price for re-usable structural shapes, plates, bars (including reinforcing bars), shafting, black sheets and coated sheets which have been reconditioned for re-use or which are suitable for re-use without further reconditioning, is 80 percent of your current ceiling warehouse price for the new prime product established in sections 11, 12, or 13 of this regulation.

If you have not established a ceiling price for the sale from warehouse stock of new prime quality product in determining your ceiling price for the re-usable products, you must apply under section 40 of this regulation to the appropriate OPS office for the establishment of a ceiling price for the re-usable product.

(2) *Unreconditioned industrial steel products.* Your ceiling shipping point price for any steel product set forth in subparagraph (1) which requires reconditioning such as cutting, straightening, flattening or cleaning, etc., before it is suitable for re-use, is 60 percent of the ceiling warehouse price for the new prime quality product determined in the same manner set forth in subparagraph (1).

If you have not established a ceiling price for the sale from warehouse stock of new prime quality product in determining your ceiling price for the unreconditioned products, you must apply under section 40 of this regulation to the appropriate OPS office for the establishment of a ceiling price for the unreconditioned product.

(c) *Fabrication.* You may not charge for cutting material to lengths. Any punching, drilling, welding, bending or cutting to diameter or pattern is fabrication and fabricated structural steel shapes, plates and bars are not covered by this regulation. This regulation does not cover the service of processing re-usable steel products owned by others.

SEC. 32. Structural pipe. Your ceiling resale price, except as provided for in section 30 (b) (2), for any new or used pipe or tubular product which is not capable of withstanding, without leakage, liquids and gases at a minimum pressure of 50 pounds per square inch but which is suitable for structural purposes or for redrawing is \$65.00 per net ton, f. o. b. point of shipment.

SEC. 33. Conversion steel products. The ceiling price for sale by any person (other than the converting mill) of any steel product covered by this regulation which has been rolled or extruded from a less finished product produced by another producer will be the price established by the Office of Price Stabilization upon application of the seller. Such conversion steel products need not necessarily have been rolled or extruded from the identical less-finished products supplied by the person having the conversion done, but may include steel products which are sold by a mill to a person who has sold to such mill a less-finished product as part of the conversion transaction. You mail the application to the Office of Price Stabilization, Industrial Materials Division, Washington 25, D. C., and state the name and address of the seller, the nature of his business, the full particulars of the conversion transaction, an itemized statement of the costs involved, a description of the material and the suggested price. You may furnish such further information as you deem pertinent to the establishment of a ceiling price.

The ceiling prices or ceiling markups established under this section will be in line with the ceiling prices and markups otherwise established by this regulation.

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PART V—GENERAL PROVISIONS

SEC. 40. *Applications for establishment of ceiling prices and adjustment of extras.* (a) (1) If for any reason you are unable to determine a ceiling price for any iron or steel product listed in section 2 (a) under any provision of this regulation, you must apply to the appropriate OPS Office for the establishment of a ceiling price or pricing method. The ceiling price or pricing method specifically authorized in writing by the Director of Price Stabilization will be in line with ceiling prices otherwise established in this regulation.

(2) Your application must be made by registered mail and must contain the following information:

(i) Your name and address; the location of your place of business (in the case of resellers other than warehouse or distributors you must give the location of all your places of business); and the nature of your business, i. e., warehouse, jobber, retail merchant, etc.

(ii) A complete description of the product (or products) for which a ceiling price or pricing method is to be established. You include in this description the producer's name where possible and a statement as to the condition of the product (e. g., whether of prime or secondary quality and a description of defects such as rust, pits, lack of flatness, out of tolerance, etc.).

(iii) Your net invoice and delivered cost of the product (or products) and your source of supply, i. e., mill production, another warehouse, excess stock or imported stock.

(iv) Your proposed ceiling price or pricing method and the classes of purchasers to which sales are to be made. Where you are including extras other than mill extras, such extras must be specified.

(v) A statement of the basis on which your proposed ceiling price or pricing method was determined.

(vi) An explanation of the reasons why you cannot determine the ceiling price (or prices) under the other provisions of this regulation. If you are a new seller organized after January 25, 1951, you must give the date of entering business.

(3) After receipt of this report, the Director may approve or disapprove the proposed ceiling price or pricing method, establish a different ceiling price or pricing method by order, or request further information. If, thirty days after receipt of the required report by the Office of Price Stabilization, none of the actions just listed has been taken, you may sell at your proposed ceiling price until such time as the Office of Price Stabilization notifies you that this price has been disapproved.

(4) The ceiling price established under this section is applicable to all subsequent sales and deliveries. However, if the Director determines that your proposed price is not in line with the ceiling prices established by this regulation, it may disapprove, revoke or modify that price at any time. This disapproval, revocation or modification will not be retroactive as to any deliveries made after the 30 day period and before the date of

such disapproval, revocation or modification.

(5) If you are required to file an application pursuant to this section, and do not do so, the Director may issue an order establishing ceiling prices for you. Any ceiling price set forth in any such order will be in line with the ceiling prices otherwise established by this regulation and will apply to all deliveries for which a ceiling price was not otherwise established by this regulation, including deliveries completed prior to the date of the order. The issuance of such an order will not relieve you of the various penalties for your failure to comply with this regulation.

(b) *Adjustment of extras.* (1) If you are a warehouse reseller or jobber selling any industrial iron or steel product or merchant trade wire or tubular product covered by this regulation, you may apply to the appropriate OPS Office for an increase in the extras established in this regulation under either of the following circumstances:

(i) Where the extra currently charged you by the producing mill exceeds the mill extra you had in effect for the same item on January 25, 1951;

(ii) Where you had an extra in effect during the base period December 19, 1950, to January 25, 1951, for a service performed outside your warehouse by a job shop, such as galvanizing or heat treating, and the current service fee charged you by such job shop is higher than that charged you during the base period.

(2) The adjustment in extras granted by the Director under this paragraph will be such as to (i) permit you to charge an extra equivalent to the applicable mill extra or (ii) to reflect in your extra your increased costs of the service performed for you by another person but in no case will the adjustment reflect charges which you pay in excess of the applicable ceiling prices.

(3) Your application must be made by registered mail and must contain the following information:

(i) Your name and address and the location of your warehouse;

(ii) A statement describing the type of extra you are proposing to adjust;

(iii) Where you are proposing to increase your extra by the amount of the increase in the mill extra charged to you, you must give the name and address of the producing mill whose extra you are using, the extra it charged during the base period, the current extra charged by the mill, the date when you were first notified of the current extra and your extra during the base period;

(iv) Where you are proposing to increase your extra for a service performed for you by another person you must state the name and address of the service company, the type of operation, the rate charged during the base period, the extra you had in effect for such service, the date when you were first notified of the increase, the increased charge by the service company and your proposed increased extra.

(4) After receipt of your application the Director may approve or disapprove your proposed adjustment in your extra, establish a different extra by order,

or request further information. If, thirty days after receipt of the required report by the Office of Price Stabilization, none of the actions just listed had been taken, you may sell at your proposed extra until such time as the Office of Price Stabilization notifies you that this extra has been disapproved.

(5) The extra established in the manner just set forth will be applicable to all subsequent sales and deliveries. However, if the Director determines that your proposed extra exceeds the extra described in subparagraph (2) he may disapprove, revoke or modify your extra at any time. This disapproval, revocation or modification will not be retroactive as to any deliveries made after the 30 day period and before the date of such disapproval, revocation, or modification.

SEC. 41. *Customary price differentials and terms of sale—(a) Class of purchaser differentials.* You must adjust the ceiling prices determined under this regulation to reflect all special customer discounts, cash discounts, and other class of purchaser differentials which you had in effect during the period April 1 through June 24, 1950, and such prices must carry all guarantees, servicing terms and other applicable conditions of sale which you had in effect during that period.

(b) *Credit charges.* You may make a charge for the extension of credit to a purchaser if you are able to show from your written records that you customarily made a charge for the extension of credit during the period April 1 through June 24, 1950, but the rate may not be greater than the rate which you had in effect on June 24, 1950, involving the same amount and term.

(c) *Transportation charges.* All ceiling prices established by this regulation are f. o. b. point of shipment. Charges for local deliveries made in your equipment may not exceed the delivery charge you had in effect for the area covered on January 25, 1951. Charges for deliveries in your equipment beyond the local delivery zone may not exceed the current published common carrier truck rates in effect for the quantity and product delivered. You must, however, adjust all ceiling prices determined in accordance with this regulation to reflect all transportation allowances to the same class of purchasers which you had in effect on January 25, 1951. You must not require a purchaser to pay a larger proportion of transportation costs involved in a shipment than he would have been required to pay in connection with a similar purchase on that date.

SEC. 42. *Charges for brokers, finders and other intermediaries.* If you render any services in connection with the sale of iron and steel products (including but not limited to such services as finding any product or products, finding a purchaser, or arranging a sale) you may not make a charge to the buyer for your services, if the sum of such charges and the price charged by the reseller exceeds the applicable ceiling price established in this regulation. If the reseller charges less than his applicable ceiling price established in this regulation, you may

charge the buyer for your services an amount not in excess of the difference between the price actually charged by the reseller and the applicable ceiling price.

SEC. 43. Rounding ceiling prices. You may round out your ceiling prices determined under this regulation so that they will be expressed in the nearest cent or fraction of cent you normally employ. If you elect to so round your ceiling prices with respect to any product, you must similarly round the ceiling prices for all your products which you normally round out in the same manner, and reflect decreases as well as increases.

SEC. 44. Petitions for amendment. If you wish to have this regulation amended, you may file a petition for amendment in accordance with the provisions of Price Procedural Regulation 1, Revised (16 F. R. 4974).

SEC. 45. How to treat taxes. The ceiling prices determined under the pricing provisions of this regulation are your ceiling prices exclusive of taxes. If a tax on a particular sale or delivery such as a sales tax or a compensating use tax is imposed and the tax law permits the tax to be stated separately and passed on to your customers, you may charge or collect the tax on the sale or delivery of the product in addition to the ceiling price, provided you state the tax separately. However, if the tax was in effect during the period May 24, 1950, to June 24, 1950, and you did not charge your customers for the tax during that period, you may not do so now.

SEC. 46. Transfers of business or stock in trade. If the business, assets or stock in trade of a reseller covered by this regulation are sold or otherwise transferred after the issue date of this regulation, and the transferee carries on the business, or continues to deal in the same type of commodities, in an establishment separate from any other establishment previously owned or operated by him, the ceiling prices of the transferee shall be the same as those to which his transferor would have been subject, if no such transfer had taken place, and his obligation to keep records sufficient to verify such prices shall be the same. The transferor shall either preserve and make available, or turn over to the transferee, all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the provisions of this regulation.

SEC. 47. Record-keeping and filing requirements—(a) Record keeping. (1) You must prepare and keep for inspection by the Office of Price Stabilization, for a period of two years after the effective date of this regulation complete and accurate records of each sale and purchase in your customary manner showing: The date thereof, the name and address of the seller (in the case of a purchase) or the name of the purchaser (in the case of a sale), a complete description of the products sold or purchased including but not limited to: quantity of each item, the size, length, finish, coating, quality or any other factor affecting

the price; any conditioning performed on the product; any discounts allowed; the total price charged, the f. o. b. point and the disposition of the transportation charges.

(2) You must keep for inspection by the Office of Price Stabilization for a period of two years after the effective date of this regulation all invoices of your purchase from your sources of supply, including a record of the date of receipt of the invoice, necessary to determine whether you have computed your ceiling prices correctly. You must mark each invoice as received with the date of receipt.

(b) **Filing requirements.** Every person subject to this regulation shall file with the appropriate OPS office within thirty days of the date of issuance of this regulation complete and accurate records of the following factors and extras (where applicable) in effect on January 25, 1951:

(1) The customary incoming transportation factor (if any) used in determining your resale price.

(2) Extras and deductions for quantity.

(3) Extras for quality, merchandising, finish and tolerance.

(4) Extras for size.

(5) Extras for boxing, annealing, heat treating, etc.

(6) Extras for cutting.

(7) Trucking charges for local delivery in equipment owned or operated by the seller, and the area involved.

Stock lists, catalogues, pamphlets, printed schedules and similar literature are all acceptable media for the filing of these items.

SEC. 48. Interpretations. If you have any doubt as to the meaning of this regulation, you should write to the appropriate OPS Office for an interpretation. Any action taken by you in reliance upon and in conformity with a written official interpretation will constitute action in good faith pursuant to this regulation. Further information on obtaining official interpretations is contained in Price Procedural Regulation 1, Revised (16 F. R. 4974).

SEC. 49. Prohibitions. You shall not do any act prohibited or omit to do any act required by this regulation, nor shall you offer, solicit, attempt, or agree to do or omit to do any such acts. Specifically (but not in limitation of the above), you shall not, regardless of any contract or other obligation, sell, deliver or negotiate the sale or delivery of any product and no person in the regular course of trade or business shall buy or receive any product from you at a price higher than the ceiling price established by this regulation, and you shall keep, make and preserve true and accurate records and reports, required by this regulation. You shall not charge, demand or accept any brokerage commission, finder's fee or fee of any kind where the price including such commission or fee paid by the purchaser would exceed the applicable ceiling prices established in this regulation. You shall not pay in the regular course of trade or business any brokerage commission, finder's fee

or fee of any kind where the price to you including such commission or fee would exceed the applicable ceiling prices established in this regulation. If you violate any provisions of this regulation, you are subject to criminal penalties, enforcement action, and action for damages.

SEC. 50. Evasions. Any means or device which results in obtaining indirectly a higher price than is permitted by this regulation or in concealing or falsely representing information as to which this regulation requires records to be kept is a violation of this regulation. This prohibition includes, but is not limited to, means or devices making use of commissions, fees, services, cross sales, transportation arrangements, premiums, discounts, special privileges, up-grading, tie-in agreements and trade understandings, as well as the omission from records of true data and the inclusion in records of false data.

No seller shall require a purchaser to subdivide a requirement into small or partial orders nor shall a purchaser subdivide his requirements into small or partial orders for the purpose of enabling the seller to obtain a higher unit price.

SEC. 51. Definitions. This Ceiling Price Regulation and the terms which appear in it shall be construed in the following manner:

(a) **Appropriate OPS Office.** (1) For persons, other than warehouse resellers this term means the District Office of the Office of Price Stabilization for the District where your home office or principal place of business is located.

(2) For warehouse resellers this term means the District Office of the Office of Price Stabilization for the District or Districts where each of your warehouses is located.

(b) **Class of purchaser or purchaser of the same class.** Class of purchaser is determined in the first instance by reference to your own practice of setting different prices for sales to different purchasers or groups of purchasers or for sales under different conditions of sale. The practice may (but need not) be based on the characteristics or distributive level of the buyer (for instance, manufacturer, wholesaler, individual retail store, retail chain, mail order house, government agency, public institution). It may (but need not) be based on the location of the purchaser, the quantity purchased by him or whether the buyer purchased for cash or on credit. If you have followed the practice of giving an individual customer a price differing from that charged others, that customer is a separate class of purchaser. If in your industry a practice prevails of charging different prices for sales to groups of buyers based on their characteristics or distributive level, any such group to whom you did not make sales during the period April 1 through June 24, 1950, and for whom you did not have a customary differential in effect during or before this period, is a separate class of purchaser as to you.

(c) **Customary incoming transportation factor.** This term means your customary incoming transportation factor which you included in your warehouse

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resale price on January 25, 1951, to represent the cost of delivery from the producing mill to the rail station or siding nearest your warehouse if delivery was made by rail or from the producing mill to your warehouse if delivery was made entirely by truck. The factor may be adjusted by an amount not exceeding the amount by which the current minimum carload rate of freight including transportation tax, exceeds the minimum carload rate of freight (plus 3 percent) used to determine your transportation factor on January 25, 1951.

(d) *Director of Price Stabilization.* This term also applies to any official (including officials of Regional or District Offices) to whom the Director of Price Stabilization, by order, delegates a function, power or authority referred to in this regulation.

(e) *Excess stock.* This term means any industrial iron or steel product (other than conversion steel products) purchased by the holder for any purpose other than resale in substantially the same form as received but which is resold in such form. It also includes industrial iron or steel products purchased by the holder for sales for export but sold for delivery within the continental limits of the United States or a territory or possession of the United States.

(f) *Export sale.* This term means the sale of a product to a person located outside the continental United States or a territory or possession of the United States, and which is shipped to the purchaser outside the continental United States or a territory or possession of the United States, regardless of where the invoicing is done.

(g) *Sales for export.* This term means a sale to a buyer located in the continental United States or a territory or possession of the United States of a product destined for export and subsequent shipment, without resale, to any place outside the continental United States or a territory or possession of the United States.

(h) *Oil country tubular products.* This term is explained in section 22.

(i) *Imported iron or steel products.* This term means products which have been transported from a place outside the continental limits of the United States, its territories and possessions to a place inside the continental limits of the United States, its territories and possessions.

(j) *Importer.* This term means the person by whom the product is imported and who first sells it after importation.

(k) *Jobber.* This term means any seller of merchant trade products who procures his product from a producing mill and receives a jobber's allowance from any such producer on such products.

(l) *Merchant trade products.* This term is explained in section 20.

(m) *Metropolitan New York area.* This term includes the following area:

(1) All points on Long Island west of a line drawn from Huntington to Farmingdale to Amityville, Long Island.

(2) All cities and towns in New York included in a line drawn from North Tarrytown to Port Chester inclusive, and south thereof to the Battery in Manhattan including Staten Island.

(3) All cities and towns in Rockland County from New Jersey state line to, and including, a line drawn from Nyack through Spring Valley to Suffern, New York.

(4) All cities and towns in New Jersey included in the following outline—a line drawn from Suffern, N. Y., through Butler, through Dover, including Kenil and Wharton, Pica-tinny Arsenal at Pica-tinny, and on a line from Dover to Lyons, N. J., to the point where it intersects the Somerset County line, thence following the county line so as to include in the Metropolitan New York area the entire counties of Somerset, Middlesex, and Monmouth.

(n) *Mill base price.* This term means the fundamental base price charged by the producing mill for a product before the addition of any extras such as extras for quantity, size, quality, finish, etc.

(o) *Mill flat card additions or discounts.* This term means the percentage additions or deductions from mill list price as shown on the printed addition and discount cards issued by the producing mill.

(p) *Mill net price.* This term means the total prices charged by the producing mill for a product including the mill base price and all extras exclusive of freight and packing.

(q) *Person.* This term includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successors or representatives of the foregoing, and the United States, or any other government, or their political sub-divisions or agencies.

(r) *Preceding calendar month.* This term shall mean the calendar month immediately preceding the month in which the ceiling price you are computing goes into effect.

(s) *Principal source of supply.* This term means the source from which you receive the greatest tonnage of the product during the specified period.

(t) *Reconditioner.* This term is explained in section 30.

(u) *Reseller.* This term is explained in section 3.

(v) *Sell.* This term includes sell, supply (with respect to either commodities or services), dispose, barter, exchange, transfer and deliver, and contracts and offers to do any of the foregoing. The term "buy" and "purchase" shall be construed accordingly.

(w) *You.* "You" means the person subject to this regulation. "Your" and "yours" shall be construed accordingly.

Effective date. The effective date of this regulation is December 16, 1951, except that for warehouse resellers who must determine their ceiling prices for industrial steel products in accordance with sections 11 (b) (2) and 12 (b) (2) the effective date as regards sales and

deliveries of such products shall be December 31, 1951.

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

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

NOVEMBER 29, 1951.

APPENDIX A—INDUSTRIAL IRON OR STEEL PRODUCTS

The industrial iron or steel products covered by this regulation are those listed below, whether of carbon, stainless or other alloy type:

Structural shapes.
Plates (universal and sheared).
Hot rolled bars—except concrete reinforcing bars—including galvanized bars and bar shapes.
Concrete reinforcing bars (unfabricated).
Cold finished bars.
Sheets and strip, hot rolled.
Sheets and strip, cold reduced.
Tin mill black plate, tin plate and terneplate.
Sheets and strip, all other but not including items in Appendix B.
Welded tubing.
Seamless tubing.
Tool steel, including drill rod.

APPENDIX B—MERCHANT TRADE IRON OR STEEL PRODUCTS

The merchant trade iron or steel products covered by this regulation are those listed below, whether of carbon, stainless or other alloy type:

Standard and line pipe, water well tubular products (includes steel and wrought iron pipe).
Oil country casing, tubing, drill pipe.
Galvanized, lead coated, or painted sheet and strip purchased for the manufacture of roofing and siding, formed roofing and siding (painted, black, galvanized or lead coated) valley ridge roll and flashing.
Nails (wire), fence and netting staples.
Wire drawn.
Wire bale ties.
Wire (barbed and twisted) and wire fence (woven or welded).
Wire netting.
Fence posts.

[F. R. Doc. 51-14333; Filed, Nov. 29, 1951;
4:00 p. m.]

[Ceiling Price Regulation 99]

CPR 99—CRUDE AND REFINED NATURAL GLYCERINE

Pursuant to the Defense Production Act of 1950 (Public Law 774, 81st Congress), as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Ceiling Price Regulation 99 is hereby issued.

STATEMENT OF CONSIDERATIONS

This regulation establishes dollars-and-cents ceiling prices for producers of crude natural glycerine and for producers of refined natural glycerine when sold in amounts of 10 pounds or more. This regulation does not include ceiling prices for synthetic glycerine.

The principal industrial uses of glycerine are in the manufacture of protective coatings, rocket and other type explosives, tobacco, cellophane, cosmetics and dentifrices, drugs and chemicals, and corks and gaskets. Substantial amounts are also consumed in the manufacture of paper, printers supplies and ink, foods and beverages, adhesives, margarine and shortening, and textiles. Because of its use as a component in rocket and other explosives, glycerine is classified as an essential defense material.

Glycerine is principally produced as a by-product in the manufacture of soap. About 72 percent of the crude natural glycerine produced in this country comes out of the soap kettle. As such it is an important credit against costs in the manufacture of soap. Glycerine is also produced in the neutralization of fats and oils. The product so produced is known as saponification crude glycerine.

Glycerine prices followed the course of all other prices after the Korean outbreak. From a spread of 15½ to 16½ cents per pound on July 3, 1950, prices for crude glycerine (80-percent glycerol content) had moved up by October 2, 1950, to a range of 55 to 60 cents. Subsequently, they moved down slightly from this level and during the GCPR base period the range was about 45 to 53 cents.

The price of crude glycerine had stabilized at 37 cents just before the issuance of this regulation and it is at that level that this regulation fixes ceiling prices for crude glycerine. The prices fixed are in accord with the requirements of section 402 (d) (4) of the Defense Production Act, as amended.

Because of the relationship of glycerine to soap and of soap to tallow, consideration was necessarily given in fixing these prices to the effect of the price of each of these on the prices of the others. It is clear from the available data that the prices here fixed for glycerine will not unduly impair the processing margins on soap. Consideration has also been given to the price relationships between the prices of saponification crude glycerine and fatty acids.

A ceiling price of 54¼ cents is set in this regulation for refined chemically pure natural glycerine (U. S. P. 95 percent glycerol) on a tankcar basis. This was the prevailing price for the three-month period prior to the issuance of this regulation. The normal industry spread between crude (80 percent) and refined (95 percent) glycerine is approximately 17 cents with a few producers going slightly higher. The differential reflected in this regulation between crude and refined glycerine prices is 17¼ cents. Differentials are provided for sales in drums and for sales of other grades of glycerine.

For many years the United States has for purposes of pricing refined natural glycerine been divided into three zones. One of these zones running through the western states along the Rockies, excepting California, has been customarily given a two-cent differential over the rest of the country. This differential is

justified because of the distance of these glycerine-consuming areas from soap production centers, the high freight rates into the area, and the nominal character of shipments into the area, except for those destined for Denver. This differential has been preserved in this regulation.

This regulation applies to sales at the producer's level within the forty-eight States and the District of Columbia, CPR-61, Exports, and CPR-31, Imports, will govern, wherever applicable, sales of exported and imported crude or refined natural glycerine. For sales within the territories and possessions of the United States, CPR-9, as amended and supplemented, will govern.

In formulating this regulation, the Director of Price Stabilization has consulted with industry representatives to the extent practicable and has given full consideration to their recommendations. In his judgment the provisions of this regulation are generally fair and equitable and are necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950, as amended.

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

REGULATORY PROVISIONS

Sec.

1. Coverage of this regulation.
2. Geographic applicability.
3. Ceiling prices of crude and refined natural glycerine.
4. Differentials on container sizes.
5. Sales to the Government.
6. Conditions and terms of sale.
7. Petitions for amendment.
8. Interpretations.
9. Supplementary regulations.
10. Evasion.
11. Prohibitions and penalties.
12. Records.
13. Definitions.

AUTHORITY: Sections 1 to 13 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101-2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

SECTION 1. Coverage of this regulation. This regulation fixes your ceiling prices if you produce crude natural glycerine or if you produce refined natural glycerine and sell it in lots of 10 pounds or more. These ceiling prices supersede those established for crude and refined natural glycerine under the General Ceiling Price Regulations, as amended.

SEC. 2. Geographical applicability. The provisions of this regulation shall be applicable in the forty-eight states of the United States and the District of Columbia.

SEC. 3. Ceiling prices for producers of crude and refined natural glycerine—

(a) **Ceiling prices for crude and natural glycerine.** (1) If you are a producer of

crude natural glycerine, your ceiling prices are as follows:

	Tank cars	Drums in car-load lots	Drums in less than car-load lots
Per pound freight prepaid			
a. Soap lye (basis 80 percent glycerol)	\$0.37	\$0.37	\$0.37
b. Saponification (basis 88 percent glycerol) for sales to refiners	.40%	.40%	.40%
Per pound f.o.b. point of manufacture			
c. Saponification (basis 88 percent glycerol) for sales to other than refiners	\$0.40%	\$0.41%	\$0.42%

(2) Your ceiling prices for crude natural glycerine of any glycerol percentages other than those listed in subparagraph (1) of this paragraph, shall be the ceiling prices fixed for the respective grade, use, and quantity increased or decreased in proportion to the increase or decrease in the percentage of glycerol content. Thus, for example: The ceiling price for soap lye crude glycerine (78 percent glycerol basis) is 78/80 of 37 cents or 36.08 cents and for soap lye crude glycerine (82 percent glycerol basis) is 82/80 of 37 cents or 37.92 cents (round prices to nearest one hundredth of one cent).

(3) (i) Where the transportation charge on a shipment of crude natural glycerine from point of your manufacture to the actual point of refining exceeds the transportation charge which would be applicable on the same shipment from the point of manufacture by the same mode of transportation to the nearest refinery to you, you may add the amount of the excess to the freight prepaid prices set forth in subparagraph (1) of this paragraph. The excess freight charge must be shown as separate items in all records and invoices.

(ii) Where you make a shipment of crude natural glycerine from a point of manufacture in returnable drums to a refinery more distant than the refinery nearest to you, you may add to the freight prepaid prices set forth in subparagraph (1) the amount by which the transportation charge for returning such drums to your point of manufacture exceeds the transportation charge which would be applicable on the return of the same drums from the nearest refinery to you to the point of manufacture by the same mode of transportation. The excess freight charges must be shown as separate items in all records and invoices.

(b) **Ceiling prices for refined natural glycerine sold in quantities of 100 pounds or more.** If you are a refiner of natural glycerine for delivery in Zones A and C, your ceiling prices for refined natural glycerine sold in quantities of 100 pounds or more are as follows:

[Per pound freight prepaid]

	Zones A and C		
	Tank cars	Drums in carload lots	Drums in less than carload lots
a. Chemically pure natural glycerine (98 percent glycerol)	\$0.56	\$0.56½	\$0.57
b. Chemically pure natural glycerine (U. S. P. 95 percent glycerol)	.54¾	.54¾	.55¾
c. Dynamite	.53¾	.54¾	.54¾
d. High gravity	.53¾	.54¾	.54¾
e. Yellow distilled	.53¾	.54¾	.54¾

For deliveries of refined natural glycerine in Zone B, your ceiling prices shall be the ceiling prices for deliveries in Zones A or C plus 2 cents per pound.

(c) *Ceiling prices for refined natural glycerine sold by a refiner in tin containers from 10 pounds to 100 pounds.* If you are a refiner of natural glycerine, your ceiling prices for refined natural glycerine sold in tin containers holding from 10 to 100 pounds freight prepaid and including the price of the containers, are as follows:

[Tin containers of 50 pounds to 100 pounds]

	Cents per pound	
	Zones A and C	Zone B
Chemically pure natural glycerine (98 percent glycerol):		
1 tin	\$0.59¼	\$0.61¼
2 to 9 tins	.59	.61
10 tins or more	.58¾	.60¾
Chemically pure natural glycerine (U. S. P. 95 percent glycerol):		
1 tin	.57¾	.59¾
2 to 9 tins	.57¾	.59¾
10 tins or more	.56¾	.58¾
Dynamite or high-gravity natural glycerine:		
1 tin	.57¾	.59¾
2 to 9 tins	.56¾	.58¾
10 tins or more	.56¾	.58¾

[Tin containers of 10 to 49 pounds]

Chemically pure natural glycerine (98 percent glycerol)	\$0.60	\$0.62
Chemically pure natural glycerine (U. S. P. 95 percent glycerol)	.58¾	.60¾

SEC. 4. Differentials on container sizes. When crude or refined natural glycerine is sold by producers in drums or containers that differ in size, type, or material from those listed in this regulation, the highest dollar-and-cent differentials you charged during the calendar year 1950 shall apply.

SEC. 5. Sales to the Government. (a) Despite the provisions of section 3 of this regulation fixing ceiling prices on a freight prepaid basis, you may make sales of crude or refined natural glycerine to Government agencies, upon request, upon an f. o. b. shipping point basis. Your ceiling prices for sales of this type are ceiling prices for the glycerine involved when sold in the intended zone of destination as set out in section 3 minus the actual freight costs to the point of delivery designated by the Government agency.

(b) Where changes in packaging specifications are made pursuant to a request by a Government agency, you may

add to your ceiling prices as fixed in section 3 of this regulation the increase in direct packaging cost actually incurred by you as a result of making such changes.

SEC. 6. Conditions and terms of sale. Your ceiling prices must reflect all customary delivery terms, discounts, allowances, guarantees, and other conditions of sale in effect during the 3-month period prior to June 25, 1950.

SEC. 7. Petitions for amendment. If you wish to have this regulation amended, you may file a petition for amendment in accordance with the provisions of Price Procedural Regulation 1, Revised (16 F. R. 4974).

SEC. 8. Interpretations. If you have any doubt as to the meaning of this regulation, you should write to the District Counsel of the proper OPS District Office for an interpretation. Any action taken by you in reliance upon and in conformity with a written official interpretation will constitute action in good faith pursuant to this regulation. Further information on obtaining official interpretations is contained in Price Procedural Regulation 1.

SEC. 9. Supplementary regulations. The Director of Price Stabilization may issue supplementary regulations modifying or supplementing this regulation as he deems appropriate.

SEC. 10. Evasion. Any means or device which results in obtaining indirectly a higher price than is permitted by this regulation, or in concealing or falsely representing information as to which this regulation requires records to be kept, constitutes an evasion and is a violation of this regulation. This prohibition includes, but is not limited to, means or devices making use of commissions, services, gross sales, transportation arrangements, premiums, discounts, special privileges, tie-in agreements, and trade understandings, as well as the omission from records of true data and the inclusion in records of false data.

SEC. 11. Prohibitions and penalties—
(a) *Prohibitions.* You shall not do any act prohibited or omit to do any act required by this regulation, nor shall you offer, solicit, attempt, or agree to do or omit to do any such acts. Specifically (but not in limitation of the above), you shall not, regardless of any contract or other obligation, sell, and no person in the regular course of trade shall buy from you at a price higher than the ceiling price established by this regulation, and you shall keep, make and preserve true and accurate records and reports, required by this regulation.

(b) *Penalties.* If you violate any provisions of this regulation, you are subject to criminal penalties, enforcement action, and action for damages.

SEC. 12. Records. If you are a producer of crude or refined natural glycerine for which ceiling prices are established by this regulation, you must preserve and keep available for examination by the Office of Price Stabilization for a period of two years from the effective date hereof accurate records of each sale. These records must include: (a) The date of each sale; (b)

the name of the purchaser; (c) the price charged; (d) the grade, quality, and amount sold.

SEC. 13. Definitions. (a) As used in this regulation the term:

(1) "Glycerine" includes both crude and refined natural glycerine. This term does not include synthetic glycerine.

(2) "Freight prepaid" means that the price involved includes freight charges to point of destination. If it was customary in the calendar year 1950 for the seller to bear the costs of local haulage, the term also includes those costs.

(3) "Governmental agency" means any agency or corporation of the United States Government.

(4) "Zone A" means all points east of and including North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas; Laramie County, Wyoming; Colorado, east of but not including the following counties: Jackson, Grand, Gilpin, Jefferson, Douglas, Teller, Fremont, Custer, Huerfano, Costilla.

(5) "Zone B" means the territory between Zone A and Zone C as follows: Washington, east of and including the following counties: Okanogan, Chelan, Kittitas, Yakima, Klickitat; Oregon, east of and including the following counties: Hood River, Wasco, Jefferson, Deschutes, Klamath; Nevada, Arizona, New Mexico, that part of Colorado west of and including those counties mentioned above; Utah, Wyoming, excepting Laramie County, Idaho, Montana.

(6) "Zone C" means the territory west of "Zone B".

(b) Unless the context otherwise requires, the definitions set forth in the General Ceiling Price Regulation, as amended, shall apply in this regulation.

Effective date. This regulation shall become effective December 4, 1951.

GARDNER ACKLEY,
Acting Director of
Price Stabilization.

NOVEMBER 29, 1951.

[F. R. Doc. 51-14334; Filed, Nov. 29, 1951; 4:00 p. m.]

Chapter VI—National Production Authority, Department of Commerce

[NPA Order M-77, Amdt. 1]

M-77—COMMUNICATIONS

This amendment 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, as amended. In the formulation of this amendment, consultation with industry representatives has been rendered impracticable because of the need for immediate action.

NPA Order M-77, dated July 27, 1951, is amended as follows:

The last sentence of paragraph (a) of section 4 is stricken out and the following sentences are inserted in its place: "The initial application for the second quarter of 1952 shall be submitted by December 22, 1951. Initial applications for subsequent quarters shall be sub-

mitted not later than 120 days prior to the beginning of the quarter for which application is made, unless NPA shall designate a later date."

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154).

This amendment shall take effect on November 29, 1951.

NATIONAL PRODUCTION
AUTHORITY,
By JOHN B. OLVERSON,
Recording Secretary.

[F. R. Doc. 51-14335; Filed, Nov. 29, 1951;
11:58 a. m.]

Name of defense-rental area	State	County or counties in defense-rental area under Rent Regulation 3	Maximum rent date	Effective date of regulation
(19b) Camden	Arkansas	Calhoun and Ouachita	Sept. 1, 1950	Nov. 30, 1951
(23) Benton	do	Saline	July 1, 1951	Do.
(55) Cocoa-Melbourne	Florida	Brevard	Dec. 1, 1950	Do.
(246) Lawton	Oklahoma	Comanche	Sept. 1, 1950	Do.
(288) Clarksville	Tennessee	Montgomery	Oct. 1, 1950	Do.

This amendment is issued as a result of joint certifications pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (l) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204 (m) of said act.

This amendment shall be effective November 30, 1951.

Issued this 28th day of November 1951.

ED DUPREE,
Acting Director of
Rent Stabilization.

[F. R. Doc. 51-14297; Filed, Nov. 29, 1951;
8:56 a. m.]

**TITLE 38—PENSIONS, BONUSES,
AND VETERANS' RELIEF**

Chapter I—Veterans' Administration

PART 17—MEDICAL

MISCELLANEOUS AMENDMENTS

1. Section 17.36 is amended to read as follows:

§ 17.36 *Eligibility for medical treatment in foreign countries.* No person shall be entitled to receive domiciliary, medical or hospital care, including treatment, who resides outside of the continental limits of the United States or its territories or possessions, except that the chief medical director may authorize services as provided in paragraphs (a), (b) and (c) of this section, provided the applicants are temporarily sojourning or temporarily residing in a foreign country and are citizens of the United States.

(a) Hospital or outpatient treatment for persons who are in need of treatment for that disease or injury adjudicated by the Veterans' Administration as incurred in or aggravated in line of duty in the active military or naval service during a period of war or during a period on or after June 27, 1950, and prior to such date as shall thereafter be determined by

Chapter XXI—Office of Rent Stabilization, Economic Stabilization Agency

[Rent Regulation 3, Amdt. 13 to Schedule A]

R. R. 3—HOTEL REGULATION

SCHEDULE A—DEFENSE RENTAL AREA

ARKANSAS, FLORIDA, OKLAHOMA, AND TENNESSEE

Amendment 13 to Schedule A of Rent Regulation 3—Hotel Regulation. Said regulation is amended in the following respect:

New Items 19b, 23, 55, 246, and 288 are added to Schedule A as follows:

the President or the Congress pursuant to Public Law 28 of the 82d Congress.

(b) Hospital or outpatient treatment for retired persons who have elected under Public Law 314, 78th Congress, to receive disability compensation from the Veterans' Administration for an injury or disease incurred or aggravated in wartime service, or service on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress pursuant to Public Law 28 of the 82d Congress, when in need of treatment for such disease or injury, except that such persons who served during the Spanish-American War, Philippine Insurrection, or Boxer Rebellion may be furnished outpatient treatment when in need thereof, not only for the compensable condition but for any disease or injury.

(c) Outpatient treatment for persons who served in the active military or naval forces during the Spanish-American War, Philippine Insurrection, or Boxer Rebellion (April 21, 1898, to July 4, 1902, or to July 15, 1903, if the service was in Moro Province), when discharged from such service under other than dishonorable conditions who are in need of outpatient treatment.

(Sec. 4, 54 Stat. 1195, Pub. Law 28, 82d Cong.; 38 U. S. C. ch. 12 note)

2. In § 17.45, the introductory paragraph and paragraphs (a), (b), and (d) are amended to read as follows:

§ 17.45 *Persons entitled to hospital observation and physical examination.* Hospitalization for observation and physical (including mental) examination may be effected when requested by an authorized official, or when found necessary in examination of the following persons:

(a) Claimants or beneficiaries of the Veterans Administration, for purposes of disability, compensation, pension, emergency officers retirement pay, medical feasibility for vocational training under Public Law 16, 78th Congress, as amended, and Government insurance.

(b) Claimants or beneficiaries referred to a diagnostic center for study to de-

termine the clinical identity of an obscure disorder.

(d) Claimants or beneficiaries of other Federal agencies: (1) Veteran's Affairs Section, Claims Division, Department of Justice—plaintiffs in Government insurance suits.

(2) United States Civil Service Commission—annuitants or applicants for retirement annuity, and such examinations of prospective appointees as may be requested.

(3) Bureau of Employees Compensation—to determine identity, severity, or persistence of disability.

(4) Railroad Retirement Board—applicants for annuity under Public No. 162, 75th Congress.

(5) Other Federal agencies.

3. In § 17.46 (a), subparagraphs (2), (3), and (4) are amended and a new subparagraph (5) is added as follows:

§ 17.46 *Persons entitled to hospital treatment or domiciliary care.* Hospital treatment or domiciliary care may be provided:

(a) Subject to the eligibility provisions of §§ 17.47 and 17.48, for:

(2) Persons retired from active military or naval service, including members of the Fleet Reserve or Fleet Marine Corps Reserve on retainer pay, who served honorably during a war period.

(3) Persons retired from active military or naval service who served on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress, pursuant to Public Law 28, of the 82d Congress.

(4) Persons retired from the active military or Naval Service, not having had war service, who elect to receive compensation under laws administered by the Veterans' Administration in lieu of retirement pay.

(5) Members or former members of the uniformed services (Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service) permanently retired for physical disability or receiving disability retirement pay who require hospitalization for chronic diseases and who have no eligibility to hospitalization under laws governing the Veterans' Administration or who having eligibility do not elect hospitalization as Veterans' Administration beneficiaries.

4. Sections 17.47 and 17.48 are amended to read as follows:

§ 17.47 *Eligibility for hospital treatment or domiciliary care of persons discharged, released, or retired from active military or naval service.* Within the limits of Veterans' Administration facilities, hospital treatment or domiciliary care may be furnished the following applicants in the specified order of preference. Notwithstanding the numerical group listing in paragraphs (a) to (d), inclusive, of this section, all persons comprehended in each group are on a parity with all other persons in the same paragraph in determining questions of priority in admissions:

(a) Hospital treatment for:

(1) Persons who served in the active military or naval forces during the period of World War I as defined in paragraphs I and IV, Veterans Regulation No. 10, as amended (33 U. S. C. ch. 12 note); or in any war prior to the Spanish-American War; or during the Spanish-American War, Philippine Insurrection, or Boxer Rebellion from April 21, 1898, to July 4, 1902 (or to July 15, 1903, if the service was in Moro Province), or on or after December 7, 1941, and before January 1, 1947, including those who had active duty as a member of the Women's Army Auxiliary Corps, Women's Army Corps, Women's Reserve of the Navy and Marine Corps, and the Women's Reserve of the Coast Guard—when discharged under other than dishonorable conditions from a period of war service, and when suffering from an injury or disease incurred or aggravated in line of duty in that period of active military or naval service, and for which they are medically determined to be in need of hospital treatment.

(2) Persons retired from active military or naval service, including members of the Fleet Reserve or Fleet Marine Corps Reserve on retainer pay, who had honorable service in a period of war, as defined in subparagraph (1) of this paragraph, and are medically determined to need hospital treatment for an injury or disease that was incurred in line of duty in active military or naval service.

(3) Persons included in paragraph III, Part I, Veterans Regulation No. 1 (a), who are suffering from injuries or diseases incurred in line of duty, for which they are receiving disability compensation, and for which they are in need of hospital treatment.

(4) Persons included in Public Law 300, 78th Congress, who, on or after December 7, 1941, and before January 1, 1947, suffered an injury or disease in line of duty for which they are receiving disability compensation and for which they are in need of hospital treatment.

(5) Persons who served in the active military or naval forces on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress pursuant to Public Law 28 of the 82d Congress, when discharged or released from active service under other than dishonorable conditions from such period of service, and when suffering from an injury or disease incurred or aggravated in line of duty in that period of active service and for which they are medically determined to be in need of hospital treatment.

(6) Persons defined in § 17.46 (a) (3) who are medically determined to need hospital treatment for an injury or disease that was incurred in line of duty in active military or naval service.

(b) *Hospital treatment for:* (1) Persons who were discharged or released under other than dishonorable conditions from active military or naval service for disability incurred or aggravated in line of duty or who are in receipt of compensation for service-connected or service-aggravated disability, when suffering from injuries or diseases incurred or aggravated in line of duty in such active service, and for which they are medically

determined to be in need of hospital treatment. Cadets and midshipmen discharged from the academies at West Point, New London, and Annapolis who meet these requirements as to character of discharge or receipt of compensation are eligible under this paragraph, regardless of the requirement as to active military or naval service. (See also section 10, Public Law 144, 78th Congress.)

(i) For applicants not in receipt of compensation for service-connected or service-aggravated disability, the official records of the Armed Forces relative to findings of line of duty for its purposes will be accepted in determining eligibility for hospital treatment under this paragraph except that where such official records show a finding of disability not incurred or aggravated in line of duty and evidence is submitted to the Veterans' Administration which permits of a different finding, the decision of the Armed Forces will not be binding upon the Veterans' Administration, which will be free to make its own determination of line of duty incurrence or aggravation upon the evidence so submitted. It will be incumbent upon the applicant to present such controverting evidence and, until he so acts and a determination favorable to him is made by the Veterans' Administration, the finding of the Armed Forces will control and hospitalization will not be authorized. Such controverting evidence, when received from an applicant, will be referred to the adjudicating agency which would have jurisdiction if the applicant were filing claim for pension or disability compensation, and the determination of such agency as to line of duty, which is promptly to be communicated to the manager of the field station receiving the application for hospitalization, will govern his disapproval or approval of admission, other eligibility requirements having been met. Where the official records of the Armed Forces show that the disability on account of which a veteran was discharged from his peacetime service under other than dishonorable conditions was incurred or aggravated in line of duty, such showing will be accepted for the purpose of determining his eligibility for hospitalization, notwithstanding the fact that the Veterans' Administration has made a determination in connection with a claim for monetary benefits that the disability was incurred or aggravated not in line of duty. See also Public, No. 648, 75th Congress, defining line of duty, whether on active duty or authorized leave, relative to applicants whose only military or naval service was in a period other than wartime.

(ii) When the applicant is in receipt of compensation for a service-connected or service-aggravated disability, inquiry will not be made as to the character of discharge from service.

(iii) In those exceptional cases where the official records of the Armed Forces show discharge or release under other than dishonorable conditions because of expiration of period of enlistment or any other reason save disability, but also show a disability incurred or aggravated in line of duty during the said enlistment; and the disability so recorded is considered in medical judgment to be or

to have been of such character, duration, and degree as to have justified a discharge for disability had the period of enlistment not expired or other reason for discharge or release been given, the chief medical director, upon consideration of a clear, full statement of the circumstances submitted to him is authorized to approve admission of the applicant for hospital treatment, provided other eligibility requirements are met. A typical case of this kind would be one where the applicant was under treatment for the said disability recorded during his service at the time discharge was given for reason other than disability.

(2) Persons defined in § 17.46 (a) (5) who require hospitalization for chronic diseases incurred in line of duty in active military or naval service when beds are available and they agree to pay the subsistence rate set by the Administration of Veterans Affairs, except that no subsistence charge will be made for those persons who are members or former members of the Public Health Service, Coast Guard, Coast and Geodetic Survey, and enlisted men of the Navy.

(3) Persons defined in § 17.46 (a) (4) who are in need of hospital treatment for that disease or injury for which they are receiving disability compensation.

(4) Persons included in Public Law 300, 78th Congress, who on or after August 27, 1940, and prior to December 7, 1941, suffered an injury or disease in line of duty for which they are receiving disability compensation and for which they are in need of hospital treatment.

(c) *Hospital treatment and domiciliary care.* (1) Hospital treatment for persons who were discharged or released from active military or naval service under other than dishonorable conditions for disability incurred or aggravated in line of duty, or who are in receipt of compensation for service-connected or service-aggravated disability, when suffering from non-service-connected diseases or injuries requiring hospitalization. See also paragraph (b) (1), (i), (ii), and (iii) of this section which applies here, and to subparagraph (2) of this paragraph.

(2) Domiciliary care for persons enumerated in subparagraph (1) of this paragraph, when suffering from a permanent disability or tuberculous or neuropsychiatric ailment and who are incapacitated from earning a living and who have no adequate means of support.

(d) *Hospital treatment or domiciliary care.* (1) Hospital treatment or domiciliary care for persons who served in the active military or naval forces, including those who had active duty as a member of the Women's Army Auxiliary Corps, regardless of length of service, during a period of war as defined in paragraph (a) (1) of this section, who were (i) discharged or released from active duty under other than dishonorable conditions; (ii) who swear that they are unable to defray the expense of hospitalization or domiciliary care (including the expense of transportation to and from a Veterans Administration facility); and (iii) who are suffering from a disability, disease,

or defect which, being susceptible of cure or decided improvement, indicates need for hospital treatment, or which, being essentially chronic in type and not susceptible of cure or decided improvement by hospital treatments is producing disablement of such degree and of such probable persistency as will incapacitate from earning a living for a prospective period, and thereby indicates need for domiciliary care. Except for applicants presenting emergent conditions, consideration in admissions under this subparagraph may be given to the length or character of service.

(2) Hospital treatment or domiciliary care for persons retired from active military or naval service including members of the Fleet Reserve or Fleet Marine Corps Reserve on retainer pay, who had honorable service in a period of war, as defined in paragraph (a) (1) of this section, and who meet the other eligibility requirements of subparagraph (1) of this paragraph.

(3) Hospital treatment or domiciliary care for persons who served in the active military or naval forces, regardless of length of service on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress pursuant to Public Law 28, 82d Congress, who meet the other eligibility requirements of subparagraph (1) (i), (ii), and (iii) of this paragraph.

(4) Hospital treatment or domiciliary care for persons defined in § 17.46 (a) (3) who meet the other eligibility requirements of subparagraph (1) (i), (ii), and (iii) of this paragraph.

(5) Hospital treatment for persons defined in § 17.46 (a) (5) who require hospitalization for chronic diseases not incurred in line of duty in active military or naval service when beds are available and they agree to pay the subsistence rate set by the Administrator of Veterans' Affairs, except that no subsistence charge will be made for those persons who are members or former members of the Public Health Service, Coast Guard, Coast and Geodetic Survey, and enlisted men of the Navy.

(Sec. 4, 53 Stat. 1070, as amended, sec. 10, 57 Stat. 556, Pub. Law 28, 82d Cong.; 38 U. S. C. 706b, 730)

§ 17.48 *Definitions applicable in determining eligibility for hospital treatment or domiciliary care.* (a) Under § 17.47 (b) (2) and (d) (5), the term "chronic diseases" shall include chronic arthritis, malignancy, psychiatric or neuropsychiatric disorder, paraplegia, tuberculosis, blindness, and such other diseases as may be agreed from time to time jointly by the Chief Medical Director of the Veterans' Administration, the Chairman of the Armed Forces Medical Policy Council, Office of the Department of Defense, and the Surgeon General of the U. S. Public Health Service. Blindness as used in this paragraph is defined as central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200, if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of the visual field subtends an angular

distance no greater than 20 degrees in the better eye.

(b) Under § 17.47 (c) (2):

(1) A "permanent disability" will be taken to mean such impairment of mind or body as may reasonably be expected to continue throughout the remainder of the applicant's life, or any condition listed in § 3.86 of this chapter. A permanent disability must be such as would materially interfere with the following of any substantially gainful occupation. This must be for medical determination, which shall not be influenced by the applicant's inability—due to industrial conditions, lack of personal initiative, or any other reason than disability due to disease or injury—to secure gainful employment. The infirmities resulting from advancing years when taken collectively, while not considered a disease entity, may be interpreted to be within the meaning of "disease" as used herein. A person who at the time of his application for domiciliary care has been rated 75 percent or more disabled for pension or disability compensation purposes will be held to be prima facie incapacitated within the meaning of this subparagraph.

(2) A permanent disability, as contemplated, is exemplified in chronic, severe types of general medical diseases, such as myocarditis, valvulitis, cardiovascular disease, nephritis, arthritis, etc., and in blindness, loss of parts or use of parts, etc. But injuries or diseases such as reparable hernia, chronic appendicitis, cholecystitis, cholelithiasis, nephrolithiasis, etc., are not essentially permanent, as contemplated, in that surgical intervention may remove the disability.

(3) "No adequate means of support": When an applicant is receiving an income of \$125 or more per month from any source, this fact will be considered prima facie evidence that he has adequate means of support, except when he is in fact contributing in whole or part from such income to the support of a wife, child, mother, or father. If the applicant alleges he is contributing to the support of dependents other than these, the alleged circumstances will be submitted to the manager for decision as to eligibility for admission.

(c) Under § 17.47 (d):

(1) "Any disability, disease, or defect" will comprehend any acute, subacute, or chronic disease (of a general medical, tuberculous, or neuropsychiatric type) or any acute, subacute, or chronic surgical condition, susceptible of cure or decided improvement by hospital care; or any condition which, not susceptible of cure or decided improvement by hospital care, indicates need for domiciliary care. Domiciliary care, as the term implies, is the provision of a home, with such incidental medical care as is needed. To be entitled to domiciliary care the applicant must consistently have a disability, disease or injury which, chronic in type and not susceptible of cure or decided improvement by hospitalization, is producing disablement of such degree and probable persistency as will incapacitate from earning a living for a prospective period. Defects such as constitutional psychopathic inferiority or mental deficiency, without superim-

posed psychosis or psychoneurosis, will not indicate hospital treatment, but will entitle to domiciliary care, other requirements being met, if such defects are producing material social and industrial inadaptability.

(2) "Unable to defray expenses of hospitalization or domiciliary care (including transportation to and from a Veterans Administration facility)." The affidavit of the applicant on VA Form 10-P-10 that he is unable to defray the expenses of hospitalization or domiciliary care (including transportation to and from a Veterans Administration facility) will constitute sufficient warrant to furnish hospitalization or domiciliary care (including Government transportation to cover transportation to the facility).

(d) Persons hospitalized pursuant to § 17.47 (c) (1) or (d) (1) to (4), inclusive, who it is believed may be entitled to hospital care or medical or surgical treatment or to reimbursement for all or part of the cost thereof, by reason of statutory, contractual, or other relationships with third parties, including those liable for damages by reason of negligence or other legal wrong, will not be furnished hospital treatment without charge therefor to the extent of the amount for which third parties are or will become liable, and such patients will be requested to execute appropriate assignment or other instrument which will entitle the Administrator of Veterans Affairs—on behalf of the United States—to receive and to collect, directly or as assignee, from the third party or parties, to the extent of the amounts for which such third party is liable, the cost of such care and treatment as determined under the applicable rules and regulations, including medical fee schedules, of the Veterans Administration. The words "by reason of statutory or contractual relationship" as used in this paragraph include, but are not limited to (1) membership in a union, fraternal or other organization, (2) rights under a group hospitalization plan, or under any insurance contract or plan which provides for payment or reimbursement for the cost of medical or hospital care, and conditions the obligation of the insurer to pay upon payment or incurrence of liability by the person covered, (3) "workmen's compensation" or "employers' liability" statutes, State or Federal, (4) right to "maintenance and cure" in admiralty. Notice of the assignment will be mailed promptly to the party or parties believed to be liable. When the amount of charges is ascertained bill therefor will be mailed such party or parties. If payment is not received in due course the matter will be referred to the proper chief attorney.

5. In § 17.50, paragraphs (c), (e), and (f) are amended to read as follows:

§ 17.50 *Utilization of facilities other than those under direct and exclusive jurisdiction of the Veterans Administration.*

(c) In the territories and insular possessions of the United States, preference will be given to Federal hospitals, and contracts will be made with private ter-

ritorial or insular hospitals only when Federal hospitals are not available. Authorization of hospitalization in such territories and possessions is restricted to hospitals under agreements or contracts and admissions to private hospitals not under contract will not be authorized without prior approval of the chief medical director or his designate: *Provided*, That when immediate hospitalization is necessary for treatment of an emergent service-connected condition in a war veteran or person who served on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress pursuant to Public Law 28 of the 82d Congress, admission to a noncontract hospital may be authorized if no Federal or contract private hospital be feasibly available, and that the stipulations specified in paragraph (b) (2) of this section are communicated to the superintendent of such noncontract private hospital. While admission to private hospitals in the territories and insular possessions will in general be restricted to applicants who had service in a war or on or after June 27, 1950, such hospitals may also be used for applicants who had peacetime service only, if needed for treatment of an emergent service-connected condition. The use of such private hospitals is prohibited for applicants who had peacetime service only, if required for treatment of a disease or injury not attributable to military or naval service, or for a service-connected condition that is not medically emergent. The words "peacetime service" as used in this paragraph do not include service on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress pursuant to Public Law 28 of the 82d Congress.

(e) Women veterans who served during a period of war or on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress pursuant to Public Law 28, of the 82d Congress, needing treatment, in a medical emergency, for a condition either service-connected or not service-connected, may be authorized admission to a private hospital not under contract, if a Government or private contract facility is not feasibly available. In these medically emergent cases the authority for admission to a private hospital not under contract will also be authority for payment of vouchers covering necessary services or supplies furnished in accordance with the stipulations specified in paragraph (b) (2) of this section.

(f) Managers of regional offices and centers with regional office activities through chief medical officers or their designates, are empowered to authorize admission to private hospitals, under contract, of women war veterans defined in paragraph (e) of this section suffering from non-service-connected diseases or injuries, as well as service-connected conditions, in a medical emergency or otherwise: *Provided*, That a Government facility is not feasibly available; the condition of such beneficiary, if already so hospitalized, will not safely allow of

her transfer to a Government facility; or the relative travel involved in admission to a Government facility, the medical condition existing, or the nature of the treatment required, make it advisable or economical to utilize the contract facility.

6. In § 17.60, paragraphs (a) (3), (4), (5) and (b) are amended and paragraph (a) (9) is added as follows:

§ 17.60 *Outpatient treatment.*
(a) * * *

(3) Retired persons who have elected, under Public Law 314, 78th Congress, to receive disability compensation from the Veterans' Administration for a service-connected disease or injury and who are in need of treatment for said service-connected compensable disease or injury. Except that such persons who served during the Spanish-American War, Philippine Insurrection or Boxer Rebellion may be furnished treatment when in need thereof not only for the compensable condition but for any disease or injury under the provisions of subparagraph (8) of this paragraph.

(4) Persons who were discharged or released under other than dishonorable conditions from active military or naval service for disability incurred or aggravated in line of duty in active service or who are in receipt of compensation for a disability for which service-connection has been established and who are in need of treatment for that condition which resulted in discharge for disability or for a service-connected or service-aggravated disability. A formal claim for disability compensation will not be required of an applicant eligible for outpatient treatment by reason of discharge for disability incurred or aggravated in line of duty; and a denial of a claim for disability compensation will not debar outpatient treatment for such disability. (See determination of line of duty, § 17.47 (b) (1) (i) and (iii).)

(5) Persons pursuing a course of vocational training authorized under Public Law 16, 78th Congress, as amended, who are in need of treatment to avoid interruption of such training.

(9) Persons who served in the active military or naval forces on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress pursuant to Public Law 28 of the 82d Congress when discharged or released under other than dishonorable conditions from such service and who are in need of treatment for a disease or injury adjudicated by the Veterans' Administration as incurred or aggravated in such period of service.

(b) While outpatient treatment is primarily authorized only for service-connected or service-aggravated conditions, adjunct outpatient treatment for a non-service-connected condition which is associated with and held to be aggravating disability from a disease of injury service-connected or service-aggravated may be also authorized in accordance with prescribed principles for persons defined in paragraph (a) (1) through (4) and (9) of this section. The opinion of the

chief medical director may be requested in any individual case where advice as to the propriety of furnishing adjunct treatment is desired.

(45 Stat. 735, as amended, 57 Stat. 21, 60 Stat. 526, Pub. Law 28, 82d Cong.; 38 U. S. C. 488 note, 488a, 581, 582, ch. 12 note)

7. Section 17.65 is amended to read as follows:

§ 17.65 *Statutory discharge.* (a) Beneficiaries with active tuberculosis, the disability from which has been adjudicated as attributable to service in World War I who have been hospitalized for a continuous period of 1 year under proper medical supervision; whose condition, it is adjudged, will not reach arrest by further hospitalization; and whose discharge from hospital treatment will not be prejudicial to themselves or their families, will be potentially eligible for the statutory hospital discharge authorized in section 202 (3), World War Veterans' Act, 1924, as amended, as reenacted by Public No. 141, 73d Congress.

(b) Actively tuberculous patients whose discharge from hospital treatment under paragraph (a) of this section is not disapproved by the chief medical officer, chief, professional services, or clinical director will be so discharged if proper investigation by the office concerned discloses the following necessities of home environment: A sanitary domicile where reasonable comforts and care can be provided, such as a well-ventilated room or porch, good food, fresh air, etc.; relatives or friends who can assume the obligations of continued nursing care, who know how to properly safeguard themselves from infection by proper disposition of the patient's sputum, and who can furnish, on forms supplied by the Veterans' Administration, the information necessary for administrative supervision; feasibility of keeping infants and young children from infection by the patient; facilities to provide for not less than 18 hours a day in bed or in a "curing chair."

(c) Beneficiaries suffering from active tuberculosis who have not had 1 year's continuous hospitalization under proper medical supervision but who fulfill all other conditions specified in paragraph (a) of this section may be permitted discharge from hospital treatment for "maximum benefit" but not under the provisions calling for the post-hospital statutory award in section 202 (3), World War Veterans' Act, 1924, as amended, as reenacted by Public No. 141, 73d Congress. If there is probability of further improvement of these patients by hospitalization, it will be continued.

8. In § 17.115 (d), a new subparagraph (6) is added as follows:

§ 17.115 *Types, fitting and training, and eligibility to appliances and repairs thereto.* * * *

(d) * * *

(6) Persons defined in § 17.60 (a) (9).

9. In § 17.116, paragraph (a) (1) is amended to read as follows:

§ 17.116 *Retired personnel.* (a) (1) Pursuant to the provisions of Public Law 308, 78th Congress, approved May 23, 1944, an artificial limb or other appli-

ance will be supplied or repaired, when medically determined necessary, for any officer or enlisted man retired from active military or naval service who had lost a limb or the use thereof through injury or disease incurred or contracted in line of duty in the military or naval service at any time.

10. Section 17.118 is amended to read as follows:

§ 17.118 *Guide dogs or mechanical and electronic equipment for blind beneficiaries.* (a) Pursuant to the provisions of Public Law 309, 78th Congress, approved May 24, 1944, blind ex-members of the Armed Forces entitled to disability compensation for a service-connected disability may be furnished a trained seeing-eye or guide dog. In addition, they may be supplied the necessary travel expenses to and from their places of residence to the point where adjustment to the seeing-eye or guide dog is available and meals and lodging during the period of adjustment, provided they are required to be away from their usual places of residence during the period of adjustment.

(b) Mechanical and electronic equipment considered as aiding in overcoming the handicap of blindness may also be supplied beneficiaries defined in paragraph (a) of this section.

(58 Stat. 226; 38 U. S. C. 251)

11. In § 17.120, paragraph (a) is amended and a new paragraph (i) is added as follows:

§ 17.120 *Authorization of dental examinations.* When a detailed report of dental examination is essential for a determination of eligibility for benefits, a chief, dental service, or other empowered official may authorize dental examinations for the following classes of claimants or beneficiaries:

(a) Those having a dental disability adjudicated as incurred or aggravated in military or naval service in war or peacetime, or those requiring examination to determine whether the dental disability is service-connected. The word "peacetime" as used in this paragraph and in § 17.129 (b) does not include service on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress pursuant to Public Law 28 of the 82d Congress.

(i) Persons defined in § 17.60 (a) (9).

12. In § 17.123, a new paragraph (g) is added as follows:

§ 17.123 *Authorization of dental treatment.* * * *

(g) Class VII. Persons defined in § 17.60 (a) (9).

13. In § 17.129, a new paragraph (g) is added as follows:

§ 17.129 *Extent of dental treatment.*

(g) In class VII, any treatment indicated as necessary for correction of service-connected disability may be authorized.

14. In § 17.135, a new paragraph (g) is added as follows:

§ 17.135 *Replacement of dental prosthesis.* * * *

(g) Dental prosthesis furnished as class VII treatment may be replaced in accordance with the same procedure as prescribed in paragraphs (a) and (b) of this section.

(Sec. 5, 43 Stat. 608, as amended, sec. 2, 46 Stat. 1016, sec. 7, 48 Stat. 9; 38 U. S. C. 11a, 426, 707. Interpret or apply secs. 1, 6, 48 Stat. 9, 301, 53 Stat. 652, as amended; 38 U. S. C. 706, 706a)

This regulation is effective November 30, 1951.

[SEAL]

O. W. CLARK,
Deputy Administrator.

[F. R. Doc. 51-14259; Filed, Nov. 29, 1951; 8:55 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 34—CLASSIFICATION AND RATES OF POSTAGE

PART 124—POSTAL AGENCIES

PART 125—MISCELLANEOUS

PART 127—INTERNATIONAL POSTAL SERVICE: POSTAGE RATES, SERVICE AVAILABLE, AND INSTRUCTIONS FOR MAILING

MISCELLANEOUS AMENDMENTS

1. Section 124.2 *Agents on mail steamers* is repealed. (Public law 153, approved September 25, 1951.)

2. In Section 125.2 *Mails carried by foreign vessels* make the following changes:

a. Paragraph (a) is repealed. (Public law 153, approved September 25, 1951.)

b. Amend the caption to paragraph (b) to read "*Transportation and protection of outgoing mails between post office and ships*".

3. Section 125.9 *Retaliatory postage on certain foreign matter* is repealed. (Public law 153, approved September 25, 1951.)

4. In § 127.264 *Germany* (16 F. R. 6801) amend the last sentence in subdivision (iv) of paragraph (b) (5) by striking out the period and inserting in lieu thereof; "and not more than half the weight of a parcel may consist of coffee, powdered cocoa or chocolate".

5. In § 127.282 *Israel (State of)* (14 F. R. 458) amend paragraph (b) (5) by adding to subdivision (iii) a new subdivision (g), to read as follows:

(g) "Pharmaceutical preparations may be imported only under license issued by the Ministry of Health, Jerusalem, and containers of medicine must be labeled in accordance with the Israel pharmaceutical regulations. Interested patrons may obtain information concerning these regulations from the Office of International Trade, Department of Commerce, Washington 25, D. C., or from a field office of that Department."

6. In § 127.286 *Japan* make the following changes:

a. In paragraph (a) (6) (15 F. R. 6080) delete subdivision (iii).

b. In paragraph (b) (4) (15 F. R. 382) amend subdivision (iii) (a) by striking

out the words "issued by the military authorities in that country" and inserting in lieu thereof "issued by the Japanese Government".

7. In § 127.341 *Rumania* (16 F. R. 9569) strike out the first sentence of subdivision (c) in subdivision (i) of paragraph (b) (5) and insert in lieu thereof the following: "Gift parcels to be admitted without import permit may contain only clothing, food, and medicines not exceeding \$20 in value, and the quantities of certain items in those categories are restricted."

8. In § 127.376 *Venezuela* amend paragraph (a) (10) by striking out the first sentence therein and inserting in lieu thereof: "Coins, banknotes, paper money or any instruments of value payable to bearer; manufactured or unmanufactured platinum, gold or silver; precious stones, jewelry, or other precious articles."

9. In § 34.95 *Parcels addressed to certain A. P. O.'s* (15 F. R. 8165, 16 F. R. 2152, 5871, 8241) amend paragraph (b) by striking out the words "A. P. O. 10, 11, 55, or 58" in the text and inserting in lieu thereof the words "A. P. O. 10, 11, 21, 55, 58, or 349."

(R. S. 161, 396, 398; sec. 304, 309, 42 Stat. 24, 25; 48 Stat. 943; 5 U. S. C. 22, 369, 372)

[SEAL]

V. C. BURKE,
Acting Postmaster General.

[F. R. Doc. 51-14214; Filed, Nov. 29, 1951; 8:46 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

Appendix—Public Land Orders

[Public Land Order 766]

MONTANA

RESERVING CERTAIN PUBLIC LANDS IN CONNECTION WITH SUN RIVER WINTER ELK RANGE

Whereas the act of September 2, 1937, 50 Stat. 917 (16 U. S. C., secs. 669-669j), provides for Federal aid to States in wildlife-restoration projects; and

Whereas the State of Montana has established a Federal-aid wildlife-restoration project, and has acquired title to certain lands and wildlife control over other lands in Lewis and Clark County which are administered by the State of Montana through its Department of Fish and Game as the Sun River Winter Elk Range; and

Whereas certain public lands within and contiguous to the Sun River Winter Elk Range possess wildlife value and could be administered advantageously in connection with the project; and

Whereas the act of March 10, 1934, as amended by the act of August 14, 1946, 48 Stat. 401, 60 Stat. 1080 (16 U. S. C. 661-666c), provides for cooperation with Federal, State, and other agencies in developing a nation-wide program of wildlife conservation and rehabilitation:

Now, therefore, by virtue of the authority vested in the President, and pur-

suant to Executive Order No. 9337 of April 24, 1943, it is ordered as follows:

Subject to valid existing rights, the following-described public lands in Lewis and Clark County, Montana, are hereby withdrawn from all forms of appropriation under the public-land laws, including the mining laws but not the mineral-leasing laws, and reserved under the jurisdiction of the Department of the Interior for use by the Department of Fish and Game of the State of Montana in connection with the Sun River Winter Elk Range, under such conditions as may be prescribed by the Secretary of the Interior:

MONTANA PRINCIPAL MERIDIAN

T. 21 N., R. 8 W.

- Sec. 1, lot 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and E $\frac{1}{2}$ SW $\frac{1}{4}$;
 Sec. 2, lots 3 and 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 11, E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 12, NE $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 14, NW $\frac{1}{4}$ NE $\frac{1}{4}$;
 Sec. 18, lots 1 to 12 inclusive, and SW $\frac{1}{4}$ NE $\frac{1}{4}$;
 Sec. 19;
 Sec. 20, lots 1 to 11 inclusive, and SW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 23, SW $\frac{1}{4}$ NE $\frac{1}{4}$;
 Sec. 29, W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$;
 Sec. 30;
 Sec. 31, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
 Sec. 32, lots 3 and 4, lots 8 to 11 inclusive, and NW $\frac{1}{4}$ NW $\frac{1}{4}$;
 Sec. 35, NE $\frac{1}{4}$ NW $\frac{1}{4}$.

The areas described aggregate 4,144.83 acres.

The withdrawal made by this order shall be subject to the Executive order of February 26, 1917, establishing Petroleum Reserve No. 54, Montana No. 7, so far as such order affects the above-described lands.

ROBERT R. ROSE, JR.,
Acting Secretary of the Interior.

NOVEMBER 23, 1951.

[F. R. Doc. 51-14212; Filed, Nov. 29, 1951;
 8:45 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

Subchapter A—General Rules and Regulations

[S. O. 865, Amdt. 18]

PART 95—CAR SERVICE

DEMURRAGE ON FREIGHT CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of November A. D. 1951.

Upon further consideration of Service Order No. 865 (15 F. R. 6197, 6256, 6330, 6452, 7800; 16 F. R. 320, 819, 1131, 2040, 2894, 3619, 5175, 6184, 7359, 8583, 9901, 10994, 11313), and good cause appearing therefor: *It is ordered*, That:

Section 95.865 *Demurrage on freight cars* of Service Order No. 865, as amended, be and it is hereby further suspended until 11:59 p. m., December 31, 1951, only to the extent it applies on refrigerator cars.

It is further ordered, That this amendment shall become effective at 11:59

p. m., November 30, 1951, and a copy be served upon the State railroad regulatory bodies of each State, 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 secs. 1, 15, 24 Stat. 379, as amended, 384, as amended; 49 U. S. C. 1, 15)

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14229; Filed, Nov. 29, 1951;
 8:48 a. m.]

Subchapter A—General Rules and Regulations

[Rev. S. O. 867, Amdt. 4]

PART 95—CAR SERVICE

RESTRICTIONS ON TRAP AND FERRY CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of November A. D. 1951.

Upon further consideration of Revised Service Order No. 867 (15 F. R. 6199, 6313, 6573; 16 F. R. 2895, 6184), and good cause appearing therefor: *It is ordered*, That:

Section 95.867 *Restrictions on trap and ferry cars* of Revised Service Order No. 867 be, and it is hereby further amended by substituting the following paragraph (e) for paragraph (e) thereof:

(e) *Expiration date*. This section shall expire at 11:59 p. m., February 29, 1952, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

Effective date. This amendment shall become effective at 11:59 p. m., November 30, 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 secs. 1, 15, 24 Stat. 379, as amended, 384, as amended; 49 U. S. C. 1, 15)

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14230; Filed, Nov. 29, 1951;
 8:48 a. m.]

[S. O. 868, Amdt. 3]

PART 95—CAR SERVICE

SUSPENSION OF FOLLOW-LOT RULE AND TWO-FOR-ONE RULE

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of November A. D. 1951.

Upon further consideration of Service Order No. 868 (15 F. R. 6314, 6452, 6671; 16 F. R. 2895, 6184), and good cause appearing therefor: *It is ordered*, That:

Section 95.868 *Suspension of follow-lot rule and two-for-one rule*, of Service Order No. 868 be, and it is hereby amended by substituting the following paragraph (g) for paragraph (g) thereof:

(g) *Expiration date*. This section shall expire at 11:59 p. m., April 30, 1952, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

Effective date. This amendment shall become effective at 11:59 p. m., November 30, 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 secs. 1, 15, 24 Stat. 379, as amended, 384, as amended; 49 U. S. C. 1, 15)

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14231; Filed, Nov. 29, 1951;
 8:49 a. m.]

[S. O. 878, Amdt. 1]

PART 95—CAR SERVICE

REQUIREMENTS FOR LOADING CANNED GOODS AND FOODSTUFFS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of November A. D., 1951.

Upon further consideration of the provisions of Service Order No. 878 (16 F. R. 5768, 6135), and good cause appearing therefor: *It is ordered*, That:

Section 95.878 *Requirements for loading canned goods and foodstuffs* of Service Order No. 878 be, and it is hereby amended by substituting the following paragraph (i) hereof for paragraph (i) thereof:

(i) *Expiration date*. This section shall expire at 11:59 p. m., May 31, 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., November 30, 1951; that a copy of

this order 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 secs. 1, 15, 24 Stat. 379, as amended, 384, as amended; 49 U. S. C. 1, 15)

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14234; Filed, Nov. 29, 1951;
8:49 a. m.]

[S. O. 877, Amdt. 2]

PART 97—ROUTING

REROUTING OF TRAFFIC

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of November A. D. 1951.

Upon further consideration of the provisions of Service Order No. 877 (16 F. R. 4940, 8583, 8681), and good cause appearing therefor: *It is ordered*, That:

Section 97.877 *Rerouting of traffic of Service Order No. 877*, be, and it is hereby, amended by substituting the following paragraph (g) hereof for paragraph (g) thereof:

(g) *Expiration date*. This section shall expire at 11:59 p. m., February 29, 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., November 30, 1951, that a copy of this order 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 secs. 1, 15, 24 Stat. 379, as amended, 384, as amended; 49 U. S. C. 1, 15)

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14233; Filed, Nov. 29, 1951;
8:49 a. m.]

PART 120—ANNUAL, SPECIAL OR PERIODICAL REPORTS

STEAM RAILWAY ANNUAL REPORT FORM C

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 16th day of November A. D. 1951.

The matter of Annual Reports from Steam Railway Companies and Switching and Terminal Companies of Class III being under consideration:

It is ordered, That the order of December 22, 1950, in the Matter of Annual Reports from Steam Railway Companies, and Switching and Terminal Companies, of Class III (49 CFR 120.12) be, and it is hereby modified with respect to annual reports for the year ended December 31, 1951, and subsequent years, as follows:

§ 120.12 *Form prescribed for small steam railways and switching and terminal companies*. All steam railway companies and switching and terminal companies of Class III subject to the provisions of section 20, Part I of the Interstate Commerce Act, are hereby required to file annual reports for the year ended December 31, 1951, and for each succeeding year until further order, in accordance with Annual Report Form C (Small Steam Roads and Switching and Terminal Companies) which is hereby approved and made a part of this section.¹

The annual report shall be filed, in duplicate, in the Bureau of Transport Economics and Statistics, Interstate Commerce Commission, Washington 25, D. C., on or before March 31 of the year following the one to which it relates.

NOTE: Budget Bureau No. 60-R099.8.

(Sec. 12, 24 Stat. 383, as amended, sec. 201, 54 Stat. 933; 49 U. S. C. 12, 904)

By the Commission, Division 1.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14236; Filed, Nov. 29, 1951;
8:49 a. m.]

PART 120—ANNUAL, SPECIAL OR PERIODICAL REPORTS

RAILWAY LESSOR COMPANY ANNUAL REPORT FORM E

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 16th day of November A. D. 1951.

The matter of Annual Reports from Lessors to Steam Railways being under consideration:

It is ordered, That the order of December 8, 1950, in the Matter of Annual

¹ Filed as part of the original document.

Reports from Lessors to Steam Railway Companies (49 CFR 120.14) be, and it is hereby modified with respect to annual reports for the year ended December 31, 1951, and subsequent years, as follows:

§ 120.14 *Form prescribed for lessors to steam railways*. All lessors to Steam Railway Companies, subject to the provisions of section 20, Part I of the Interstate Commerce Act, shall file under oath an annual report for the year ended December 31, 1951, and for each succeeding year until further order, in accordance with Annual Report Form E (Railway Lessor Companies) which is hereby approved and made a part of this section.¹ The annual report shall be filed, in duplicate, in the Bureau of Transport Economics and Statistics, Interstate Commerce Commission, Washington 25, D. C., on or before March 31 of the year following the one to which it relates.

NOTE: Budget Bureau No. 60-R101.8.

(Sec. 12, 24 Stat. 383, as amended, sec. 201, 54 Stat. 933; 49 U. S. C. 12, 904)

By the Commission, Division 1.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14237; Filed, Nov. 29, 1951;
8:50 a. m.]

Subchapter B—Carriers by Motor Vehicle

[Ex Parte MC-43]

PART 207—LEASE AND INTERCHANGE OF VEHICLES

POSTPONEMENT OF EFFECTIVE DATE

Upon further consideration of the record in the above-entitled proceeding and of the pendency in various district courts of the United States of a number of suits to set aside the Commission's order herein, and upon consideration of request for postponement of the effective date of the order by the United States District Court for the District of Indiana, Terre Haute Division, to allow time to the court to decide a suit pending therein:

It is ordered, That the order entered in said proceeding on May 8, 1951, which was subsequently modified to become effective December 1, 1951, be, and it is hereby, further modified to become effective February 1, 1952.

(49 Stat. 546, as amended; 49 U. S. C. 304)

Dated at Washington, D. C., this 20th day of November A. D. 1951.

By the Commission, Commissioner Lee.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14235; Filed, Nov. 29, 1951;
8:49 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR Parts 725, 726]

BURLEY AND FLUE-CURED TOBACCO; FIRE-CURED AND DARK AIR-CURED AND VIRGINIA SUN-CURED TOBACCO

NOTICE OF PROPOSED AMENDMENT TO 1952 MARKETING QUOTA REGULATIONS RELATING TO ESTABLISHMENT OF FARM ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR 1952-53 MARKETING YEAR

Pursuant to the authority contained in the applicable provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301, 1312, 1313), the Secretary of Agriculture is considering an amendment to the Burley and Flue-cured Tobacco Marketing Quota Regulations, 1952-53 Marketing Year (1023 (Burley and Flue-52)-3) (16 F. R. 9347), and to the Fire-cured, Dark Air-cured and Virginia Sun-cured Tobacco Marketing Quota Regulations (1023 (Fire, Air, and Sun-52)-3) (16 F. R. 7921).

The proposed amendment would provide for deleting §§ 725.321 (a) and 726.321 (a) of the respective regulations and inserting in lieu thereof the following:

(a) If land operated as a single farm in 1951 will be operated in 1952 as two or more farms, the 1952 tobacco acreage allotment determined or which otherwise would have been determined for the entire farm shall be apportioned among the tracts in the same proportion as the acreage of cropland available for the production of tobacco in each such tract in such year bore to the total number of acres of cropland available for the production of tobacco on the entire farm in such year, except that the tobacco acreage allotment determined or which otherwise would have been determined for the entire farm shall, if the farm to be divided for 1952 consists of two or more tracts which were separate and distinct farms before being combined within the past five years (1947-51), be apportioned among the tracts in the same proportion that each contributed to the farm acreage allotment: *Provided*, That with the recommendation of the county committee and approval of the State committee, the tobacco acreage allotment determined for a tract under the provisions of this paragraph may be increased or decreased by not more than the larger of one-tenth acre or 10 percent of the 1952 acreage allotment determined for the entire farm with corresponding increases or decreases made in the acreage allotment apportioned to the other tract or tracts.

Prior to the final adoption and issuance of the proposed amendment to the regulations, consideration will be given to any data, views, or recommendations pertaining thereto which are submitted in writing to the Director, Tobacco Branch,

Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C. All submissions must be postmarked not later than ten days from the date of publication of this notice in the FEDERAL REGISTER in order to be considered.

(Sec. 375, 52 Stat. 66, as amended; 7 U. S. C. 1375)

Issued at Washington, D. C., this 27th day of November 1951.

[SEAL]

G. F. GEISSLER,
Administrator.

[F. R. Doc. 51-14264; Filed, Nov. 29, 1951; 8:54 a. m.]

[7 CFR Part 817]

ENTRY OF SUGAR OR LIQUID SUGAR INTO CONTINENTAL UNITED STATES

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Secretary of Agriculture, pursuant to authority vested in him by the Sugar Act of 1948 (61 Stat. 922; 7 U. S. C. Sup. 1100), is considering the revision as hereinafter proposed of Sugar Regulation 817.

The purpose of this revision is to simplify the paper work required and to clarify the regulation without substantive change. The "Sugar Quota Clearance Record" referred to in the proposed regulation would be a 6-part snap-out form to be supplied by the Department of Agriculture either directly or through Collectors of Customs.

All persons who desire to submit written data, views or arguments for consideration in connection with the proposed revised regulation shall file the same with the Director of the Sugar Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C., not later than fifteen days after the publication of this notice in the FEDERAL REGISTER.

The proposed regulation is as follows:

- Sec.
817.1 Definitions.
817.2 Requirements.
817.3 Application.
817.4 Certification by the Secretary.
817.5 Substitution.
817.6 Change of purpose.
817.7 Outturn weights and polarizations.

AUTHORITY: §§ 817.1 to 817.7 issued under sec. 403, 61 Stat. 932; 7 U. S. C., Sup. 1153.

§ 817.1 *Definitions.* As used in §§ 817.1 to 817.8, inclusive;

(a) The term "act" means the Sugar Act of 1948 (61 Stat. 922; 7 U. S. C., Sup. 1100).

(b) The term "person" means any individual, partnership, corporation, or association.

(c) The term "Department" means the United States Department of Agriculture.

(d) The term "Secretary" means the Secretary of Agriculture or any officer or employee of the Department to whom the

Secretary has lawfully delegated the authority to act in his stead.

(e) The term "quota" means any quota (or the direct-consumption portion of any quota) or proration thereof established by the Secretary pursuant to the act.

(f) The term "allotment" means any allotment of any quota made by the Secretary pursuant to section 205 (a) of the act.

§ 817.2 *Requirements.* All persons are hereby forbidden from bringing or importing into the continental United States sugar or liquid sugar produced in any area outside of the continental United States unless:

(a) Such sugar or liquid sugar is brought in or imported through Customs ports of entry;

(b) An application is filed in the form and manner set out in section 817.3;

(c) A certification is issued by the Secretary as required by section 817.4;

(d) In the case of ex-quota sugar or liquid sugar, the requirements set forth in Part 818 or Part 819 have been met; and

(e) The sugar or liquid sugar is released by the Collector of Customs.

§ 817.3 *Application.* (a) Application must be submitted to the Collector of Customs on appropriate copies of the "Sugar Quota Clearance Record" (SU-3, 3a, 3b, and 3c) showing the following information regarding the sugar or liquid sugar over the signature of the applicant:

- (1) Port and date of arrival.
- (2) Name of the vessel or other specific identification of the carrier.
- (3) Port, date of departure and the producing area.
- (4) Name and address to which delivery is to be made.
- (5) Mark of identification for each lot subject to a separate quota or allotment.
- (6) Type of sugar or liquid sugar and purpose for which it is to be brought in.
- (7) Quantity requested for each lot listed.

(b) When certification by the Secretary is required pursuant to § 817.4, the application specified in paragraph (a) of this section shall be submitted to the Director, Sugar Branch, Production and Marketing Administration of the Department, Washington 25, D. C., for action and transmittal to the Collector of Customs.

§ 817.4 *Certification by the Secretary.* (a) No sugar or liquid sugar shall be released by the Collector of Customs to be brought in or imported into the continental United States unless the Secretary has certified to the Collector of Customs that such sugar or liquid sugar is within the applicable quota or allotment or may be imported or brought in under the exemptions specified in section 212 of the act: *Provided, however*, That such certification shall not be required (1) with respect to sugar from Cuba, the Republic of the Philippines, or Puerto Rico,

or raw sugar for further processing from Hawaii, when allotments are not in effect, until the Director, Sugar Branch, PMA, of the Department, has published in the FEDERAL REGISTER notice that 80 per centum of the applicable quota has been filled; or (2) with respect to any ex-quota sugar imported or brought in pursuant to the provisions of Part 818 or Part 819 of this chapter.

(b) A certification shall not be issued more than 5 days prior to the stated date of departure of the vessel or other carrier on which the sugar or liquid sugar is to be shipped. The certification shall be valid for the number of days specified thereon but not exceeding 60 days (subject to extension by the Secretary for good cause), and shall be subject to cancellation only if the Secretary determines that it has been mistakenly issued, that the person requesting it has made a material misrepresentation in connection therewith, or that the person to whom it has been issued will be unable to bring or import the sugar or liquid sugar into the continental United States during the period specified thereon. No certification shall be issued when the quantity of sugar or liquid sugar permitted to enter the continental United States for consumption therein, together with the quantity of sugar or liquid sugar covered by valid certifications issued hereunder, equals the applicable quota or allotment.

§ 817.5 *Substitution.* (a) Whenever a quantity of sugar or liquid sugar equal to the applicable quota or allotment has been brought in or imported or certified therefor, the Secretary may authorize an additional quantity to be brought in or imported within such quota or allotment upon delivery of an equivalent quantity of sugar or liquid sugar produced in the same area into the custody of a Collector of Customs to be held in the place and stead of the additional sugar so certified until release therefrom is authorized by the Secretary under quota or allotment subsequently established for the same area or allottee: *Provided, however, That:*

(1) A "Sugar Quota Clearance Record" is filed with the Collector of Customs providing the information specified in § 817.3 concerning the sugar or liquid sugar to be placed in the Collector's custody and, in addition, bearing over the owner's signature the following agreement:

The undersigned owner of the sugar or liquid sugar described above will pay all storage charges and other expenses in connection with the retention of such sugar or liquid sugar in Customs' custody until released against an applicable quota or allotment or under the applicable provisions of Sugar Regulations 818 or 819.

and

(2) The Secretary has received form SU-3b of the "Sugar Quota Clearance Record" described in subparagraph (1) of this paragraph endorsed by the Collector of Customs showing receipt of the sugar or liquid sugar into his custody.

(b) Sugar or liquid sugar held in Customs' custody under this paragraph and not withdrawn within ten days after notification of release is given by the Secretary may be treated as abandoned

to the Government and may be sold at such time and under such conditions as the Secretary shall determine will best protect the interests of the Government and the owner, subject to payment to the said owner of the surplus proceeds, if any, after the payment of all charges and other expenses. Any sugar or liquid sugar which has become subject to sale hereunder may, at any time before sale, be withdrawn under such conditions as the Secretary may prescribe.

§ 817.6 *Change of purpose.* Sugar brought or imported into the continental United States under this part shall not be delivered for a purpose other than that shown upon the application required by § 817.3, (i. e. direct consumption or as raw for further processing) without the prior approval of the Secretary on form SU-3c of a supplementary "Sugar Quota Clearance Record" for each such delivery.

§ 817.7 *Outturn weights and polarizations.* As soon as the final outturn weights and polarizations are determined for any sugar or liquid sugar released pursuant to this section, the importer or refiner to whom such sugar or liquid sugar is delivered shall report such final outturn weights and polarizations to the Director, Sugar Branch, PMA, of the Department, on the form SU-3c pertaining thereto.

Issued this 27th day of November 1951.

[SEAL] G. F. GEISSLER,
Administrator.

[F. R. Doc. 51-14262; Filed, Nov. 29, 1951;
8:54 a. m.]

[7 CFR Part 907]

HANDLING OF MILK IN MILWAUKEE, WIS., MARKETING AREA

PROPOSED SUSPENSION OR TERMINATION OF CERTAIN PROVISIONS OF ORDER, AS AMENDED

Notice is hereby given that, pursuant to the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), consideration is being given to the suspension or termination of the provisions contained in paragraph (a) (2) of § 907.91 of the order, as amended (7 CFR Part 907), regulating the handling of milk in the Milwaukee, Wisconsin, marketing area. The purpose of the proposed action is to eliminate duplication of regulation with respect to certain milk currently priced as producer milk in accordance with the terms and provisions of Order No. 41 regulating the handling of milk in the Chicago, Illinois, marketing area.

In accordance with the Administrative Procedure Act (5 U. S. C. 1001 et seq.), all persons who desire to submit written evidence, views or arguments with respect to the necessity for the action under consideration, will be given an opportunity to do so by filing such written evidence, views or arguments with the Assistant Administrator for Marketing, Production and Marketing Administration, United States Department of Agri-

culture, Washington 25, D. C., on or before the 7th day after the publication of this notice in the FEDERAL REGISTER. All such written material should be submitted in quadruplicate.

Issued this 27th day of November 1951.

[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 51-14219; Filed, Nov. 29, 1951;
8:46 a. m.]

[7 CFR Part 932]

[Docket No. AO-33-A18]

HANDLING OF MILK IN FORT WAYNE, INDIANA, MARKETING AREA

NOTICE OF HEARING ON PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT AND TO ORDER, AS AMENDED

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), notice is hereby given of a public hearing to be held in the Indiana Hotel at Fort Wayne, Indiana, on December 4, 1951, beginning at 10:00 a. m., c. s. t., for the purpose of receiving evidence with respect to the following proposed amendments, or appropriate modifications thereof, to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Fort Wayne, Indiana, marketing area (7 CFR Part 932). These amendments were proposed by Wayne Cooperative Milk Producers, Inc. and have not been approved by the Secretary of Agriculture.

1. Delete § 932.10 (a) (3).

2. Amend § 932.12 (c) to provide that before a plant may become a pool plant for the delivery periods of March through August it must transfer, during the delivery periods of February and September, 20 percent of its total volume of milk received from dairy farms having certification issued by the Fort Wayne Board of Health to produce milk for disposal within the marketing area as fluid milk, as Class I milk to a pool plant described in § 932.12 (a), as well as meet the present requirements set out in § 932.12 (c).

3. Amend § 932.13 by adding thereto the following:

Milk transferred to a pool plant from a nonpool plant operated by a cooperative association to which such association causes producer milk to be delivered pursuant to § 932.10 (b) (2) shall be considered to have been producer milk if (a) the cooperative association and the handler operating the pool plant mutually indicate to the Market Administrator in writing on or before the 7th day after the end of the delivery period within which such transfer occurred their desire that such milk be considered as producer milk, and (b) the amount of milk so transferred as producer milk is no greater than the amount of producer milk caused by such association to be

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[7 CFR Part 988]

[Docket No. AO-195-A4]

delivered to such nonpool plant during the delivery period.

4. Delete § 932.50 (b) (2) and substitute therefor the following:

(2) Add an amount equal to 2.4 times the average weekly prevailing price per pound of cheese during the delivery period as reported for the primary markets in Wisconsin by market news service; and

5. Delete § 932.84 and substitute therefor the following:

§ 932.84 *Payments to the producer-settlement fund.* On or before the 15th day after the end of each delivery period, handlers shall pay to the Market Administrator as follows:

(a) Handlers who operate pool plants shall pay the amount by which the utilization value of producer milk received by such handler during such delivery period is greater than the value of such milk computed at the uniform price pursuant to § 932.71 adjusted by the butterfat differential provided by § 932.82: *Provided*, That handlers who operate pool plants and who receive during such delivery period other source milk which is disposed of as Class I shall pay an amount equal to the difference between the value of such milk computed at the Class I price and butterfat differential and the value of such milk computed at the Class II price and butterfat differential: *And provided further*, That with respect to milk for which payment is made by a handler to a cooperative association pursuant to § 932.80 (b), the association, in turn, shall pay to the Market Administrator on or before the 16th day after the end of the delivery period, the amount by which the utilization value of such milk is greater than its value computed at the uniform price pursuant to § 932.71 adjusted by the butterfat differential provided by § 932.82.

(b) Handlers who operate nonpool plants from which milk received during such delivery period was disposed of as Class I milk on a route (or routes) operated wholly or partially within the marketing area from such plant shall pay an amount equal to the difference between the value of such milk computed at the Class I price and butterfat differential and the value of such milk computed at the Class II price and butterfat differential.

Copies of this notice of hearing and of the aforesaid tentative marketing agreement and order may be obtained from the Market Administrator, 407 Strauss Building, Fort Wayne 2, Indiana, or from the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., or may be inspected there.

Dated: November 27, 1951.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator.

[F. R. Doc. 51-14278; Filed, Nov. 29, 1951;
8:45 a. m.]

HANDLING OF MILK IN KNOXVILLE, TENN.,
MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT, AND TO ORDER, AS AMENDED

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 amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Knoxville, Tennessee, marketing area. 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 12th day after publication of this decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. The hearing, on the record of which the hereinafter set forth findings and conclusions with respect to proposed amendments to the tentative marketing agreement and to the order, as amended, were formulated, was conducted at Knoxville, Tennessee on September 27-28, 1951, pursuant to notice thereof which was issued September 22, 1951 (16 F. R. 9698). A decision with respect to a proposal for an emergency increase in the Class I price differential considered at the September hearing was issued October 15, 1951 (16 F. R. 10661). The findings and conclusions with respect to the issue dealt with herein were specifically deferred pending receipt of briefs and further study and consideration of the record. The issue of record remaining for consideration was whether or not a supply-demand arrangement should be provided in the order for adjusting the Class I price differential.

Findings and conclusions. Producers proposed that a supply-demand arrangement be incorporated in the order, effective April 1, 1952, for adjusting the Class I price differential of \$1.50 per hundredweight. The proposed supply-demand arrangement would, each delivery period, increase or decrease the Class I price differential by specified amounts for each percentage point that the relationship of producer receipts to gross Class I sales vary from a proposed "standard" or desirable relationship.

Certain adjustments have been made recently in the Class I differential to reflect changing supply and demand conditions. Effective April 1, 1951, the order was amended to increase the average annual differential from \$1.30 to \$1.50 per hundredweight. An emergency drought

increase in the differential became effective November 1, 1951, to continue through March 1952 (16 F. R. 10930).

Producers contended that the \$1.50 Class I differential should be increased following April 1, 1952, if, and as long as, receipts from local producers are less than gross Class I sales plus a designated reserve for each season of the year and the differential decreased if and when receipts exceed these levels. During the past several years, receipts of milk from producers in relation to Class I sales, particularly during the fall and winter months, have been considerably below the proposed "standard" relationship and thus a substantial increase in the Class I price differential undoubtedly would result if producers' proposal were adopted. In arriving at the provisions referred to in the preceding paragraph, this relatively short supply situation was an important consideration. Sufficient time has not yet elapsed for the influence of such provisions to be fully reflected in production responses of producers. It cannot be determined from this record whether or not a further increase in the Class I differential, as proposed, will be necessary and in the public interest. The record shows gradual upward trends in producer numbers and in the receipts of milk from producers at prices prevailing since the order was promulgated in August 1949. More information than is contained in this record is needed also with respect to the proper level at which the pricing arrangement should encourage the stabilization of local receipts of milk in relationship to Class I sales. Under these circumstances, it appears that a further accumulation of facts on supply and demand conditions is necessary to afford a basis for adjustments needed in the Class I differentials for the future.

In view of the above stated considerations, it is concluded that the proposal for a supply-demand arrangement should be denied at this time.

Rulings on proposed findings and conclusions. Briefs were filed on behalf of producers and handlers who would be subject to the proposed marketing agreement and order, as amended, and as proposed to be further amended. The briefs contained suggested findings of fact, conclusions, and arguments with respect to the proposals discussed at the hearing. Every point covered in the briefs was carefully considered along with evidence in the record in making the findings and reaching the conclusions hereinafter set forth. To the extent that the suggested findings and conclusions contained in the briefs are inconsistent with the findings and conclusions contained herein, the requests to make such findings or to reach such conclusions are denied on the basis of the facts found and stated in connection with the findings and conclusions in this decision.

Issued at Washington, D. C., this 26th day of November 1951.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 51-14218; Filed, Nov. 29, 1951;
8:46 a. m.]

[7 CFR Part 991]

[Docket No. AO 194-A-5]

HANDLING OF MILK IN ROCKFORD-FREEPORT, ILLINOIS, MARKETING AREA

NOTICE OF HEARING ON PROPOSED AMENDMENTS TO TENTATIVELY APPROVED MARKETING AGREEMENT AND TO ORDER, AS AMENDED

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 governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held at the Hotel Faust, 618 E. State Street, Rockford, Illinois, beginning 1:30 p. m., c. s. t., on December 4, 1951.

The hearing is for the purpose of receiving evidence with respect to economic and marketing conditions which relate to the handling of milk for the Rockford-Freeport, Illinois, marketing area and to the proposed amendments to the tentative marketing agreement as heretofore approved by the Secretary of Agriculture and to the order, as amended, regulating the handling of milk in the said marketing area set forth herein below, or modifications thereof. Consideration will be given also to the question of whether such conditions require emergency action with respect to any or all amendments deemed necessary as the result of the hearing. The amendments proposed have not received the approval of the Secretary of Agriculture.

The following amendments have been proposed by the Stephenson County Pure Milk Association and the Mid-West Dairymen's Company:

Proposal No. 1. Amend Federal Order No. 91, as amended, to provide for two market-wide pools in the Rockford-Freeport, Illinois, marketing area, one market-wide pool for the Rockford area and another market-wide pool for the Freeport area, and delete or amend or add to the provisions of the order accordingly.

Proposal No. 2. Delete § 991.41 (a) (2) and (b) and add the following in § 991.41 (a):

(2) Cream or as any mixture containing cream and milk or skim milk (not including ice cream mix) containing not less than 6 percent of butterfat, or

(3) Eggnog.

(4) Not specifically accounted for as any item included under subparagraphs (1), (2) and (3) of this paragraph or as Class II milk.

Proposal No. 3. Change the term "Class III milk" to "Class II milk" whenever it appears in the order.

Proposal No. 4. Delete § 991.41 (c) (2) and § 991.42.

Proposal No. 5. In § 991.51 (a), as amended, substitute "\$0.60" for "\$0.48," "\$1.00" for "\$0.88," and "\$0.80" for "\$0.68."

The following amendments have been proposed by the Central Dairy Co., Fern Dairy, Inc., Kiswaukee Dairy, Muller's Dairy, Pinehurst Farms, Inc., and Sunlite Dairy Co.:

Proposal No. 6. Delete § 991.7 and substitute therefor the following:

§ 991.7 *Rockford-Freeport marketing area.* Rockford marketing area, hereinafter called the "marketing area," means the territory lying within the corporate limits of the cities of Rockford and Loves Park, together with the territory lying within the townships of Burrill, Cherry Valley, Harlem, Owen, Rockford and Winnebago in Winnebago County.

Proposal No. 7. Delete § 991.62. Delete §§ 991.70 through 991.72 and substitute therefor the following:

§ 991.70 *Computation of value of milk.* The value of producer milk received during each delivery period by each handler shall be a sum of money computed by the market administrator by multiplying the pounds of such milk in each class for the delivery period, by the applicable class prices, and adding together the resulting amounts: *Provided,* That if a handler, after subtracting other source milk and receipts from other handlers, has disposed of skim milk or butterfat in excess of the skim milk or butterfat which, on the basis of his report for the delivery period pursuant to § 991.30 has been credited to producers as having been received from them, there shall be added an amount computed by multiplying the pounds in each class as subtracted pursuant to §§ 991.46 (a) (4) and 991.46 (b) by the applicable class prices.

§ 991.71 *Computation of uniform prices for each handler.* For each delivery period the market administrator shall compute for each handler a uniform price per hundredweight, on the basis of 3.5 percent butterfat content, for producer milk received by such handler as follows:

(a) From the value of milk computed for such handler pursuant to § 991.70, deduct, if the weighted average butterfat test of all producer milk received by him is greater than 3.5 percent, or add, if the weighted average butterfat test of such milk is less than 3.5 percent, an amount computed by multiplying the variation from 3.5 percent, of such weighted average test by the producer butterfat differential specified in § 991.81, and multiplying the resulting figure by the total hundredweight of such milk;

(b) Add, or subtract, as the case may be, the amount necessary to correct errors in classification for previous delivery periods, as disclosed by audit of the market administrator;

(c) Adjust the resulting amount by the sum of money used in adjusting the uniform price pursuant to paragraph (e) of this section for the preceding delivery period to the nearest cent;

(d) Divide the result by the total hundredweight of milk received from producers by the handler during the delivery period; and

(e) Adjust the resulting figure to the nearest cent.

§ 991.72 *Notification of handlers.* On or before the 11th day after the end of each delivery period, the market administrator shall mail to each handler at his last known address, a statement showing:

(a) The amount and value of his milk in each class and the totals thereof;

(b) The uniform price for such handler pursuant to § 991.71 and the butterfat differentials computed pursuant to § 991.81.

(c) The amounts to be paid by each handler pursuant to §§ 991.80 to 991.84.

Proposal No. 8. Delete §§ 991.80 through 991.87 and substitute therefor the following:

§ 991.80 *Payments to producers.* Each handler shall make payments on or before the 15th day after the end of each delivery period to each producer, or on or before the 13th day after the end of each delivery period to each cooperative association at not less than the uniform price for such delivery period pursuant to § 991.71 adjusted by the producer butterfat differential pursuant to § 991.81 for all milk received from such producer or cooperative association during such delivery period.

§ 991.81 *Producer butterfat differential.* In making payments pursuant to § 991.80 there shall be added to, or subtracted from, the uniform price for milk of 3.5 percent butterfat content, for each one-tenth of one percent of butterfat content in such producer milk above or below 3.5 percent, as the case may be, an amount computed by multiplying the average daily wholesale price per pound of 92-score butter in Chicago as reported by the Department for the delivery period, by 1.20, dividing by 10, and rounding to the nearest tenth of a cent.

§ 991.82 *Expenses of administration.* As his prorata share of the expense incurred pursuant to § 991.22 (d) each handler shall pay the market administrator, on or before the 15th day after the end of each delivery period, 1 cent per hundredweight, or such lesser amount as the Secretary from time to time may prescribe with respect to all milk received within the delivery period from producers (including such handler's own production) and from sources other than producers or other handlers.

§ 991.83 *Marketing services.* (a) Except as set forth in paragraph (b) of this section, each handler for each delivery period shall deduct 5¢ per hundredweight or such lesser amount as may be prescribed by the Secretary from the payments made to each producer pursuant to § 991.80, and shall pay such deductions to the market administrator on or before the 15th day after the end of such delivery period. Such monies shall be used by the market administrator to check weights, samples and tests of producer milk received by handlers 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 for whom a cooperative association is actually performing the services set forth in paragraph (a) of this section, but for whom such cooperative association does not receive payment for milk, each handler shall make in lieu of the deduction specified in paragraph (a) of this section such deductions from the payment to be made

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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 12th day after the end of such delivery period pay every such deduction to the cooperative association rendering such services.

§ 991.84 *Adjustment of accounts.*

(a) Whenever audit by the market administrator of any handler's reports, books, records, or accounts disclose errors resulting in monies due:

(1) The market administrator from such handler,

(2) Such handler from the market administrator, or

(3) 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.

(b) Any unpaid obligation of a handler pursuant to §§ 991.80, 991.81, 991.82, 991.83 or this section shall be increased one-half of one percent on the first day of the calendar month next following the due date of such obligation and on the first day of each calendar month thereafter until such obligation is paid.

The following amendments have been proposed by the Dairy Branch, Production and Marketing Administration:

Proposal No. 9. Delete section number 991.85 which precedes the section entitled *Termination of obligation*, and substitute in lieu thereof section number 991.88.

Proposal No. 10. Add as § 991.56 the following:

§ 991.56 *Computation of prices of skim milk and butterfat.* The price per hundredweight of skim milk and butterfat for each class of milk shall be computed as follows: The price per hundredweight of skim milk shall be the applicable class price less the result of multiplying the applicable class butterfat differential to handlers by 35. The price per hundredweight of butterfat shall be the applicable class price plus the result of multiplying the applicable class butterfat differential to handlers by 965.

Proposal No. 11. Delete § 991.70 and substitute in lieu thereof the following:

§ 991.70 *Computation of value of producer milk.* The value of producer milk received during each delivery period by each handler shall be computed by the market administrator by multiplying the pounds of skim milk and the pounds of butterfat in each class pursuant to § 991.46, by the applicable skim milk price and the applicable butterfat price computed pursuant to § 991.56, adding together the resulting amounts, and adding to this sum the amounts computed as follows: Multiply the pounds subtracted from the various classes pursuant to §§ 991.46 (a) (6) and 991.46 (b) by

the respective applicable skim milk and butterfat prices.

Proposal No. 12. Delete paragraphs (b), (c), and (d) of § 991.44 and substitute therefor the following:

(b) As Class I milk if moved in the form of milk or skim milk, or as Class II milk if moved in the form of cream, to (1) a producer-handler, or (2) any unapproved plant located 100 miles or more from the marketing area, by shortest highway distance as determined by the market administrator.

(c) As Class I milk if moved in the form of milk or skim milk, or as Class II milk if moved in the form of cream, to any unapproved plant from which no route is operated in the marketing area and which is not covered by paragraph (b) of this section, unless the requirements of both subparagraphs (1) and (2) of this paragraph are met:

(1) The transferor handler claims another classification in writing on or before the 8th day after the end of the delivery period in which the transfer occurred; and

(2) The receiver (operator of the unapproved plant) maintains books and records showing the utilization of all skim milk and butterfat at such plant, which books and records are made available for examination on the request of the market administrator: *Provided*, That if upon inspection of such books and records, the market administrator finds that during the month in which the milk, skim milk or cream transferred was received in the unapproved plant the total amounts of skim milk and butterfat actually contained in Class III milk products processed at such plant (as if § 991.41 were applicable to such plant) were less than the respective quantities of skim milk and butterfat transferred, that portion of skim milk or butterfat in excess of the total skim milk or butterfat contained in such milk products shall be classified as Class I milk if the transfer were in the form of milk or skim milk, or as Class II milk if the transfer were in the form of cream: *And provided further*, That if both cream and milk (or skim milk) are involved in transfers from the handler's plant to the same unapproved plant during such month, the skim milk and butterfat in cream shall be allocated to Class III milk prior to the allocation of such class of other skim milk and butterfat transferred.

Proposal No. 13. Reconsider the dates for payment set forth in §§ 991.80, 991.81, 991.83, 991.84, 991.85 and 991.86.

Proposal No. 14. Make such other changes as may be required to make the entire marketing agreement and order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and of the said order, as amended, may be procured from the Market Administrator, 73 West Monroe Street (2d Floor), Chicago 3, Illinois, or from the Hearing Clerk, United States Department of Agriculture, Room 1353, South Building,

Washington 25, D. C., or may be there inspected.

Dated: November 27, 1951.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator.

[F. R. Doc. 51-14279; Filed, Nov. 29, 1951; 8:45 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 1]

[Docket No. 10087]

MONTHLY REPORT OF REVENUES, EXPENSES, AND OTHER ITEMS, FORM 901, CLASS A TELEPHONE COMPANIES¹

NOTICE OF PROPOSED RULE MAKING

1. Notice is hereby given of proposed rule making in the above-entitled matter.

2. It is proposed that, effective January 1, 1952, Monthly Report of Revenues, Expenses, and Other Items, Form 901, applicable to Class A telephone companies, be amended and a new form substituted therefor.

3. Form 901 is prescribed by § 1.545, and is required to be filed under the provisions of § 43.31, of the Commission's rules and regulations. Authority for the issuance of the proposed amendment is contained in sections 4 (i) and 219 (b) of the Communications Act of 1934, as amended.

4. The proposed amendment (a) changes the title of the report form to read, "Monthly Report of Revenues, Expenses, and Other Items—Class A Telephone Companies;" (b) provides for the separate reporting of Directory Advertising and Sales, Federal Excess Profits Taxes, Premium on Capital Stock and Other Capital Surplus, Unappropriated Earned Surplus, and Earned Surplus Reserved, and (c) includes certain editorial and clarifying changes. The additional items for which separate reporting is proposed are needed by the Commission on a monthly basis.

5. Any interested party who is of the opinion that the proposed amendment should not be adopted, or should not be adopted in the manner proposed herein, may file with the Commission on or before December 12, 1951, a statement or brief setting forth his comments. At the same time persons favoring the amendment as proposed may file statements in support thereof. Statements or briefs in reply to the original comments may be filed on or before December 28, 1951. Before taking action in the matter the Commission will consider all such comments that are presented and, if any comments are submitted which appear to warrant the holding of oral argument, notice of the time and place of such oral argument will be given.

6. In accordance with the provisions of § 1.764 of the Commission's rules and regulations, an original and fourteen copies of all statements or briefs filed,

¹ Filed as part of the original document.

plus one extra copy for each party to the proceeding in the case of comments in reply to the original statements or briefs, shall be furnished to the Commission.

Adopted: November 21, 1951.

Released: November 23, 1951.

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

[F. R. Doc. 51-14255; Filed, Nov. 29, 1951;
8:53 a. m.]

[47 CFR Part 6]

[Docket No. 10088]

PUBLIC RADIOCOMMUNICATION SERVICES
(OTHER THAN MARITIME MOBILE)

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 § 6.401 of Part 6 of the Commission's rules governing Public Radiocommunication Services (Other than Maritime Mobile) by changing certain zone boundary lines pertaining to the assignment of frequencies in the 35-44 Mc. band to include the area of the Great Lakes and Lake St. Clair within certain zones as specified, to rearrange existing zones in certain other particulars and to establish new Zones VIII and IX. It is also proposed to assign to each new zone a frequency pair in the 35-44 Mc. band already allocated to this service but not heretofore designated for use in any specific area.

3. It is further proposed to assign the frequency 35.58 Mc. exclusively for use in one-way signaling service to mobile receivers, as defined in § 6.106.

4. The proposed amendments are fully set forth below.

5. The proposed assignment of these frequencies makes no changes in existing service allocations and comments or requests relating to changes in service allocation will not be considered at this time.

6. The proposed amendments are issued under authority of sections 4 (i) and 303 (c), (d), (f), (h) and (r) of the Communications Act of 1934, as amended.

7. Any interested party who is of the opinion that the proposed changes in the rules should not be adopted, or should not be adopted in the form set forth herein, may file with the Commission on or before December 31, 1951, a written statement or brief setting forth his comments. At the same time, any person who favors the proposal may file a statement in support thereof. Comments or briefs in reply to the original briefs or comments may be filed within 20 days thereafter. The Commission will consider all such comments, briefs and statements before taking final action in the matter. If any comments are received which appear to warrant the Commission in holding oral argument, notice of the time and place of such oral argument will be given such interested parties.

8. In accordance with the provisions of § 1.764 of the Commission's rules and regulations, an original and 14 copies of all statements, briefs or comments shall be furnished to the Commission.

Adopted: November 21, 1951.

Released: November 23, 1951.

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

1. Delete the frequency pair 35.58 Mc. and 43.58 Mc. from the list of base and mobile station frequencies shown under § 6.401 (a), delete footnote reference No. 2, and insert new § 6.401 (c) as follows:

(c) For assignment to stations of communication common carriers for use exclusively in providing a one-way signaling service to mobile receivers, as defined in § 6.106:

35.58 Mc. 43.58 Mc.

2. With respect to the "Zone Allocation Plan, 35-44 Mc. Band":

1. Add the following additional areas to the existing zones:

Zone I: Lake Ontario.
Zone III:
Lake Erie. Lake St. Clair.
Lake Huron. Lake Superior.
Lake Michigan.

2. Add new Zones VIII and IX as follows:

Zone VIII: Base station frequency: 35.50 Mc.; Mobile station frequency: 43.50 Mc.
Indiana. New York.
Lake St. Clair. Ohio.
Michigan. Pennsylvania.
New Jersey. The Great Lakes.

Zone IX: Base station frequency: 35.62 Mc.; Mobile station frequency: 43.62 Mc.
Arkansas. Texas.
Oklahoma.

3. Rearrange the provision of § 6.401 so that the amended section will read as follows:

§ 6.401 Allocation of frequencies.¹
The following frequencies are allocated to the Domestic Public Land Mobile Radio Service for General, Dispatching, and Signaling Communications, and such other uses as are indicated in the footnotes to the sub-allocation table set out below:

(a) For assignment to stations of communication common carriers engaged in

¹All frequencies listed in paragraphs (a) and (b) of this section between 152 and 162 Mc. are available for assignment to the "Rural Subscriber" and the "Short Haul Toll Telephone" services on a geographical or frequency separation basis, provided that no interference is caused to the land mobile service.

All frequencies listed herein are available for assignment to developmental stations provided no interference is caused to the mobile service.

All frequencies listed herein between 152 and 162 Mc. are available for assignment to Domestic Control Stations, provided no interference is caused to either the mobile service, the Short Haul Toll Telephone Service or the Rural Subscriber Telephone Service.

the business of affording public landline message telephone service:

Base station frequencies (Mc.):	Mobile station, auxiliary test station, or subscriber fixed station frequencies (Mc)
35.22	1 43.22
35.26	1 43.26
35.30	43.30
35.34	43.34
35.38	43.38
35.42	43.42
1 35.46	1 43.46
35.50	43.50
35.54	43.54
35.62	43.62
35.66	43.66
152.51	157.77
152.57	157.83
152.63	157.89
152.69	157.95
152.75	158.01
152.81	158.07

¹These frequencies are also designated for assignment to base and mobile stations using radio facsimile as an integral portion of common carrier telegraph message handling or delivery procedure.

ZONE ALLOCATION PLAN, 35-44 MC. BAND

Zone I. Base station frequency: 35.66 Mc.; Mobile station frequency: 43.66 Mc.
Connecticut. New Jersey.
Delaware. New York.
District of Columbia. Pennsylvania.
Lake Ontario. Rhode Island.
Maine. Vermont.
Maryland. Virginia.
Massachusetts. West Virginia.
New Hampshire.

Zone II. Base station frequency: 35.34 Mc.; Mobile station frequency: 43.34 Mc.
Alabama. Mississippi.
Florida. North Carolina.
Georgia. South Carolina.
Louisiana.

Zone III. Base station frequency: 35.42 Mc.; Mobile station frequency: 43.42 Mc.
Illinois. Lake St. Clair.
Indiana. Lake Superior.
Kentucky. Michigan.
Lake Erie. Ohio.
Lake Huron. Tennessee.
Lake Michigan. Wisconsin.

Zone IV. Base station frequency: 35.54 Mc.; Mobile station frequency: 43.54 Mc.
Iowa. North Dakota.
Minnesota. South Dakota.
Montana. Wyoming.
Nebraska.

Zone V. Base station frequency: 35.30 Mc.; Mobile station frequency: 43.30 Mc.
Arkansas. Oklahoma.
Kansas. Texas.
Missouri.

Zone VI. Base station frequency: 35.33 Mc.; Mobile station frequency: 43.33 Mc.
Arizona. Nevada.
California. New Mexico.
Colorado. Utah.

Zone VII. Base station frequency: 35.26 Mc.; Mobile station frequency: 43.26 Mc.
Idaho. Washington.
Oregon.

Zone VIII. Base station frequency: 35.50 Mc.; Mobile station frequency: 43.50 Mc.
Indiana. New York.
Lake St. Clair. Ohio.
Michigan. Pennsylvania.
New Jersey. The Great Lakes.

PROPOSED RULE MAKING

Zone IX. Base station frequency: 35.62 Mc.; Mobile station frequency: 43.62 Mc.
Arkansas. Texas.
Oklahoma.

The frequencies specified above may be used in adjoining zones within moderate distances of the respective zone boundaries to permit continuous service to mobile units transiting such zone boundaries.

(b) For assignment to stations of communication common carriers not engaged in the business of providing a public landline message telephone service:

Base station frequencies (Mc.)	Mobile station, auxiliary test station, or subscriber fixed station frequencies (Mc.)
152.03	158.49
152.09	158.55
152.15	158.61
152.21	158.67

(c) For assignment to stations of communication common carriers for use exclusively in providing a one-way signaling service to mobile receivers, as defined in § 6.106:

35.58 Mc.	43.58 Mc.
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If an applicant for authorization to provide an exclusive one-way signaling service, provides, or proposes also to provide General or Dispatching Service in accordance with paragraphs (a) or (b) of this section, the application should be supported with full information to show why the proposed signaling service could not be provided in connection with such General or Dispatching Service.

[F. R. Doc. 51-14254; Filed, Nov. 29, 1951; 8:52 a. m.]

DEPARTMENT OF STATE

[Public Notice 103]

FILING OF CLAIMS AGAINST CLOSED INSTITUTIONS IN JAPAN

FURTHER EXTENSION OF TIME LIMIT

NOVEMBER 19, 1951.

Notice is hereby given that, according to an announcement by the Closed Institutions Liquidating Commission, an agency of the Japanese Government, the time limit for the filing of claims arising outside Japan against closed financial institutions now being liquidated by the Commission, which was previously announced as October 16, 1951 (Department of State's Public Notice No. 98 of June 28, 1951, published in the FEDERAL REGISTER on July 11, 1951), has been extended until such time as further notice is given of a termination date. The Department's Public Notice No. 94 of April 11, 1951, published in the FEDERAL REGISTER on April 17, 1951, contains the substance of the information made available by the Commission with respect to the types of claims being considered and the procedures to be followed in filing claims with that agency.

For the Secretary of State.

ROBERT J. G. McCLURKIN,
Acting Director,
Office of Northeast Asian Affairs.

[F. R. Doc. 51-14261; Filed, Nov. 29, 1951; 8:54 a. m.]

DEPARTMENT OF THE INTERIOR

Office of the Secretary

MONTANA

NOTICE FOR FILING OBJECTIONS TO ORDER RESERVING CERTAIN PUBLIC LANDS IN CONNECTION WITH SUN RIVER WINTER ELK RANGE¹

For a period of 30 days from the date of publication of the above entitled order, persons having cause to object to the terms thereof may present their objections to the Secretary of the Interior. Such objections should be in writing, should be addressed to the Secretary of

¹ See F. R. Doc. 51-14212, Title 43, chapter I, App. *supra*.

the Interior, and should be filed in duplicate in the Department of the Interior, Washington 25, D. C. In case any objection is filed and the nature of the opposition is such as to warrant it, a public hearing will be held at a convenient time and place, which will be announced, where opponents to the order may state their views and where the proponents of the order can explain its purpose, intent, and extent. Should any objection be filed, whether or not a hearing is held, notice of the determination by the Secretary as to whether the order should be rescinded, modified or let stand will be given to all interested parties of record and the general public.

ROBERT R. ROSE, JR.,
Acting Secretary of the Interior.

NOVEMBER 23, 1951.

[F. R. Doc. 51-14213; Filed, Nov. 29, 1951; 8:45 a. m.]

DEPARTMENT OF AGRICULTURE

Farmers Home Administration

STATE DIRECTORS, STATE FIELD REPRESENTATIVES, COUNTY SUPERVISORS, AND COUNTY COMMITTEEMEN

DELEGATION OF AUTHORITY WITH RESPECT TO MAKING AND SERVICING OF LOANS

Pursuant to the authority contained in the Rural Rehabilitation Corporation Trust Liquidation Act (64 Stat. 98; 40 U. S. C. 440) and the authority vested in the Administrator of the Farmers Home Administration by order of the Secretary of Agriculture dated June 12, 1950 (15 F. R. 3815), *It is hereby ordered, That:*

1. State Directors, State Field Representatives, County Supervisors, and County Committeemen, of the Farmers Home Administration, shall have the same authority, responsibilities, and shall be subject to the same limitations, with respect to the making and servicing of loans for the purposes of title I and title II and the applicable provisions of title IV of the Bankhead-Jones Farm Tenant Act, as now or hereafter amended, out of funds made available in the respective States pursuant to agreements entered into under section 2 (f)

of the Rural Rehabilitation Corporation Trust Liquidation Act, as such officers and employees have or shall have with respect to loans out of funds authorized by appropriation.

2. In addition, there is hereby delegated to the State Directors of the Farmers Home Administration the authority (a) to execute commitments to loan and to make loans to be insured under title I of the Bankhead-Jones Farm Tenant Act, as now or hereafter amended, out of funds made available in the respective States pursuant to agreements under section 2 (f) of the Rural Rehabilitation Corporation Trust Liquidation Act, provided the making of such insured loans is authorized under such agreements or amendments thereto, (b) to sell, assign, and transfer to the purchasers thereof, notes and mortgages evidencing and securing such insured loans for the benefit of the revolving funds created by such agreements, and (c) to consent on behalf of the United States to such sales or assignments.

3. There is also delegated to the State Directors of the Farmers Home Administration the authority to execute and deliver, or accept on behalf of the United States, deeds, bills of sale, assignments, releases, satisfactions, subordinations, subrogations, and other instruments and agreements incident to the conveyance of title to, or interests in, real and personal property which represent assets of State Rural Rehabilitation Corporations transferred under the liquidation provisions of the Rural Rehabilitation Corporation Trust Liquidation Act or administered pursuant to agreements executed under section 2 (f) of that act, and to execute and deliver, or accept, such instruments and agreements on behalf of the United States or on behalf of the revolving funds established pursuant to such agreements.

4. This order supersedes the order of the Administrator of the Farmers Home Administration dated December 19, 1950 (15 F. R. 9335). All actions heretofore taken, all transactions heretofore entered into, and all instruments and agreements heretofore executed by State Directors of the Farmers Home Administration with respect to funds or property for the account of the revolving funds created by agreements pursuant to section 2 (f) of the Rural Rehabilitation

Corporation Trust Liquidation Act consistent with this order are hereby ratified and confirmed.

Done at Washington, D. C., this 25th day of October 25, 1951.

[SEAL] DELLARD B. LASSETER,
*Administrator,
Farmers Home Administration.*

Approved: November 27, 1951.

C. J. McCORMICK,
Acting Secretary of Agriculture.

[F. R. Doc. 51-14265; Filed, Nov. 29, 1951;
8:55 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[Designation Order 64]

DESIGNATION OF MOTIONS COMMISSIONER FOR DECEMBER 1951

In re Designation of Motions Commissioner for the month of December 1951; Designation Order 64.

At a session of the Federal Communications Commission held at its offices in Washington, D. C. on the 21st day of November 1951;

It is ordered, Pursuant to section 0.111 of the Statement of Delegations of Authority, that Frieda B. Hennock, Commissioner, is hereby designated as Motions Commissioner for the month of December 1951.

It is further ordered, That in the event said Motions Commissioner is unable to act during any part of said period the Chairman or Acting Chairman will designate a substitute Motions Commissioner.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-14257; Filed, Nov. 29, 1951;
8:53 a. m.]

[Docket No. 9889]

AMERICAN TELEPHONE AND TELEGRAPH CO.
ET AL.

ORDER CONTINUING PROCEEDINGS

In the matter of rates and charges for interstate and foreign communication services furnished by the American Telephone and Telegraph Company and the associated companies of the Bell System.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on November 21, 1951;

The Commission, having under consideration its order of January 19, 1951, herein, instituting an investigation into the justness and reasonableness of the rates and charges of the respondent Bell System telephone companies (listed in Attachment A of said order) for interstate and foreign communication services, and directing said respondents to show cause why, on the basis of data con-

tained in reports received by the Commission from respondents with respect to their results of operations from such services, as summarized in Attachment B of said order, (1) the Commission should not find that respondent's existing rates and charges are or will be unjust and unreasonable and (2) an interim reduction in earnings through appropriate rate adjustments should not be ordered to be made, pending conclusion of the proceedings of investigation; and also having under consideration the orders herein of February 14, June 28, and September 26, 1951, postponing the dates for answer and hearing (the last postponement being until November 26, 1951, and January 7, 1952, respectively), in order to permit time within which the Commission could study questions regarding the procedures pursuant to which respondents separate and apportion telephone property, expenses and revenues between interstate and foreign communication services on the one hand, and intrastate communication services, on the other hand;

It appearing, that the above studies of telephone separation procedures have resulted in the development of certain modifications thereof, and that the modified procedures have been approved, on an interim basis, by the Commission pending formal prescription of separation procedures pursuant to sections 221 (c) and 221 (d) of the Communications Act of 1934, as amended; and that the National Association of Railroad and Utilities Commissioners (NARUC) by resolution adopted on October 18, 1951, at its 1951 Annual Convention in Charleston, South Carolina, accepted, on an interim basis, the modified procedures and recommended the use thereof by all State Commissions and the Federal Communications Commission;

It further appearing, that application of such modified separation procedures by respondents has the effect of reducing in every State and the District of Columbia the amount of telephone exchange plant book cost and annual expenses which, under existing separation procedures, are apportioned to the intrastate telephone operations of respondents in each such State and the District of Columbia, and of increasing the amount of telephone exchange plant book cost and annual expenses now apportioned to interstate and foreign telephone operations by approximately \$82 million and \$17 million, respectively, based upon the operations of the respondents in the month of June 1951; and that giving effect to certain other changes in the separation procedures which have been agreed to by the Commission and the NARUC, these additional apportionments of telephone plant book cost and annual expenses will be increased to approximately \$83 million and \$21 million, respectively;

It further appearing, that the above modifications in telephone separation procedures, and the resulting increases in the amounts of plant book cost and annual expenses apportioned to the in-

terstate and foreign communication operations of respondents, reduce substantially respondent's current rate of earnings from interstate and foreign communication service, as shown in the attachment hereof, which, with respect to the 9-month period ending September 30, 1951 and the 3-month period ending September 30, 1951, summarizes results of operations data contained in reports received by the Commission from respondents, and illustrates the effects upon such operating results of applying the above modifications in the separation procedures;

It further appearing, that in order to compensate, in part, for such substantial reduction in respondents' rate of earnings from interstate and foreign communication services resulting from the application of the modified separation procedures, respondents propose to effect adjustments in their rates for interstate message toll telephone service designed to produce additional annual gross revenues of approximately \$14 million, after settlements with connecting telephone companies;

It further appearing, that giving due regard to the effects of the modified separation procedures, together with the anticipated increase in revenues from the above-mentioned rate adjustments, the resulting rate of earnings of respondents from interstate and foreign communication services, as also shown in the attachment hereof, will be such as to remove the immediate bases upon which respondents have been ordered to show cause herein why the Commission should not order an interim reduction in respondents' earnings through appropriate rate adjustments, pending conclusion of the proceedings of investigation;

It further appearing, That it is desirable and in the public interest to continue the investigation provided for by the order of January 19, 1951 herein, in order to permit such further action by the Commission as may be warranted in light of respondents' actual operating results for a reasonable future period reflecting the aforementioned modified separation procedures and such rate adjustments as may be made, and in order to consider and determine, on the basis of a public record, various questions involved in the exercise of the Commission's rate-making authority with respect to the rates and charges of respondents for interstate and foreign communication services;

It is ordered, That the above orders of January 19, 1951 and September 26, 1951, insofar as they direct respondents to show cause and answer herein, are hereby vacated; and that the proceedings of investigation herein are hereby continued, subject to such further orders as the Commission may issue.

Released: November 21, 1951.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

BELL TELEPHONE SYSTEM EARNINGS AND NET PLANT BOOK COST DATA RELATED TO INTERSTATE AND FOREIGN COMMUNICATION SERVICES UNDER THE DIVISION OF REVENUES CONTRACTS

[000 omitted]

	9 months ended Sept. 30, 1951	3 months ended Sept. 30, 1951	Adjusted for changes in separations ¹		Adjusted for changes in separations and for anticipated rate adjustments	
			9 months ended Sept. 30, 1951	3 months ended Sept. 30, 1951	9 months ended Sept. 30, 1951	3 months ended Sept. 30, 1951
Net book cost of telephone plant (accounts 100.1, 3 and 4 less related depreciation and amortization reserves)	\$1,346,000	\$1,371,000	\$1,406,000	\$1,431,000	\$1,406,000	\$1,431,000
Operating revenues	559,156	188,352	559,156	188,352	569,656	191,852
Operating revenue deductions ¹	436,178	153,126	451,928	158,376	451,928	158,376
Federal income taxes at 62% rate ²	57,547	16,077	48,694	13,128	54,356	15,015
Net amount available for return	65,431	19,149	58,534	16,848	63,372	18,461
Ratio of net amount available for return to net book cost of telephone plant (annual basis)	6.5%	5.6%	5.6%	4.7%	6.0%	5.2%

¹ Includes service pension accruals accounted for by charge to account 323 and also includes operating taxes except Federal income taxes.

² Taxable income is computed by allocating to interstate operations the same proportion of total interest expense of the Bell System (including Southern New England Tel. Co. and Cincinnati & Suburban Bell Tel. Co.) as book cost of telephone plant allocated to interstate operations is of total telephone plant of the Bell System (including SNET and C&S). For purposes of this statement, allowance is made in taxable income for a portion of the dividend income representing earnings from interstate and foreign operations which will be taxable income to A. T. & T. Co. assuming a 90 percent of available earnings dividend payout ratio. (While Federal income taxes have been computed herein on a separate return basis, it is expected that a consolidated Federal income tax return will be filed on behalf of A. T. & T. Co. and such of its Associated Companies as are eligible for inclusion in such a consolidated return.)

³ The adjustments in the plant book cost and expenses are based upon computations made by the Bell System using June 1951 operating data.

NOTE: The data for the 9-months period ending Sept. 30, 1951 are not adjusted to reflect the full effects of increases in operating costs (other than the increase in the Federal income tax rate from 47 to 52 percent), which occurred in the latter part of this period. The effects of these increases are more fully reflected by the data shown for the 3-months period ending Sept. 30, 1951.

[F. R. Doc. 51-14256; Filed, Nov. 29, 1951; 8:53 a. m.]

FEDERAL POWER COMMISSION

[Docket No. E-6378]

GULF STATES UTILITIES CO.

NOTICE OF ORDER AUTHORIZING ISSUANCE OF SECURITIES

NOVEMBER 26, 1951.

Notice is hereby given that, on November 20, 1951, the Federal Power Commission issued its order, entered November 19, 1951, supplementing order (16 F. R. 11512) authorizing issuance of securities in the above-entitled matter.

[SEAL] LEON M. FUQUAY, Secretary.

[F. R. Doc. 51-14244; Filed, Nov. 29, 1951; 8:50 a. m.]

[Docket No. E-6386]

FLORIDA POWER CORP.

NOTICE OF ORDER AUTHORIZING ISSUANCE OF SHORT TERM NOTES

NOVEMBER 26, 1951.

Notice is hereby given that, on November 23, 1951, the Federal Power Commission issued its order, entered November 21, 1951, authorizing issuance of short-term notes in the above-entitled matter.

[SEAL] LEON M. FUQUAY, Secretary.

[F. R. Doc. 51-14245; Filed, Nov. 29, 1951; 8:50 a. m.]

[Docket No. E-6389]

SOUTHERN UTAH POWER CO.

NOTICE OF APPLICATION

NOVEMBER 23, 1951.

Take notice that on November 21, 1951, an application was filed with the Federal Power Commission, pursuant to section 204 of the Federal Power Act, by Southern Utah Power Company, a corporation organized under the laws of the State of Utah and doing business in said State, with its principal business office at Cedar City, Utah, seeking an order authorizing the issuance of 15,761 shares of Common Stock without par value to be issued on or about January 19, 1952. Said Common Stock is to be offered pro rata to the common stockholders of applicant pursuant to preemptive rights, on the approximate basis of one share for each four shares of Common Stock held, and any unsubscribed stock will be purchased by underwriters; all as more fully appears in the application on file with the Commission.

Any person desiring to be heard or to make any protest with reference to said application should, on or before the 13th day of December 1951, file with the Federal Power Commission, Washington 25, D. C., a petition or protest in accordance with the Commission's rules of practice and procedure. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY, Secretary.

[F. R. Doc. 51-14243; Filed, Nov. 29, 1951; 8:50 a. m.]

[Docket Nos. G-1668, G-1828, G-1831]

SOUTHERN UNION GAS CO. ET AL.

ORDER CONSOLIDATING PROCEEDINGS

NOVEMBER 21, 1951.

In the matters of Southern Union Gas Company, Docket No. G-1668; El Paso Natural Gas Company, Docket No. G-1828; West Texas Gas Company, Docket No. G-1831.

On November 8, 1951, by order of the Commission, the proceedings in Docket Nos. G-1668 and G-1828 were consolidated for purposes of hearing and date of hearing fixed at December 12, 1951. On November 6, 1951, West Texas Gas Company filed its application in Docket No. G-1831 for a certificate of public convenience and necessity, pursuant to section 7 (c) of the Natural Gas Act, authorizing the construction and operation of certain natural-gas pipe-line facilities, subject to the jurisdiction of the Commission, all as more fully described in its application on file with the Commission and open to public inspection.

The Commission finds: Good cause exists and it would be in the public interest to consolidate the above-named proceedings for purposes of hearing.

The Commission orders: The proceeding in Docket No. G-1831 be and the same hereby is consolidated with the proceedings in Docket Nos. G-1668 and G-1828 for purposes of hearing to be held on December 12, 1951, at 10:00 a. m., e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C.

Date of issuance: November 23, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY, Secretary.

[F. R. Doc. 51-14216; Filed, Nov. 29, 1951; 8:46 a. m.]

[Docket Nos. G-1686, G-1796]

NEW YORK STATE NATURAL GAS CORP. AND MONARCH GAS CO.

NOTICE OF FINDINGS AND ORDERS

NOVEMBER 26, 1951.

In the matters of New York State Natural Gas Corporation, Docket No. G-1686; and Monarch Gas Company, Docket No. G-1796.

Notice is hereby given that, on November 21, 1951, the Federal Power Commission issued its order, entered November 20, 1951, issuing certificates of public convenience and necessity in the above-entitled matters.

[SEAL] LEON M. FUQUAY, Secretary.

[F. R. Doc. 51-14246; Filed, Nov. 29, 1951; 8:51 a. m.]

[Docket Nos. G-1698, G-1753]

SOUTHERN CALIFORNIA GAS CO. AND PACIFIC GAS AND ELECTRIC CO.

NOTICE OF ORDER ISSUING CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

NOVEMBER 26, 1951.

In the matters of Southern California Gas Company, Docket No. G-1698; and

Pacific Gas and Electric Company, Docket No. G-1753.

Notice is hereby given that, on November 23, 1951, the Federal Power Commission issued its order, entered November 21, 1951, issuing certificates of public convenience and necessity in the above-entitled matters.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-14247; Filed, Nov. 29, 1951; 8:51 a. m.]

[Docket No. G-1711]

TEXAS EASTERN TRANSMISSION CORP. AND
NEW YORK STATE NATURAL GAS CORP.

NOTICE OF ORDER RESCINDING ORDER FIXING
DATE OF HEARING, GRANTING REQUEST TO
WITHDRAW APPLICATION, AND TERMINATING
PROCEEDING

NOVEMBER 26, 1951.

Notice is hereby given that, on November 23, 1951, the Federal Power Commission issued its order, entered November 21, 1951, rescinding order (16 F. R. 11129) fixing date of hearing, granting request to withdraw application, and terminating proceeding in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-14248; Filed, Nov. 29, 1951; 8:51 a. m.]

[Docket No. G-1721]

IOWA-ILLINOIS GAS AND ELECTRIC CO.

NOTICE OF FINAL DECISION

NOVEMBER 23, 1951.

Notice is hereby given that the initial decision, issuing a certificate of public convenience and necessity in the above-designated matter, was issued and served upon all parties on October 22, 1951. No exceptions thereto having been filed or review initiated by the Commission, in conformity with the Commission's rules of practice and procedure said initial decision became effective on November 21, 1951, as the final decision and order of the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-14215; Filed, Nov. 29, 1951; 8:46 a. m.]

[Docket Nos. G-1741, G-1764]

TENNESSEE GAS TRANSMISSION CO.

NOTICE OF CONTINUANCE OF HEARING

NOVEMBER 25, 1951.

Upon consideration of the motion, filed November 21, 1951, by Counsel for Tennessee Gas Transmission Company, for continuance of the hearing now scheduled—11

uled for November 27, 1951, in the above-designated matters;

Notice is hereby given that the hearing in the above-designated matters be and it is hereby continued to December 4, 1951, at 10:00 a. m., in the Commission's Hearing Room at 1800 Pennsylvania Avenue NW., Washington, D. C.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-14242; Filed, Nov. 29, 1951; 8:50 a. m.]

[Docket No. G-1788]

OHIO FUEL GAS CO.

NOTICE OF FINDINGS AND ORDER

NOVEMBER 26, 1951.

Notice is hereby given that, on November 21, 1951, the Federal Power Commission issued its order, entered November 20, 1951, issuing certificate of public convenience and necessity and permitting abandonment of facilities in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-14249; Filed, Nov. 29, 1951; 8:51 a. m.]

GENERAL SERVICES ADMINISTRATION

ADMINISTRATOR, FEDERAL SECURITY AGENCY

DELEGATION OF AUTHORITY WITH RESPECT
TO PROCESSING AND DISTRIBUTION OF MOTION
PICTURES AND FILM STRIPS

1. Pursuant to the authority vested in me by section 205 (d) of the Federal Property and Administrative Services Act of 1949, as amended (Pub. Laws 152 and 754, 81st Cong.), authority is hereby delegated to the Administrator, Federal Security Agency, to act as contracting officer on Contract No. GS-03S-3934, covering the period January 1, 1952, through December 31, 1952, and in such capacity to make all decisions necessary under the terms of said contract.

2. Appeals from decisions of said contracting officer shall be taken to the Administrator of General Services.

3. Amendments to said contract shall be made only with the approval of the Administrator of General Services or his authorized representative.

4. This authority may be redelegated to any official or employee of the Federal Security Agency, and shall be exercised in accordance with the policies, procedures, and controls prescribed by the General Services Administration.

5. This delegation of authority shall be effective as of the date hereof.

Dated: November 28, 1951.

JESS LARSON,
Administrator.

[F. R. Doc. 51-14294; Filed, Nov. 29, 1951; 8:57 a. m.]

OFFICE OF DEFENSE MOBILIZATION

[RC-11; No. 165]

MOUNTAIN HOME, IDAHO, AREA

DETERMINATION AND CERTIFICATION OF
CRITICAL DEFENSE HOUSING AREA

NOVEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the area designated as

Mountain Home, Idaho, Area: This area is comprised of Mountain Home Precincts 1 and 2, including the village of Mountain Home, in the southwestern part of Elmore County, Idaho.

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.

C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-14203; Filed, Nov. 27, 1951; 9:50 a. m.]

[RC 12; No. 177]

ANNISTON, ALABAMA, AREA

DETERMINATION AND CERTIFICATION OF
CRITICAL DEFENSE HOUSING AREA

NOVEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the area designated as

Anniston, Alabama, Area: This area is comprised of Calhoun County, Alabama.

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.

C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-14204; Filed, Nov. 27, 1951; 9:50 a. m.]

NOTICES

[RC-13; No. 194]

KEY WEST, FLORIDA, AREA

DETERMINATION AND CERTIFICATION OF
CRITICAL DEFENSE HOUSING AREA

NOVEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the area designated as

Key West, Florida, Area: This area is comprised of the entire Monroe County, Florida.

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.
C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-14205; Filed, Nov. 27, 1951;
9:50 a. m.]

[RC 14; No. 230]

MARYSVILLE-YUBA CITY, CALIFORNIA,
AREADETERMINATION AND CERTIFICATION OF
CRITICAL DEFENSE HOUSING AREA

NOVEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the area designated as

Marysville-Yuba City, California, Area: This area consists of all of Yuba County; the township of Yuba and the town of Yuba City in Sutter County; and the townships of Grass Valley and Nevada and the cities of Grass Valley and Nevada City in Nevada County, California.

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.
C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-14206; Filed, Nov. 27, 1951;
9:50 a. m.]

[RC 15; No. 234]

PENSACOLA, FLORIDA, AREA

DETERMINATION AND CERTIFICATION OF
CRITICAL DEFENSE HOUSING AREA

NOVEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the area designated as

Pensacola, Florida, Area: This area is comprised of Escambia and Santa Rosa Counties, Florida.

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.

C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-14207; Filed, Nov. 27, 1951;
9:51 a. m.]

[RC-16; No. 234]

FORT BRAGG, NORTH CAROLINA, AREA

DETERMINATION AND CERTIFICATION OF
CRITICAL DEFENSE HOUSING AREA

NOVEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the area designated as

Fort Bragg, North Carolina, Area: This area is comprised of Cumberland and Hoke Counties, North Carolina.

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.

C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-14208; Filed, Nov. 27, 1951;
9:51 a. m.]

[RC-17; No. 286]

INDIANTOWN GAP, PENNSYLVANIA, AREA

DETERMINATION AND CERTIFICATION OF
CRITICAL DEFENSE HOUSING AREA

NOVEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secre-

tary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the area designated as

Indiantown Gap, Pennsylvania, Area: This area consists of the entire Lebanon County, Pennsylvania.

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.

C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-14209; Filed, Nov. 27, 1951;
9:51 a. m.]

WHIDBEY ISLAND, WASHINGTON, AREA

DETERMINATION AND CERTIFICATION OF
CRITICAL DEFENSE HOUSING AREA

NOVEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the area designated as

Whidbey Island, Washington, Area: The area covered includes Island County and in Skagit County, the precincts of Conway, Dewey, Fidalgo, Fir, Harmony, Milltown, Mt. Vernon 1 to 9 inclusive, North Avon, North LaConner, South Avon, South LaConner, Swinomish and Whitney and the City of Anacortes.

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.

C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-14210; Filed, Nov. 27, 1951;
9:51 a. m.]

[CDHA No. 19]

FINDING AND DETERMINATION OF CRITICAL
DEFENSE HOUSING AREAS UNDER DEFENSE
HOUSING AND COMMUNITY FACILITIES AND
SERVICES ACT OF 1951

NOVEMBER 29, 1951.

Upon a review of the construction of new defense plants and installations, and the reactivation or expansion of operations of existing defense plants and installations, and in the in-migration of defense workers or military personnel to

carry out activities at such plants or installations, and the availability of housing and community facilities and services for such defense workers and military personnel in each of the areas set forth below, I find that all of the conditions set forth in section 101 (b) of the Defense Housing and Community Facilities and Services Act of 1951 (Public Law 139, 82d Cong., 1st Sess.) exist.

Accordingly, pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951 and by virtue of the authority vested in me by paragraph number 1 of Executive Order 10296 of October 2, 1951, I hereby determine that each of said areas is a critical defense housing area.

Pleasanton-Livermore-Haywood, California, area. (The area consists of the townships of Eden, Murray and Pleasanton, including the cities of Haywood, Livermore, Pleasanton and San Leandro, all in Alameda County, California.)

Pensacola, Florida, area. (The area consists of Escambia and Santa Rosa Counties, Florida.) This supersedes designation of Pensacola, Florida included in CDHA No. 12, dated November 19, 1951.

Tullahoma, Tennessee, area. (The area consists of Bedford, Coffee, Franklin and Moore Counties, Tennessee.) This supersedes designation of Tullahoma, Tennessee included in CDHA No. 12, dated November 19, 1951.

C. E. WILSON,
Director,

Office of Defense Mobilization.

[F. R. Doc. 51-14309, Filed, Nov. 29, 1951;
10:50 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 26581]

MERCHANDISE IN MIXED CARLOADS FROM SPECIFIED POINTS IN CONNECTICUT AND MASSACHUSETTS TO MEMPHIS, TENN., AND NEW ORLEANS, LA.

APPLICATION FOR RELIEF

NOVEMBER 27, 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: F. C. Kratzmeir, Agent, for the Chicago, Rock Island and Pacific Railroad Company and other carriers, pursuant to fourth-section order No. 16101.

Commodities involved: All freight, in mixed carloads.

From: Boston and East Boston, Mass., Bridgeport, Hartford, Meriden, New Britain, and New Haven, Conn.

To: Memphis, Tenn., and New Orleans, La.

Grounds for relief: Circuitous routes and operation through higher-rated territory.

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. 51-14223; Filed, Nov. 29, 1951;
8:47 a. m.]

[4th Sec. Application 26582]

PULPBOARD AND FIBREBOARD FROM WEST CARROLLTON, OHIO, AND CHEBOYGAN, MICH., TO ATLANTA, GA.

APPLICATION FOR RELIEF

NOVEMBER 27, 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: L. C. Schuldt, Agent, for carriers parties to his tariff I. C. C. No. 4300, pursuant to fourth-section order No. 9800.

Commodities involved: Pulpboard and fibreboard, carloads.

From: West Carrollton, Ohio, and Cheboygan, Mich.

To: Atlanta, Ga., and points grouped therewith.

Grounds for relief: Circuitous routes.

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. 51-14224; Filed, Nov. 29, 1951;
8:47 a. m.]

[4th Sec. Application 26583]

COTTON NETS FROM MEMPHIS, TENN., TO NEW ORLEANS, LA.

APPLICATION FOR RELIEF

NOVEMBER 27, 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: F. C. Kratzmeir, Agent, for the Chicago, Rock Island and Pacific Railroad Company and other carriers, pursuant to fourth-section order No. 16101.

Commodities involved: Nets, camouflage, cotton, impregnated and dyed, having value only for reprocessing, carloads.

From: Memphis, Tenn.

To: New Orleans, La.

Grounds for relief: Circuitous routes and operation through higher-rated territory.

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. 51-14225; Filed, Nov. 29, 1951;
8:48 a. m.]

[4th Sec. Application 26584]

SPODUMENE ORE FROM KINGS MOUNTAIN, N. C., TO POINTS IN MICHIGAN, PENNSYLVANIA, ILLINOIS, OHIO, NEW YORK, AND KENTUCKY

APPLICATION FOR RELIEF

NOVEMBER 27, 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 carriers parties to Agent C. A. Spaninger's tariff I. C. C. No. 1188.

Commodities involved: Spodumene ore or concentrates, carloads.

From: Kings Mountain, N. C.

To: Points in Michigan, Pennsylvania, Illinois, Ohio, New York, and Kentucky.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: C. A. Spaninger's tariff I. C. C. No. 1188, Supp. 34.

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. 51-14226; Filed, Nov. 29, 1951;
8:48 a. m.]

[4th Sec. Application 26585]

FORMALDEHYDE FROM TALLANT, OKLA.,
BISHOP AND WINNIE, TEX., TO TOTTE-
VILLE, N. Y., AND WINCHESTER, VA.

APPLICATION FOR RELIEF

NOVEMBER 27, 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: F. C. Kratzmeir, Agent, for carriers parties to his tariffs I. C. C. Nos. 3919 and 3967.

Commodities involved: Formaldehyde, in tank-car loads.

From: Tallant, Okla., Bishop and Winnie, Tex.

To: Tottenville, N. Y., and Winchester, Va.

Grounds for relief: Competition with rail carriers, circuitous routes, and to apply over short tariff routes rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates; F. C. Kratzmeir's tariff I. C. C. No. 3919, Supp. 69; F. C. Kratzmeir's tariff I. C. C. No. 3967, Supp. 51.

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. 51-14227; Filed, Nov. 29, 1951;
8:43 a. m.]

[4th Sec. Application 26586]

SUPERPHOSPHATE FROM ATLAS, MO., AND
TULSA, OKLA., TO GERING, NEBR.

APPLICATION FOR RELIEF

NOVEMBER 27, 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: F. C. Kratzmeir, Agent, for carriers parties to his tariffs I. C. C. Nos. 3919 and 3908.

Commodities involved: Superphosphate (acid phosphate), carloads.

From: Atlas, Mo., and Tulsa, Okla.

To: Gering, Nebr.

Grounds for relief: Competition with rail carriers, circuitous routes, and to apply over short tariff routes rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates; F. C. Kratzmeir's tariff I. C. C. No. 3919, Supp. 70; F. C. Kratzmeir's tariff I. C. C. No. 3908, Supp. 81.

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. 51-14228; Filed, Nov. 29, 1951;
8:48 a. m.]

[Rev. S. O. 874, 2d Rev. Gen. 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 wholly 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 second revised general permit, and

any consignor forwarding cars under this general permit shall furnish the Permit Agent with the car numbers, initials, weights, and destinations of the cars shipped under this 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., November 23, 1951, and shall expire at 11:59 p. m., March 30, 1952, unless otherwise modified, changed, suspended or revoked.

A copy of this second 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 21st day of November 1951.

HOWARD S. KLIME,
Permit Agent.

[F. R. Doc. 51-14232; Filed, Nov. 29, 1951;
8:49 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

GIOVANNI GIORDANO

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, 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., Property, and Location

Giovanni Giordano, Reggio Calabria, Italy; Claim No. 29610; \$416.87 in the Treasury of the United States. Mortgage Participation Certificate, No. H-6822, which Certificate of Participation in Mortgage Fund of Peoples-Pittsburgh Trust Company, Dollar Savings and Trust Branch, entitled the Allen Property Custodian to an interest in certain general trust fund of mortgages. Final distribution of income and principal on said certificate received on November 14, 1947. Certificate presently in custody of the Deposit and Clearance Section, Office of Alien Property, 120 Broadway, New York, New York.

Executed at Washington, D. C., on November 27, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14252; Filed, Nov. 29, 1951;
8:52 a. m.]