


FEDERAL REGISTER
 VOLUME 16 1934 NUMBER 249

Washington, Thursday, December 27, 1951

TITLE 7—AGRICULTURE

Chapter VII—Production and Marketing Administration (Agricultural Adjustment), Department of Agriculture

[1023 (Burley and Flue-52)-3, Amdt. 1]

PART 725—BURLEY AND FLUE-CURED TOBACCO

MARKETING QUOTA REGULATIONS, 1952-53 MARKETING YEAR

The amendment herein is based on the marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, applicable to tobacco (7 U. S. C. 1311-1314), and is made for the purpose of amending § 725.321 of the Burley and flue-cured tobacco marketing quota regulations, 1952-53 marketing year, relating to determination of tobacco acreage allotments for farms that will be either divided or combined with other land for the 1952 crop year. Prior to the adoption of this amendment, notice was given (16 F. R. 12098) that the Secretary was considering amending the regulations in line with this amendment and that any interested person might express his views in writing with respect thereto. The data, views, and recommendations received pursuant to the notice have been duly considered within the limits permitted by the Agricultural Adjustment Act of 1938, as amended. Since many Burley and flue-cured tobacco growers are now making arrangements for farming in 1952 on farms that will be reconstituted for 1952 due to either having been divided or combined with other land, it is imperative that they be notified as soon as possible of their 1952 farm tobacco acreage allotments. Therefore, it is hereby determined that compliance with the provisions of the Administrative Procedure Act with respect to the effective date is impracticable and contrary to the public interest, and that the amendment made herein shall become effective upon the date of its publication in the **FEDERAL REGISTER**.

The Marketing Quota Regulations, Burley and Flue-cured Tobacco, 1952-53 Marketing Year, are amended by deleting the wording in § 725.321 (a) and inserting in lieu thereof the following:

NOTICE

The Federal Register Division will be open for the filing and public inspection of documents pursuant to section 2 of the Federal Register Act (49 Stat. 500; 44 U. S. C. 302) between the hours of 8:45 a. m. and 5:15 p. m. on Saturday, December 29, 1951, and Saturday, January 5, 1952. Issues of the "Federal Register" will be published during the holiday period as follows:

December 27 through December 29, 1951; January 1, January 3 through January 5, 1952.

(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.

(Sec. 375, 52 Stat. 68; 7 U. S. C. 1375. Interprets or applies sec. 313, 52 Stat. 47, as amended; 7 U. S. C. 1313)

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Done at Washington, D. C. this 20th day of December 1951. Witness my hand and the seal of the Department of Agriculture.

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

[F. R. Doc. 51-15228; Filed, Dec. 26, 1951;
8:49 a. m.]

[1023 (Fire, Air, and Sun-52)-3, Amdt. 1]

PART 726—FIRE-CURED, DARK AIR-CURED, AND VIRGINIA SUN-CURED TOBACCO

MARKETING QUOTA REGULATIONS, 1952-53 MARKETING YEAR

The amendment herein is based on the marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, applicable to tobacco (7 U. S. C. 1311-1314), and is made for the purpose of amending § 726.321 of the fire-cured, dark air-cured, and Virginia sun-cured tobacco marketing quota regulations, 1952-53 marketing year, re-

lating to determination of tobacco acreage allotments for farms that will be either divided or combined with other land for the 1952 crop year. Prior to the adoption of this amendment, notice was given (16 F. R. 12098) that the Secretary was considering amending the regulations in line with this amendment and that any interested person might express his views in writing with respect thereto. The data, views, and recommendations received pursuant to the notice have been duly considered within the limits permitted by the Agricultural Adjustment Act of 1938, as amended. Since many fire-cured, dark air-cured and Virginia sun-cured tobacco growers are now making arrangements for farming in 1952 on farms that will be reconstituted for 1952 due to either having been divided or combined with other land, it is imperative that they be notified as soon as possible of their 1952 farm tobacco acreage allotments. Therefore, it is hereby determined that compliance with the provisions of the Administrative Procedure Act with respect to the effective date is impracticable and contrary to the public interest, and that the amendment made herein shall become effective upon the date of its publication in the **FEDERAL REGISTER**.

The Marketing Quota Regulations, Fire-cured, Dark Air-cured, and Virginia Sun-cured Tobacco, 1952-53 Marketing Year, are amended by deleting the wording in § 726.321 (a) 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.

(Sec. 375, 52 Stat. 66; 7 U. S. C. 1375. Interpret or applies sec. 313, 52 Stat. 47, as amended; 7 U. S. C. 1313)

Done at Washington, D. C., this 20th day of December 1951. Witness my hand

and the seal of the Department of Agriculture.

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

[F. R. Doc. 51-15229; Filed, Dec. 26, 1951;
8:50 a. m.]

Chapter VIII—Production and Marketing Administration (Sugar Branch), Department of Agriculture

Subchapter B—Sugar Requirements and Quotas
[Sugar Reg. 811]

PART 811—SUGAR REQUIREMENTS: CONTINENTAL UNITED STATES

REQUIREMENTS FOR 1952

Basis and purpose. The determination set forth below is made pursuant to section 201 of the Sugar Act of 1948. The act requires that the Secretary of Agriculture make such determination for the calendar year 1952 during December of 1951. The determination has been based, insofar as required by section 201 of the act, on official statistics of the Department of Agriculture and statistics published by other agencies of the Federal Government. The purpose of such determination is to provide the amount of sugar needed to meet the requirements of consumers in the continental United States for the calendar year 1952. The determination provides a basis for the establishment of sugar quotas for such year pursuant to section 202 of the act.

Prior to the issuance of this determination, notice was given (16 F. R. 10859) that the Secretary of Agriculture was preparing, among other things, to determine the sugar requirements for the calendar year 1952 and that any interested person might present any data, views, or arguments with respect thereto at a public hearing to be held in Washington, D. C., on November 29, 1951. In addition, the notice stated that any interested person might present any data, views, or arguments with respect thereto in writing not later than December 14, 1951. In making this determination, due consideration has been given to the data, views, and arguments expressed at the hearing held on November 29, 1951, and the data, views, and arguments submitted in writing on or before December 14, 1951, in accordance with the Administrative Procedure Act (60 Stat. 237).

Since the Sugar Act of 1948 requires that the Secretary of Agriculture determine sugar requirements for the calendar year 1952 during the month of December 1951, it is not possible to comply with the 30-day effective date requirement of the Administrative Procedure Act. Accordingly, this determination shall be effective when published in the **FEDERAL REGISTER**.

§ 811.3 *Sugar requirements 1952.* The amount of sugar needed to meet the requirements of consumers in the continental United States for the calendar year 1952 is hereby determined to be 7,700,000 short tons, raw value.

RULES AND REGULATIONS

STATEMENT OF BASES AND CONSIDERATIONS

Section 201 of the Sugar Act of 1948 reads as follows:

The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

Pursuant to the provisions of this section the determination of sugar requirements has been based upon the following:

(a) *Distribution of sugar for consumption during the twelve-month period ended October 31, 1951.* For the twelve months ended October 31, 1951, the quantity of sugar distributed for consumption in the continental United States was 7,851,000 short tons, raw value.

(b) *Inventories of sugar.* During the twelve months ended October 31, 1951, it is estimated that 150,000 short tons of sugar, raw value, was used from inventories of wholesalers, retailers and consumers in addition to the quantity of sugar distributed. Thus, the use of sugar for this period approximated 8,000,000 tons. A further substantial reduction will have taken place by the end of 1951 and at that time stocks are likely to be near a practicable minimum to sustain operations at current rates. Stocks of quota sugar held by refiners and importers on December 31, 1951, are expected to be about the same as on the corresponding date in 1949 or 1950. In spite of the desirability of larger stocks under present world conditions, there appears to be no tendency to consistently

maintain stocks at a higher level than will be on hand December 31, 1951. Accordingly, no specific allowance is made for an increase nor for a further decrease in inventories of sugar.

(c) *Population and demand conditions.* The population of the continental United States on July 1, 1952, is now estimated by the Bureau of the Census to be about 1.3 percent greater than on July 1, 1951. A minimum of 100,000 short tons of sugar, raw value, should be required by this increase and an allowance is made accordingly. The purchasing power of consumers is not expected to differ from that of the base period sufficiently to significantly affect demand for sugar.

(d) *Relationship between wholesale sugar prices and cost of living.* During the first 10 months of 1951 the wholesale price of refined sugar averaged about 1.29 cents per pound less than the price necessary to maintain the relationship between the price of sugar and the Consumers' Price Index that existed during the last 10 months of price control in 1947. In October 1951, the latest month for which the index is available, a price of 9.82 cents per pound would have been required to maintain such relationship. The current wholesale price of 8.25 cents per pound is, therefore, close to 1.57 cents per pound below the level required to be considered in making this determination and is below the level of 8.40 cents per pound which existed at the end of price control. Furthermore, it is now clearly evident that costs of producing sugar beets and sugarcane as evidenced by the index of prices farmers pay and other data have risen sufficiently that significant and sustained increases in the prices of raw and refined sugar are necessary to "fairly and equitably maintain and protect the domestic sugar industry." Accordingly, a negative allowance of 400,000 short tons, raw value, is made as a price stimulus.

It is hereby found and concluded that the determination made above will meet the requirements of the Sugar Act of 1948.

(Sec. 403, 61 Stat. 932; 7 U. S. C., Sup., 1153)

Done at Washington, D. C., this 20th of December 1951. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CHARLES F. BRANNAN,
Secretary.

[F. R. Doc. 51-15310; Filed, Dec. 21, 1951;
2:20 p. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs,
Department of the Treasury

[T. D. 52888]

PART 1—CUSTOMS DISTRICTS AND PORTS

ESTABLISHING LONDON, ENGLAND, AS HEAD-
QUARTERS OFFICE OF DISTRICT NO. 16

Section 1.5, Customs Regulations of 1943 (19 CFR 1.5), is amended by deleting the words "Paris, France," in the column headed "Headquarters at -----",

and substituting in lieu thereof the words "London, England."

(R. S. 161; sec. 624, 46 Stat. 759; 5 U. S. C. 22, 19 U. S. C. 1624)

[SEAL]

FRANK DOW,
Commissioner of Customs.

Approved: December 19, 1951.

JOHN S. GRAHAM,
Acting Secretary of the Treasury.

[F. R. Doc. 51-15233; Filed, Dec. 26, 1951;
8:50 a. m.]

TITLE 9—ANIMALS AND
ANIMAL PRODUCTSChapter I—Bureau of Animal Industry,
Department of Agriculture

[B. A. I. Order 373, Amdt. 2]

Subchapter D—Exportation and Importation of
Animals and Animal Products

PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), AND NEWCASTLE DISEASE (AVIAN PNEUMOENCEPHALITIS): PROHIBITED AND RESTRICTED IMPORTATIONS

DESIGNATION OF COUNTRIES WHERE RINDERPEST OR FOOT-AND-MOUTH DISEASE EXISTS: IMPORTATIONS PROHIBITED; NORWAY

Pursuant to the authority vested in the Secretary of Agriculture by section 306 of the Tariff Act of 1930 (sec. 306, 46 Stat. 689, 19 U. S. C. 1306) and by section 2 of the act of February 2, 1903, as amended (sec. 2, 32 Stat. 792, as amended, 21 U. S. C. 111), § 94.1 of the regulations relating to prohibitions and restrictions upon importations of certain animals and products because of rinderpest, foot-and-mouth disease, fowl pest (fowl plague), and Newcastle disease (avian pneumoencephalitis) (9 CFR, 1950 Supp., 94.1), is hereby amended by removing the word "Norway" from the first sentence thereof.

The above action is taken because the Secretary of Agriculture has determined that foot-and-mouth disease now exists in Norway and has so notified the Secretary of the Treasury. The primary effect of the amendment is to prohibit the importation of cattle, sheep, other domestic ruminants and swine, and fresh, chilled, or frozen beef, veal, mutton, lamb, and pork from Norway, and to prohibit or restrict the importation of meat and meat products of wild ruminants and swine, certain other meats and products, and dressed poultry from Norway.

The protection of the livestock interests of the United States demands that this amendment be made effective at the earliest possible moment. Accordingly, pursuant to section 4 of the Administrative Procedure Act (5 U. S. C. 1003), it is found upon good cause that notice and public procedure concerning this amendment are impracticable and contrary to the public interest, and good cause is found, under the said section 4, for making the amendment effective less than 30 days after publication in the FEDERAL

REGISTER. Such notice and hearing are not required by any other statute.

This amendment shall become effective upon publication in the FEDERAL REGISTER.

(Sec. 2, 32 Stat. 792, as amended, sec. 307, 46 Stat. 689; 19 U. S. C. 1306, 21 U. S. C. 111)

Done at Washington, D. C., this 19th day of December 1951.

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

[F. R. Doc. 51-15200; Filed, Dec. 26, 1951;
8:47 a. m.]

Subchapter G—Inspection of Animal Foods

PART 155—CERTIFIED PRODUCTS FOR DOGS, CATS, AND OTHER CARNIVORA; INSPECTION, CERTIFICATION, AND IDENTIFICATION AS TO CLASS, QUALITY, QUANTITY, AND CONDITION

FEES; CHARGE FOR SERVICE

Pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.) and the item for marketing service found in the Department of Agriculture Appropriation Act, 1952 (Pub. Law 135, 82d Cong.), § 155.12 of the regulations of the United States Department of Agriculture governing the inspection, certification, and identification as to class, quality, quantity, and condition of canned and fresh frozen food for dogs, cats, and other carnivora (9 CFR, 1950 Supp., 155.12), is hereby amended to read as follows:

§ 155.12 Charge for service. For each man hour of inspection service extended to an inspected plant under this part, a fee of \$3.52 shall be charged to the applicant and be paid to the department by him upon receipt of notice thereof from the department.

(Sec. 205, 60 Stat. 1090, Pub. Law 135, 82d Cong.; 7 U. S. C. 1624. Interprets or applies sec. 203, 60 Stat. 1087; 7 U. S. C. 1622)

This amendment shall become effective December 25, 1951.

The purpose of the foregoing amendment is to increase from \$3.00 to \$3.52 the fee that shall be charged to the applicant for each man hour of inspection service extended to an inspected plant under the provisions of 9 CFR, 1950 Supp., Part 155. Such inspection service is provided on a self-sustaining basis and the charges for the service must be equal, as nearly as may be, to the cost of the service. Inasmuch as the determination of the cost of such inspection service depends entirely upon facts within the knowledge of the United States Department of Agriculture, notice and public procedure on the establishment of the fees are deemed unnecessary under section 4 of the Administrative Procedure Act (5 U. S. C. 1003) and, inasmuch as the cost of such inspection service has risen sharply, good cause is found, under the said section 4, for making this amendment effective less than 30 days after publication. Such notice or hearing is not required by any other statute.

Done at Washington, D. C., this 19th day of December, 1951.

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

[F. R. Doc. 51-15199; Filed, Dec. 26, 1951;
8:47 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Housing and Home Finance Agency

Subchapter D—Multifamily and Group Housing Insurance

PART 232—MULTIFAMILY HOUSING INSURANCE; ELIGIBILITY REQUIREMENTS OF MORTGAGE COVERING MULTIFAMILY HOUSING

LIMITATION ON MAXIMUM AMOUNT OF MORTGAGE

Section 232.16a (b) is hereby amended to read as follows:

(b) The provisions of this section shall not be applicable to mortgages covering properties in the Territory of Alaska, or any territory or possession outside the continental United States, or housing determined by the Commissioner to be military housing, or housing constructed for the replacement of properties transferred to the United States, or to one of the States or subdivisions thereof, through condemnation proceedings or by voluntary conveyance in lieu of condemnation; and the Commissioner may

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>Massachusetts</i>				
(143) Boston	B	Norfolk and Suffolk	Mar. 1, 1942	Nov. 1, 1942
(143a) Cambridge	B	Middlesex	do.	Do.
(143b) Fall River-Brockton	B	Barnstable County, except the towns of Brewster, Eastham, and Orleans; Bristol and; and in Plymouth County the city of Brockton, and the towns of Abington, Bridgewater, East Bridgewater, Hingham, Mattapoisett, Middleboro, Plymouth, Rockland, West Bridgewater, and Whitman.	do.	Do.

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

This amendment shall be effective December 26, 1951.

Issued this 21st day of December 1951.

TIGHE E. WOODS,
Director of Rent Stabilization.

[F. R. Doc. 51-15318; Filed, Dec. 26, 1951;
9:51 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter V—Department of the Army

Subchapter A—Aid of Civil Authorities and Public Relations

PART 510—CHAPLAINS

PRIVATE MINISTRATIONS, SACRAMENTS, AND ORDINANCES

Part 510, including § 510.1, is revised to read as follows:

waive or modify the requirements of this section, in whole or in part, and for such period or periods of time as he may determine, with respect to any mortgage transaction which would not be subject to the prohibitions of Regulation X of the Board of Governors of the Federal Reserve System by reason of the exceptions and exemptions set forth therein.

(Sec. 211, as added by sec. 3, 52 Stat. 23; 12 U. S. C. 1715b. Interprets or applies sec. 207, 48 Stat. 1252, as amended; 12 U. S. C. 1713)

Issued at Washington, D. C., December 18, 1951.

[SEAL] WALTER L. GREENE,
Acting Federal Housing Commissioner.

[F. R. Doc. 51-15190; Filed, Dec. 26, 1951;
8:45 a. m.]

Chapter VIII—Office of Rent Stabilization, Economic Stabilization Agency

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg. Amdt. 430]

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

MASSACHUSETTS

Amendment 430 to the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92). Said regulation is amended in the following respect:

In Schedule A, item 143 is amended to read and new items 143a and 143b are added, all as follows:

§ 510.1 *Private ministrations, sacraments, and ordinances.* Chaplains will conduct or arrange for appropriate burial services at the interment of members of the military service, active and retired, and for members of their families upon request. A chaplain may perform the marriage rite, provided he complies with the civil law of the place where the marriage is to be solemnized and provided all parties concerned have complied with the requirements of the denomination the chaplain represents and with any directives which may have been issued by the military command or higher headquarters. The scope of the chaplains' work will include such ministrations as are held by some denominations or religious bodies as sacraments and by others as rites or ordinances. Chaplains will administer or arrange for rites and sacraments for military personnel and civilians under military jurisdiction

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according to the respective beliefs and conscientious practices of all concerned. [AR 660-10, Dec. 7, 1951] (R. S. 1125; 10 U. S. C. 238)

[SEAL] WM. E. BERGIN,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 51-15189; Filed, Dec. 26, 1951;
8:45 a. m.]

Chapter VI—Department of the Navy

PART 713—NAVAL RESERVE

MISCELLANEOUS AMENDMENTS

1. Section 713.1603 is amended to read as follows:

§ 713.1603 *Physical examination of officers; by whom conducted.* (a) Physical examinations of Naval Reserve officers for active duty, as distinguished from training duty, and physical examination of candidates for appointment as such shall be conducted by boards of medical examiners consisting of medical officers, and a dental officer when practicable. Members of boards of medical examiners may be medical or dental officers of the Regular Navy or of the Naval Reserve, or of a combination of both, who are performing active naval service. If it is impractical to assemble a board of medical examiners, these physical examinations shall be conducted by one medical officer of the Regular Navy or of the Naval Reserve on active duty.

(b) Physical examinations of officers for training duty and for release therefrom, for transfer from the inactive status list, and quadrennial physical examinations shall be conducted by one medical officer of the regular Navy or of the Naval Reserve. If such medical officers are unavailable, upon authorization of the cognizant commandant or the Chief of Naval Air Reserve Training in each case, these physical examinations may be conducted by one medical officer of another branch of the Armed Forces, or of its reserve component. In special cases, upon authorization as above, the quadrennial physical examination may be conducted by a private physician. Reports of quadrennial physical examination and those in connection with transfer from the inactive status list shall be reviewed in the Bureau of Medicine and Surgery.

(c) Flight physical examinations of officers of the Naval Reserve, who are required to perform duty involving flying in actual control of aircraft, shall be conducted by those medical officers of the Navy, Naval Reserve or of other branches of the armed forces, who are authorized to conduct them and who are then performing active or training duty or are in an authorized drill status.

(d) (1) Physical examinations for promotion of Naval Reserve officers on active duty will be conducted by two medical officers and, if available, one dental officer. If undue delay, mileage

or expense would result, the commanding officer may authorize the examination to be conducted by one medical officer.

(2) Physical examinations for the promotion of inactive Naval Reserve officers will be conducted by one medical officer. Under exceptional circumstances, the examination may be conducted by a civilian physician if authorized by the command in custody of the officer's record.

(e) Except as provided in paragraph (d) (1) of this section, Naval Reserve officers who are performing active duty shall be physically examined in accordance with current requirements for Regular Navy officers.

2. Section 713.1607 (e) is amended to read as follows:

(e) Reports of physical examinations for promotion of Naval Reserve officers on active duty shall be made on Standard Form 88, the original and one copy of which will be forwarded direct to the Bureau of Medicine and Surgery. Physical examinations of inactive Naval Reserve officers shall be reported on Standard Form 88, the original of which will be forwarded to the appropriate district commandant, the Commandant, Potomac River Naval Command, or the Chief of Naval Air Reserve Training for reference to a board of medical examiners for determination of physical qualifications for promotion. Reports of physical examinations of inactive Naval Reserve officers conducted by civilian physicians in accordance with § 713.1603 (d) (2) shall be made on Standard Form 88 supplied by the command authorizing such examination, and will be forwarded to and reviewed by the Bureau of Medicine and Surgery prior to effecting the promotion of the officer.

3. Section 713.1705 (c) is amended to read as follows:

(c) Involuntary recall of officers and enlisted personnel to active duty at any time other than during war or national emergency will be effected only as legally authorized. Personnel will not be twice so called until all of their contemporaries in the Naval Reserve of like qualifications, ranks, or ratings who meet requirements have once so served.

4. Section 713.1804 is amended to read as follows:

§ 713.1804 *Permission to travel and reside abroad.* (a) Members of the Naval Reserve not on active duty are required to obtain permission to travel and reside abroad for periods in excess of 30 days, from the Chief of Naval Personnel during periods of full mobilization, and from the commandant having jurisdiction over them or the Chief of Naval Air Reserve Training, as appropriate, at other times, except as indicated below:

(1) Members of the Naval Reserve employed in merchant vessels of United States or friendly foreign registry or in United States-owned commercial air-

craft will not be required to obtain such permission while following their profession.

(2) Officers and enlisted persons of the honorary retired list or the retired list of the Naval Reserve when not employed on active duty are not required to obtain permission to travel and reside abroad for any length of time. Retired officers must, however, report their departure, expected duration of travel and residence abroad, "present address" while abroad and any changes thereto, by letter to the Chief of Naval Personnel via the cognizant commandant. Retired enlisted persons will similarly inform the cognizant commandant only.

(b) The term "abroad" as employed herein is defined as all areas not within the jurisdiction of any naval district or river command.

(c) One copy of the letter granting permission to travel and reside abroad will be forwarded to the Bureau of Naval Personnel and one copy to the cognizant area commander in each case.

(d) Members of the Naval Reserve on active duty will be governed by the same regulations as apply to personnel of the Regular Navy.

(e) When a member of the Naval Reserve has been granted permission to travel and reside abroad, such member will report his arrival and departure to the U. S. Naval Attaché, Senior U. S. Naval Officer, or Senior Military Attaché, as appropriate, if he is to be in any country for more than 30 days. If he is to be in a country less than 30 days he should report, as above, if convenient. If it is impracticable for the Reservist to report in person, a letter report should be made via the most convenient United States diplomatic representative.

(f) An officer of the Naval Reserve will report the date of his return to a naval district to the Bureau of Naval Personnel via the cognizant commandant or the Chief of Naval Air Reserve Training, as appropriate, and an enlisted person will report the date of his return to a naval district to the cognizant commandant or the Chief of Naval Air Reserve Training, as appropriate.

(g) Members of the Naval Reserve on inactive duty, except those referred to in paragraph (a) (1) of this section, may not visit belligerent countries unless authority to do so is granted by the Chief of Naval Personnel. A member of the Naval Reserve will not wear his naval uniform while abroad unless ordered by competent authority to active duty or active duty for training, nor will he use his naval title in connection with public appearances unless authorized to do so by the Chief of Naval Operations.

5. Section 713.1807 is amended to read as follows:

§ 713.1807 *Enlisted service records.* (a) A service record, Form NavPers 601, will be opened and maintained for each person enlisted, reenlisted, or inducted in the U. S. Navy or its Reserve components.

(b) Complete instructions regarding the enlisted service record are con-

tained in articles B-2301 to B-2325 of the Bureau of Naval Personnel Manual. Every individual charged with maintenance of the service records should have a thorough knowledge of that part of the Manual, and should have a working knowledge of those parts of the Manual containing specific instructions regarding personnel administration. The following instructions are prepared in a form for ready reference and should be used in conjunction with articles B-2301 to B-2325 of the Bureau of Naval Personnel Manual.

(c) The service record cover, and each page of the service record, shall show the full name, service number, and branch of the service; e. g., USN, USNR, USNEV, USNREV, RET. Each entry shall be complete and accurate, and shall be signed in ink by the commanding officer, executive officer, or other officer designated by the commanding officer. Entries shall preferably be typed. Routine entries may be made by rubber stamp.

(d) Naval Reserve service records shall be stamped on the cover with the following words: "In case of death, discharge, desertion, or release from active service, this record shall be returned at once to the Commandant, _____ Naval District _____ (give address)." Except as provided for in § 713.1809, the Reserve service record will be retained in the files of the district until the person's discharge or death, at which time it will be closed out and forwarded to the Bureau of Naval Personnel.

(e) The following entries in the service record are required:

A

Absence from duty. Enter on page 8 dates of absence from duty on account of sickness or injury, result of own misconduct, AOL, AWOL, desertion, and nonperformance of duty because imprisoned, both while in arrest resulting in court-martial sentence and while serving sentence. These entries will only be made when person is absent while serving on active duty or training duty.

Address. Enter on page 13 any change in address.

Appointments to commissioned or warrant rank or grade. Enter on page 13 date of appointment, rate held at date of appointment, rank or grade to which appointed, and date of acceptance of commission or warrant. Enter final marks on pages 10 and 11. Make appropriate entries on page 14, closing out record as of date preceding acceptance of commission or warrant, and forward service record to the Bureau of Naval Personnel.

Aviation and balloon pilot. Enter on page 13 date qualified and designated as naval aviation or balloon pilot.

B

Birth. Make appropriate correction in red ink on page 1 regarding date and place of birth after receipt of authority for such change. File letter of authority on left hand side of service record.

C

Change in name, address, next of kin, etc. Enter on page 13 change, date, and authority. Make appropriate change on cover of service record. File letters of authority on left hand side of service record.

Change in rate. Enter on page 4 and 13 each change in rating. File the letter of authority for advancement or reduction in rate or rating on left hand side of service record.

Checkage. Enter on page 7 reason for checkage, date, and amount checked while on active or training duty.

Citizenship. Make entry on page 1 showing citizenship to be "U. S." for U. S.-native-born; "N. U. S." for U. S.-naturalized, or "C. I. P." for citizen of the insular possessions. If naturalized while in the service, enter on page 13 date of naturalization, name, and location of court which granted certificate of naturalization.

Change in Navy job classification. Substitute "new" Navy job code for "old" Navy job code on pages 4 and 13 currently in use and enter date of change, reason, and authority for change.

Civilian occupational history. Enter on appropriate page.

Classification, Navy job. Enter classification data on appropriate page. (See § 713.1801.)

Classification test scores. Enter classification test scores in space provided on appropriate page.

Clothing destroyed to prevent spread of disease. Enter on page 13 notation of circumstances and estimated value of articles destroyed.

Clothing issued. See Uniform.

Clothing lost or destroyed in marine or airplane disaster. Enter on page 13 estimated value of articles lost and, if reimbursed in cash, amount of reimbursement. If issued clothing in kind, enter the value of issue.

Coast Guard service. Enter on page 1 the amount of Coast Guard service.

Commanded for distinguished or meritorious service. Enter on page 13 a brief statement of commanded act or duty, date, and by whom commanded.

Commututed rations. Enter on page 7 date of receipt of commuted rations and date of discontinuance.

Conduct. Enter on page 13 a brief statement of all special and meritorious conduct worthy of mention. Enter on page 9 marks in conduct, quarterly, while on active duty and upon release from active duty.

Court-martial. Enter on page 6 date, nature of offense committed, date of trial, sentence, and action of the convening authority.

D

Death. Enter on page 14 date, place, and cause of death if known, and whether death was caused by intemperate use of drugs or alcoholic liquors or other misconduct. If death occurs while on active duty follow procedure in article C-9807 (2) of the Bureau of Naval Personnel Manual. Forward the service record to the Bureau of Naval Personnel. Report in accordance with article H-7301 of the Bureau of Naval Personnel Manual (see § 713.7301) should be submitted to the Bureau of Employees' Compensation in case of death resulting from physical injuries.

Delivery. If on active duty or training duty, enter on page 13 date and place of delivery and by whom delivered from unauthorized absence. Forward copy of NavPers 641 to the Bureau of Naval Personnel.

Desertion. Prepare desertion entry on page 12 in accordance with instructions shown thereon. Do not complete a page 14 in case of desertion. Forward the service record to the Bureau of Naval Personnel, attaching a Form NavPers 2328 to the front of the service record in lieu of a letter of transmittal. For full instructions see Articles C-7802 to C-7806, inclusive, Bureau of Naval Personnel Manual. (See § 713.2404.)

Disability. Enter on page 13, record of any disability incurred while on active duty, training duty, or while attending drills, stating nature of disability, and whether incurred in line of duty or as the result of own misconduct.

Discharges. Make appropriate entries on page 14, closing out service record and forward service record to the Bureau of Naval Personnel.

Drills. Enter on page 11 at the end of quarter or upon transfer from one district to another, death, discharge, or transfer to another class, the total number of drills performed.

Duty. Active, training, stationkeeper, shipkeeper. Enter on page 13 recall to active, training, or shipkeeper duty, giving date and place of recall, and if training duty whether with or without pay; date and place of reporting; and ship or station where duty is performed. Enter chronologically any change in status while on active duty. Enter any special qualifications or details on page 13. When released from active duty, and reporting to permanent ship or station, enter date, and forward copy of page 13 to the Bureau of Naval Personnel.

E

Education. Enter on page 3.

Effects of deceased persons and deserters. Enter on page 14 disposition made of effects of deceased personnel and whether on active or training duty. See article C-9808, Bureau of Naval Personnel Manual. Enter on page 12 disposition of effects of deserters.

Emergency data. DD Form 93 (Record of Emergency Data—Beneficiary) will be completed in triplicate by every inactive reserve officer and enlisted person attached to or associated with a Naval Reserve Organization in drill pay status. Other members of the Naval Reserve will not complete this form unless ordered to active duty or transferred to the Organized Reserve. One copy will be retained at the organization headquarters and filed in the service record of enlisted personnel or officer qualification jacket of officers. One copy in each case will be forwarded to the District Commandant or the Chief of Naval Air Reserve Training, as appropriate, and the original, conspicuously marked "Organized Reserve," to the Bureau of Naval Personnel. The information contained in the form is to be kept up to date and complete new forms accomplished when any change occurs, in accordance with article B-2312, Bureau of Naval Personnel Manual.

Equivalent instruction or duty. Enter on page 11, together with the number of drills performed (see Drills), the number of periods of equivalent instruction or duty performed. Enter quarterly, or upon transfer from one district to another, death, discharge, or transfer to another class, total number of drills and periods of equivalent instruction or duty performed since last report.

Extensions of enlistment. (a) For members of the inactive Naval Reserve, fill out from NavPers 604A in duplicate, forward original to the Bureau of Naval Personnel, and insert copy in the service record after page 1. (b) In the cases of persons serving on active duty, the agreement to extend enlistment, page 1a, will be used as provided in article C-1406, Bureau of Naval Personnel Manual. (See § 713.2404.)

F

Flight orders. Enter on page 13 the date detailed to duty involving flying and date and cause of revocation if revoked before termination of duty. If on active duty, enter on page 13 at the end of each month and on date of revocation of flight orders. Indicate whether a crew member or a noncrew member.

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I

Injury. Enter on page 13 report of all injuries sustained by men while serving on active duty or traveling under competent orders or in the performance of drills, giving cause, date, nature, and whether or not incurred in the line of duty. Make report required by article H-7301 of the Bureau of Naval Personnel Manual. (See § 713.7301)

L

Letter of commendation. Enter on page 13 a brief digest of all letters of commendation, by whom commended, act or duty for which letter is given, date of act, and date of letter. File copy of letter on left side of service record.

M

Marks. Enter on page 9 marks quarterly while on active duty and upon release from active duty and active duty for training. Reservists on inactive duty who hold membership in a drilling organization shall be marked annually on January 1 and at such other times, not to exceed once each quarter, as is deemed necessary by the commanding officer, to indicate their efficiency and to comply with such specific instructions regarding required marks as may be issued by the Chief of Naval Personnel. Reservists on inactive duty who are not members of a drilling organization and who do not participate in any way in the Naval Reserve program within an annual marking period shall not be marked but entry on page 9 shall state through columns 4, 5, 6, 7 and 8: "Non assigned—non-participation in NR Training Program." Enter final average of all marks on pages 9, 10 and 11 as appropriate upon death, discharge, appointment to commissioned or warrant rank, and retirement as set forth in article C-7821, Bureau of Naval Personnel Manual.

Medals. Make entry on page 13 of the award of any of the decorations, medals, or badges listed in Part C, Chapter 8, Bureau of Naval Personnel Manual.

Misconduct. Enter on page 8, if on active duty, all absence from duty on account of sickness, disease, or injury, due to intemperate use of drugs, alcoholic liquors, or other misconduct, date admitted to sick list, number of days absent from duty, nature of disease or injury, and date of initial appearance of sickness or disease.

N

Nonperformance of duty. Enter on page 8 dates of all absences from or nonperformance of duty on account of sickness, disease or injury resulting from intemperate use of drugs, alcoholic liquors, or other misconduct, AWOL, AOL, time under arrest awaiting trial which results in conviction and sentence to a naval confinement activity (or at a receiving ship or station or other place designated as a place of confinement for naval personnel), and time under court-martial sentence in any of the afore-mentioned naval confinement activities. Enter number of days absent, number of days under arrest awaiting trial, number of days under court-martial sentence, date restored to duty, and number of days lost because of nonperformance of duty. Date absence began is considered a day of absence; date of return is considered a day of duty.

O

Offenses. Enter on page 13 nature of offense and punishment adjudged at Captain's Mast. (See Courts-martial.)

P

Pay. When ordered to active duty or training duty with pay, an order to enter accounts shall be submitted to the disbursing officer.

Physical examination. Enter result of all physical examinations of transferred 16- and 20-year personnel on page 13.

Prior service. Enter on page 1 all prior service in the Air Force, Army, Coast Guard, Navy, Marine Corps and in reserve components of these services (including Air National Guard and National Guard), and prior service in the Coast and Geodetic Survey (deck officer or junior engineer), Public Health Service, Philippine Constabulary, and Philippine Scouts.

R

Reduction of rate. See *Change in rate*.

Reports. The only reports required by the Bureau of Naval Personnel of entries in the enlistment record, or of changes in the status of enlisted Reservists, are the following:

(1) **Enlistment.** Upon enlistment complete NavPers 601 (enlistment contract) and forward to the Bureau of Naval Personnel; also when applicable, NavPers MCNPB Form 37024 (a) (application for enlistment) and NavPers MCNPB Form 37018 (a) (consent of parent or guardian).

(2) **Active duty and training duty.** At date of release forward copy of "orders to report to active duty" to the Bureau of Naval Personnel, complete with all endorsements.

(3) **Active duty as shipkeeper, training duty over 2 weeks, and other protracted periods of active duty.** On date of reporting for duty make entry on page 13 and forward copy to Bureau of Naval Personnel. On date of release do same.

(4) **Examinations.** Forward original report of examination, NavPers 971, to the Bureau of Naval Personnel as required by current instructions; file copy on left side of service record.

(5) **Desertion.** Make required entries on page 12, and forward service record to the Bureau of Naval Personnel.

(6) **Surrender or delivery.** Fill out NavPers 641 and forward to the Bureau of Naval Personnel.

(7) **Extension of enlistment.** See *Extension of enlistment*.

(8) **Discharge, death, advancement to commissioned or warrant rank or grade.** Close out NavPers 601 and forward to the Bureau of Naval Personnel.

Retirements. When members of the Naval Reserve have been placed on the retired list, enter on page 14 the date of retirement, reason for retirement, and the latest address. Enter final average of all marks on page 9. Forward copy of page 14 to the Bureau of Naval Personnel.

S

Shipkeeper or stationkeeper. Enter on page 13 upon recall to active duty as shipkeeper date of recall, date and place of reporting, and record of service while assigned as shipkeeper. Enter marks on page 9. Make an extra copy of the orders to report for active duty and forward to the Bureau of Naval Personnel on date of reporting. Forward a second copy on date of release from active duty.

Signatures in service record. See article B-2305, Bureau of Naval Personnel Manual.

Subsistence allowance. Enter on page 7 date subsistence allowance began, authority, amount, date discontinued, and reason.

Surrender. Enter on page 13 date and place of surrender and number of days absent. Forward copy of NavPers 641 to the Bureau of Naval Personnel.

T

Transfers. Enter on page 13 record of all transfers between vessels or stations and from one district to another; also record of transfer between classes of the Naval Reserve.

Transportation or travel allowance. Enter on page 14 record of transportation or travel allowance furnished on discharge if discharged while on active duty.

U

Undesirable discharge. In addition to all information specified under *Discharge* in these instructions, state the nature of the undesirability or unfitness on page 14 and file copy of the statement of the man on the left side of the service record.

Uniforms and equipment. Enter requisition number and date, value of clothing issued, list of articles issued and date delivered to reservist (except when paid for in cash) on page 13. (Temporary issue of bedding and equipment need not be entered.) File copy of requisition showing issue in detail on left side of service record. Upon discharge or transfer to class V6, enter on page 13 a complete list of uniforms and equipment returned indicating their condition and final disposition.

W

Waiver. Enter full information on page 13, giving authority for, reason and nature of waiver upon enlistment. Enter waivers of transportation on page 13, giving reason; file signed agreement on left side of service record.

6. Section 713.2101 is amended to read as follows:

§ 713.2101 *Persons eligible for the Naval Reserve.* (a) The Naval Reserve shall be composed of male and female citizens of the United States and the insular possessions of the United States, and of citizens of the Philippine Islands who were in the naval service on or prior to July 4, 1946 and reenlisted subsequent thereto before the expiration of three months following discharge. Such persons shall by accepting an appointment, enlisting therein, or transferring thereto, obligate themselves to serve in the navy in time of war or when in the opinion of the President a national emergency exists.

(b) All statements made in applications for appointment or enlistment are held to be material facts and any misstatement or omission of such material facts will be considered as grounds for discharge.

7. Section 713.2404 is amended to read as follows:

§ 713.2404 *Terms of enlistment, reenlistment, and extension of enlistment*—
(a) **Enlistment and reenlistment.** Enlistments and reenlistments in the Naval Reserve shall normally be for a term of 4 years, except that enlistments of minors (male) between the ages of 17 and 18 years shall be for minority. Enlistments and reenlistments will not be effected for any other period unless authorized by the Chief of Naval Personnel. Regardless of an individual's term of enlistment, in time of war or national emergency, enlisted personnel may be required to serve throughout such war or period of national emergency. Form NavPers 601, enlistment contract, will be used in effecting enlistments and reenlistments.

(b) *Extension of enlistment.* In time of peace, enlisted personnel may be permitted to extend their enlistments. Unless otherwise authorized by the Chief of Naval Personnel, the period of extension will be for 4 years. No more than one extension of the same enlistment will be permitted without specific authority of the Chief of Naval Personnel.

(c) Agreements to extend enlistment of Naval Reserve personnel serving on active duty will be executed on Form NavPers 601, page 1a, agreement to extend enlistment. The provisions of article C-1406 of the Bureau of Naval Personnel Manual will apply except that the period of extension will be for 4 years, unless otherwise authorized by the Chief of Naval Personnel.

(d) Agreements to extend enlistment of Naval Reserve personnel serving on inactive duty will be executed in duplicate on Form NavPers 604A. Such extension agreements will be prepared and effected by organizations or commanders having custody of service records of individuals concerned. This form provides for the extension agreement to be signed by the individual and witnessed by two persons who are 21 years of age or older. Special instructions will be issued from time to time with regard to the procedure for effecting extension agreements in the case of inaccessible personnel of the Volunteer Reserve. Regulations governing extensions of enlistment of enlisted personnel of the Naval Reserve on inactive duty are outlined below:

(1) In order to be valid, an agreement to extend enlistment must be entered into by the individual concerned prior to the date of expiration of enlistment. When a Naval Reservist desires to extend his enlistment, prepare original and one copy of the form NavPers 604A, both to be signed in ink by the individual concerned, the two witnesses, and the executing officer. Mail original to the Bureau of Naval Personnel and insert copy in Reservist's service record.

(2) In view of the statement signed by the Naval Reservist on form NavPers 604A that he has no known serious physical defects or illness, no physical examination is required.

(3) Extension of an enlistment is effective upon execution of the form NavPers 604A, but does not become operative until the date next following the date of expiration of enlistment.

(4) Commanding officers are authorized to cancel an agreement to extend enlistment at any time prior to the date of extension becomes operative, for reasons outlined in § 713.6206, and in cases where reservists are found not physically qualified for retention, or their conduct or performance of duty is unsatisfactory. In all cases of cancellation, make notation thereof on service record copy of the form NavPers 604A. Enter reason for the cancellation on page 13 of the service record, together with a statement as to whether or not the individual is recommended for reenlistment, and forward a duplicate copy to the Bureau of Naval Personnel.

(e) When members of the Naval Reserve are granted permission to leave the United States under the provisions of § 713.1804 and have only a short period remaining on their term of enlistment, if eligible to extend, furnish them with a form NavPers 604A in duplicate, and impress upon them the advisability of executing the agreement to extend prior to their departure from the United States.

(f) Personnel who enlist, reenlist, or extend their enlistment in accordance with the provisions of this section shall be physically examined prior to their performance of any Naval Reserve duties, as required by § 713.1604.

8. Section 713.2411 (c) is amended to read as follows:

(c) Those holding radio licenses issued by the Federal Communications Commission, may be enlisted in the rates shown in the following table. At any time after enlistment, such persons may be examined, Form NavPers 971, and when qualified in accordance with section 2, Chapter 7, Part C, of the Bureau of Naval Personnel Manual, may be advanced to the rate shown. Thereafter, advancement shall be made in accordance with § 713.3603.

License held	Rate in which enlisted	Authorized rate when qualified
Radio telegraph—commercial: First class.....	Seaman.....	Radioman, second class.
Second class.....	do.....	Do.
Third class.....	do.....	Radioman, third class.
Radio telegraph—amateur: Amateur extra class.....	do.....	Radioman, second class.
Advance class or class A.....	do.....	Radioman, third class.
General class or class B.....	do.....	Do.
Conditional class or class C.....	Seaman apprentice.	Seaman.

9. Section 713.5904 (a) is amended to read as follows:

(a) Naval district and river command inspection boards shall conduct annual inspections of all organizations of the Naval Reserve except those located in areas remote from Naval Reserve training centers and those whose composition, size, infrequency of meetings, and other characteristics, as determined by commanders, render a formal inspection unwarranted. Organizations in excepted categories shall be inspected by any single member or by any combination of members of these inspection boards. A separate report shall be made on each organization inspected. Such reports shall be submitted to the commandant of the naval district or river command concerned, who will forward a copy to the Chief of Naval Personnel. A copy of the report shall be supplied to the commander of the organization inspected, and in the case of organizations restricted to a specialty, such as communications, intelligence, medicine, etc., to the head of the office or bureau concerned with such specialty.

10. Section 713.6304 is amended to read as follows:

§ 713.6304 *Retirement for age-in-grade.* At the discretion of the Secretary of the Navy, officers of the Naval Reserve shall be transferred to the honorary retired list or discharged when they arrive at the years in age and grade as indicated in the following table, unless the retention of the officer in question is deemed essential, or there are other compelling reasons to the contrary:

Grade	Naval Reserve, except Nurse Corps	Naval Reserve, Nurse Corps only
Commander.....	58	55
Lieutenant commander.....	52	55
Lieutenant.....	46	50
Lieutenant (jg).....	40	50
Ensign.....	40	50

11. Section 713.7206 is amended to read as follows:

§ 713.7206 *Payment of drill pay.* Checks for compensation and pay allowed by article H-7201 of the Bureau of Naval Personnel Manual (see § 713.7201) will be mailed by the Navy Accounts Distrubing Offices in accordance with procedures prescribed by the Bureau of Naval Personnel and the Bureau of Supplies and Accounts, except in those instances where it may be more practicable for the disbursing officer to pay direct.

12. § 713.8101 is amended to read as follows:

§ 713.8101 *Policy relative to furnishing equipment.* It is the policy that appropriate bureaus and offices of the Navy Department furnish organizations of the Organized and Volunteer Reserve with such equipment, technical literature, training aids, etc., as may be necessary for the instruction and training of personnel thereof. Shore facilities for the Naval Reserve training program will be provided for as directed by the Secretary of the Navy. Floating equipment for use in Naval Reserve training will be provided by the Bureau of Ships as directed by the Chief of Naval Operations.

13. Delete title "Armories" preceding § 713.8201 and insert the title "Naval Reserve Training Centers" in lieu thereof.

14. Section 713.8201 is amended to read as follows:

§ 713.8201 *Procurement of Naval Reserve training centers.* (a) The commandants of naval districts and river commands will arrange for the procurement of suitable Naval Reserve training centers as directed by the Chief of Naval Personnel. Where rental is involved, current instructions relative to leases of real estate will be followed.

(b) So far as practicable, all Naval Reserve activities at localities where Naval Reserve training centers have been provided will be centered therein, including electronic warfare units.

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15. Section 713.8202 is amended to read as follows:

§ 713.8202 Naval Reserve training center expenses. The cost of maintaining and operating Naval Reserve training centers and facilities including heat, light, water, janitor services when required, wharfage for floating equipment, and similar expenses not otherwise provided for, will be covered by allotments of funds granted to commandants of naval districts and river commands by the Chief of Naval Personnel.

16. Section 713.8203 is amended to read as follows:

§ 713.8203 Joint occupancy of Naval Reserve training centers. In the event that a Naval Reserve training center is jointly occupied by organizations of the Organized Reserve, the Volunteer Reserve, or by organizations of a reserve component of other branches of the Armed Forces, the officer-in-charge of the training center or, in his absence, the senior line officer of the Organized Naval Reserve shall act as senior officer present insofar as use of space and facilities is concerned, but shall not be concerned with the administration or training of an organization not directly under his command.

17. Delete title "Vessels and Boats for Training Purposes" preceding § 713.8401 and insert the title "Vessels and Floating Equipment for Training Purposes" in lieu thereof.

18. Section 713.8402 is amended to read as follows:

§ 713.8402 Maintenance, operation, and repairs; floating equipment. The Bureau of Ships has financial responsibility for the maintenance and repair of Naval vessels and craft which are assigned as district craft for use by the Naval Reserve. That Bureau, upon application from the commandants concerned, may allot funds for this purpose.

19. Section 713.8601 is amended to read as follows:

§ 713.8601 Records of invoices and issues. (a) The district accounting officer, fiscal, or other officer as may be designated by the commandant, shall be the accounting officer for all material and equipment issued for the purpose of training and instructing the Naval Reserve, except aviation activities, in the district. All such material and equipment will be invoiced to the commandant of the district or river command. The supply officers of the naval air stations to which Naval Reserve aviation units are attached, shall be the accounting officers for all material and equipment issued for the purpose of training and instructing aviation units attached thereto.

(b) A record shall be maintained by all commandants of all medical supplies of value and all medical equipment, by item and value, issued to Naval Reserve units.

(c) Requisitions for, and property surveys of, medical stores and equipment from Naval Reserve units, containing the recommendation of the commandant or commanding officer of the naval air station concerned, shall be forwarded to the Bureau of Medicine and Surgery, Materiel Division, 84 Sands Street, Brooklyn 1, N. Y., for approval.

(d) Recommendation as to modification in the items of medical equipment and quantities and kind of medical supplies furnished the various types of Naval Reserve units shall be made to the Bureau of Medicine and Surgery, Materiel Division, 84 Sands Street, Brooklyn 1, N. Y., by the commandant or commanding officer of the naval air station concerned as indicated.

20. Section 713.8602 is amended to read as follows:

§ 713.8602 Accountability and responsibility for Government property. (a) In order that government property in Naval Reserve training facilities will be properly safeguarded and accounted for, the officers in charge or commanding officers of such activities shall be the custodians of such property and shall be held accountable therefor. Government property classified as plant property shall be inventoried and placed on plant account records in accordance with instructions contained in the Bureau of Supplies and Accounts Manual, Volume VI, Chapter 3, and supplementary instructions issued by the accountable activity for the Naval Reserve activity concerned. The Facilities Inventory Handbook (NAVEXOS P-406) will be used as a guide in preparation of appropriate property record cards. Government property which is excluded from the plant account system by the Bureau of Supplies and Accounts Manual, paragraph 63003, shall be placed on local inventory by the custodian who shall ascertain that every precaution is taken to prevent loss or damage thereto.

(b) Medical equipment or other equipment which is necessary for the administration and training of personnel or organizations of the Naval Reserve may be issued on custody receipt to commanding officers of such organizations, or to such officers as they may designate who shall be held accountable therefor.

(c) All items of equipment and instructional literature shall be kept at the Naval Reserve activity, except when it may be necessary to permit use away from such activity by an organization (or authorized details thereof) for the official use for which intended. In these instances, custody receipts will be initiated as instructed in paragraph (b) of this section.

(d) Items of lost or damaged equipment will be surveyed in the manner outlined in U. S. Navy Regulations and the Bureau of Supplies and Accounts Manual.

21. Section 713.8604 (a) is amended to read as follows:

(a) Allowance lists of equipment and material for Naval Reserve activities will be promulgated, after approval by the Chief of Naval Operations, by the bureaus or offices concerned.

22. Section 713.10201 is amended to read as follows:

§ 713.10201 Naval aviation cadets, V5 and officers with 1325, 1335, or 1395 officer designator codes. (a) The grade of aviation cadet is a special enlisted grade in class V5 of the Naval Reserve. It was established to provide a suitable classification for officer candidates undergoing flight training leading to their designation as naval aviators and commissions as ensigns with 1325, 1335, or 1395 officer designator codes in the Naval Reserve, or second lieutenants (NAVC) in the Marine Corps Reserve.

(b) Upon successful completion of flight training, aviation cadets may be designated naval aviators and commissioned as ensigns in the Naval Reserve, or as second lieutenants, United States Marine Corps Reserve. While on continuous active duty in the Naval Reserve next following successful completion of flight training and acceptance of commissions as ensigns, such officers will be assigned 1325, 1335, or 1395 officer designator codes. Upon release from active duty at any time they will be redesignated 1315 or 1385, if qualified. Redesignation to 1325, 1335, or 1395 will not be made after release of officers from active duty.

(c) The officer designator code of 1325, 1335, or 1395 may be attained only by aviation cadets who fulfill the requirements of law for commissions and designations as naval aviators following successful completion of flight training as aviation cadets. If an aviation cadet fails to qualify for appointment and assignment to officer designator code 1325, 1335, or 1395 and is commissioned in the Naval Reserve with assignment of any other officer designator code, he shall not be deemed to have been commissioned pursuant to the Naval Aviation Cadet Act of 1942. Upon being commissioned, the aviation cadet enlistment shall be terminated by discharge for reason of convenience of the government.

23. Section 713.10203 is amended to read as follows:

§ 713.10203 Other pilots. The provisions of § 713.10201 do not apply to officers of the Naval Reserve who qualify for designation as naval aviators as the result of brief refresher courses. Officers in this category will be assigned to officer designator code 1315.

(Sec. 9, 52 Stat. 1177, as amended; 34 U. S. C. 858g)

Dated: December 17, 1951.

DAN A. KIMBALL,
Secretary of the Navy.

I.F. R. Doc. 51-15227; Filed, Dec. 26, 1951;
8:49 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

Subchapter B—Economic Regulations
[Regs., Serial No. ER-166]

PART 241—FILING OF REPORTS BY CERTIFIED AIR CARRIERS AND UNIFORM ACCOUNTING REQUIREMENTS

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 13th day of December 1951.

Pursuant to the provisions of section 407 of the Civil Aeronautics Act of 1938, the Board issued on January 1, 1947 a manual, entitled, "Uniform System of Accounts for Air Carriers". The Board concurrently adopted provisions in § 202.1 (a) of the Economic Regulations requiring air carriers holding certificates of public convenience and necessity to make reports to the Board in conformity with the procedure contained in this manual and amendments thereof. At the same time, the Board adopted provisions in § 202.2 requiring air carriers engaged in scheduled air transportation to keep their accounts and records in accordance with the manual and amendments thereof. These provisions have since been combined in Part 241 under the recodification of July 1, 1949.

On a number of occasions since the initial issuance of the manual, it has been modified. The number of modifications has recently reached the point where it seems advisable to prepare and publish an up-to-date version containing all these changes. Accordingly, the Board is publishing a new version of the manual containing all substantive changes made as of October 1, 1951, as well as a few minor revisions for the purpose of clarification or simplification.

With the idea of having all accounting requirements in one place for the convenience of air carriers, it has also been decided to publish the Accounting and Reporting Requirements Applicable to Defense Contract Operations following the Uniform System of Accounts for Air Carriers. Neither of these sets of requirements contains any substantive changes which had not already been adopted by October 1, 1951. All carriers subject to these requirements have had actual notice of, and ample opportunity to register any objections they might have had to, the substantive changes involved; and objections so registered have been given due consideration by the Board. For all practical purposes, the new version merely represents a compilation and reprinting of existing requirements known to and recognized as official by all the carriers subject thereto. For the foregoing reasons, the Board finds that notice and public procedure on republication of these requirements are unnecessary and that good cause exists for making the proposed rule effective on less than 30 days notice.

Accordingly, Part 241 of the Economic Regulations is hereby amended to read as set forth below, effective immediately.

By the Civil Aeronautics Board.

[SEAL]

M. C. MULLIGAN,
Chairman.

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	241.02	Keeping of accounts, records and memoranda.		241.1651	Land.
	241.03	Uniform system of accounts.		241.1661	Construction work in progress.
	241.04	Accounting and reporting requirements applicable to defense contract operations.			NON-OPERATING PROPERTY AND EQUIPMENT
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	241.1-4	Delayed items.		241.1850	Other deferred charges.
	241.1-5	Foreign exchange.			INTANGIBLES
	241.1-6	Contingent assets and liabilities.		241.1910	Property acquisition adjustment.
	241.1-7	Interpretation of item lists.		241.1920	Other intangible assets.
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 241.35 Other employees.
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AUTHORITY: §§ 241.01 to 241.8-16 issued under sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interpret or apply sec. 402, 52 Stat. 991; 49 U. S. C. 482.

NOTE: In §§ 241.1010 to 241.1420, 241.1510 to 241.1550, 241.1601 to 241.1661, 241.1700; 241.1820 to 241.2440, 241.2510 to 241.2700, 241.2810 to 241.6900 and 241.7181 to 241.9100 the numbers to the right of the decimal point correspond with the respective account numbers in the Uniform System of Accounts for Air Carriers (CAB Form 41 Manual), issued by the Civil Aeronautics Board, January 1, 1947, revised as of October 1, 1951. In §§ 241.21 to 241.80 the numbers to the right of the decimal points correspond with the respective classification numbers.

§ 241.01 *Reports of financial and operating statistics.* Each air carrier holding a certificate of public convenience and necessity shall make periodic financial and statistical reports to the Board using the appropriate schedules of the Report of Financial and Operating Statistics for Air Carriers, CAB Form 41; Interim Operating Statement and Selected Expenses, CAB Form 41 (a), and such amendments thereto as may hereafter be approved by the Board. Such reports shall be made in accordance with, and shall be filed with the Accounting and Statistics Division of the Board at times specified by, the instructions and reporting procedures contained in the Uniform System of Accounts for Air Carriers as hereinafter prescribed and, with respect to defense contract operations, the Accounting and Reporting Requirements Applicable to Defense Contract Operations as herein-after prescribed.

§ 241.02 *Keeping of accounts, records and memoranda.* Each air carrier engaged in scheduled air transportation shall keep its accounts, records and memoranda in accordance with the Uniform System of Accounts for Air Carriers as hereinafter prescribed and, with respect to defense contract operations, the Accounting and Reporting Requirements Applicable to Defense Contract Operations as herein-after prescribed.

§ 241.03 *Uniform system of accounts.* Subparts A through G (§§ 241.1-1 to 241.7-2) constitute the Uniform System of Accounts for Air Carriers.

§ 241.04 *Accounting and reporting requirements applicable to defense contract operations.* Subpart H (§§ 241.8-1 to 241.8-16) shall constitute the accounting and Reporting Requirements Applicable to Defense Contract Operations.

SUBPART A—GENERAL INSTRUCTIONS

§ 241.1-1 *Records.* (a) The Civil Aeronautics Act of 1938, as amended, provides that it shall be unlawful for air carriers to keep any accounts, records, or memoranda other than those prescribed or approved by the Civil Aeronautics Board.

(b) Air carriers subject to the act shall keep their accounts in accordance with the system of accounts prescribed herein. Additional records or memoranda may be kept or any account included in this system may be subdivided, provided such additional subaccounts do not impair the integrity of the accounts, records, or memoranda prescribed herein and do not constitute an undue financial burden.

(c) The titles of all subdivisions or subaccounts shall refer by account number and title to the account prescribed

in this part of which it is a subdivision. The numbers prefixed to account titles shall be considered a part of the titles.

(d) The general books of account and all other books, records, and memoranda which support in any way the entries therein shall be kept in such manner as to provide at any time full information relating to any account. The entries in each account shall be supported by such detailed information as will render certain the identification and verification of the recorded facts.

(e) The books and records referred to in this part include not only accounting records but all other records such as minute books, reports, cost distribution and other accounting work sheets, correspondence, memoranda, etc., which may be required in the analysis of any account or in developing the history of any accounting or financial transaction. All books and records shall be housed or stored in such manner as to afford protection from theft and damage by fire, flood, or otherwise. All books and records shall be preserved and filed in such manner as to readily permit the audit and examination thereof by representatives of the Civil Aeronautics Board and no such books and records shall be destroyed or otherwise disposed of, except as provided by rules and regulations issued by the Civil Aeronautics Board.

(f) Monthly and quarterly reports shall be submitted to the Civil Aeronautics Board on the forms provided and within the prescribed time limits. When requested, such other periodic and special information as may be required shall be submitted to the Civil Aeronautics Board or to its authorized representatives.

§ 241.1-2 *Accounting period.* Air carriers shall keep their accounting books and records on a quarterly basis and all transactions applicable to each quarter, as nearly as may be ascertained, shall be properly recorded, including full accruals and adjustments so that the accounts for each quarter shall properly reflect the results of operations for that quarter. Unless otherwise authorized or ordered by the Civil Aeronautics Board, air carriers shall close their books at the end of each calendar year (December 31).

§ 241.1-3 *Allocation of revenues and expenses.* (a) Distribution of salaries, wages, and expenses of employees engaged in activities chargeable to several accounts shall be based upon the actual time engaged on a particular job or class of work, except that the pay and expenses of employees performing the same types of work from day to day in various positions may be distributed on the basis of a time study over a representative period. No allocation need be made for employees performing work incidental to their primary responsibility.

(b) The propriety of any instructions issued by the air carrier or any system used by the air carrier for distribution or allocation of revenues or expenses between accounts, departments, services or routes shall be subject to review by the Civil Aeronautics Board and modifica-

tion may be required when it is determined that such instructions or systems fail to properly reflect the true result of operations.

§ 241.1-4 *Delayed items.* The entries in the accounts for a particular quarter or year shall include, so far as practicable, all of the revenues, income, and expenses accrued during such quarter or year. In case, however, a revenue, expense, or income item is not included in the accounts for the period to which it applies, it shall be included in the appropriate accounts in the same manner as similar current items unless the amount is relatively so large that inclusion would result in a seriously abnormal statement for the full fiscal year. In such instances the air carrier may charge or credit account 2940, "Unappropriated Earned Surplus," subject to subsequent review by the Civil Aeronautics Board of the propriety of the entry, except where specific instructions in an account prohibit such treatment.

§ 241.1-5 *Foreign exchange.* All accounts provided herein shall be stated in terms of United States currency. Where rates of exchange have been stabilized at a fixed rate of conversion, financial transactions shall be recorded on the basis of the fixed rate. Where rates of exchange have not been stabilized, a currently estimated rate of exchange may be used for conversion purposes and adjusted monthly or periodically as required. Profits and losses on foreign exchange, either on an actual or estimated basis, shall be entered in account 7186, "Foreign Exchange Profits or Losses—Net."

§ 241.1-6 *Contingent assets and liabilities.* Contingent assets and liabilities shall not be included in the body of the balance sheet but shall be shown in detail in a supplementary statement. "Contingent assets" are defined as items which may represent possible sources of value to the carrier contingent upon the fulfillment of conditions regarded as uncertain. "Contingent liabilities" are defined as items which under certain conditions may become obligations but at the date of the balance sheet are neither direct nor assumed obligations.

§ 241.1-7 *Interpretation of item lists.* Item lists have been included as a part of certain accounts within this uniform system of accounts for the purpose of more clearly indicating the application of accounting in specific cases. The item lists included in all accounts are representative and do not exclude from the accounts analogous items which are omitted from the lists. The inclusion of an item in a list justifies its inclusion in an account only when the context of the account indicates inclusion, since similar items frequently appear in more than one list.

§ 241.1-8 *Submission of questions.* To the end that uniform accounting may be maintained, all questions of doubtful interpretation of the instructions contained in this part shall be submitted to the Civil Aeronautics Board for consideration and decision.

§ 241.1-9 *Reports and correspondence.* Reports, statements and correspondence submitted to the Civil Aeronautics Board in accordance with or relating to instructions and requirements contained in this part shall be addressed to the Accounting and Statistics Division, the organizational unit responsible for administering the accounting and reporting functions of the Board.

SUBPART B—BALANCE SHEET ACCOUNTS

CURRENT ASSETS

§ 241.1010 *Cash.* (a) This account shall include all funds in banks available for use on demand, deposits in transit, and all verified funds in the custody of officers and employees of the air carrier.

(b) Checks in favor of payees shall be credited to this account when released for transmittal to payees and not when paid by the depositories.

(c) This account shall not include funds provided for in account 1020, "Working Fund Advances"; account 1030, "Special Deposits"; and expense advances included in account 1290, "Other Current Receivables."

§ 241.1020 *Working fund advances.* This account shall include all amounts of a current nature held by employees as change funds, working funds, or expense advances in the nature of revolving funds, from which specific types of expenditures are authorized.

§ 241.1030 *Special deposits.* This account shall include special deposits for the payment of debts, dividends, interest and other special deposits of a current nature. Deposits not recoverable within one year from the date of the balance sheet shall not be included in this account, but in appropriate accounts under group 1500, "Investments and Special Funds." Service deposits with utility companies and deposits with vendors on containers, etc., shall be charged to account 1850, "Other Deferred Charges."

§ 241.1110 *U. S. Government securities.* (a) This account shall include the air carrier's investment in U. S. Government securities.

(b) When securities with a fixed maturity date are purchased at a discount or at a premium, such discount or premium may be amortized over the remaining life of the securities by periodic charges or credits to the accounts in which such securities are carried, coincidentally with entries recording interest accruals and concurrent charges or credits to account 7182, "Interest Income."

(c) Securities purchased or deposited as security for the payment of debts, dividends, interest, etc., shall be included in account 1030, "Special Deposits."

§ 241.1120 *Other securities.* (a) This account shall include the air carrier's investment in readily marketable securities other than U. S. Government securities.

(b) It shall also include good and collectible securities which mature in one year or less from the date of the balance sheet. When the maturity date of investments recorded in account group 1500, "Investments and Special Funds,"

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is within one year from the date of the balance sheet, such investments shall be transferred to this account.

(c) The air carrier's investment in U. S. Government securities shall be recorded in account 1110, "U. S. Government Securities."

(d) Investments, except readily marketable securities, bearing maturity dates in excess of one year from the date of the balance sheet shall be included in account 1530, "Investments—Other."

(e) Securities issued or assumed by the air carrier shall not be included in this account.

(f) Investments in and advances to affiliated companies shall be included in account 1510, "Investments in and Advances to Affiliates." Investments in and advances to separately operated divisions shall be included in account 1520, "Investments in and Advances to Separately Operated Divisions."

(g) When securities with a fixed maturity date are purchased at a discount or at a premium, such discount or premium may be amortized over the remaining life of the securities by periodic charges or credits to the accounts in which such securities are carried, coincidentally with entries recording interest accruals and concurrent charges or credits to account 7182, "Interest Income."

(h) Securities purchased or deposited as security for the payment of debts, dividends, interest, etc., shall be included in account 1030, "Special Deposits."

§ 241.1210 Notes receivable. (a) This account shall include the book value of notes receivable due on demand or within one year of the date of the balance sheet.

(b) Notes receivable maturing in more than one year from the date of the balance sheet shall not be included in this account but in account group 1500, "Investments and Special Funds," as appropriate; loans to officers and employees either on open accounts or notes shall be included in account 1290, "Other Current Receivables;" and interest receivable shall be included in account 1270, "Interest and Dividends Receivable."

(c) Notes receivable from affiliated companies and separately operated divisions shall not be included in this account, but rather in accounts 1510, "Investments in and Advances to Affiliates," and 1520, "Investments in and Advances to Separately Operated Divisions," respectively.

§ 241.1220 Accounts receivable; U. S. Government. This account shall include all amounts due from the U. S. Government, except interest receivable on bonds, notes, certificates of indebtedness or other obligations of the U. S. Government which shall be recorded in account 1270, "Interest and Dividends Receivable." Adjustments due to errors or omissions in filing mail claims or billing governmental departments shall be adjusted in the month when determined by means of appropriate charges or credits concurrently to this account and to the revenue accounts affected.

§ 241.1230 Accounts receivable; foreign governments. This account shall

include amounts due from foreign governments, except interest receivable on obligations of foreign governments which shall be recorded in account 1270, "Interest and Dividends Receivable." Adjustments due to errors or omissions in filing mail claims or billing governmental departments shall be adjusted in the month when determined by means of appropriate charges or credits concurrently to this account and to the revenue accounts affected.

§ 241.1240 Accounts receivable; traffic. (a) This account shall include amounts due from others, except from United States and Foreign Governments or from affiliated companies and separately operated divisions, for air transportation services of all types.

(b) Amounts payable includable in account 2040, "Airline Traffic Accounts Payable," shall not be credited to this account.

ITEM LIST

Airlines clearing house receivables.

Railway Express Agency receivables.

Volume travel plan receivables from other airlines.

Subscribers to volume travel plan.

Outside agents—passenger and freight receivables.

Miscellaneous ticket and freight billings (interline and direct).

§ 241.1250 Accounts receivable; affiliated companies. (a) This account shall include all amounts due on open accounts from affiliated companies, including traffic accounts.

(b) Advances to affiliated companies shall be included in account 1510, "Investments in and Advances to Affiliates."

§ 241.1260 Subscriptions to capital stock. (a) This account shall include amounts due from subscribers on legally enforceable subscriptions to the capital stock of the air carrier.

(b) Reference is made to account group 2800, "Capital Stock," for instructions relating to treatment of capital stock discounts and premiums.

§ 241.1270 Interest and dividends receivable. (a) This account shall include interest accrued on bonds, loans, and notes receivable, also dividends declared and unpaid on stocks owned. When interest bearing securities are purchased and the price paid includes accrued interest, the proportion of the price representing accrued interest shall be charged to this account.

(b) Interest and dividends receivable on securities issued by affiliated companies and advances to affiliated companies shall not be included in this account, but in account 1250, "Accounts Receivable—Affiliated Companies."

§ 241.1290 Other current receivables. (a) This account shall include all amounts due on open accounts and loans to officers and employees either on open account or notes not provided for in accounts 1210 to 1270, inclusive.

(b) Advances to affiliated companies shall be included in account 1510, "Investments in and Advances to Affiliates." Advances to separately operated divisions, together with the interest thereon, shall be included in account 1520, "In-

vestments in and Advances to Separately Operated Divisions."

ITEM LIST

Loans to officers and employees.

Salary advances to officers and employees.

Purchases by officers and employees.

Expense advances (not revolving funds).

Service sale receivables.

§ 241.1310 Motor fuels. (a) This account shall include the cost of motor fuels held in stock. The cost of motor fuels shall include transportation charges, customs duties, demurrage and siding charges, special insurance, inspection fees, nonrefundable fuel taxes, city and State sales and use taxes, and other miscellaneous charges. Refunds and other adjustments of cost shall be entered in this account.

(b) This account shall be credited with the cost of aircraft engine fuel issued for use in flying operations. The cost thereof shall be charged to account 5145, "Aircraft Engine Fuels and Oils," excluding nonrefundable fuel taxes which shall be charged to account 5169, "Taxes—Other than Payroll." The cost of aircraft engine fuel used in connection with overhaul of aircraft engines shall be included as a part of the cost of such overhauls.

(c) A perpetual inventory of motor fuels shall be maintained and verified by actual measure at least annually. Any shortages, overages, shrinkage, etc., disclosed by such verification shall be adjusted by charges or credits to account 5145, "Aircraft Engine Fuels and Oils."

(d) Refundable taxes on motor fuels shall be included in account 1290, "Other Current Receivables."

(e) At the air carrier's option, inventories of motor vehicle gasoline may be included in this account or charged to the appropriate expense account when purchased.

§ 241.1320 Lubricating oils. (a) This account shall include the cost of lubricating oils held in stock. The cost of lubricating oils shall include transportation charges, customs duties, special insurance, nonrefundable taxes, city and State sales and use taxes, and other miscellaneous charges. Refunds and other adjustments of cost shall be entered in this account.

(b) This account shall be credited with the cost of aircraft lubricating oils issued for use in flying operations. The cost thereof shall be charged to account 5145, "Aircraft Engine Fuels and Oils," excluding nonrefundable oil taxes which shall be charged to account 5169, "Taxes—Other than Payroll." The cost of lubricating oils used in connection with overhaul of aircraft engines shall be included as a part of the cost of such overhauls.

(c) The cost of reclaiming used oil returned to stock shall be included in this account. This account shall be credited with all such lubricating oils used and the cost thereof charged to account 5145, "Aircraft Engine Fuels and Oils," or other appropriate expense accounts.

(d) A perpetual inventory of lubricating oils shall be maintained and verified by actual measure at least annually.

Any shortages, overages, shrinkage, etc., disclosed by such verification shall be adjusted by charges or credits to account 5145, "Aircraft Engine Fuels and Oils."

(e) Refundable taxes on lubricating oils shall be included in account 1290, "Other Current Receivables."

(f) At the air carrier's option, inventories of motor vehicle oils may be included in this account or charged to the appropriate expense account when purchased.

§ 241.1330 *Raw materials and miscellaneous supplies.* (a) This account shall include the cost of unissued and unapplied materials and supplies held in stock for the maintenance and repair of property and equipment. It shall also include the cost of unissued shop materials, expendable tools, stationery and office supplies, passenger service supplies, and restaurant and food service supplies. It shall not include spare parts, instruments and assemblies includable in operating property account 1608, "Flight Equipment Spare Parts and Assemblies." Trade discounts shall be treated as reductions of prices of materials and supplies purchased.

(b) Costs paid by the air carrier such as transportation charges and custom duties; excise, sales, use and other taxes; special insurance; and other charges applicable to the cost of materials and supplies shall be charged to this account when such costs can be definitely allocated to specific items or units of property. If such costs cannot be so allocated or if considered of minor significance in relation to the cost of such property, the amounts thereof may be charged to account 1850, "Other Deferred Charges," and cleared either by a suitable "loading charge" or by direct charges to appropriate expense or property accounts.

(c) This account shall include labor, materials, and outside services used in the process of manufacturing materials and supplies for stock. Reusable materials and supplies recovered in connection with the construction, maintenance, or retirement of property and equipment shall be included in this account at fair and reasonable values but in no case shall such values exceed original cost. Scrap and nonusable materials and supplies shall be included at estimated net amounts realizable therefrom.

(d) A perpetual inventory of materials and supplies shall be maintained, showing the unit cost and quantity on hand, and the inventory shall be verified by actual count at least annually. Shortages, overages, deterioration, etc., shall be adjusted through the appropriate inventory adjustment accounts.

(e) A reserve for inventory adjustment applicable to items of property in this account is prohibited.

(f) Profit and loss on sale of inventory items and profit and loss in connections with repair and service sales shall be included in account 4111, "Service Sales—Net."

(g) Fuel for heating shall be charged to appropriate expense accounts at the time of purchase. Motor fuels and lubricating oils shall be included in ac-

counts 1310, "Motor Fuels," and 1320, "Lubricating Oils."

(h) Materials and supplies loaned, in the custody of, or consigned to the air carrier without purchase obligation, shall not be included in this account. For the purpose of maintaining comprehensive records, an appropriately classified memorandum account, clearly and distinctly earmarked as such, should be maintained covering such property.

§ 241.1410 *Short-term prepayments.*

(a) This account shall include prepayments of rent, insurance, taxes, interest, advertising, royalties, license fees, and other miscellaneous prepaid items, which if not paid in advance would require the expenditure of working capital within a period of one year. Unexpired insurance and miscellaneous prepayments applicable to periods extending beyond a period of one year from the date of the balance sheet may be included in this account, provided the noncurrent portion of such prepayments is not substantial in amount and classification as a current asset will not impair the significance of working capital.

(b) This account shall be kept or supported in such a manner as to disclose the amount of each class of prepayment included therein. Prepayments having a definite time incidence shall be prorated to appropriate expense accounts over the periods to which they apply.

§ 241.1420 *Other current and accrued assets.* (a) This account shall include current assets not included in accounts 1010 to 1410, inclusive.

(b) This account shall also be used to record jobs in process for others. The accumulated charges shall be carried in this account until such jobs are completed. Upon completion, the amount accumulated herein shall be transferred to account 4111, "Service Sales—Net."

INVESTMENTS AND SPECIAL FUNDS

§ 241.2-1 *Instructions.* (a) The accounts in this group are designed to record noncurrent investments of the air carrier, also funds of a special nature set aside for specific purposes, such as cash and securities deposited to insure performance of contracts, bonds posted with courts of law, pension funds, and sinking funds.

(b) *Book value of securities owned.*

(1) The air carrier shall record investments in securities of others at cost exclusive of any amount paid for accrued interest or dividends.

(2) When securities of others owned by the air carrier suffer a permanent impairment in value, the book value thereof may be written down but fluctuations in market values shall not be recorded. The decrease in value shall be recorded by a credit to the accounts in which such securities are carried and a charge to account 2940, "Unappropriated Earned Surplus."

(3) When securities with a fixed maturity date are purchased at a discount or at a premium (that is, when the total cost, including brokerage fees, taxes, commissions, etc., is less than or in excess of par), such discount or premium may be amortized over the remaining life of the securities by periodic charges or

credits to the account in which the securities are carried coincidentally with entries recording interest accruals to account 7182, "Interest Income."

§ 241.1510 *Investments in and advances to affiliates.* (a) This account shall include the air carrier's investment in affiliated companies together with advances and loans.

(b) Receipts from sales and other items appearing on open account for which current settlement is made shall not be considered as advances but shall be included in account 1250, "Accounts Receivable—Affiliated Companies."

(c) "Affiliates" are defined as companies controlling, or controlled by, the air carrier; or companies controlled jointly by the air carrier and others under a joint agreement.

(d) The records supporting the entries in this account shall be kept in such manner that the carrier can provide complete information concerning its investment in and advances to each affiliate.

ITEM LIST

Advances to consolidated ticket offices or other joint airline associations.
Advances and loans to affiliates or subsidiaries.

Investment in Aeronautical Radio, Inc.

Investment in affiliates or subsidiaries.

Investment in consolidated ticket offices or other joint airline associations.

§ 241.1520 *Investments in and advances to separately operated divisions.*

(a) This account shall include amounts on open accounts and advances and loans due to the air carrier from separately operated transport divisions for which separate records and books of account are maintained.

(b) This account shall also include the air carrier's net investment in separately operated divisions, such as schools of instruction, crop dusting service, manufacturing divisions, and nonscheduled services, which are not a part of the regular transportation and incidental operations and for which separate records and books of accounts shall be maintained.

(c) This account shall include three subaccounts for each separately operated division which is not a part of the regular transportation and incidental operations: (1) Net investment; (2) Monthly net profit or loss; and (3) Current accounts receivable or payable between the air carrier and the separately operated division.

(1) "Net investment" shall include cash and the value of equipment and other property transferred by the air carrier to the separately operated division and retained and used by the separately operated division in the form of capital.

(2) "Monthly net profit or loss" shall be used to record the net profit or loss of the separately operated division. The balance in this subsidiary account shall agree with the books of the separately operated division at the close of each monthly accounting period. This account on the books of the separately operated division corresponds in usage to the surplus account of an ordinary corporation.

RULES AND REGULATIONS

(3) "Current accounts receivable or payable" shall be used to record the current accounts between the air carrier and each separately operated division which are ordinarily settled by an exchange of funds.

(d) This account shall not include investments in wholly owned subsidiary corporations.

(e) Amounts due to separately operated transport and nontransport divisions for advances and loans shall be included in account 2230, "Advances From Separately Operated Divisions."

§ 241.1530 Investments; other. (a) This account shall include the book value of the air carrier's investment in securities, except readily marketable securities which shall be included in account 1110, "U. S. Government Securities," and 1120, "Other Securities." It shall include notes receivable maturing more than one year from the date of the balance sheet.

(b) Securities owned and pledged shall be included in this account, but securities held in special funds shall be included in the appropriate fund account. The air carrier's record shall be kept in such manner as to distinguish clearly between securities pledged and unpledged.

(c) Securities issued or assumed by the air carrier shall not be included in this account.

(d) Investments in and advances to consolidated ticket offices, joint airline associations, or other affiliates shall be charged to account 1510, "Investments in and Advances to Affiliates."

(e) When the maturity date of investments included herein is within one year of the date of the balance sheet, such investments shall be transferred to account 1120, "Other Securities."

§ 241.1540 Special funds; uninsured losses. When a special fund is established as a part of a plan covering the operation of a reserve for uninsured losses, this account shall include the assets segregated for that purpose. See account 2920, "Reserve for Uninsured Losses."

§ 241.1550 Special funds; other. (a) This account shall include special funds not of a current nature such as sinking funds, cash and securities posted with courts of law pending settlement of lawsuits, employees' funds for purchase of capital stock, pension funds under the control of the air carrier, and other special funds not included in account 1540, "Special Funds—Uninsured Losses."

(b) Deposits or advances on contracts covering the purchase of property or new equipment shall be charged to this account pending the application of such deposits to specific units of property or equipment at which time amounts so applied shall be transferred to account 1661, "Construction Work in Progress," or to other appropriate property accounts.

(c) A separate subaccount, with appropriate title, shall be established for each fund included herein.

OPERATING PROPERTY AND EQUIPMENT

§ 241.3-1 Instructions. (a) The accounts in this group are designed to record the investment of the air carrier in property and equipment used in transportation and incidental services, and in flight equipment spare parts and assemblies held for repairs.

(b) **Definitions.** (1) "Cost" of property is defined as the value (before deducting accrued depreciation) at which the building, structure, unit of equipment, item or class of property is carried in the property accounts at the date of the balance sheet.

(2) "Depreciated cost" of property is defined as the cost less the accrued depreciation as recorded on the books of the air carrier at the date of the balance sheet.

(3) "Construction" is defined to include all processes connected with construction or fabrication of original units of equipment, buildings, structures, items or classes of property.

(4) "Buildings and improvements" are defined as buildings, structures, and building improvements; fixtures and appurtenances when forming a part of the building or building improvements; walks, runways, driveways, sewer systems, retaining walls, grading and landscape gardening, aprons, and any other permanent improvements adjacent to buildings. Restoring structures and grounds to their former condition after additions and betterments shall be included as a part of the cost of such additions and betterments.

(5) "Equipment" is defined as the property used or useful in carrying on air transportation operations, such as aircraft, engines, communication and meteorological equipment, motorized equipment, furniture and office fixtures.

(6) "Additions" are defined as additional equipment, land, structures, and other tangible property; extensions of fuel, water, and oil distribution equipment; additions to buildings and other structures; and additional safety devices applied to equipment not previously thus equipped.

(7) "Betterments" are defined as improvements of property and equipment through the substitution of superior parts for inferior parts retired, the object of which is to make such property more useful or of greater capacity than at the time of installation or acquisition. Normal replacements due to wear shall not be considered betterments even though like parts cost more than the parts replaced.

(8) "Costs" are defined as the amount of money actually expended, the money value of the consideration other than money, or the liability incurred by the air carrier in the purchase, acquisition, and original installation of property, equipment, materials, and services, and in the construction of buildings, equipment, etc.

(9) "Retired property" is defined as property permanently withdrawn from operations, sold, abandoned, demolished or disposed of otherwise.

(10) "Disposal value" is defined as the amount realized from the sale of retired

properties, whether sold as operating units or as salvage, plus the fair and reasonable value of any materials and parts thereof retained for future use or sale.

(11) "Residual value" is defined as the predetermined proportion of the cost of a unit of operating property or equipment, excluded from depreciation and should represent the fair and reasonable estimate of recoverable value at the end of service life for which property is depreciated.

(12) "Service value" to the carrier is defined as the difference between cost and residual value.

(c) **Basis of charges for property, equipment, and contract rights acquired.** (1) The total cost of land, new equipment, buildings, structures, and improvements thereto, shall be recorded in the property and equipment accounts. The total cost of such property and equipment shall include, in addition to the cash purchase price or the actual money value of the consideration, the cost of labor, materials, and overhead used in the construction or installation of the new property and equipment; transportation costs, taxes, legal fees, inspection and testing costs before use; and all other expenditures properly applicable to the cost of acquisition. The cost of equipment shall include all expenses of a preliminary nature and all expenses in connection with original installations of equipment, parts, and appliances prior to use in line operations, together with the cost of dismantling new equipment for shipment and assembly at destination.

(2) The cost of betterments, including labor and all other installation costs, shall be charged to the property and equipment accounts, except in cases where the amounts involved are not substantial or no material improvement results; the cost of parts and appurtenances removed, including labor and all other installation costs, and the reserve for depreciation applicable thereto shall be treated as retired property and accounted for accordingly, except that the cost of removal shall be classed as repairs and charged to appropriate operating expense accounts.

(3) If different classes of property and equipment chargeable to more than one property account are purchased for a single sum and the cost of each class cannot be definitely ascertained, apportioned costs shall be based upon the most accurate information available and, if necessary, appraisals shall be made by the air carrier.

(4) When property is acquired as a part of a business from another air carrier through consolidation, merger, or reorganization, pursuant to a plan approved by the Civil Aeronautics Board, the costs and accrued depreciation reserves as carried on the books of the predecessor company at the actual date of transfer shall be entered in the appropriate property accounts of the acquiring air carrier. The difference between the actual cost and the depreciated cost at the date of acquisition shall be recorded in account 1910, "Property Acquisition Adjustment."

(5) The cost of acquiring leaseholds, patents, copyrights or other intangibles shall be charged to account 1920, "Other Intangible Assets."

(6) Interest on liabilities incurred in the acquisition of property and equipment, contract rights, or other privileges shall not be included as a part of the cost thereof but shall be charged to account 7190, "Interest Expense."

(d) *Property retired.* (1) In the event property or equipment is disposed of by sale, retirement, abandonment, dismantling, etc., the air carrier shall credit the account in which the property is carried with the cost thereof; charge the accrued depreciation account with the balance applicable to the retired property; and charge the cash proceeds of the sale or the value of salvaged material to the appropriate asset accounts. When the sale price or salvage value less the cost of dismantling differs from the depreciated cost of the property, such difference shall be recorded in account 7189, "Retirement of Property, Profits or Losses; Net."

(2) When property is retired or disposed of as a result of major accident or other casualty, the depreciated cost of such property shall be charged to account 1850, "Other Deferred Charges," pending adjustments.

(3) When a building, other structure, or unit of equipment is retired from operations and retained by the air carrier, its cost shall be transferred to account group 1700, "Non-operating Property and Equipment," and the amount of the reserve for depreciation applicable thereto shall be transferred to account 2700, "Reserve for Depreciation; Non-operating Property and Equipment." When such property is transferred for exclusive use of separately operated divisions, the depreciated cost thereof shall be recorded in account 1520, "Investments in and Advances to Separately Operated Divisions."

(e) *Records of property and equipment.* The air carrier shall maintain property and equipment records setting forth the description of all property and equipment recorded in account group 1600, "Operating Property and Equipment." With respect to each unit or group of property or equipment, the record shall show the date of acquisition, the cost, the cost of additions and betterments, the cost of parts retired, rates of depreciation, residual values (where applicable) not subject to depreciation, and the date of retirement or other disposition.

(f) *Property and equipment on consignment.* (1) Property and equipment loaned, in the custody of, or consigned to the air carrier without a purchase obligation, shall not be recorded in the same manner as similar classes or types of property purchased by the air carrier for cash or other considerations. The property and equipment accounts shall not be charged with such property, and liability accounts shall not be established. For the purpose of maintaining comprehensive records an appropriately classified memorandum account, clearly and distinctly earmarked as such, should be maintained.

(2) Property and equipment purchased on a deferred payment basis or under contracts which provide for payment on a unit or other basis shall be treated as a definite purchase obligation and not as consigned property.

(g) *Aircraft and engine records.* In addition to the property records, the air carrier shall maintain records of miles and hours flown by each aircraft, and hours flown by each aircraft engine, in sufficiently detail to provide the data required on monthly reports to the Civil Aeronautics Board.

(h) *Accounts to be charged.* Charges to the accounts prescribed in this part shall be made upon the basis of functions performed without regard to the location in which the equipment or property is installed or placed.

§ 241.1601 *Aircraft.* (a) This account shall include the cost of aircraft of all types and classes used in transportation and incidental services, together with original installations of all aircraft instruments, appurtenances, parts, and fixtures comprising such aircraft.

(b) Aircraft engines, aircraft radio equipment, aircraft propellers, miscellaneous flying equipment, and flight equipment spare parts and assemblies shall not be included in this account but in the respective accounts provided for such equipment.

§ 241.1602 *Aircraft engines.* This account shall include the cost of aircraft engines of all types and classes used in transportation and incidental services, together with original installations of accessories, appurtenances, parts, and fixtures comprising such aircraft engines.

§ 241.1603 *Aircraft propellers.* This account shall include the cost of aircraft propellers of all types and classes used in transportation and incidental services. The cost of all blades and all complete hubs, whether or not installed on aircraft, shall be included in this account.

§ 241.1604 *Aircraft radio equipment.* This account shall include the cost of complete units of aircraft radio and electronic equipment of all types and classes used in transportation and incidental services, including radio, radio-phone, and other aircraft communication apparatus, together with original installations of fixtures and appurtenances comprising such aircraft equipment. Spare units not installed on aircraft shall be included in this account and should not be included in account 1608, "Flight Equipment Spare Parts and Assemblies."

§ 241.1607 *Miscellaneous flight equipment.* This account shall include the cost of complete units of miscellaneous flight equipment of all types and classes, including miscellaneous flight crew equipment, used in transportation and incidental services. Spare units not installed on aircraft shall be included in this account and should not be included in account 1608, "Flight Equipment Spare Parts and Assemblies."

§ 241.1608 *Flight equipment spare parts and assemblies.* (a) There shall be established in this account a separate subaccount to correspond to each primary flight equipment account (1601 to 1607, inclusive) which shall include the cost of all parts, accessories, and assemblies owned by the carrier which are useful only for additions or betterments to, replacements in, or repair of equipment included in the corresponding flight equipment account.

(b) All supplies, materials and spare parts of such standard character as to be useful (in the repair of equipment) in respect to two or more primary flight equipment accounts should be charged to account 1330, "Raw Materials and Miscellaneous Supplies."

(c) Reusable spare parts, accessories and assemblies recovered in connection with construction, maintenance, or retirement of equipment shall be included in the appropriate subaccount at fair and reasonable values but in no case shall such values exceed original cost. Scrap and nonusable spare parts, accessories and assemblies shall be included at estimated net amounts realizable therefrom.

(d) This account shall not include spare parts held in stock for equipment other than flight equipment.

(e) Flight equipment spare parts and assemblies loaned, in the custody of, or consigned to the air carrier without purchase obligation shall not be included in this account. For the purpose of maintaining comprehensive records, an appropriately classified memorandum account, clearly and distinctly earmarked as such, should be maintained covering such property.

§ 241.1609 *Improvements to leased flight equipment.* (a) This account shall include all costs incurred in connection with modification, conversion, or other improvements to leased flight equipment.

(b) Such cost of improvements shall be amortized over the estimated service life of the equipment through equal monthly charges to the appropriate subaccount under account 5977, "Depreciation—Other Flight Equipment," with concurrent credits to account 2609, "Reserve for Depreciation—Improvements to Leased Flight Equipment."

(c) Upon disposal of leased flying equipment, cost of improvements not fully amortized as of that date shall be recorded as a loss through charges to account 7189, "Retirement of Property Profits or Losses—Net."

§ 241.1611 *Passenger service equipment.* (a) This account shall include the cost of passenger service equipment assigned for use on aircraft. It shall include equipment classified by the air carrier as its aircraft passenger service equipment complements, comprised of broilers, beetleware, dishes and glassware, silverware, food boxes, thermos jugs, serving trays, blankets, mattresses, linen, pillows, seat covers, head rest covers, electric razors, first aid kits, etc.

(b) It shall not include spare items intended for replacement of the individual items included in the complements.

RULES AND REGULATIONS

Such spare items shall be carried in account 1330, "Raw Materials and Miscellaneous Supplies," and upon withdrawal from stock charged to account 6352, "Passenger Supplies—Other."

§ 241.1612 *Hotel, restaurant and food service equipment.* This account shall include the cost of all types and classes of hotel and restaurant equipment and food service kitchen equipment used in transportation and incidental services.

ITEM LIST

Bottle washers.
Broilers.
Cash registers.
Chairs.
Chinaware.
Cleaning equipment.
Coffee makers.
Counters, rails and gates.
Cupboards.
Dishes.
Dishwashers.
Driers.
Fans, various.
Food choppers.
Glassware.
Hand trucks.
Kitchenware.
Laundry equipment.
Linen.
Linoleum.
Lockers.
Mixers.
Ovens.
Refrigerators.
Serving carts.
Serving trays.
Silverware.
Sinks.
Steam tables.
Sterilizers.
Stools.
Stoves.
Tables.
Thermos bottles.
Toasters.
Utensils.
Water coolers.
Water softeners.
Water tanks and urns.

§ 241.1621 *Station communication and meteorological equipment.* This account shall include the cost of station communication equipment of all types and classes used in transportation and incidental services, including radio, radiophone, telegraph, telephone, teletype, and other necessary fixtures and appurtenances not considered a part of building; also other communication equipment adjacent to stations. The cost of meteorological equipment also shall be included.

ITEM LIST

Anemometers.
Antennae.
Barographs.
Chronometers.
Control units.
Direction finders.
Dynamotors.
Generators.
Hydrogen generators.
Hygrometer.
Loop assemblies.
Meteorological tables.
Microbarographs.
Poles.
Power units.
Plotting boards and instruments.
Psychrometers.
Public address systems.
Receivers—complete.
Rectifiers.

Remote control equipment.
Switchboards.
Teletypes.
Theodolites.
Thermographs.
Thermometers.
Towers.
Transmitters.
Weather balloons.
Weather forecasting equipment.

§ 241.1622 *Hangar, shop, and ramp equipment.* This account shall include the cost of hangar, shop, and ramp equipment not considered a part of buildings, such as machinery and depreciable tools of all types and classes used in overhauling, repairing, testing, and servicing property and equipment used in transportation and incidental services.

ITEM LIST

Air compressors.
Air conditioning units.
Aircraft engine heating devices.
Air transformers.
Baggage carts, various.
Balancing ways—propeller.
Band saw machines.
Battery carts.
Benches, seats, etc.
Bins, cabinets, etc.
Blowers.
Bulletin boards.
Cargo loading stands.
Cleaning equipment.
Commissary carts.
Cranes.
Dollies.
Doping equipment.
Drill presses.
Drip pans.
Electric motors and devices.
Elevated working platforms.
Fans, various.
Fire extinguishers.
Forges.
Furnaces and ovens.
Gauges, dies, etc.
Generators.
Grinding machines.
Hand tools, first cost.
Hoists, chains, and tackle.
Hydraulic jacks.
Instrument repair equipment.
Instrument tools, first cost.
Jacks, various.
Jigs.
Laboratory test equipment.
Ladders—shop.
Lathes.
Lawn mowers.
Machine tools, first cost.
Mandrels.
Metal working machines and tools.
Motor overhaul machines.
Motor stands.
Oil reclaimers and distillers.
Passenger canopies.
Passenger steps.
Planers.
Polishing machines.
Portable lights (first cost).
Power machinery.
Presses and punches.
Protective devices.
Pumps.
Push cars for shop use.
Radio tools and test equipment.
Riveting devices.
Run-in stands and equipment.
Saws, various.
Scales.
Shelving.
Sinks for solvents.
Sledges.
Spark plug test equipment.
Spray machines and equipment.
Starting equipment.
Storage tanks, shop use.
Tables, shop use.

Testing devices.
Threading machines.
Time clocks.
Tire repair equipment.
Tool stands and tool chests.
Tow bars.
Tripods.
Trucks, shop.
Ventilators.
Vises.
Water coolers.
Welding equipment.

§ 241.1623 *Motorized vehicles and equipment.* This account shall include the cost of motorized vehicles and equipment of all types and classes used in transportation and incidental services, such as passenger automobiles, limousines, motor trucks, gasoline trucks and tanks, tractors, busses, motorcycles, air conditioning trucks and equipment and other specially built motor vehicles, station wagons, and trailers, but shall not include marine equipment.

§ 241.1624 *Furniture, fixtures, and office equipment.* This account shall include the cost of all types and classes of movable furniture, fixtures, and office equipment used in transportation and incidental services and not considered improvements to buildings or leased property.

ITEM LIST

Adding machines.
Air conditioning units.
Awnings.
Basket, waste.
Bookcases.
Cabinets.
Calculating machines.
Carpets, rugs, etc.
Chairs.
Check writing machines.
Cleaning equipment.
Clocks, time checking.
Clothes trees.
Communication systems, office.
Counters, rails and gates.
Cupboards.
Daters.
Davenport.
Desks.
Desk sets.
Dictaphones and equipment.
Duplicating machines.
Electric lights, various types.
Fans, electric.
Filing cases and equipment.
Fire extinguishers.
Librascopes.
Linoleum.
Lockers, metal or wood.
Machines, office use.
Maps, frames and cases.
Mimeograph machines and equipment.
Mirrors.
Pictures and frames.
Punches.
Safes.
Scales.
Screens, metal or wood.
Stands, benches, etc.
Stepladders, stepbenches, etc.
Stools.
Stoves.
Tables, benches, stands, etc.
Typewriters and equipment.
Wardrobes.
Water coolers.

§ 241.1625 *Medical equipment.* This account shall include the cost of medical, surgical, and health service equipment of all types and classes used in transportation and incidental services and not considered improvements to buildings or leased property.

ITEM LIST

Adaptometers.
Anatomical chairs.
Asbestos chimney muscle testers.
Audio meters.
Basal metabolism units.
Clinical tables.
Electrocardiographs.
Examining chairs.
Examining lamps.
Examining tables.
Hospital beds.
Hydraulic units.
Incubators.
Instrument cabinets.
Keratometers.
Medical library.
Microscopes.
Nurses' record desks.
Perimeters.
Physiotherapy apparatus.
Refractors.
Refrigerators.
Scales.
Sphygmomanometers.
Spirometers.
Stereoscopes.
Sterilizer cabinets.
Stethoscopes.
Treatment chairs.
Vertometers.
Visual activity meters.
Waste receivers.
X-ray machines and equipment.

§ 241.1626 Engineering equipment.
This account shall include the cost of engineering and drafting equipment of all types and classes used in transportation and incidental services and not considered as improvements to buildings or leased property.

ITEM LIST

Blue printing equipment.
Drafting equipment.
Drawing boards.
Drawing sets.
Engineering books.
Engineering instruments.
Laboratory equipment.
Lettering sets.
Slide rules.
Tracing tables.

§ 241.1627 Airport and airway lighting equipment. This account shall include the cost of airport and airway lighting equipment of all types and classes used in transportation and incidental services.

ITEM LIST

Beacons.
Blinker lights.
Boundary lights.
Code beacons.
Contact lights.
Electric generating plants.
Fire pots.
Flood lights.
Obstruction lights.
Power lines.
Pump equipment.
Switch cabinets.
Time switches.
Towers.

§ 241.1628 Storage and distribution equipment. This account shall include the cost of fuel, oil, and water storage and distribution equipment including tanks and pipe lines, together with the necessary distribution equipment; special foundations and walls therefor; auxiliary tanks and pumps; fire extinguishers and equipment; and other protective devices considered a part of the storage and distribution equipment used in transportation and incidental services.

ITEM LIST

Automatic starters and switches.
Electric motors.
Fences and gates.
Fire extinguishers and equipment.
Generators.
Hose.
Meters.
Nozzles.
Oil containers.
Oil pumps.
Pipe lines.
Pits, fuel, and oil.
Pumps and equipment.
Tanks.
Unloading equipment.
Valves.
Water separators.

§ 241.1629 Miscellaneous ground equipment. This account shall include the cost of photographic, advertising, employees' training, and other miscellaneous ground equipment of all types and classes used in transportation and incidental services and not recorded in ground operating property and equipment accounts 1621 to 1628, inclusive.

ITEM LIST

Cabinets, cases, etc.
Cameras and equipment.
Ceiling projectors.
Chronometers.
Cleaning equipment.
Darkroom equipment.
Employees' training equipment.
Pilot flight trainers.
Projectors.
Screens, photographic.
Signs—Neon, painted, electric, etc.
Snow removal equipment.
Sound equipment.
Tripods.

§ 241.1631 Floats, barges, and equipment. This account shall include the cost of floats, barges, and related equipment purchased or built by the air carrier and used in transportation and incidental services.

ITEM LIST

Anchors.
Barges.
Bateaus.
Blocks and tackle.
Buoys.
Bumpers.
Cables.
Chains.
Chairs.
Chronometers.
Clocks.
Compasses.
Counters.
Drums, steel and wood.
Floats, landing; pontoon, hulls.
Gang planks, walks, etc.
Hoisting machinery, equipment.
Hooks.
Hawsers, rope or chain, cables.
Ladders, landing.
Life preservers.
Lighters.
Masts.
Nose aprons.
Planking, walks.
Platforms.
Pump equipment.
Punts.
Rowboats.
Sails.
Scales.
Stages for gasoline.
Tanks.
Towing barges.

§ 241.1632 Motorized marine equipment. This account shall include the

cost of motorized marine equipment of all types and classes used in transportation and incidental services such as motor boats, launches, ships, etc.

ITEM LIST

Anchors.
Axes.
Barometers.
Binnacle lamps.
Blocks and tackle.
Boilers and foundations.
Cables.
Capstan bars.
Chronometers.
Clocks.
Compasses.
Engines and foundations.
Ferryboats.
Fire buckets.
Fire extinguishers.
Gangplanks.
Hatchets.
Heating equipment.
Hoisting equipment.
Hooks.
Life preservers.
Lighting equipment.
Power launches.
Power lighters.
Steamboats.
Steamships.
Tugboats.

§ 241.1641 Buildings and improvements on land owned. (a) This account shall include the cost of buildings, structures, and improvements on land owned by the air carrier and used in transportation and incidental services.

(b) The cost of buildings includes all fixtures and appurtenances attached to and forming a permanent part of buildings, such as water, steam and gas piping; electric wiring; fuel, water and oil storage and distribution systems when considered a part of the building or structure; and other miscellaneous costs applicable thereto.

(c) The cost of improvements includes walks, roadways, runways, and driveways; sewer systems; retaining walls; grading and landscaping; aprons; and other permanent structures which are an improvement to the property.

(d) The cost of restoring structures and grounds to their former condition after additions and betterments have been made shall be included in the cost of such additions and betterments.

ITEM LIST

Administration buildings.
Airport buildings.
Architect fees.
Bridges, culverts, etc.
Buildings for housing employees.
Clearing ground.
Communication buildings and towers.
Damage to adjoining property.
Drainage systems, tiling, boxing, etc.
Dredging.
Driveways.
Dwellings.
Fences and gates.
Foundations, walls, etc.
Fountains and fixtures.
Garages.
Grading, leveling, etc.
Grass, trees, seeding, etc.
Hangars.
Heating systems.
Legal fees.
Markers.
Office buildings.
Operations buildings.
Paving.
Platforms.

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Protective devices around buildings.
 Pump houses.
 Ramps.
 Sanitary systems.
 Sheds.
 Shops.
 Shower buildings.
 Special type buildings.
 Sprinkling system in buildings.
 Station buildings.
 Surveyors' fees.
 Terminal buildings.
 Utility buildings.
 Ventilating systems, fixtures, etc.
 Walks, adjacent to structures.
 Warehouses.
 Water systems, piping, etc.
 Wind cones and parts.

§ 241.1642 Buildings and improvements on land not owned. (a) This account shall include the cost of buildings, structures, and improvements on land not owned by the air carrier used in transportation and incidental services.

(b) The cost of buildings includes all fixtures and appurtenances attached to and forming a permanent part of buildings, such as water, steam and gas piping; electric wiring; fuel, water and oil storage and distribution systems when considered a part of buildings or structures; and other miscellaneous costs applicable thereto.

(c) The cost of improvements includes walks, roadways, runways, and driveways; sewer systems; retaining walls; grading and landscaping; aprons; and other permanent structures which are an improvement to the property.

(d) The cost of restoring structures and grounds to their former condition after additions and betterments have been made shall be included in the cost of such additions and betterments.

(e) When the title to buildings and improvements passes to the lessor at the termination of a lease or contract and no renewal option is contained therein, the cost less any amount to be recovered shall be written off as depreciation during the remainder of the contract period or over a lesser period depending upon the expected life of such improvements. When the lease contains a renewal clause and the expected life of improvements is greater than the term of the original lease without exercise of the renewal option, the improvements may be depreciated at the normal rate or over the period of the original contract depending upon the air carrier's opinion of whether or not the renewal option will be exercised.

ITEM LIST

Administration buildings.
 Airport buildings.
 Architect fees.
 Bridges, culverts, etc.
 Buildings for housing employees.
 Clearing ground.
 Communication buildings and towers.
 Damage to adjoining property.
 Drainage systems, tiling, boxing, etc.
 Dredging.
 Driveways.
 Dwellings.
 Fences and gates.
 Foundations, walls, etc.
 Fountains and fixtures.
 Garages.
 Grading, leveling, etc.
 Grass, trees, seeding, etc.
 Hangars.
 Heating systems.

Legal fees.
 Markers.
 Office buildings.
 Operations buildings.
 Paving.
 Platforms.
 Protective devices around buildings.
 Pump houses.
 Ramps.
 Sanitary systems.
 Sheds.
 Shops.
 Shower buildings.
 Special type buildings.
 Sprinkling system in buildings.
 Station buildings.
 Surveyors' fees.
 Terminal buildings.
 Utility buildings.
 Ventilating systems, fixtures, etc.
 Walks, adjacent to structures.
 Warehouses.
 Water systems, piping, etc.
 Wind cones and parts.

§ 241.1643 Improvements to leased property. (a) This account shall include the cost of improvements, additions, and betterments to buildings or structures used in transportation and incidental services but not owned by the air carrier.

(b) When the title to improvements passes to the lessor at the termination of a lease or contract and no renewal option is contained therein, the cost less any amount to be recovered shall be written off as depreciation during the remainder of the contract period or over a lesser period depending upon the expected life of such improvements.

(c) When the lease contains a renewal clause and the expected life of improvements is greater than the term of the original lease without exercise of the renewal option, the improvements may be depreciated at the normal rate or over the period of the original contract depending upon the air carrier's opinion of whether or not the renewal option will be exercised.

§ 241.1651 Land. (a) This account shall include the cost of land owned and used in transportation and incidental services.

(b) The cost of land includes, when assumed or paid by the air carrier, the purchase price, purchasing agent's commission, legal fees and expenses, liens assumed, title search and guaranty, notarial and recording fees, taxes assumed at date of purchase, assessments for local improvements, and the initial cost of clearing timber and brush, draining, filling, leveling, grading, etc.

(c) Special assessments subsequent to acquisition of land shall be charged to this account when levied for public improvements such as streets, roads, bridges, sewers, pavements, curbings, etc., but not taxes levied to provide for the maintenance of such improvements.

(d) When land on which buildings or other structures are located is purchased for use in transportation or incidental services and the purchase price of the land is not separately stated, the purchase price shall be apportioned at fair and reasonable values. If such buildings are for use in transportation and incidental services, the apportioned value thereof shall be charged to account 1641, "Buildings and Improvements on Land Owned;" if not used in transportation

and incidental services but abandoned or held for investment, the apportioned value shall be charged to account 1700, "Non-operating Property and Equipment." If the improvements are removed or dismantled, the cost thereof shall be charged and the salvage credited to this account.

(e) Proceeds from the sale of timber, cordwood or other property purchased with land, if sold at the time of original clearing and grading, shall be credited to the cost of the land. Such proceeds, if sold subsequent to original clearing and grading, shall be credited to account 7185, "Other Non-operating Income."

(f) Land required and held for future use shall be included in account 1700, "Non-operating Property and Equipment," until used in operations, at which time the cost thereof shall be transferred to this account.

(g) The cost of airports not used in transportation and incidental services shall be transferred, at the time of discontinuance of such use, to account 1700, "Non-operating Property and Equipment."

ITEM LIST

Abstracts.
 Appraisals.
 Commissions paid others.
 Damage to adjoining property.
 Examination and registration fees.
 Judgments and costs to clear and defend titles.
 Legal fees.
 Notarial fees.
 Plats.
 Recording deeds.
 Removal and relocation of buildings and other structures not purchased.
 Special assessments for public improvements.
 Surveyor fees.

§ 241.1661 Construction work in progress. (a) This account shall include the cost to the date of the balance sheet of all construction work in progress in connection with operating property and equipment. The cost includes labor, materials, supplies, outside services, and indirect costs attributable to such construction work.

(b) Upon completion, the cost of each unit of equipment, building, improvement, or improvement to land shall be transferred to the appropriate operating property and equipment account.

(c) The records of the air carrier shall be kept in such manner as to show separately the cost of each construction project or job order.

(d) Jobs in process for others shall not be included in this account but in account 1420, "Other Current and Accrued Assets."

NON-OPERATING PROPERTY AND EQUIPMENT

§ 241.1700 Non-operating property and equipment. (a) This account shall include the cost of non-operating property and equipment not used in the air carrier's transportation and incidental services or in separately operated divisions.

(b) Property acquired and not used in transportation or incidental services but held for investment or future use shall be included in this account. The cost of abandoned airports shall be transferred, at the time of abandonment, to this account.

(c) All revenue, other income or losses derived or resulting from the property and equipment included in this account shall be charged or credited to account 7187, "Non-operating Property Profits or Losses—Net."

(d) Loss and gain on the sale or other disposition of property and equipment included in this account shall be treated in the same manner as income and expense from such property and equipment.

(e) Appropriate subaccounts shall be maintained for each class of property in accordance with the classifications and definitions pertaining to account group 1800, "Operating Property and Equipment."

DEFERRED CHARGES

§ 241.4-1 *Instructions.* (a) The accounts in this group are designed to record long-term prepayments, the cost of extension and development projects involving new air routes or the extension of established routes, discount and expense on long-term debt, and general clearing accounts including charges held in suspense pending the receipt of information necessary for final disposition.

(b) The accounts shall be kept or supported in such manner as to disclose the amount of each class of items entered therein.

(c) Deferred charges having a definite time incidence, such as rent and bond discount, shall be prorated over the periods to which they apply.

§ 241.1820 *Long-term prepayments.* (a) This account shall include long-term prepayments such as rents paid for periods in excess of one year on leased property and equipment, and advances to state, county, and municipal governments or others for the construction of buildings and other facilities for use by the air carrier, or for joint use by the air carrier and others, when the terms of the contract under which such advances are made provide for repayment in the form of rents and other concessions or benefits.

(b) The portion of long-term prepayments recorded in this account which will be absorbed within a period of one year from the date of the balance sheet shall not be transferred to current assets. Account 1820, "Long-Term Prepayments," shall be credited with the amount of rents or other benefits accrued at the close of each monthly period and concurrent entries shall be made in appropriate expense accounts.

(c) Unexpired insurance and miscellaneous prepayments applicable to periods extending beyond a period of one year from the date of the balance sheet may be included in account 1410, "Short-Term Prepayments," in accordance with instructions contained in that account.

§ 241.1830 *Extension and development.* (a) Expenses pertaining to extension and development projects, at the option of the air carrier, may be accumulated in this account and written off or amortized by charges to account 7192, "Route Extension and Development," or may be charged directly to that account.

(b) Costs pertaining to extension and development projects are defined as

those (1) incurred by existing carriers in the development of new routes or extension of existing routes prior to certification of the extended service by the Civil Aeronautics Board where such extended service is to become a composite part of an integrated operating system of the carrier; (2) costs incurred by existing carriers prior to commencing operations in transportation service over newly certificated routes where such routes will not become a composite part of an integrated system of operations; (3) costs incurred by newly certificated carriers prior to commencing operations in transportation service; and (4) those costs incurred by existing carriers in the development of new routes or extension of existing routes but whose applications for such new routes have been denied.

(c) There shall be included in the cost of such projects all related expenses such as travel and incidental expenses, legal expenses, and regulatory bodies expenses. Salaries shall include not only employees engaged wholly in connection with such projects but a proportionate part of other employees' salaries when a substantial part of their time is devoted to such projects.

(d) Should an air carrier elect to capitalize part or all of the costs of an extension and development project in this account rather than charging such expenses directly to account 7192, "Route Extension and Development," it shall prepare a statement to be added as a supplement to the CAB report for the period during which expenses under the pertinent project are first incurred, setting forth the types of expense it proposes to capitalize, the types of expense it proposes to charge directly to account 7192, "Route Extension and Development," and the monthly rates at which it proposes to amortize the capitalized expenses. The accounting treatment proposed in this statement shall thenceforth be followed by the air carrier, subject to review and possible modification by the Civil Aeronautics Board.

(e) Separate subaccounts shall be established for the purpose of definitely separating the expenses of each project, and the records supporting the entries in each subaccount shall be kept with sufficient particularity to clearly reveal the periods covered and the nature and purpose of each item of expense.

(f) When new routes or extension of existing routes are certificated by the Board and are to become a composite part of an integrated system of operations of an existing carrier, expenditures incurred subsequent to certification and before revenue operations begin over the extended service, such as route familiarization flights, radio and weather checks, expense of airport facilities and leasing arrangements, advertising the new routes, hiring of personnel and purchase or withdrawal from inventories of materials and supplies, if deferred, shall not be charged to this account but shall be accumulated in account 1850, "Other Deferred Charges."

§ 241.1840 *Unamortized discount and expense on debt.* (a) This account shall include the unamortized discount and

expense on all classes of long-term debt securities issued or assumed by the air carrier and shall be written off periodically over the respective life of each class by charges to account 7191, "Amortization of Discount and Expense on Debt." Unamortized discount applicable to reacquired long-term debt shall be entered in account 7193, "Other Non-Operating Expenses."

(b) "Discount on long-term debt" is defined as the excess of par value of the securities issued or assumed, plus the accrued interest thereon, if any, over the actual cash value of the consideration received.

(c) "Expense on long-term debt" is defined as all expenses incurred in connection with registration and issue of long-term debt securities such as professional services, clerical expense, registration fees, recording fees, transfer fees, engraving and printing, miscellaneous stamp tax, etc.

(d) Separate subaccounts shall be established to show the amount applicable to each class of securities outstanding.

§ 241.1850 *Other deferred charges.* (a) This account shall be used as a general clearing account and shall include all unadjusted charges not provided for elsewhere, such as debit balances in suspense that cannot be cleared until additional information has been received; undistributed freight and express charges; deposits with utility companies and deposits for use of water bottles, gas and oil drums, etc.; funds on deposit with closed banks; assets of current character but of doubtful value; and organization expenses except capital stock expenses properly chargeable to account 1860, "Capital Stock Expense."

(b) This account at the option of the carrier shall be charged with all expenses incurred by the carrier, subsequent to certification by the Civil Aeronautics Board, in preparation for operation of new routes and extensions as described under account 1830, "Extension and Development." Such expenses shall be written off or amortized to classification 72, "Amortization of Other Deferred Charges," after revenue operations begin over the new routes or extensions. The charges to classification 72, "Amortization of Other Deferred Charges," should be spread over a sufficient period of time so that the amounts included therein will not unduly burden operating expenses for any particular accounting period.

(c) This account shall also be charged with all expenses incurred in connection with all major accidents and casualties. Accounts shall be kept with sufficient particularity to reveal the cost of each major accident or casualty and shall include charges for the depreciated cost of property destroyed or damaged; payments to others for property damaged; expenses in connection with injuries to personnel of the air carrier and others; and costs of clearing wrecks and damaged property and equipment including salaries and wages in connection therewith. Credit entries shall be made for insurance recoveries and the value of salvaged property applicable to the destroyed or damaged property; the ap-

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plicable reserve, if any, set up in account 2920, "Reserve for Uninsured Losses," shall also be credited to this account. After all adjustments have been made the resulting balance in the suspense accounts shall be cleared to the appropriate "Injuries, Loss and Damage" accounts. No suspense accounts will be required to record minor accidents and casualties where the resulting losses are nominal.

(d) This account shall not include jobs in process which are provided for in accounts 1330, "Raw Materials and Miscellaneous Supplies," 1420, "Other Current and Accrued Assets," and 1661, "Construction Work in Progress."

(e) The records supporting the entries in this account shall be kept with sufficient particularity to clearly reveal the periods covered and the nature and purpose of each deferred charge included therein.

INTANGIBLES

§ 241.1910 Property acquisition adjustment. (a) When property or equipment is acquired as a part of a business from another air carrier through consolidation, merger, or reorganization, pursuant to a plan approved by the Civil Aeronautics Board, this account shall be used to record the difference between (1) the cost or the current value of the consideration paid for such property or equipment and (2) the depreciated cost of such property and equipment on the books of predecessor companies at the date of acquisition. Separate subaccounts shall be established to record the amounts applicable to each such acquisition.

(b) A supplementary statement shall accompany reports covering the periods in which charges are made in this account. The required statement shall include an explanation of the charges and the air carrier's proposed plan for write-off or amortization. The plan shall be considered effective unless the air carrier is informed of modifications of the proposed accounting treatment by the Civil Aeronautics Board.

(c) The foregoing instructions do not apply to purchases of individual units of property or equipment from another air carrier, when such acquisitions do not require approval of the Board.

§ 241.1920 Other intangible assets. (a) This account shall include the cost of leaseholds, patents, copyrights, and other intangible assets. The value of any consideration paid for the going concern value of existing air routes, when such air routes are obtained independently of property and equipment, shall be recorded in this account.

(b) A supplementary statement shall accompany reports covering the periods in which charges are made in this account. The required statement shall include an explanation of the charges and the air carrier's proposed plan for write-off or amortization. The plan shall be considered effective unless the air carrier is informed of modifications of the proposed accounting treatment by the Civil Aeronautics Board.

(c) Appropriate subaccounts shall be maintained for each class of intangible property included in this account.

CAPITAL STOCK DISCOUNT AND EXPENSE

§ 241.1950 Capital stock discount. (a) This account shall be charged with discount on capital stock of all classes.

(b) The amounts accumulated in this account shall be written off by charges to account 2910, "Capital Surplus," to the extent of such capital surplus after excluding therefrom any credits representing revaluation of assets. If the credit balance in account 2910, "Capital Surplus," exclusive of any credits arising from the revaluation of assets, is insufficient, the remainder may be written off to account 2940, "Unappropriated Earned Surplus."

(c) Separate subaccounts shall be established to show the amount of capital stock discount applicable to each class of capital stock.

§ 241.1960 Capital stock expense. (a) This account shall include all expenses incurred in connection with the sale and issuance of capital stock.

(b) The amount accumulated in this account shall be written off by charges to account 2910, "Capital Surplus," to the extent of such capital surplus after excluding therefrom any credits representing revaluation of assets. If the credit balance in account 2910, "Capital Surplus," is insufficient, exclusive of any credit arising from the revaluation of assets, the remainder may be written off to account 2940, "Unappropriated Earned Surplus."

(c) Capital stock expense includes all expenses incurred in connection with new issues of capital stock, such as qualifying fees, legal fees and charges, and accounting fees; engraving and printing; clerical expense; commissions and salesmen's salaries; registration, transfer, trustees, and recording fees; miscellaneous stamp taxes, etc.

(d) Expenses in connection with the exchange and transfer of capital stock shall be charged to account 6665, "Corporate and Fiscal Expenses."

CURRENT LIABILITIES

§ 241.2010 Notes payable. (a) This account shall include all notes payable on demand or within one year or less from the date of the balance sheet. It shall also include mortgages or bonded indebtedness due within one year from the date of the balance sheet.

(b) Notes payable more than one year from the date of the balance sheet shall not be included in this account but in account 2210, "Long-Term Debt;" notes payable to affiliated companies shall be included in account 2220, "Advances from Affiliates."

§ 241.2020 Accounts payable; general. (a) This account shall include open accounts payable, both audited and un-audited, except items provided for in other accounts in account group 2000, "Current Liabilities."

(b) Taxes or other funds collected for the account of others shall be included in account 2030, "Collections as Agent;" amounts owed other air carriers for transportation services over their lines shall be included in account 2040, "Airline Traffic Accounts Payable;" and amounts owed affiliated companies shall

be included in account 2050, "Accounts Payable; Affiliated Companies."

§ 241.2030 Collections as agent. (a) This account shall include all amounts collected for the accounts of others, including sales or transportation taxes where such taxes are in addition to transportation charges.

(b) Amounts deducted from employee salaries or wages for payment to others also shall be included.

(c) Taxes affecting the expenses, net income, or surplus of the air carrier shall not be included.

§ 241.2040 Airline traffic accounts payable. (a) This account shall include amounts collected by the air carrier for the accounts of other air carriers for transportation services of all types over their lines.

(b) When unclaimed credits are cleared from this account, the amounts thereof shall be credited to account 3101, "Passenger," unless such items shall have been ascertained to be proper credits to the accounts of purchasers.

(c) Amounts receivable includable in account 1240, "Accounts Receivable-Traffic," shall not be charged to this account.

§ 241.2050 Accounts payable; affiliated companies. (a) This account shall include all amounts due on open accounts to affiliated companies, including traffic accounts.

(b) Advances from affiliated companies shall be included in account 2220, "Advances from Affiliates."

§ 241.2110 Accrued salaries and wages. This account shall include salaries and wages accrued and unpaid. Any salaries and wages remaining unpaid at the expiration of six months after accrual, with respect to which doubt exists that payment will ever be effected shall be transferred to account 2340, "Other Deferred Credits." Accruals for estimated liability arising out of pending wage and salary negotiations shall not be included in this account but in account 2340, "Other Deferred Credits."

§ 241.2120 Accrued interest. (a) This account shall include interest accrued and unpaid on all indebtedness of the air carrier except when such interest is added to the principal debt.

(b) Interest accrued and payable to affiliated companies shall not be included in this account but in account 2050, "Accounts Payable—Affiliated Companies."

(c) Separate subaccounts shall be maintained for the accrued interest on each class of indebtedness.

§ 241.2130 Accrued taxes. (a) This account shall include taxes accrued and unpaid except those properly includable in account 2030, "Collections as Agent."

(b) When the exact amount of taxes cannot be ascertained, the accrual shall be estimated, and as the actual amounts become known, the accruals shall be adjusted accordingly.

(c) Records supporting the entries in this account shall be kept in such manner as to disclose the basis used for each class of tax accruals and the amounts of each class of taxes accrued and paid.

(d) Prepaid taxes shall not be included in this account but in account 1410, "Short-Term Prepayments."

(e) Liability for any taxes collected by the carrier as agent for the taxing authority shall not be included in this account, but shall be recorded in account 2030, "Collections as Agent."

ITEM LIST

Aircraft license.
Capital stock taxes.
Federal and state income taxes.
Federal and state unemployment taxes.
Federal old age benefit taxes.
Franchise taxes.
Gross receipts taxes.
License fees.
Money and credits taxes.
Motor vehicle license fees.
Permits.
Personal property taxes.
Real property taxes.
Road taxes.
Sales and use taxes payable to taxing bodies.
Utilities taxes.

§ 241.2140 Dividends declared. (a) This account shall include all dividends declared on capital stock and the liability shall be established herein as of the date such dividends are declared.

(b) Appropriate subaccounts shall be maintained for dividends on each class of stock.

§ 241.2150 Air travel plan liability. This account shall include all deposits received by the air carrier under air travel plan contracts. It shall not include the carrier's obligations arising from advance payments or deposits received upon specific transportation reservations requests.

§ 241.2160 Unearned transportation revenue. (a) This account shall include the value of transportation sold but not used or refunded at the date of the balance sheet. Amounts included in this account shall apply to travel or service over the air carrier's own lines and shall not include transportation over the lines of other carriers.

(b) At the option of the air carrier, the amount of unearned transportation revenue may be determined upon the basis of actual use, or estimated in accordance with the carrier's experience.

(c) When unused tickets are cleared from this account, the amount thereof shall be credited to account 3101, "Passenger," unless refunded or credited to the accounts of purchasers.

§ 241.2170 Other current and accrued liabilities. This account shall include all current and accrued liabilities not included in accounts 2010 to 2160, inclusive.

ITEM LIST

Accrued insurance premiums.
Accrued audit fees.
Accrued legal fees.
Accrued rents.
Accrued stock transfer fees and expenses.

LONG-TERM DEBT

§ 241.2210 Long-term debt. (a) This account shall include all long-term debt maturing more than one year from the date of the balance sheet, such as mortgages, equipment trust certificates, bonds, debentures, receivers' certificates,

notes, and other long-term debt issued or assumed by the air carrier.

(b) Long-term debt securities shall be recorded at par value excluding accrued interest. Discount on long-term debt shall be recorded in account 1840, "Unamortized Discount and Expense on Debt," and premium thereon in account 2330, "Unamortized Premium on Debt."

(c) Long-term debt due in one year or less from the date of the balance sheet shall be cleared from this account and transferred to account 2010, "Notes Payable."

(d) This account shall be charged with the par value of long-term debt originally issued and subsequently reacquired for retirement or to be held pending final disposition. The difference between the cost and the par value shall be entered in account 7185, "Other Non-operating Income," or account 7193, "Other Non-operating Expenses," as appropriate. Unamortized discount and premium applicable to reacquired long-term debt shall be adjusted at the time of reacquisition.

(e) Appropriate subaccounts shall be established for each class of long-term debt issued and each class reacquired and held pending final disposition. The net amount of all classes outstanding shall be shown on the balance sheet included in CAB Form 41; however, when reacquired securities are charged to this account and not retired, an appropriate footnote shall be made on the balance sheet.

§ 241.2220 Advances from affiliates. (a) This account shall include amounts due affiliated companies for advances and loans.

(b) Purchases made and other items appearing on open account for which current settlement is made shall not be considered as advances, but shall be included in account 2050, "Accounts Payable—Affiliated Companies."

(c) "Affiliates" are defined as companies controlling, or controlled by, the air carrier; or companies controlled jointly by the air carrier and others under a joint agreement.

(d) The records supporting the entries in this account shall be kept in such manner that the air carrier can provide complete information concerning the liability to each affiliate.

§ 241.2230 Advances from separately operated divisions. (a) This account shall include amounts due separately operated transport and non-transport divisions on open accounts and for advances and loans.

(b) Purchases made and other items appearing on open account with the separately operated divisions which are not a part of the regular transportation and incidental services, and for which current settlement is made, shall not be considered as advances but as current accounts, and shall be included in account 1520, "Investments in and Advances to Separately Operated Divisions."

(c) The records supporting the entries in this account shall be kept in such manner that the air carrier can provide complete information concerning the

liability to each separately operated division.

DEFERRED CREDITS

§ 241.2320 Installments on capital stock. (a) This account shall include the amount of installments received on capital stock on a partial or installment payment plan from officers, employees, and others who are not bound by legally enforceable subscription contracts.

(b) As subscriptions are paid in full and certificates issued this account shall be charged and the appropriate capital stock account credited.

(c) Separate subaccounts shall be established to record the amount of installments paid on each class of capital stock.

§ 241.2330 Unamortized premium on debt. (a) This account shall include the unamortized premium on all classes of long-term debt securities issued or assumed by the air carrier.

(b) The balance in this account shall be written off periodically over the respective life of each class of securities by credits to account 7184, "Amortization of Premium on Debt."

(c) "Premium on long-term debt" is defined as the excess of the actual cash value of the consideration received for long-term debt over the par value and the accrued interest thereon.

(d) Separate subaccounts shall be established to show the amount applicable to each class of securities outstanding.

§ 241.2340 Other deferred credits. (a) This account shall include all unadjusted and deferred credits not provided for in accounts 2320 and 2330, such as credit balances in suspense, credit balances in clearing accounts that cannot be cleared until additional information has been received, and miscellaneous revenue and income accounts held in suspense.

(b) Any salaries and wages remaining unpaid at the expiration of six months after accrual, with respect to which doubt exists that payment will ever be effected, shall be transferred from account 2110, "Accrued Salaries and Wages," to this account. Estimated liability arising out of pending wage and salary negotiations shall be included in this account if the carrier elects to reflect this item in its accounts.

(c) The records supporting the entries in this account shall be kept in such manner that the air carrier can provide full information as to each deferred credit included therein.

OPERATING RESERVES

§ 241.2410 Reserve for aircraft over-haul. (a) This account shall include the reserve for major overhauls of aircraft when the air carrier elects to use such a reserve and complies with the requirements contained in this part.

(b) When a reserve method is used instead of charging operating expenses with the actual cost of overhauls during the period in which such overhauls are actually made, the estimated reserve shall be based upon the air carrier's experience with each type of aircraft during the previous representative accounting period, except that the rate used

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for aircraft of a new type may be based upon parallel experience or upon such engineering or other information as may be available.

(c) If the air carrier establishes a reserve for aircraft overhaul, or, having established such a reserve, subsequently concludes that its accounting treatment or rate of accumulation requires revision in the interest of accuracy, it shall submit a statement detailing the plan upon which the accumulation of the reserve is based or revised as a supplement to CAB Form 41 for the period in which such reserve is established or revised. This statement shall set forth the accounting treatment and rate by which the reserve is established and maintained or revised and shall include statistical data showing that the rate at which it is proposed to accumulate the reserve is fully and completely supported by the air carrier's experience and calculated to prevent charging excessive expense or the accumulation of excessive reserve.

(d) The accounting treatment and rate set forth in such statement shall thenceforth be used by the air carrier unless it is notified by the Civil Aeronautics Board that the accounting treatment or the rate does not meet the requirements set forth in this part. In such event, and when directed to do so by the Civil Aeronautics Board, the air carrier shall modify the accounting treatment and rate to meet the requirements set forth herein or discontinue the reserve and reverse the entries by which the reserve was accumulated.

(e) When overhauls are made, this account shall be charged and appropriate liability or asset accounts shall be concurrently credited with the cost of overhaul for each aircraft subdivided between (1) labor and (2) materials and outside repairs.

(f) When the reserve is first established, account 2940, "Unappropriated Earned Surplus," shall be charged with the accrual as of the close of the last fiscal year computed on the same basis as for the current period. The difference between (1) the accrual as at the date the reserve is established and (2) the accrual at the beginning of the current fiscal year shall be concurrently entered in account 5270, "Reserve Provision, Aircraft Repairs."

§ 241.2420 Reserve for engine overhaul. (a) This account shall include the reserve for major overhauls of aircraft engines when the air carrier elects to use such a reserve and complies with the requirements contained in this part.

(b) When a reserve method is used instead of charging operating expenses with the actual cost of overhauls during the period in which such overhauls are actually made, the estimated reserve shall be based upon the air carrier's experience with each type of engine and shall be recalculated at least annually. The rate used shall be obtained by dividing the overhaul costs of each type of engine during a previous representative accounting period by the hours flown by that type of engine during the same period except that the rate for engines of a new type may be based upon parallel experience or upon such engi-

neering or other information as may be available.

(c) The amount set up as a reserve for each quarter shall be the product of hours flown by types of engines during the quarter multiplied by the rate per hour used for each type. The current reserve accrual shall be charged to account 5271, "Reserve Provision, Aircraft Engine Repairs."

(d) When overhauls are made, this account shall be charged and appropriate liability or asset accounts shall be concurrently credited with the cost thereof and auxiliary records shall be maintained setting forth the cost of overhaul for each aircraft engine or group of engines under one job order subdivided between (1) labor and (2) materials and outside repairs. At the close of each quarterly accounting period the hours flown since last overhaul by engines of each type, excluding engines retired during the period, shall be ascertained and multiplied by the currently used rate per hour and the balance in the reserve account shall be adjusted to the amount thus obtained.

(e) When the reserve is first established, account 2940, "Unappropriated Earned Surplus," shall be charged with the accrual as of the close of the last fiscal year computed on the same basis as for the current period. The difference between (1) the accrual as at the date the reserve is established and (2) the accrual at the beginning of the current fiscal year shall be concurrently entered in account 5271, "Reserve Provision, Aircraft Engine Repairs."

(f) The work papers governing all adjustments in this account shall be preserved for examination by representatives of the Civil Aeronautics Board upon request.

§ 241.2430 Reserve for pensions. (a) This account shall include the reserve for pensions which has been created by employees' contributions and by the air carrier's contributions from current income or by appropriations of earned surplus, when the pension plan is administered by the air carrier. Amounts so credited shall be carried in account 1550, "Special Funds—Other." The air carrier's contributions to this reserve from current income shall be charged to account 6657, "Insurance—Employee Welfare;" contributions by appropriations of earned surplus shall be charged to account 2940, "Unappropriated Earned Surplus." Payments made to retired employees out of the fund thus created shall be charged to this account and credited to account 1550, "Special Funds—Other."

(b) When a pension fund is administered by a trustee or administrator, employees' contributions, together with the air carrier's contributions, shall be credited to the appropriate account under current liabilities pending the transfer of funds to the trustee or administrator.

(c) The air carrier shall maintain complete records of the computations of accruals of its pension liabilities and inform the Civil Aeronautics Board of the details of its pension plan giving a full statement of the facts thereof together with the actuarial formula, if any, under

which it has created or proposes to create its pension fund and shall furnish a copy of the declaration of trust or resolutions under which the pension plan is established.

§ 241.2440 Other operating reserves. (a) This account shall include all operating reserves not provided for in accounts 2410, 2420, and 2430.

(b) If the air carrier establishes an operating reserve other than those provided for in accounts 2410, 2420, and 2430, or having established such a reserve subsequently concludes that its accounting treatment or rate of accumulation requires revision in the interest of accuracy, it shall submit a statement detailing the plan upon which the accumulation of the reserve is based or revised as a supplement to CAB Form 41 for the period in which such reserve is established or revised. This statement shall set forth the accounting treatment and rate by which the reserve is established and maintained or revised and shall include statistical data showing that the rate at which it is proposed to accumulate the reserve is fully and completely supported by the air carrier's experience and calculated to prevent charging excessive expense or the accumulation of excessive reserve.

(c) The accounting treatment and rate set forth in such statement shall thenceforth be used by the air carrier unless it is notified by the Civil Aeronautics Board that the accounting treatment or the rate does not meet the requirements set forth in this part. In such event and when directed to do so by the Civil Aeronautics Board, the air carrier shall modify the accounting treatment and rate to meet the requirements set forth in this part or discontinue the reserve and reverse the entries by which the reserve was accumulated.

(d) Separate subaccounts shall be established and maintained for each type of reserve included in this part.

VALUATION RESERVES

§ 241.5-1 Instructions—(a) Reserve for depreciation. (1) "Depreciation" is defined as losses occurring in physical property, either temporary or permanent, suffered through current lessening in service value due to wear and tear from use and the action of time and the elements, which are not replaced by current repairs; also, the losses in capacity for use or service occasioned by obsolescence, supercession, discoveries, change in popular demand, or the requirements of public authority.

(2) Depreciation shall be calculated from the date on which a building, structure, unit of equipment, item or class of property is placed in use and shall cease on the date such property is withdrawn from service by reason of sale, retirement, abandonment or dismantling, except that charges for depreciation on a building, structure, unit of equipment, item or class of property shall cease when the difference between the cost and the residual value, if any, shall have been charged to the proper depreciation account.

(3) "Residual value" is defined as the predetermined proportion of the cost of

a unit of operating property or equipment excluded from depreciation and should represent the fair and reasonable estimate of recoverable value at end of service life for which property is depreciated.

(4) "Service value" to the carrier is defined as the difference between cost and residual value.

(5) "Property not subject to depreciation" shall include (i) land owned or held in perpetuity, (ii) expenditures on uncompleted units of property and equipment during the process of construction or manufacture, and (iii) any other physical property not subject to depreciation due to the nature of its construction or inherent characteristics.

(6) Bases of depreciation: Depreciation rates applicable to each class of depreciable property shall be established on the basis of the estimated service values and service lives developed by a study of the air carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions.

(7) All aircraft shall be depreciated on a unit basis. Air carriers operating ten or more aircraft in line service may depreciate aircraft engines and propellers on either a unit or a group basis at their option. Air carriers operating less than ten aircraft in line service shall depreciate aircraft engines and propellers on a unit basis.

(8) Property and equipment not readily identifiable or of only nominal value may be classified into groups of identical items with approximately equal expectancy of life and depreciated on a group basis.

(9) The air carrier shall establish rates of depreciation and residual values calculated to prevent charging excessive expense or the accumulation of excessive reserves.

(10) Each air carrier shall file with the Civil Aeronautics Board a statement clearly and completely setting forth its depreciation accounting practices in respect to its various categories of equipment.

(11) When changing conditions make necessary a revision or adjustment in rates of depreciation or residual values, such revision or adjustment shall be made applicable to subsequent accounting periods and shall not be applied retroactively.

(12) Any revisions in rates of depreciation or depreciation accounting practice shall be fully explained in a supplementary statement attached to CAB Form 41 for the period in which such revisions are made.

(13) Precise accounting practices, rates of depreciation, and residual values are not prescribed in this part with the following exceptions:

(i) *Aircraft.* Depreciation shall be calculated on the basis of years of life from the date the aircraft is first placed in regular service by the air carrier. The value to be depreciated shall be the cost of the property minus a residual value which shall be assigned to it by the air carrier.

(ii) *Aircraft engines.* Depreciation shall be calculated on the basis of years

of life from the date the engine is first placed in regular service. The value to be depreciated shall be the cost of the property minus a residual value which shall be assigned to it by the air carrier.

(iii) *Aircraft propellers.* Depreciation shall be calculated on the basis of years of life from the date the propeller is first placed in regular service. The value to be depreciated shall be the cost of the property minus a residual value which shall be assigned to it by the air carrier.

(iv) *Flight equipment spare parts and assemblies.* A provision for loss on retirement may be accrued for flight equipment spare parts and assemblies included in account 1608, "Flight Equipment Spare Parts and Assemblies," over the estimated life of the flight equipment to which these items relate. The estimated loss on spare parts and assemblies for each type of equipment shall be computed by estimating the inventory on hand at the time of retirement and deducting therefrom the estimated residual value. The amount of loss thus determined shall be accrued through equal monthly charges to the appropriate subaccount under account 5977, "Depreciation; Other Flight Equipment." Losses on incidental sales of spare parts shall not be charged to the reserve but to account 4111, "Service Sales; Net." Any reduction in the reserve to adjust for excessive accruals shall be concurrently credited to the appropriate subaccount under account 5977, "Depreciation; Other Flight Equipment." The reserve applicable to each class or type of spare parts and assemblies included in account 1608, "Flight Equipment Spare Parts and Assemblies," shall be recorded in appropriate subaccounts under account 2608, "Reserve for Depreciation; Flight Equipment Spare Parts and Assemblies."

(b) In the event an air carrier is eligible to depreciate aircraft engines or propellers on a group basis as provided for herein, it shall submit to the Civil Aeronautics Board, prior to the adoption of such practice, group depreciation plans setting forth the proposed methods of calculating rates of depreciation and residual values, which plans shall include statistical data based upon the experience of the air carrier of such a nature and in such detail as will clearly demonstrate that the rates will not result in excessive charges to expense or excessive accumulation of reserve. The plans shall provide specific accounting treatment for losses or gains due to sale and losses (or insurance gains) on account of accident. The air carrier shall not establish depreciation accounting on the group basis until after review of its proposed plans by the Civil Aeronautics Board and receipt of notification from the Board that the plans are in conformity with the requirements set forth in this part. In such event, when directed to do so by the Civil Aeronautics Board, the air carrier shall modify the accounting treatment and rate to meet the requirements set forth in this part or shall discontinue the reserve and reverse the entries by which it was accumulated.

receivable, the estimated reserve shall be based upon the air carrier's experience with respect to items contained in accounts receivable which were found to have become uncollectible. Amounts determined to be uncollectible shall be charged to this account.

(c) If the air carrier establishes a reserve for accounts receivable, such accounts shall be examined at least annually at the close of the carrier's fiscal year for the purpose of a redetermination of the basis of accruals to be applied to subsequent accounting periods; the balance in the reserve shall be adjusted accordingly and concurrent entries recorded in classification 66, "Bad Debts."

(d) This reserve shall not include provision for losses on accounts resulting from accruals of non-operating income. Such losses shall be charged to account 7193, "Other Non-operating Expenses," when incurred.

(e) No reserves for bad debts shall be entered on the books of the carrier which may conflict with any of the provisions of the Civil Aeronautics Act.

§ 241.2520 *Other valuation reserves.* (a) This account shall include all valuation reserves not provided for in accounts 2510, 2600, and 2700.

(b) A reserve for inventory adjustment applicable to items of property included in account 1330, "Raw Materials and Miscellaneous Supplies," is prohibited.

(c) If the air carrier establishes a valuation reserve other than those provided for in accounts 2510, 2600, and 2700, or having established such a reserve subsequently concludes that its method or rate of accumulation requires revision in the interest of accuracy, it shall submit a statement detailing the plan upon which the accumulation of the reserve is based or revised as a supplement to monthly report CAB Form 41 for the month in which such reserve is established or revised. This statement shall set forth the necessity for the reserve, its accounting treatment, its rate of accumulation, and data clearly demonstrating that such rate will not result in excessive expense or reserve. The accounting treatment set forth in such statement shall thenceforth be used by the air carrier unless it is notified by the Civil Aeronautics Board that the accounting treatment or rate of accumulation does not meet the requirements set forth in this part. In such event, when directed to do so by the Civil Aeronautics Board, the air carrier shall modify the accounting treatment and rate to meet the requirements set forth in this part or shall discontinue the reserve and reverse the entries by which it was accumulated.

(d) A separate subaccount shall be established for each reserve applicable to each type of asset.

§ 241.2600 *Reserve for depreciation; operating property and equipment.* (a) This account shall include accrued depreciation reserves relating to operating property and equipment used in transportation and incidental services.

(b) Accruals credited to this account shall be charged to account group 5900, "Depreciation; Flight Equipment," or

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6900, "Depreciation; Ground Equipment," as appropriate.

(c) The reserve applicable to each classification of property included in account 1600, "Operating Property and Equipment," shall be recorded in the corresponding accrued depreciation account.

Account

No.	Account
2601	Reserve for Depreciation; Aircraft.
2602	Reserve for Depreciation; Aircraft Engines.
2603	Reserve for Depreciation; Aircraft Propellers.
2604	Reserve for Depreciation; Aircraft Radio Equipment.
2607	Reserve for Depreciation; Miscellaneous Flight Equipment.
2608	Reserve for Depreciation; Flight Equipment Spare Parts and Assemblies.
2609	Reserve for Depreciation; Improvements to Leased Flight Equipment.
2611	Reserve for Depreciation; Passenger Service Equipment.
2612	Reserve for Depreciation; Hotel Restaurant and Food Service Equipment.
2621	Reserve for Depreciation; Station Communication and Meteorological Equipment.
2622	Reserve for Depreciation; Hangar, Shop, and Ramp Equipment.
2623	Reserve for Depreciation; Motorized Vehicles and Equipment.
2624	Reserve for Depreciation; Furniture, Fixtures, and Office Equipment.
2625	Reserve for Depreciation; Medical Equipment.
2626	Reserve for Depreciation; Engineering Equipment.
2627	Reserve for Depreciation; Airport and Airway Lighting Equipment.
2628	Reserve for Depreciation; Storage and Distribution Equipment.
2629	Reserve for Depreciation; Miscellaneous Ground Equipment.
2631	Reserve for Depreciation; Floats, Barges, and Equipment.
2632	Reserve for Depreciation; Motorized Marine Equipment.
2641	Reserve for Depreciation; Buildings and Improvements on Land Owned.
2642	Reserve for Depreciation; Buildings and Improvements on Land not Owned.
2643	Reserve for Depreciation; Improvements to Leased Property.

§ 241.2700 Reserve for depreciation; non-operating property and equipment.

(a) This account shall include the accrued depreciation reserve on non-operating property and equipment.

(b) The reserve applicable to each subaccount under account 1700, "Non-Operating Property and Equipment," shall be recorded in a corresponding subaccount under this account.

(c) This account shall be credited with the depreciation charged to account 7187, "Non-Operating Property Profits or Losses—Net."

CAPITAL STOCK

§ 241.6-1 Instructions. (a) Definitions. (1) "Premium" is defined as the excess of the actual cash value of the consideration received for capital stock over the par value of such stock.

(2) "Discount" is defined as the excess of the par value of capital stock over the actual cash value of the consideration received for such stock.

(3) "Capital stock expense" is defined as all expenses incurred in connection with original issues of capital stock.

(4) "Assessment" is defined as levies by the corporation upon stockholders of record in excess of the par value of their respective holdings; or, in the case of no-par capital stock, upon the number of shares held.

(5) "Treasury stock" is defined as capital stock originally issued which subsequently has been reacquired through donation or purchase, and is being held pending disposition.

(b) *Separate ledger accounts.* Separate ledger accounts shall be maintained for each class of capital stock and also for each issue of the same class if the terms of the issue are in any way different. The characteristics of each class of stock shall be designated in the title of the account.

(c) *Par value capital stock.* Par value capital stock shall be recorded in the accounts at the amount the corporation has designated, in accordance with the statutes, as the par value of the stock. Premium or assessments on such stock shall be credited to account 2910, "Capital Surplus," and discount on such stock shall be recorded in account 1950, "Capital Stock Discount."

(d) *No-par value capital stock.* The actual money value of the consideration received for no-par value capital stock issued shall be recorded in the capital stock accounts unless different treatment is required by the statutes of the jurisdiction under which the corporate charter was issued. If a stated value or minimum value is recorded in the capital stock accounts, then premiums over and above the stated value shall be carried in account 2910, "Capital Surplus," and discounts, if any, shall be carried in account 1950, "Capital Stock Discount."

(e) *Expenses.* Expenses in connection with original issues of capital stock shall be charged to account 1960, "Capital Stock Expense."

(f) *Capital stock reacquired.* Upon the reacquisition of par value capital stock, or of no-par value capital stock entered in the accounts at stated value, appropriate adjustments shall be made, when necessary, in account 1950, "Capital Stock Discount," and the difference between such adjustments and premium or discount upon reacquisition shall be charged or credited to account 2910, "Capital Surplus," to the extent of the balance in the capital surplus account excluding any amount arising from the revaluation of assets; unappropriated earned surplus shall be charged with premium in excess of the amount available in the capital surplus account.

(1) Reacquired no-par value capital stock without stated value shall be entered in the accounts at cost, except that in no case shall the balance in the accounts in which such stock is recorded be reduced below the aggregate minimum value required by the statutes of the jurisdiction under which the corporate charter was issued.

(2) When capital stock is reacquired for cancellation or retirement, the value thereof shall be charged to the appropriate capital stock account.

(g) *Discount on capital stock.* In no case shall discount on capital stock be charged to, or included in, any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation.

§ 241.2810 *Preferred stock; par value.* (a) This account shall include the par value of the preferred capital stock issued.

(b) Following the title of this account on the books of the air carrier, a memorandum shall be inserted indicating the authorized number of shares and the par value of each share.

(c) Appropriate memoranda shall also be maintained indicating the number of unissued shares reserved for any purpose.

§ 241.2820 *Preferred stock; no-par value.* (a) This account shall include the consideration actually received for no-par value preferred capital stock issued, unless different treatment is required by the statutes of the jurisdiction under which the corporation exists. If a stated value is recorded in this account, the premiums over and above the stated value shall be carried in account 2910, "Capital Surplus," and discounts, if any, shall be carried in account 1950, "Capital Stock Discount."

(b) Following the title of this account on the books of the air carrier, a memorandum shall be inserted indicating the authorized number of shares and the stated value of each, if any.

(c) Appropriate memoranda shall also be maintained indicating the number of unissued shares reserved for any purpose.

§ 241.2830 *Common stock; par value.* (a) This account shall include the par value of the common capital stock issued.

(b) Following the title of this account on the books of the air carrier, a memorandum shall be inserted indicating the authorized number of shares and the par value of each share.

(c) Appropriate memoranda shall also be maintained indicating the number of unissued shares reserved for any purpose.

§ 241.2840 *Common stock; no-par value.* (a) This account shall include the consideration actually received for no-par value common capital stock issued, unless different treatment is required by the statutes of the jurisdiction under which the corporation exists. If a stated value is recorded in this account, the premium over and above the stated value shall be carried in account 2910, "Capital Surplus," and discounts, if any, shall be carried in account 1950, "Capital Stock Discount."

(b) Following the title of this account on the books of the air carrier, a memorandum shall be inserted indicating the authorized number of shares and the stated value of each, if any.

(c) Appropriate memoranda shall also be maintained indicating the number of unissued shares reserved for any purpose.

§ 241.2860 *Capital stock subscribed and unissued.* (a) This account shall include the amount of legally enforceable subscriptions to the capital stock of the air carrier. It shall be credited

with the par value or stated value, or with the subscription price in the case of stock without par value or stated value. Concurrently, account 1260, "Subscriptions to Capital Stock," shall be charged with the sale price.

(b) Discount, if any, shall be charged to account 1950, "Capital Stock Discount;" premium, if any, shall be credited to account 2910, "Capital Surplus."

(c) When properly executed stock certificates have been issued representing the shares subscribed, this account shall be charged and the appropriate capital stock account credited.

(d) Separate subaccounts shall be established to record the amount of each class of capital stock subscriptions carried in this account.

SURPLUS

§ 241.2910 Capital surplus. (a) This account shall include all surplus which cannot be properly classified as earned surplus. It shall include profit from sale of reacquired capital stock; surplus arising from the reacquisition of capital stock and from donations by stockholders of the air carrier's capital stock; and surplus resulting from reorganization or recapitalization.

(b) This account shall include premium and assessments on capital stock with the exception of those classes of capital stock carried in the capital stock accounts at the actual amount received therefor.

(c) This account shall be charged with amounts written-off from account 1950, "Capital Stock Discount," and account 1960, "Capital Stock Expense," to the extent of the credit balance remaining in this account after eliminating any amounts arising from the revaluation of assets. Balances written-off in excess of the available balance in this account shall be charged to account 2940, "Unappropriated Earned Surplus."

(d) The records supporting the entries in this account shall be kept with sufficient particularity to clearly reveal the periods covered and the nature of each entry herein.

§ 241.2920 Reserve for uninsured losses. (a) This account shall include the reserve for uninsured losses when the air carrier has complied with the requirements hereinafter stipulated governing the use of such reserves.

(b) Prior to the creation of a reserve for uninsured losses by charges to operating expenses, the air carrier shall submit to the Civil Aeronautics Board a plan in respect thereto setting forth the rates at which the reserve is to be accumulated and the level at which it will cease to be accumulated. As a part of the proposed plan, the air carrier shall submit to the Civil Aeronautics Board such actuarial and other statistical data as it may consider necessary to fully support the rates and limitations on reserves set forth in the plan and such additional data as the Civil Aeronautics Board may thereafter require. The burden of providing data to adequately support the proposed plan shall rest upon the air carrier. However, this reserve shall not be created or accumulated by charges to expense for anticipated losses which

from their nature cannot be of sufficient magnitude to seriously distort the usual and expected operating expenses of the air carrier or impose upon it unpredictable and heavy financial burdens. Nor shall such reserves be created by charges to expense to cover injury or damage to persons or property of others which might well be larger than the air carrier's ability to pay. This reserve shall not be created by charges to expense during any accounting period at rates greater than the probability of average loss during such period as established by the past experience of the air carrier and the past experience of other scheduled air carriers.

(c) No reserve for uninsured losses shall be entered on the books or reports of an air carrier until the carrier is notified by the Civil Aeronautics Board that the plan and supporting data conform to the requirements set forth herein. After such notification and establishment of the reserve, the air carrier may not depart from or discontinue maintenance of the approved plan except after submission to the Civil Aeronautics Board of appropriately supported proposals and receipt of approval from the Civil Aeronautics Board.

(d) All credit balances in this account are in the nature of appropriated surplus and, to the extent that such reserves are created by charges to unappropriated earned surplus, no restrictions are imposed.

(e) Accruals to this reserve covering damage to flight equipment and any adjustments thereto shall be concurrently entered in account 5155, "Insurance-Public Liability, Property Damage and General."

(f) Accruals to this reserve covering damage to ground property and equipment and the carriers' liability for public liability and property damage and any adjustments thereto shall be concurrently entered in account 6655, "Insurance-Public Liability, Property Damage and General."

(g) Accruals to this reserve covering the carriers' liability for injuries and loss and damage to passengers or cargo and any adjustments thereto shall be concurrently entered in account 6356, "Insurance-Passenger and Cargo Liability." Accruals to the reserve and any adjustments thereto for any other purpose shall be concurrently entered in classification 58, "Injuries, Loss and Damage," under appropriate operating expense groups.

(h) Uninsured losses actually sustained shall be charged to the reserve for uninsured losses. When the loss actually sustained is in excess of the reserve balance provided therefor, an amount sufficient to balance such excess shall be provided by additional accruals through the appropriate expense accounts.

(i) Reserves for different types of uninsured losses shall not continue to be accumulated beyond the predetermined level and shall not be merged in a single account. A separate subaccount shall be established for each type of reserve which will be confined to a particular class of loss.

§ 241.2930 Other surplus reserves. (a) This account shall include all surplus reserves other than provided for under account 2920, "Reserve for Uninsured Losses."

(b) The records supporting the entries in this account shall be kept with sufficient particularity to clearly reveal the nature and purpose of each reserve entered herein.

§ 241.2940 Unappropriated earned surplus. (a) This account shall include the balance of unappropriated earned surplus, except that profit and loss for the current fiscal year shall not be closed into this account until the close of the fiscal year.

(b) Revenue, expense or income items not included in the accounts for the period to which they apply shall be included in the appropriate accounts in the same manner as similar current items, unless the amounts are relatively so large that inclusion would result in a seriously abnormal statement for the full fiscal year. In such instances, the air carrier may enter the items in this account subject to subsequent review by the Civil Aeronautics Board of the propriety of the entries, except when specific instructions in an account prohibit such treatment.

(c) This account shall be charged with dividends declared on outstanding capital stock, and the liability shall be established in account 2140, "Dividends Declared," as at the date such dividends are declared. This account shall not be charged with dividends on treasury stock but may include dividends on capital stock of the air carrier held in special funds not under the control of the air carrier. If a dividend is not payable in cash, the values entered in this account shall be completely described.

SUBPART C—OPERATING REVENUE ACCOUNTS

TRANSPORTATION REVENUES

§ 241.3101 Passenger. (a) This account shall include the net revenue from the transportation of passengers on regular flights and on additional section flights over scheduled routes. It shall not include the estimated value of passenger tickets sold and not used or refunded; the value of such tickets shall be carried in account 2160, "Unearned Transportation Revenue."

(b) This account shall be credited with (1) revenue upon the basis of published tariffs, air travel plan contracts, excursions and other special fares; (2) revenue from berth, compartment or other special accommodations furnished on the basis of fares or contracts for space occupied; and (3) revenue from unscheduled stops on scheduled flights.

(c) Unclaimed credits cleared from account 2040, "Airliner Traffic Accounts Payable," and 2160, "Unearned Transportation Revenue," shall be credited to this account.

(d) In case of interrupted trips where no refund is made to the passengers, this account shall be charged with forwarding surface transportation where performed by a surface common carrier. All other expenses arising out of inter-

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rupted trips shall be charged to account 6363, "Interrupted Trips Expenses."

(e) Revenue resulting from service charges for failure to cancel or for late cancellation of reservations shall not be credited to this account, but shall be credited to account 3109, "Other Transportation."

§ 241.3102 Mail; United States. (a) This account shall include income from services rendered in connection with the transportation of U. S. mail at established rates over specified routes.

(b) Fines and penalties imposed by the United States Government in connection with carriage of mail shall be charged to account 7193, "Other Non-Operating Expenses."

ITEM LIST

Credits:

Revenue from transportation of mail by air.

Revenue from surface transportation of mail.

Revenue from use of Post Office aircraft. Revenue from use of special postal facilities in aircraft.

Current adjustments for revenues not billed but allowed.

Charges: Current adjustments for disallowed mail revenues.

§ 241.3103 Mail; foreign. (a) This account shall include income from services rendered in connection with the transportation of other than U. S. mail at established rates over specified routes.

(b) Fines and penalties imposed by foreign Governments in connection with carriage of mail shall be charged to account 7193, "Other Non-Operating Expenses."

ITEM LIST

Credits:

Revenue from transportation of mail by air.

Revenue from surface transportation of mail.

Revenue from use of Post Office aircraft. Revenue from use of special postal facilities in aircraft.

Current adjustments for revenues not billed but allowed.

Charges: Current adjustments for disallowed mail revenues.

§ 241.3105 Express. (a) Express revenue shall include income accrued on the basis of published tariffs, special contracts, or other rates and charges from the transportation of express on scheduled and designated extra-section flights over certificated routes.

(b) For the purpose of this manual, express shall be defined as property carried under provisions of express tariffs on file with the Civil Aeronautics Board.

(c) When the amount of revenue cannot be determined at the close of the current period, accruals shall be estimated as closely as possible, based upon the latest experience of the air carrier. The adjustment of such estimate shall be made in the accounting period in which actual revenue is determined.

ITEM LIST

Credits:

Revenue from on-line express shipments. Carrier's proration of revenue from inter-line express shipments.

Net settlements with indirect air carriers, such as Railway Express Agency.

Unclaimed express transportation credits. Unrefunded air express overcharges.

Charges: Refund of express revenue or cost of forwarding transportation.

§ 241.3106 Freight. (a) Freight revenue shall include income accrued on the basis of published tariffs, special contracts, or other rates and charges from the transportation of freight on scheduled and designated extra-section flights over certificated routes.

(b) For the purpose of this manual, freight shall be defined as property carried under provisions of freight tariffs on file with the Civil Aeronautics Board.

(c) Revenues resulting from the collection of shipper's interest insurance premiums and miscellaneous charges and fees for services such as pick-up and delivery, assembly and distribution, storage and handling, and COD collections shall not be credited to this account but shall be credited to account 4116, "Air Cargo Services; Net."

ITEM LIST

Credits:

Revenue from on-line transportation of freight shipments.

Carrier's proration of revenue from inter-line freight shipments.

Unclaimed freight transportation credits.

Unrefunded freight overcharges.

Revenue from valuation charges on freight shipments.

Charges: Refund of freight revenue or cost of forwarding transportation.

§ 241.3107 Excess baggage. Excess baggage revenue shall include income accrued on the basis of published tariffs, special contracts, or other rates and charges from the transportation of passenger baggage, in excess of the fixed freeweight and valuation allowances, on scheduled and designated extra-section flights over certificated routes.

ITEM LIST

Credits:

Revenue from on-line excess baggage transported.

Carrier's proration of revenue from inter-line excess baggage transported.

Revenue from excess valuation of baggage transported.

Unrefunded excess baggage overcharges.

Unclaimed excess baggage transportation credits.

Charges: Refunds of excess baggage revenue or cost of forwarding transportation.

§ 241.3108 Non-scheduled transport services. Non-scheduled transport services revenue shall include income from transportation of passengers or property on other than scheduled and designated extra-section flights over certificated routes.

ITEM LIST

Credits:

Revenue from charter flights.

Revenue from special flights.

Revenue from taxi flights.

Revenue from airport flights.

§ 241.3109 Other transportation. (a) Other transportation revenue shall include all miscellaneous transportation revenues of the air carrier not provided for in accounts 3101 to 3108, inclusive, or in the revenues of separately operated divisions.

(b) This account shall include revenue resulting from service charges for failure to cancel or for late cancellation of reservations.

(c) It shall be credited with the revenue from air services of special types, such as aerial photography and advertising flights, and the revenue from serv-

ice charges collected on non-revenue transportation.

INCIDENTAL REVENUES; NET

§ 241.4100 Incidental revenues; net. Revenue account classifications 10 through 19 shall include net revenues from incidental services performed by the air carrier. The accounts shall be credited with revenues accrued or collected and shall be charged with all direct expenses applicable to the respective services. An allocation of indirect expenses applicable to these services may be made and charged to these accounts, provided the carrier submits to the Civil Aeronautics Board a detailed statement of the basis for such allocation.

§ 241.4110 Hotel, restaurant and food service; net. (a) "Hotel, restaurant and food service, net" shall include income from, and direct expenses incurred in, the operation of hotels, kitchens, restaurants, lunch service, buffet services on aircraft, etc.

(b) The cost of food prepared and served without charge to passengers shall be charged to account 6351, "Passenger Food Expense." The cost of lodgings furnished passengers without charge shall be charged to account 6374, "Other Expenses." The cost of food and lodging furnished flight crews shall be charged to accounts 5136 or 6336, "Travel and Incidental," as applicable.

(c) The above instructions do not apply when flights are delayed, canceled or interrupted due to weather, or other reasons beyond the carrier's control. In such instances, refer to classification 63, "Interrupted Trips Expenses," for instructions.

(d) Depreciation shall be charged to the appropriate accounts within the depreciation expense group. Social security taxes shall be charged to account 6668, "Taxes; Payroll," and general taxes shall be charged to account 6669, "Taxes; Other than Payroll."

(e) Appropriate subaccounts shall be established and the revenues and expenses shall be subdivided in such manner as to afford complete information relating to the operation of each service unit.

ITEM LIST

Rentals from hotels operated.

Sale of food and refreshments.

Direct operating expense:

Salaries

Rents

Fuel, lights and power

License fees

Laundry

Stationery and printing

Insurance

Cost of goods sold.

Repairs, replacement, and maintenance of equipment included in account 1612, "Hotel, Restaurant and Food Service Equipment."

§ 241.4111 Service sales; net. (a) "Service sales; net" shall include income from, and direct expenses incurred in connection with, the sale of supplies, parts, and repair service to other than affiliated companies and divisions.

(b) This account shall include income from other than affiliated air carriers for services and the use of facilities furnished in connection with line operations when the agreed price exceeds the esti-

mated cost. If the agreed price does not exceed the estimated cost, operating expense accounts may be credited directly.

(c) Accumulated charges covering jobs in process for other than affiliates shall be carried in account 1420, "Other Current and Accrued Assets," until such jobs are completed. Upon completion of a job, the accumulated costs shall be transferred to this account.

(d) Depreciation shall be charged to the appropriate accounts within the depreciation expense group. Social security taxes shall be charged to account 6668, "Taxes; Payroll," and general taxes shall be charged to account 6669, "Taxes; Other Than Payroll."

(e) Appropriate subaccounts shall be established and the revenues and expenses shall be subdivided in such manner as to afford complete information relating to each type of service.

ITEM LIST

Sales of supplies and parts.
Sales of service.
Cost of goods sold.
Direct labor costs.
Other direct costs.

§ 241.4112 Rental from operating property; net. (a) "Rental from operating property; net" shall include income from, and direct expenses incurred in connection with the rental of operating property and equipment to other than affiliated companies and divisions. When stipulated rentals are based upon or provide for additions, such as accrued overhaul and accrued depreciation, the full amount of such rentals shall be included in this account.

(b) This account shall be credited with accrued rental from the use by others of all classes of operating property and equipment, including aircraft, engines, miscellaneous flight equipment, etc., owned by the air carrier. It shall also include rentals received from all classes of operating property and equipment leased or rented by the air carrier and subleased to others.

(c) Rentals received from property used by affiliates shall be credited to account 4114, "Affiliated Companies and Interdivisional Revenues; Net." Rentals received under joint facilities agreements shall be included in account 4115, "Agency Service and Joint Facilities; Net."

(d) Overhauls made by the air carrier of its own flight equipment shall not be charged to this account but to appropriate accounts within the flight equipment maintenance expense group.

(e) Depreciation shall be charged to the appropriate accounts within the depreciation expense group and general taxes shall be charged to account 6669, "Taxes; Other than Payroll."

(f) Rentals received from property included in account 1700, "Non-Operating Property and Equipment," shall not be credited to this account but to account 7187, "Non-Operating Property Profits or Losses; Net."

(g) Appropriate subaccounts shall be established to show the total revenues from rental of property and equipment, the expenses applicable thereto, and the resulting gain or loss.

§ 241.4113 Surface transportation service; net. (a) "Surface transportation service; net" shall include income from, and direct expenses incurred in connection with, limousine and other surface transportation service operated by the air carrier for the transportation of passengers and property.

(b) Depreciation on equipment owned by the air carrier and used in surface transportation service shall be charged to account 6978, "Ground Property and Equipment Depreciation." Social security taxes shall be charged to account 6668, "Taxes; Payroll," and other general taxes shall be charged to account 6669, "Taxes; Other Than Payroll."

(c) Appropriate subaccounts shall be established to show the revenues and expenses for each type of service at each station on the routes of the carrier.

ITEM LIST

Limousine fares.
Bus fares.
Water taxi fares.
Other surface transportation revenues.
Direct expenses:
Salaries.
Gasoline.
Oil.
Grease.
Repairs.
Insurance.
License fees, etc.
Cab guarantees.

§ 241.4114 Affiliated companies and interdivisional revenues; net. (a) "Affiliated companies and interdivisional revenues; net" shall include purchase and sales commissions and commissions earned from the sale of tickets, exchange and other transportation orders accruing to the carrier from affiliated companies and divisions.

(b) Rents accruing to the carrier from the use of operating property, other than joint facilities, by affiliated companies and divisions shall be included in this account.

(c) This account shall also include the excess of all other fees charged affiliated companies and divisions over costs incurred by the carrier in connection with services performed for such affiliated companies and divisions.

(d) Commissions paid affiliated companies and divisions for the sale of transportation over the air carrier's routes shall be charged to account 6439, "Affiliate and Interdivisional Charges."

(e) This account shall be kept with sufficient particularity to reveal clearly the nature and amount of each type or class of revenue.

§ 241.4115 Agency service and joint facilities; net. "Agency service and joint facilities; net" shall include the excess of fees or charges against outside companies over costs incurred by the carrier in connection with general agency agreements or the joint use of facilities owned or controlled by the air carrier.

ITEM LIST

Rentals to outside companies for joint use of facilities.
Agency commission fees and charges.
Ticket sales commissions.
Excess of commissions and other revenue over cost incurred for service performed for other than affiliates or divisions.

§ 241.4116 Air cargo services; net. "Air cargo services; net" shall include revenue received from the collection of charges and fees for incidental services rendered by the carrier in connection with express and freight shipments. Direct expenses applicable to such revenues shall be charged to this account.

ITEM LIST

Shipper's interest insurance collections.
Pick-up and delivery charges.
Assembly and distribution fees.
Storage and handling charges.
Custom brokers' fees.
C. o. d. fees.
Direct Expenses:

Shipper's interest insurance premiums.
Cartage fees to Air Cargo, Inc., and other contractors.

§ 241.4119 Other incidental revenues; net. (a) "Other incidental revenues; net" shall include all other incidental income and applicable direct expenses of the air carrier not provided for elsewhere, such as occasional flight and Link trainer instruction, mail messenger service, parcel rooms and storage, and fines assessed against employees.

(b) It shall also include the income from vending and other automatic machines, newsstands, and telephone pay stations when not included in account 4110, "Hotel, Restaurant, and Food Service; Net," and net amounts realized from sale of scrap, non-usable materials, and reclaimed oil.

(c) Revenues earned from affiliated companies shall not be included in this account but in account 4114, "Affiliated Companies and Interdivisional Revenues; Net."

(d) Appropriate subaccounts should be established to show revenues and direct expenses applicable to incidental revenues.

SUBPART D—OPERATING EXPENSE ACCOUNTS

FUNCTIONAL ACCOUNT GROUPS

§ 241.5100 Flying Operations; Direct. (a) Expenses properly chargeable to the accounts in this group shall include the cost of all supplies, services, and other expenses incurred in flight and pertaining to the operation of aircraft.

(b) Salaries and wages paid pilots, co-pilots, and other flight officers, except pursers, stewards, stewardesses and other cabin attendants, assigned to flight duty or in training shall be included, irrespective of the basis of pay, as shall their traveling and transfer expenses.

(c) The cost of insurance coverage on flying equipment, but not including passenger, cargo or crew liability insurance, also shall be included in this group.

§ 241.5200 Direct maintenance; flight equipment. (a) The accounts in this group are designed to record direct expenses applicable to maintenance, repair, and overhaul of property and equipment used in flying operations.

(b) Labor and material shall be charged to accounts in this group regardless of the location of the air carrier's maintenance and overhaul bases or of the location of personnel engaged in such work. The cost of direct labor, materials and supplies, including outside repairs, used in the maintenance

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and repair of property and equipment shall be recorded on running orders or job tickets covering repairs and periodic inspections except servicing. Where a number of like items are overhauled on a group basis, it will only be necessary to maintain one job order for each such group. The cost of transporting owned and rented property and equipment to and from shops for repair and overhaul shall be included as a part of the cost of the materials and supplies used in the repair and overhaul of such property and equipment. Transportation charges, customs duties, etc., shall be included in the cost of repairs when made by outside parties.

(c) When supervisory personnel, such as crew chiefs, inspectors, foremen, and supervisors, are engaged in direct labor in connection with flight equipment maintenance, a proportionate part of their salaries and wages shall be charged to the direct labor accounts in this group.

(d) When affiliates maintain, repair, and overhaul property and equipment owned or rented by the air carrier and used in flying operations, direct labor costs allocated to the air carrier shall be charged to the appropriate direct labor subaccount, and material costs allocated to the carrier shall be charged to the appropriate materials and outside repairs subaccount.

(e) The accounts in this group shall not include the salaries and expenses of maintenance personnel when engaged in ground-servicing duties as defined in account group 6100, "Ground Operations." Such salaries and expenses shall be charged to account 6129, "Ground Service Employees," or to account 6149, "Shop and Servicing Supplies."

§ 241.5900 *Depreciation; flight equipment.* (a) The accounts in this group are designed to record charges applicable to the accounting period for depreciation on flight equipment calculated in accordance with instructions pertaining to account 2600, "Reserve for Depreciation; Operating Property and Equipment."

(b) Depreciation applicable to classifications of flight equipment included in account group 1600, "Operating Property and Equipment," shall be recorded in the following accounts:

5975, Depreciation—Aircraft.

5976, Depreciation—Aircraft Engines.

5977, Depreciation—Other Flight Equipment.

(c) Gain or loss on equipment sold or otherwise disposed of or retired shall not be included in the depreciation accounts but shall be credited or charged to account 7189 (a), "Retirement of Property or Losses; Net."

§ 241.6100 *Ground operations.* (a) The accounts in this group are designed to record all ground operations expenses and shall include the salaries of all supervisory and other ground personnel engaged primarily in directing the movement of flight equipment; salaries of personnel engaged in handling of cargo; and all expenses incident to such operations.

(b) The salaries, wages and expenses of maintenance personnel engaged in ground servicing duties shall be charged

to accounts 6129, "Ground Service Employees," and 6149 "Shop and Servicing Supplies." "Ground servicing duties" are defined as services incidental to operations, such as: towing and grooming aircraft; operational checks, inspection, and line service of aircraft; servicing aircraft with fuel, oil, and water; transporting fuels and oils from storage tanks to aircraft; general cleaning and caring for operating hangars and grounds not including overhaul shops and maintenance bases; and services incident to the loading, unloading and transfer of cargo in hangars or at airports.

(c) The cost of replacing such items of expendable small tools and equipment as are used in ground operations shall be included in this group. The cost of replacing small shop tools shall be included in account group 6200, "Ground and Indirect Maintenance." The cost of replacing blankets, thermos jugs, etc., shall be included in account group 6300, "Passenger Service." Other expendable items shall be included in the various account groups as appropriate.

(d) The accounts in this group shall not include any salaries or expenses directly attributable to passenger ticket sales or passenger reservations services.

§ 241.6200 *Ground and indirect maintenance.* (a) The accounts in this group are designed to record the expenses applicable to maintenance, repair and overhaul of ground equipment and all indirect maintenance expenses. Such expenses shall be recorded in the respective accounts provided regardless of the location of the air carrier's maintenance and overhaul bases or of the location of personnel engaged in such work.

(b) The cost of direct labor, materials and supplies, including outside repairs, used in the maintenance and repair of property and equipment shall be recorded on running orders or job tickets covering each repair job and periodic inspection except servicing. The cost of transporting owned and rented property and equipment to and from shops for repair and overhaul shall be included as a part of the cost of materials and supplies used in the repair and overhaul of such property and equipment. Transportation charges, customs duties, etc., shall be included in the cost of repairs when made by outside parties.

(c) When supervisory personnel, such as crew chiefs, inspectors, foremen, and supervisors, are engaged in direct labor in connection with equipment maintenance, a proportionate part of their salaries and wages shall be charged to the direct labor accounts.

(d) The accounts in this group shall not include the salaries and expenses of maintenance personnel when engaged in ground servicing duties incidental to operations. Such salaries and expenses shall be charged to account 6129, "Ground Service Employees," or to account 6149, "Shop and Servicing Supplies."

§ 241.6300 *Passenger Service.* (a) The accounts in this group are designed to record expenses incurred by the air carrier in providing meals, sleeping accommodations, and other facilities and

services contributing to the comfort, safety and convenience of passengers while in flight; passenger expenses in connection with interrupted trips; passenger liability insurance; and injuries, loss and damage expenses in excess of insurance coverage.

(b) The accounts in this group shall not include expenses incurred in securing or selling passenger transportation, handling passengers on the ground, reservations of space, ticketing services or other expenses properly chargeable to expense accounts in group 6400, "Traffic and Sales."

§ 241.6400 *Traffic and Sales.* (a) The accounts in this group are designed to record all traffic and sales expenses, including sales, ticketing and reservations expenses.

(b) Salaries and expenses of supervisory and other personnel, wherever located, primarily engaged in selling transportation, processing passengers on the ground, soliciting traffic, issuing tickets, or reserving space on aircraft for passengers or cargo shall be included.

(c) Salaries and expenses of personnel engaged in scheduling flights and in preparing and issuing tariffs also shall be included.

§ 241.6500 *Advertising and publicity.* The accounts in this group shall include the expenses incurred in creating public preference for the air carrier and its services; promoting the use of air transportation; and stimulating the development of the air transportation market. These expenses shall include advertising and publicity through various media and expenses related thereto.

§ 241.6600 *General and administrative.* The accounts in this group shall include expenses incurred in performing the general and administrative functions of the air carrier and those relating to matters of a general corporate nature. The determination as to expenses to be included in this group shall be based upon the functional character of the expense regardless of the location at which it is incurred.

§ 241.6900 *Depreciation; ground property and equipment.* (a) The accounts in this group shall include the charges for depreciation on ground operating property and equipment calculated in accordance with instructions pertaining to account 2600, "Reserve for Depreciation; Operating Property and Equipment." The depreciation applicable to the ground property and equipment included in account group 1600, "Operating Property and Equipment," shall be recorded in account 6978, "Ground Property and Equipment; Depreciation."

(b) Gain or loss on ground equipment sold or otherwise disposed of or retired shall not be included in the depreciation accounts but shall be credited or charged to account 7189 (b), "Retirement of Property Profits or Losses; Net."

OBJECTIVE ACCOUNT CLASSIFICATION

§ 241.21 *General officers and superintendents.* (a) Salaries of general officers, corporation officials, superintendents, and their direct assistants whose

jurisdiction is not limited to a specific locality shall be included in this classification.

(b) The amount of salaries paid or accrued shall be included in the accounts shown below. Salaries of those persons whose jurisdiction relates primarily to one function only shall be included in that function.

(c) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

(d) Directors' fees shall be charged to account 6665, "Corporate and Fiscal Expenses."

ACCOUNTS AND ITEM LISTS

6121. Ground operations:

Operations vice president and assistants. Operations directors, managers, superintendents and assistants.

Chief pilots and assistants (non-flying). Communications dispatchers and meteorological directors, managers, superintendents and assistants.

Supervisory engineers (other than maintenance).

6221 Ground and indirect maintenance: Maintenance and engineering vice presidents and assistants.

Maintenance and engineering directors, managers, superintendents and assistants.

Stores directors, managers, superintendents and assistants.

6321 Passenger service: Passenger service vice president and assistants.

Passenger service directors, managers, superintendents and assistants. Chief hostess and assistants (non-flying).

Food service directors, managers, superintendents and assistants.

6421 Traffic and sales: Traffic and sales vice presidents and assistants.

Traffic and sales directors, managers, superintendents and assistants.

Tariffs, rates and schedules directors, managers, superintendents and assistants.

Passenger, mail, express and freight directors, managers, superintendents and assistants.

6521 Advertising and publicity:

Advertising and publicity vice presidents and assistants.

Advertising and publicity directors, managers, superintendents and assistants.

6621 General and administrative:

Corporate officers and assistants.

System managers, superintendents and assistants.

General managers, superintendents and assistants.

Regional managers, superintendents and assistants.

General counsel and assistants.

Comptroller and assistants.

Personnel directors, managers, superintendents and assistants.

Public relations directors, managers, superintendents and assistants.

Purchasing directors, managers, superintendents and assistants.

General, division, chief, head or system auditors and accountants and assistants.

§ 241.22 Local managers and superintendents. (a) Salaries of supervisory personnel whose jurisdiction is limited to a specific locality shall be included in this classification.

(b) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

(c) The amount of salaries paid or accrued shall be included in the accounts shown below. Salaries of those persons whose jurisdiction relates to one function only shall be included in that function.

ACCOUNTS AND ITEM LISTS

6122 Ground operations:

Airport station managers and assistant managers.

District managers and assistant managers.

6222 Ground and indirect maintenance:

Crew chiefs, foremen and other maintenance supervisors.

6322 Passenger service: Local supervisors of food or passenger service.

6422 Traffic and sales:

City sales and traffic managers.

District sales and traffic managers.

6522 Advertising and publicity: Local supervisors of advertising and publicity.

6622 General and Administrative: Local managers and superintendents (unless assignable to a specific function).

§ 241.23 Pilots and co-pilots. (a) Salaries and wages of pilots and co-pilots shall be included in this classification.

(b) Salaries and wages of chief pilots or other qualified pilots not assigned to flight duty shall not be charged to this classification but to account 6121, "General Officers and Superintendents," or account 6135, "Other Employees," as applicable.

(c) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

ACCOUNT AND ITEM LIST

5123 Flying operations—Direct:

Captains and senior pilots.

First officers and co-pilots.

§ 241.24 Other flight personnel. (a) Salaries and wages of engineering officers, navigation officers, flight communication officers and operators, stewards and stewardesses, flight mechanics and all other personnel engaged in flying operations, but who do not operate aircraft in flight, shall be included in this classification.

(b) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

ACCOUNTS AND ITEM LISTS

5124 Flying operations—Direct:

Flight engineers.

Flight communication officers.

Flight mechanics.

Navigation officers.

6324 Passenger service:

Purser.

Stewards.

Stewardesses.

Other cabin attendants.

§ 241.25 Direct maintenance labor; aircraft. (a) The cost of direct labor of employees engaged in the maintenance, periodic inspection, repair, overhaul, etc., of aircraft of all types and classes shall be included in this classification regardless of the location on the air carrier's system at which such work is done. This classification shall also include such costs in connection with aircraft rented or on consignment when such equipment is used in flying operations.

(b) Vacation and sick leave pay of employees who perform direct maintenance labor on aircraft shall be charged to account 6228, "Training and Unallocated Shop Labor."

(c) When a reserve method is used for major overhaul of aircraft, account 2410, "Reserve for Aircraft Overhaul," shall be charged with the cost of such overhauls. Concurrently, the cost of direct labor used in such overhauls shall be charged to this classification and credited to account 5270, "Reserve Provision; Aircraft Repairs."

ACCOUNT AND ITEM LIST

5225 Direct maintenance; flight equipment: Aircraft repairs—direct labor.

§ 241.26 Direct maintenance labor; aircraft engines. (a) The cost of direct labor of employees engaged in the maintenance, periodic inspection, repair, overhaul, etc., of aircraft engines of all types and classes shall be included in this classification regardless of the location on the air carrier's system at which such work is done. This classification shall also include such costs in connection with aircraft engines rented or on consignment when such equipment is used in flying operations.

(b) Vacation and sick leave pay of employees who perform direct maintenance labor on aircraft engines shall be charged to account 6228, "Training and Unallocated Shop Labor."

(c) When a reserve method is used for major overhaul of aircraft engines, account 2420, "Reserve for engine Overhaul," shall be charged with the cost of such overhauls. Concurrently, the cost of direct labor used in such overhauls shall be charged to this classification and credited to account 5271, "Reserve Provision; Aircraft Engine Repairs."

ACCOUNT AND ITEM LIST

5226 Direct maintenance; flight equipment: Aircraft engine repairs—direct labor.

§ 241.27 Direct maintenance labor; other. (a) The cost of direct labor of employees engaged in the maintenance, periodic inspection, repair, overhaul, etc., of all operating property and equipment, other than aircraft and aircraft engines, shall be included in this classification regardless of the location on the air carrier's system at which such work is done. This classification shall also include such costs in connection with flight equipment, described below, rented or on consignment when such equipment is used in flying operations.

(b) Vacation and sick leave of employees who perform direct maintenance labor on equipment shall be charged to account 6228, "Training and Unallocated Shop Labor."

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ACCOUNTS AND ITEM LISTS

5227 Direct maintenance; flight equipment:
Aircraft instrument repairs—direct labor.
Aircraft propeller repairs—direct labor.
Aircraft radio equipment repairs—direct labor.
Miscellaneous flight equipment repairs—direct labor.

6227 Ground and indirect maintenance:
Station communication equipment repairs—direct labor.
Hanger, shop and ramp equipment repairs—direct labor.
Motorized vehicles and equipment repairs—direct labor.
Buildings and other improvements repairs—direct labor.
Furniture, fixtures and office equipment repairs—direct labor.
All other ground operating property and equipment repairs—direct labor.

§ 241.28 *Training and unallocated shop labor.* (a) This classification shall include all wage and salary expenses incurred in connection with flight and ground personnel training programs, including salaries paid to instructors, pilots and flight crew personnel, stewards and stewardesses, and other students and trainees. Expenses of outside training programs should be charged to account classification 41, "Special, Professional and Technical Fees and Expenses."

(b) Unallocated pay of inspectors, mechanics, shop cleaners and stock runners engaged in maintenance duties of a general nature which cannot be charged to a specific job or type of work shall be included in this classification.

(c) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto and of inspectors, mechanics and stock runners ordinarily engaged in maintenance work, whether on an hourly or fixed salary basis. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

(d) The pay of instructors, trainees, apprentices, students, etc., shall not be included in this classification when such operations instruction is incidental to the daily routine of their productive employment.

(e) The salaries of Link trainer instructors shall be included in this account. Link trainer check clerks assigned to pilots' periodic check, however, shall be charged to account 35, "Other Employees."

(f) The pay of janitors, painters and shop cleaners, even though engaged exclusively in work upon shop premises, shall not be included in this classification, but shall be included in account 6229, "Ground Service Employees."

(g) The records supporting the entries in this classification shall be kept with sufficient particularity to reveal clearly the amounts and the type or class of each item of expense.

ACCOUNTS AND ITEM LIST

5128 Flying operations; direct.
6128 Ground operations.
6228 Ground and indirect maintenance.
6328 Passenger service.
6428 Traffic and sales.
6528 Advertising and publicity.
6628 General and administrative.

§ 241.29 *Ground service employees.*

(a) Salaries and wages of employees engaged in work in and about hangars and at airports, such as towing aircraft; changing tires; cleaning, washing, and polishing aircraft; operational checks, inspections and line service of aircraft; servicing aircraft with fuel, oil, and water; transporting fuels and oils from storage tanks to aircraft; and general cleaning and caring for buildings, hangars, and grounds shall be included in this classification. It shall include the pay of employees engaged in the transfer of mail, baggage, and express in hangars or at airports, and the pay of messengers in connection with the operation of air mail and express pick-up stations.

(b) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

ACCOUNTS AND ITEM LISTS

6129 Ground operations:
Beaching crews.
Building cleaners.
Caretakers.
Cargo handlers.
Carpenters.
Electricians.
Flight service employees.
Janitors.
Line mechanics (when engaged in servicing duties).
Porters.
Refueling clerks.
Service employees.
Ship cleaners.
Watchmen.
Window washers.

6229 Ground and indirect maintenance:
Building cleaners.
Janitors.
Porters.
Window washers.6329 Passenger service:
Building cleaners.
Janitors.
Porters.
Window washers.6429 Traffic and sales:
Building cleaners.
Janitors.
Porters.
Window washers.6529 Advertising and publicity:
Building cleaners.
Janitors.
Porters.
Window washers.6629 General and administrative:
Building cleaners.
Elevator operators.
Janitors.
Porters.
Window washers.

§ 241.30 *Communications operators, meteorologists and dispatchers.* (a) Salaries and wages of meteorologists, dispatchers, communications operators and their assistants shall be included in this classification.

(b) Switchboard operators shall not be included in this classification but shall be included in classification 35, "Other Employees."

(c) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly

chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

ACCOUNTS AND ITEM LISTS

6130 Ground operations:
Communications operators (airports and main base).
Dispatchers.
Meteorologists.

6430 Traffic and sales: Communications operators (traffic, sales and city ticket offices only).

§ 241.31 *Stock and stores employees.* (a) Salaries and wages of employees engaged in receiving, storing, handling, and recording materials and supplies shall be included in this classification.

(b) The pay of other stock and stores employees, such as secretaries and stenographers, shall be included in account 6235, "Other Employees."

(c) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

ACCOUNT AND ITEM LIST

6231 Ground and indirect maintenance:
Receiving clerks.
Stock and stores employees.
Stock handlers.
Stock inspectors.
Stock record clerks.
Stock room inventory clerks.
Stock truck drivers.
Storekeepers.

§ 241.32 *Ticketing and reservations employees.* (a) Salaries and wages of reservations, sales and ticketing personnel, wherever located, shall be included in this classification. The pay of persons in charge of local sales offices shall not be charged to this classification but to account 6422, "Local Managers and Superintendents."

(b) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

ACCOUNT AND ITEM LIST

6432 Traffic and sales:
Agency representatives.
Counter salesmen.
Passenger and ticket agents.
Reservations personnel.
Ticket issuing clerks.

§ 241.33 *Traffic solicitors.* (a) Salaries and wages of personnel engaged in the solicitation of traffic, wherever located, shall be included in this classification. The pay of persons in charge of local sales offices shall not be charged to this classification but shall be charged to account 6422, "Local Managers and Superintendents."

(b) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

ACCOUNT AND ITEM LIST

6433 Traffic and sales:
Solicitors and salesmen.
Traffic representatives.

§ 241.35 *Other employees.* (a) Salaries and wages of all personnel not otherwise provided for shall be included in this classification.

(b) This classification shall include the vacation and sick leave pay of all personnel whose salary is properly chargeable thereto. If sick leave is compensated for by insurance, this classification shall be credited with the insurance collected.

ACCOUNTS AND ITEM LISTS

6135 Ground operations:

Chauffeurs.
Check pilots (not flying).
Clerks.
Draftsmen.
Engineers (other than maintenance).
Inspectors.
Link trainer check clerks.
Nurses.
Secretaries.
Stenographers.
Switchboard operators.
Test pilots (not flying).
Timekeepers.
Typists.
Other ground operations employees.

6235 Ground and indirect maintenance:

Chauffeurs.
Clerks.
Draftsmen.
Inspectors.
Log clerks.
Maintenance engineers.
Nurses.
Secretaries.
Stenographers.
Switchboard operators.
Timekeepers.
Typists.
Other indirect maintenance employees.

6335 Passenger service:

Chauffeurs.
Clerks.
Commissary employees.
Dieticians.
Nurses.
Secretaries.
Stenographers.
Switchboard operators.
Typists.
Other passenger service employees.

6435 Traffic and sales:

Chauffeurs.
Clerks.
Couriers.
Nurses.
Secretaries.
Stenographers.
Switchboard operators.
Traffic research personnel.
Traffic statisticians.
Typists.
Other traffic and sales employees.

6535 Advertising and publicity:

Artists.
Clerks.
Display personnel.
Photographers.
Publicity representatives.
Secretaries.
Stenographers.
Switchboard operators.
Typists.
Writers.
Other advertising and publicity employees.

6635 General and administrative:

Accountants.
Auditors.
Bookkeepers.
Budget employees.
Buyers.
Cashiers.

Chauffeurs.
Clerks.
Doormen.
Engineers.
General office employees.
Lawyers and law clerks.
Machine operators.
Nurses.
Office boys.
Personnel employees.
Purchasing employees.
Receptionists.
Research employees.
Secretaries.
Statisticians.
Stenographers.
Switchboard operators.
Ticket sorters.
Typists.
Other general and administrative employees.

§ 241.36 *Travel and incidental.* (a) Travel, transfer and incidental expenses incurred by officials and other employees of the air carrier whose pay is properly chargeable to operating expense accounts shall be included in this classification. Expenses shall be distributed to the function to which the employees' salaries and wages are chargeable.

(b) Entertainment expenses incurred while traveling, or incidental thereto, shall be included, but expenses of sales meetings or parties held for employees shall be included in classification 74, "Other Expenses."

(c) The records supporting the entries in this classification shall be kept with sufficient particularity to clearly reveal the periods covered and the nature and purpose of each item of expense.

(d) Traveling expenses incurred by officials or employees of the air carrier because of, or incidental to, appearances before regulatory bodies for the purpose of securing new routes, or extensions of existing routes, shall not be included in this classification, but shall be charged to either account 1830, "Extension and Development," or account 7192, "Route Extension and Development."

ACCOUNTS AND ITEM LISTS

5136 Flying operations; direct.
6136 Ground operations.
6236 Ground and indirect maintenance.
6336 Passenger service.
6436 Traffic and sales.
6536 Advertising and publicity.
6636 General and administrative.

(e) The following items are applicable to all accounts listed in paragraph (d) of this section:

Cleaning and pressing.
Entertainment incident to travel.
Gasoline or mileage allowances.
Hotel, rooms, etc.
Laundry.
Meals.
Motorized vehicle rents.
Parking fees.
Passport expenses:
Fees.
Photographs.
Physical examinations.
Per diem or trip allowances.
Taxicab expenses.
Tips and special fees.
Tolls.
Transfer and moving expenses.
Travel fares.
Valet charges.

§ 241.37 *Telephone and telegraph services.* (a) The cost of telephone

services, radiograms, telegrams, cablegrams, teletype, and private line service and related taxes shall be included in this classification.

(b) The cost of services performed by other carriers under contract with such organizations as Aeronautical Radio, Inc., or by Aeronautical Radio, Inc., shall not be included in this classification, but shall be included in classification 39, "Affiliate and Interdivisional Charges," or classification 40, "Agency Services and Joint Facilities; Outside," as appropriate.

(c) Expenses shall be distributed to the accounts shown below upon an equitable basis as determined by each air carrier.

ACCOUNTS AND ITEM LISTS

6137 Ground operations.
6237 Ground and indirect maintenance.
6337 Passenger service.
6437 Traffic and sales.
6537 Advertising and publicity.
6637 General and administrative.

(d) The following items are applicable to all accounts listed in this section:

Cablegrams.
Long-distance calls and tolls.
Long-lines communication.
Private-line teletype service.
Radiograms.
Switchboard rents and charges.
Telegrams.
Telegraph circuit rents and installation costs.
Telemeter charges.
Telephone charges.
Telephone installation and service charges.
Teletype rents and charges.
T. W. X. teletype service.

§ 241.38 *Light, heat, power, and water.*

(a) The cost of light, heat, power, water, and air conditioning used in buildings, hangars, offices and storage space, wherever located, shall be included in this classification. The cost of power for lighting airport and airway beacons and power for airway communications shall also be included.

(b) Such expenses in connection with company restaurants shall not be charged to this account but to account 4110, "Hotel, Restaurant and Food Service; Net."

(c) Expenses shall be distributed to the accounts shown below upon an equitable basis as determined by each air carrier.

ACCOUNTS AND ITEM LISTS

6138 Ground operations.
6238 Ground and indirect maintenance.
6338 Passenger service.
6438 Traffic and sales.
6538 Advertising and publicity.
6638 General and Administrative.

(d) The following items are applicable to all accounts listed in this section.

Coal.	Gas.
Electricity.	Steam.
Fuel oil.	Water.

§ 241.39 *Affiliate and interdivisional charges.* (a) This classification shall include the amounts accruing against the air carrier for its proportion of costs in connection with operating, general agency, and other agreements and for costs incurred for use of joint facilities and fees and expenses payable to affiliated companies and divisions.

(b) Amounts charged to affiliated companies and divisions for similar serv-

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ices performed shall not be credited to this classification, but shall be included in classification 80, "Expenses Transferred; Credit."

(c) The records supporting entries in this classification shall be kept with sufficient particularity to reveal clearly the periods covered and the nature, purpose, and amount of each item of expense.

ACCOUNTS AND ITEM LISTS

5139 Flying operations; direct.
5239 Direct maintenance; flight equipment.
5939 Depreciation; flight equipment.
6139 Ground operations.
6239 Ground and indirect maintenance.
6339 Passenger service.
6439 Traffic and sales.
6539 Advertising and publicity.
6639 General and administrative.
6939 Depreciation; ground property and equipment.

(d) Charges from head office, divisions or affiliated companies for the following are applicable to all accounts listed in this section unless otherwise noted:

Aeronautical Radio, Inc.
Agency services.
Airlines Clearing House, Inc. (account 6639 only).
Consolidated ticket office expenses (account 6439 only).
Fees and expenses.
Joint facilities charges.
Ticket sales commission (account 6439 only).

§ 241.40 Agency services and joint facilities; outside. (a) Amounts accruing against the air carrier for its proportion of the costs incurred by other than affiliated companies and divisions in operating facilities in the joint use of which the air carrier participates, and charges resulting from general agency agreements, including commissions paid agents, shall be included in this classification.

(b) Credits arising from costs and fees charged by the air carrier to those other than affiliated companies and divisions in connection with general agency agreements or the joint use of facilities shall not be credited to this classification, but shall be credited to classification 80, "Expenses Transferred; credit."

(c) The records supporting the entries in this classification shall be kept with sufficient particularity to reveal clearly the company making the charge, the periods covered, and the nature, purpose and amount of each item of expense.

ACCOUNTS AND ITEM LISTS

6140 Ground operations.
6240 Ground and indirect maintenance.
6340 Passenger service.
6440 Traffic and sales.
6540 Advertising and publicity.
6640 General and administrative.

(d) The following items are applicable to all accounts shown in this section unless otherwise indicated:

Agency commissions, fees and charges.
Joint facilities charges.
Ticket sales commissions (account 6440 only).

§ 241.41 Special, professional, and technical fees and expenses. (a) Fees and expenses incurred for outside special, professional, and technical services by firms or persons which are not chargeable to the cost of property

acquired or extension and development shall be included in this classification.

(b) Expenses of intervening in new route extension proceedings shall be charged to account 7192, "Route Extension and Development."

(c) Records supporting the entries in this account shall be kept with sufficient particularity to clearly reveal the periods covered and the nature and purpose of each item of expense.

ACCOUNTS AND ITEM LISTS

5141 Flying operations; direct:
Training services.
6141 Ground operations:
Engineering fees and expenses.
Special surveys.
Training services.
6241 Ground and indirect maintenance:
Engineering fees and expenses.
Special surveys.
Training services.
6341 Passenger service:
Special surveys.
Training services.
6441 Traffic and sales:
Engineering fees and expenses.
Market surveys.
Special surveys.
Traffic surveys.
Training services.
6541 Advertising and publicity:
Advertising agency fees.
Advertising and publicity consultants.
Special surveys.
Training services.
6641 General and administrative:
Appraisals.
Audit, accounting and fiscal services.
Engineering fees and expenses.
Industrial relations surveys.
Management engineering.
Special surveys.
Training services.

§ 241.42 Legal fees and expenses. (a) This classification shall include amounts accrued or paid for legal services to counsel retained on a fee basis and all related expenses incurred by such counsel, such as traveling expenses, telephone and telegraph, court expenses, witness fees, transcripts, supplies and stationery. It shall also include miscellaneous legal expenses incurred by the air carrier such as law books, legal forms, and stationery, and other legal supplies not obtainable from the air carrier's general stationery stock.

(b) Expenses incurred in connection with extension and development projects shall not be included in this classification but shall be charged to account 1830, "Extension and Development." Expenses of intervening in new route or route extension proceedings shall not be included in this classification but shall be charged to account 7192, "Route Extension and Development."

(c) Legal expenses incurred in connection with the acquisition of leaseholds and real property and equipment shall be treated as an additional cost thereof and charged to the accounts in which the property is carried.

(d) Legal expenses incurred in connection with claims occasioned by accidents or other casualties shall be treated in the same manner as other expenses connected with each accident or casualty.

(e) Salaries of legal counsel and assistants regularly employed by the air carrier shall not be included in this classification but shall be recorded in classi-

fication 21, "General Officers and Superintendents," or classification 35, "Other Employees."

(f) Records supporting the entries in this account shall be kept with sufficient particularity to clearly reveal the periods covered and the nature and purpose of each item of expense.

ACCOUNTS AND ITEM LISTS

6142 Ground operations.
6242 Ground and indirect maintenance.
6342 Passenger service.
6442 Traffic and sales.
6542 Advertising and publicity.
6642 General and administrative.

§ 241.43 Other services. (a) This classification shall include amounts accrued or paid for services performed by others not otherwise provided for.

(b) The functional account groupings shown below shall be charged as appropriate.

ACCOUNTS AND ITEM LISTS

6143 Ground operations:
Aircraft servicing expenses (by others).
Ash removal.
Janitor and window cleaning service.
Watchmen service.
Other cleaning and laundry service.
Other services.
6243 Ground and indirect maintenance:
Demurrage on cylinders.
Janitor and window cleaning service.
Laundering rags.
Other cleaning and laundry service.
Other services.
6343 Passenger service:
Janitor and window cleaning service.
Ship laundry.
Other cleaning and laundry service.
Other services.
6443 Traffic and sales:
Express and freight on trans-oceanic baggage.
Janitor and window cleaning service.
Ticket delivery.
Other cleaning and laundry service.
Other services.
6543 Advertising and publicity:
Clipping services.
Janitor and window cleaning service.
Other cleaning and laundry service.
Other services.
6643 General and administrative:
Armored car service.
Clock service.
Credit investigations.
Janitor and window cleaning service.
Other cleaning and laundry service.
Other services.

§ 241.44 Rentals. (a) The amount of rent expense incurred for the use of flight equipment, fields, airports, buildings, hangars, offices, storage space, remote control locations, or operating equipment of any kind, wherever located, shall be included in this classification, except such expense in connection with company hotels, restaurants and kitchens, which shall be charged to account 4110, "Hotel, Restaurant and Food Service; Net," and rent of motorized vehicles used by officers and employees, which shall be included in classification 36, "Travel and Incidental."

(b) Expenses shall be charged directly, or allocated upon an equitable basis determined by each air carrier, to the applicable account shown in this section.

(c) When rented property is leased to a third party, the rental income and applicable expense shall be included in

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account 4112, "Rentals from Operating Property; Net."

ACCOUNTS AND ITEM LISTS

5144 Flying operations; direct:

Rents of flight equipment.

Rents of motorized vehicles.

6144 Ground operations:

Airway aids sites.

Communications equipment site rents.

Control tower charges.

Landing charges and fees.

Landing field rents.

Rents of facilities used and space occupied by ground operations personnel.

Storage hangars.

Rents of office equipment.

Rents of motorized vehicles.

6244 Ground and indirect maintenance:

Rents of facilities used and space occupied by maintenance personnel.

Rents of hangars used for overhaul and maintenance.

Shop rents.

Royalties and license fees on special shop equipment.

6344 Passenger service:

Rents of facilities used and space occupied by passenger service personnel.

Rents of office equipment.

Rents of motorized vehicles.

6444 Traffic and sales:

City ticket offices.

General traffic offices.

Rents of facilities used and space occupied by traffic and sales personnel.

Rents of office equipment.

Rents of motorized vehicles.

6544 Advertising and publicity:

Rents of facilities used and space occupied by advertising and publicity personnel.

Rents of office equipment.

Rents of motorized vehicles.

6644 General and administrative:

General offices.

Rents of facilities used and space occupied by general and administrative personnel.

Rents of office equipment.

Rents of motorized vehicles.

§ 241.45 Aircraft engine fuels and oils.

(a) This classification shall include the cost of aircraft engine fuels and oils used in flying operations, except non-refundable aircraft engine fuel and oil taxes which shall be included in classification 69, "Taxes; Other than Payroll."

(b) All charges to this classification shall be transferred from the applicable inventory accounts with the exception of deliveries directly to aircraft, which may be charged directly to this classification. The cost of aircraft engine fuels and oils shall include demurrage, freight, and siding charges, local taxes, inspection and collection fees and sales and use taxes.

(c) The cost of labor in handling fuel and oil and refueling or servicing aircraft when performed by the air carrier's employees shall be included in classification 29, "Ground Service Employees." When readily determinable, the expenses of servicing when performed by others shall be included in account 6143, "Other Services."

(d) The cost of gasoline and oil used in the repair, overhaul, servicing or maintenance of operating property shall be included in appropriate materials and supplies expense classifications 46 to 49, inclusive. The cost of gasoline and oil used in motorized vehicles shall be included in classification 53, "Other Supplies."

ACCOUNT AND ITEM LIST

5145 Flying operations:

Aircraft engine fuels.

Aircraft engine oils.

§ 241.46 Direct maintenance materials and outside repairs; Aircraft.

(a) The cost, less salvage, of spare parts and assemblies, and materials and supplies consumed in the maintenance, periodic inspection, repair, overhaul, etc., and the cost of outside repairs of aircraft of all types and classes shall be included in this classification, regardless of the location on the air carrier's system at which such work is done. It shall also include such costs in connection with aircraft rented or on consignment when such equipment is used in flying operations.

(b) When a reserve method is used for major overhaul of aircraft, account 2410, "Reserve for Aircraft Overhaul," shall be charged with the cost of such overhauls. Concurrently, the cost of materials and outside repairs used in such overhauls shall be charged to this classification and credited to account 5270, "Reserve Provision; Aircraft Repairs."

(c) This account shall be subdivided between materials and outside repairs.

ACCOUNT AND ITEM LIST

5246 Direct maintenance; flight equipment:

Spare parts and assemblies, materials and supplies and outside repairs used in repairing aircraft.

§ 241.47 Direct maintenance materials and outside repairs; aircraft engines.

(a) The cost, less salvage, of spare parts and assemblies, and materials and supplies consumed in the maintenance, periodic inspection, repair, overhaul, etc., and the cost of outside repairs of aircraft engines of all types and classes shall be included in this classification, regardless of the location on the air carrier's system at which such work is done. It shall also include such costs in connection with aircraft engines rented or on consignment when such equipment is used in flying operations.

(b) When a reserve method is used for major overhaul of aircraft engines, account 2420, "Reserve for Engine Overhaul," shall be charged with the cost of such overhauls. Concurrently, the cost of materials and outside repairs used in such overhauls shall be charged to this classification and credited to account 5271, "Reserve Provision; Aircraft Engine Repairs."

(c) This account shall be subdivided between materials and outside repairs.

ACCOUNT AND ITEM LIST

5247 Direct maintenance; flight equipment:

Spare parts and assemblies, materials and supplies and outside repairs used in repairing aircraft engines.

§ 241.48 Direct maintenance materials and outside repairs; other.

(a) The cost, less salvage, of spare parts and assemblies, and materials and supplies consumed in the maintenance, periodic inspection, repair, overhaul, etc., and the cost of outside repairs of all operating property and equipment other than aircraft and aircraft engines shall be included in this classification, regardless of the location

on the air carrier's system at which such work is done.

(b) This classification shall also include such costs in connection with flight equipment, described in this section, rented or on consignment when such equipment is used in flying operations.

(c) Account 5248 shall be subdivided between materials and outside repairs.

ACCOUNTS AND ITEM LISTS

5248 Direct maintenance; flight equipment:

Aircraft instrument repairs; materials and outside repairs.

Aircraft propeller repairs; materials and outside repairs.

Aircraft radio equipment repairs; materials and outside repairs.

Miscellaneous flight equipment repairs; materials and outside repairs.

6248 Ground and indirect maintenance:

Station communication equipment repairs; materials and outside repairs.

Hangar, shop and ramp equipment repairs; materials and outside repairs.

Motorized vehicle and equipment repairs; materials and outside repairs.

Building and other improvement repairs; materials and outside repairs.

Furniture, fixture and office equipment repairs; materials and outside repairs.

All other ground operating property and equipment repairs; materials and outside repairs.

§ 241.49 Shop and servicing supplies.

(a) This classification shall include the cost of supplies and expendable small tools and equipment used in maintaining, cleaning, and servicing aircraft and in cleaning shops and hangars, the cost of which cannot be charged to a specific job or type of work.

ACCOUNTS AND ITEM LISTS

6149 Ground operations.

6249 Ground and indirect maintenance.

(b) The following items are applicable to all accounts shown in this section except as otherwise noted:

Acetylene.

Bolts.

Brushes.

Cleaning supplies.

Compressed air and gases.

Cotter pins.

Drills.

Expendable tools.

Flashlights and batteries.

Gloves.

Hacksaw blades.

Light bulbs.

Nuts.

Paint.

Polish.

Raincoats.

Reamers.

Repair materials (account 6249 only).

Repair parts (account 6249 only).

Rubber boots.

Sawdust.

Screws.

Servicing supplies (account 6149 only).

Shop supplies (account 6249 only).

Small tools.

Snow shovels.

Tie-down stakes (account 6149 only).

Umbrellas (account 6149 only).

Washers.

Wiping rags.

§ 241.50 Stationery, printing and office supplies.

(a) The cost of office, engineering and shipping supplies shall be included in this classification.

(b) The cost of all stationery and forms used by the carrier shall be in-

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cluded in this classification and distributed to the appropriate accounts shown below.

ACCOUNTS AND ITEM LISTS

6150 Ground operations.
 6250 Ground and indirect maintenance.
 6350 Passenger service.
 6450 Traffic and sales.
 6550 Advertising and publicity.
 6650 General and administrative.
 (c) The following items are applicable to all accounts shown in this section, except as otherwise noted:
 Airbills (account 6450 only).
 Aircraft log forms (account 6150 only).
 Aviation and railway guides.
 Blue prints.
 Business cards.
 Engineering supplies.
 Expendable engineering instruments.
 Forms.
 Home study courses.
 Ink.
 Magazines.
 Manifests (account 6450 only).
 Newspapers and periodicals.
 Office supplies.
 Paper clips.
 Pencils.
 Postage and postal charges.
 Printed forms.
 Printing.
 Publications (for offices).
 Radio transmission forms.
 Reservation forms (account 6450 only).
 Sample materials.
 Signs.
 Stationery and printing.
 Tax service subscriptions.
 Teletype paper.
 Tickets (account 6450 only).

§ 241.51 Passenger food expense.
 (a) The cost of food and refreshments served passengers, except those due to interrupted trips, shall be included in this classification.

(b) The cost of food furnished flight crews shall be charged to accounts 5136 or 6336, "Travel and Incidental," as applicable.

ACCOUNT AND ITEM LIST

6351 Passenger service:
 Food expense—caterers.
 Food expense—company restaurants.
 Refreshments.

§ 241.52 Passenger supplies; other.
 The cost of expendable supplies and equipment, except food and refreshments, placed aboard aircraft for the use and comfort of passengers shall be included in this classification.

(b) Replacements from account 1330, "Raw Materials and Miscellaneous Supplies," of items included in original complements of passenger service equipment such as blankets, food serving equipment, thermos bottles, etc., shall also be included in this classification.

(c) The cost of complete original complements shall be charged to account 1611, "Passenger Service Equipment."

ACCOUNT AND ITEM LIST

6352 Passenger service:
 Air sickness containers.
 Aviation and railway guides.
 Beetlesware.
 Blankets.
 Booklets.
 Brushes.
 Chinaware.
 Cigarettes.
 Cleaning supplies.

Coat hangers.
 Combs.
 Dishes.
 Drugs.
 Electric razors.
 First aid kits.
 Flowers.
 Food boxes.
 Glassware.
 Gum.
 Hand towels.
 Head rest covers.
 Ice.
 Lavatory supplies.
 Linen.
 Location card notices.
 Magazines.
 Matches.
 Medical supplies.
 Menus.
 Newspapers.
 Occupied seat cards.
 Oxygen for passengers.
 Pantry supplies.
 Paper plates, cups and napkins.
 Paper slippers.
 Playing cards.
 Pillows.
 Postage (in flight).
 Razors.
 Seat covers.
 Serving containers.
 Serving trays.
 Shaving supplies.
 Silverware.
 Sleeper bags.
 Soap.
 Stationery and printing (in flight).
 Thermos jugs.
 Utensils.

§ 241.53 Other supplies. (a) The cost of supplies not otherwise provided for shall be included in this classification.

ACCOUNTS AND ITEM LISTS

5153 Flying operations; direct.
 6153 Ground operations.
 6253 Ground and indirect maintenance.
 6353 Passenger service.
 6453 Traffic and sales.
 6553 Advertising and publicity.
 6653 General and administrative.

(b) The following items are applicable to all accounts listed in paragraph (a) of this section unless otherwise noted:

Airport and airway lighting supplies (account 6153 only).
 Anti-freeze.
 Company materials mail sacks (account 6153 only).
 Containers for materials and supplies.
 Crates.
 Exterminator compounds.
 First aid supplies.
 Frost shields.
 Gasoline.
 Glue.
 Grease.
 Gummed tape.
 Labels.
 Lumber.
 Mops.
 Motorized vehicle supplies.
 Oil.
 Padlocks and keys.
 Scissors.
 Shipping supplies.
 Small signs.
 Stock and stores supplies.
 Twine.
 Washing compounds, soaps, and insecticides.
 Washroom supplies.
 Wrapping paper.

§ 241.54 Inventory adjustments. This classification shall include inventory adjustments for account 1330, "Raw Materials and Miscellaneous Supplies," and

account 1608, "Flight Equipment Spare Parts and Assemblies," but shall not include losses on sale or other disposition of such items.

ACCOUNTS AND ITEM LISTS

6254 Ground and indirect maintenance:
 Overages. Spoilage.
 Shortages. Wastage.
 Shrinkage.
 6354 Passenger service:
 Overages. Spoilage.
 Shortages. Wastage.
 Shrinkage.

§ 241.55 Insurance; public liability, property damage, and general. (a) The cost of fire, windstorm, loss and damage, public liability and property damage, and all other general insurance carried by the air carrier, except insurance covering liability for injuries, loss and damage to passengers and cargo, and insurance carried for the protection or welfare of employees shall be included in this classification. Any reserve provision for self-insurance shall also be included.

(b) This classification shall be credited with all returns and refunds applicable to the cost of insurance included therein.

ACCOUNTS AND ITEM LISTS

5155 Flying operations; direct:
 Damage to flight equipment—insurance.
 Damage to flight equipment—reserve provision.
 Public liability and property damage insurance—flight equipment.
 Other insurance—flight equipment.
 Uninsured losses—reserve provision.

ACCOUNTS AND ITEM LISTS

6655 General and administrative:
 Buildings, contents, and liability insurance.
 Property damage insurance.
 Comprehensive coverage.
 Burglary and theft insurance.
 Public liability insurance.
 Fire insurance.
 Uninsured losses—reserve provision.

§ 241.56 Insurance; passenger and cargo liability. (a) The cost of insurance covering the carrier's liability for injuries, loss and damage to passengers or cargo shall be included in this classification. Any reserve provision for self-insurance shall also be included.

(b) Premiums paid by the carrier for shipper's interest insurance on air freight and express shipments shall not be charged to this account but shall be charged to account 4116, "Air Cargo Services; Net."

(c) This classification shall be credited with all returns and refunds applicable to the cost of insurance included therein.

ACCOUNTS AND ITEM LISTS

6156 Ground operations:
 Cargo liability insurance.
 6356 Passenger service:
 Passenger liability insurance.
 Uninsured losses—reserve provision.

§ 241.57 Insurance; employee welfare. (a) The net cost of insurance of all kinds carried for the employees' benefit or protection shall be included in this classification.

(b) Pensions paid by the air carrier to or for the account of retired em-

ployees, contributions of the air carrier to pension plans, and any reserve provision for pensions shall also be included.

(c) This classification shall be credited with all returns and refunds applicable to the cost of insurance included therein.

(d) The cost of insurance carried on the lives of officers and employees when the air carrier is the beneficiary shall be charged to account 7193, "Other Non-Operating Expenses."

ACCOUNT AND ITEM LIST

6657 General and administrative:
Annuity payments or insurance.
Compensation insurance.
Group insurance.
Hospitalization insurance.
Retirement plans.
Pensions.
Pensions—reserve provision.

§ 241.58 Injuries, loss and damage.

(a) The remainder of losses resulting from accidents, casualties, or mishandlings shall be included in this classification in accordance with the provision of account 1850, "Other Deferred Charges."

(b) This classification shall be charged directly with expenses resulting from minor accidents or mishandling where such expenses are not treated as ordinary repairs and for which no sub-account has been established in account 1850, "Other Deferred Charges."

(c) Pensions paid employees on account of injuries sustained in line of duty shall be charged to account 6657, "Insurance; Employees' Welfare."

ACCOUNTS AND ITEM LISTS

5158 Flying operations; direct:
Damage to flight equipment—expenses.
Other injuries, loss and damage.
6158 Ground operations:
Mishandled cargo.
Other injuries, loss and damage.
6258 Ground and indirect maintenance:
Other injuries, loss and damage.
6358 Passenger service:
Mishandled passenger baggage.
Other injuries, loss and damage.
6458 Traffic and sales:
Other injuries, loss and damage.
6558 Advertising and publicity:
Other injuries, loss and damage.
6658 General and administrative:
Other injuries, loss and damage.

§ 241.59 Tariffs, schedules and time tables. Production and distribution costs of all tariffs, operating schedules, time tables, circulars and quick reference charts shall be included in this classification.

ACCOUNTS AND ITEM LISTS

6459 Traffic and sales:
Tariffs.
Operating schedules.
6559 Advertising and publicity:
Time tables.
Circulars.
Quick reference charts.

§ 241.60 Advertising; space. (a) The cost of all space advertising for the purpose of increasing air travel, disseminating air travel information, and publicizing services offered by the air carrier shall be included in this classification.

(b) The cost of cuts and mats, and the cost of producing advertising copy shall not be included. Such costs shall be charged to account 6561, "Advertising; Other." Salaries of employees of the

air carrier engaged in producing advertising copy and related activities shall be charged to account 6535, "Other Employees."

(c) The cost of "help-wanted" advertisements, advertising for bids, or other forms of advertising not for the purpose of increasing air travel, shall be included in classification 74, "Other Expenses," and distributed to the appropriate function.

ACCOUNT AND ITEM LIST

6560 Advertising and publicity:
Aeronautical industry publication listings.
Directories—advertising.
Guides—advertising.
Hotel magazine advertising.
Local magazine advertising.
National magazine advertising.
Newspaper advertising.
Other space advertising.
Trade magazine advertising space.

§ 241.61 Advertising; other. This classification shall include the cost of all direct mail, display, spot, and other advertising not chargeable to classification 60, "Advertising; Space," when such costs are incurred for the purpose of publicizing the air carrier or its services.

ACCOUNT AND ITEM LIST

6561 Advertising and publicity:
Advertising programs.
Agency signs.
Air mail, baggage and telephone stickers.
Airplane models.
Airport signs.
Baseball programs.
Billboards.
Blotters.
Calendars.
Camera and all photographic equipment supplies.
Charts, maps, and display pictures.
Counter cards.
Customs duties on display.
Dance programs.
Display and exhibits expenses.
Displays.
Display mats.
Display racks and easels.
Electric signs.
Lettering.
Model fees.
Novelties—pins, ash trays, etc.
Organization programs.
Outdoor signs.
Photos.
Radio, motion picture, and photographic expenses.
Screens.
Slide films.
Souvenir certificates.
Strip maps.
Testimonial folders.
Theater programs.

§ 241.62 Other promotional and publicity expenses. The cost of producing and distributing publicity releases and other expenses incurred for the purpose of publicizing the air carrier and its services or improving public relations shall be included in this classification.

ACCOUNT AND ITEM LIST

6562 Advertising and publicity:
Guest speakers on aeronautical affairs before local organizations.
House organ for general distribution.
"Open House" expenses.
Publicity releases.
Other promotional and publicity expenses.

§ 241.63 Interrupted trips expenses.
(a) All expenses allowed or paid passen-

gers because of interrupted trips shall be included in this classification. Expenses sustained by employees of the air carrier because of interrupted trips shall be charged to classification 36, "Travel and Incidental."

(b) In case of interrupted trips where no refund is made to the passengers, the excess of the amount collected from the passenger over the amount included in account 3101, "Passenger Revenue," shall be credited to this account.

ACCOUNT AND ITEM LIST

6363 Passenger service:
Claim settlements.
Express and freight on baggage.
Hotel expenses.
Laundry.
Meals.
Motorized vehicle rents.
Railroad and auto bus fares.
Taxicab expenses.
Telephone and telegraph expenses.
Tips and special fees.

§ 241.64 Memberships. The cost of all memberships in associations, business and social groups, Chambers of Commerce, or other organizations shall be included in this classification. Where a membership is for an individual employee, the cost thereof shall be included in the same functional group to which the employee's salary is charged.

ACCOUNTS AND ITEM LISTS

6164 Ground operations:
Memberships in business and social clubs.
Aeronautical Radio, Inc. membership.
6264 Ground and indirect maintenance:
Memberships in business and social clubs.
6364 Passenger service:
Memberships in business and social clubs.
6464 Traffic and sales:
Memberships in business and social clubs.
6564 Advertising and publicity:
Memberships in business and social clubs.
6664 General and administrative:
Aeronautical Association memberships.
Memberships in business and social clubs.

§ 241.65 Corporate and fiscal expenses. (a) Corporate and fiscal fees and expenses of the air carrier, also expenses in connection with the exchange and transfer of capital stock, shall be included in this classification.

(b) Expenses in connection with the original sale and issuance of capital stock at the time of organization and subsequent thereto shall be charged to account 1960, "Capital Stock Expense."

ACCOUNT AND ITEM LIST

6665 General and administrative:
Directors fees and expenses.
Printing annual report.
Printing stock certificates—replacements.
Proxy expense.
Registrar and transfer agents fees and expenses.
Report filing fees—states.
Representation fees.
S. E. C. fees.
Stock exchange fees.

§ 241.66 Bad debts. (a) Losses from uncollectible accounts receivable arising from the air carrier's operations and reserve provision made for such losses shall be included in this classification. Adjustments to the reserve for bad debts shall also be included in this classification.

RULES AND REGULATIONS

(b) This classification shall not include charges for losses on accounts resulting from accruals of non-operating income. Such losses shall be charged to account 7193, "Other Non-Operating Expenses."

(c) Nothing stated in this section shall be construed to relieve the air carrier from its responsibility to collect revenues in accordance with established rates for services performed.

ACCOUNT AND ITEM LIST

6666 General and administrative:
Bad debts.
Bad debts—reserve provision.

§ 241.67 Clearance, customs and duties. (a) Clearance, customs, duties, and brokerage charges covering materials and supplies received or exported when such charges are not a part of the cost of materials and supplies, and clearance fees or charges for aircraft used in international operations shall be included in this classification.

(b) There shall also be included overtime charges of customs officials.

ACCOUNTS AND ITEM LISTS

5167 Flying operations—Direct.
6167 Ground operations.
6267 Ground and indirect maintenance.
6367 Passenger service
6467 Traffic and sales.
6567 Advertising and publicity.
6667 General and administrative.

The following items are applicable to all accounts listed in this section except as otherwise noted:

Bonding charges on shipments.
Brokerage fees—handling charges.
Clearance fees and charges—aircraft (account 5167 only).
Customs service charges.
Duties.
Immigration service charges (account 6367 only).
Revenue stamps for documents.

§ 241.68 Taxes; payroll. (a) All taxes based upon or directly relating to salaries and wages paid employees shall be included in this classification.

(b) Entries shall be made with sufficient particularity to show clearly the basis of accruals and the amounts applicable to State or Federal governments.

ACCOUNT AND ITEM LIST

6668 General and administrative:
Old Age Benefit taxes.
Social Security taxes.
Unemployment Insurance taxes.
Other payroll taxes.

§ 241.69 Taxes; other than payroll. (a) All taxes not otherwise provided for shall be included in this classification.

(b) Taxes paid or accrued, applicable to the accounting period, on all operating property and equipment included in account group 1600, "Operating Property and Equipment," shall be included in this classification.

(c) This classification shall be charged within each accounting period with the proportionate tax accruals applicable thereto, and the concurrent credits shall be entered in account 2130, "Accrued Taxes." If the exact amount of taxes cannot be ascertained when the liability begins to accrue, the amount shall be estimated and a proper proportion

of the estimated amount charged to each accounting period; as the actual taxes become known, the periodic charges shall be adjusted so as to include, as nearly as practicable, the total amount of taxes applicable to the accounting period. Prepayments shall be charged to account 1410, "Short-Term Prepayments."

(d) Discounts for prompt payment and refunds of taxes included in this classification shall be treated as a reduction of the amount paid.

(e) Taxes paid and accrued on property and equipment included in account group 1700, "Non-operating Property and Equipment," shall be charged to account 7187, "Non-operating Property Profits or Losses; Net."

(f) Penalties and interest on delinquent taxes shall be charged to account 7190, "Interest Expense."

(g) Miscellaneous stamp taxes paid on original issues of capital stock shall be charged to account 1960, "Capital Stock Expense;" stamp taxes paid in connection with the issue of long-term debt securities shall be charged to account 1840, "Unamortized Discount and Expense on Debt."

(h) License fees paid in connection with the operation of restaurants shall be charged to account 4110, "Hotel, Restaurant and Food Service; Net."

(i) Entries shall be made with sufficient particularity to reveal clearly each kind of tax and the governmental agency to which paid or due.

ACCOUNTS AND ITEM LISTS

5169 Flying operations; direct:
Aircraft engine fuel taxes.
Aircraft engine oil taxes.
6669 General and administrative:
Aircraft licenses.
Capital stock taxes.
Franchise taxes.
General taxes.
Gross receipts taxes.
License fees.
Money and credits taxes.
Motor vehicle licenses.
Permits.
Personal property taxes.
Property taxes.
Road taxes.
Utilities taxes.

§ 241.70 Reserve provision; aircraft repairs. (a) When the air carrier has complied with the requirements governing the use of a reserve for aircraft overhaul as set forth in account 2410, "Reserve for Aircraft Overhaul," this classification shall be charged with the accruals thereto. Adjustments of the accruals to the reserve account shall also be concurrently charged or credited to this classification.

(b) The direct cost of major overhauls of aircraft charged against accounts 5225, "Direct Maintenance Labor; Aircraft," and 5246, "Direct Maintenance Materials and Outside Repairs; Aircraft," shall be credited concurrently to this classification.

(c) The balance in this classification shall reflect the monthly net accruals to account 2410, "Reserve for Aircraft Overhaul," covering the direct cost of major overhauls of aircraft.

(d) No entries other than those specified in the preceding paragraphs shall be made to this classification.

ACCOUNT AND ITEM LIST

5270 Direct maintenance; flight equipment:
Aircraft repairs—reserve provision.

§ 241.71 Reserve provision; aircraft engine repairs. (a) When the air carrier has complied with the requirements governing the use of a reserve for aircraft engine overhaul as set forth in account 2420, "Reserve for Engine Overhaul," this classification shall be charged with the accruals thereto. Adjustments of the accruals to the reserve account shall also be concurrently charged or credited to this classification.

(b) The direct cost of major overhauls of aircraft engines charged against accounts 5226, "Direct Maintenance Labor; Aircraft Engines," and 5247, "Direct Maintenance Materials and Outside Repairs; Aircraft Engines," shall be credited concurrently to this classification.

(c) The balance in this classification shall reflect the monthly net accruals to account 2420, "Reserve for Engine Overhaul," covering the direct cost of major overhauls of aircraft engines.

(d) No entries other than those specified in paragraphs (a), (b), and (c) of this section shall be made in this classification.

ACCOUNT AND ITEM LIST

5271 Direct maintenance; flight equipment:
Aircraft engine repairs—reserve provision.

§ 241.72 Amortization of other deferred charges. This classification shall include the amortization of those amounts charged to account 1850, "Other Deferred Charges," which were expended for projects of an unusual character and have no regular recurrence in the operations of the carrier. Charges for the amortization of expenses identified with a particular account, such as advertising, should not be made to this account but should be made to the appropriate account.

ACCOUNTS AND ITEM LISTS

5172 Flying operations; direct.
5272 Flight equipment maintenance; direct.
6172 Ground operations:
Move of operations bases.
Installation of new operating systems.
6272 Ground and indirect maintenance:
Move of maintenance bases.
Installation of new maintenance systems.
6372 Passenger service.
6472 Traffic and sales.
6572 Advertising and publicity.
6672 General and administrative:
Move of general offices.

§ 241.74 Other expenses. (a) All operating expenses not otherwise provided for shall be included in this classification.

ACCOUNTS AND ITEM LISTS
5174 Flying operations; direct.
6174 Ground operations.
6274 Ground and indirect maintenance.
6374 Passenger service.
6474 Traffic and sales.
6574 Advertising and publicity.
6674 General and administrative.

(b) The following items are applicable to all accounts listed in this section, except as otherwise noted:

Airport post office expense (account 6174 only).

Lodgings furnished passengers except on interrupted trips (account 6374 only). Expenses of sales meetings (account 6474 only).

House organ for internal distribution (account 6674 only).

Employee benefits and parties.

Miscellaneous gratuities (account 6674 only). Transportation of mail to and from trains in connection with interrupted trips (account 6174).

§ 241.75 Depreciation; aircraft. (a) Depreciation of aircraft owned by the air carrier, calculated in accordance with instructions pertaining to account 2600, "Reserve for Depreciation," shall be included in this classification.

(b) This classification shall not include gain or loss on aircraft sold or otherwise disposed of or retired. Gain on sale or retirement of property and equipment shall be credited to account 7189 (a), "Retirement of Property Profits or Losses; Net."

ACCOUNT AND ITEM LIST

5975 Depreciation; flight equipment: Aircraft depreciation.

§ 241.76 Depreciation; aircraft engines. (a) Depreciation on aircraft engines owned by the air carrier, calculated in accordance with instructions pertaining to account 2600, "Reserve for Depreciation," shall be included in this classification.

(b) This classification shall not include gain or loss on aircraft engines sold or otherwise disposed of or retired. Gain on sale or retirement of property and equipment shall be credited to account 7189 (a), "Retirement of Property Profits or Losses; Net."

ACCOUNT AND ITEM LIST

5976 Depreciation; flight equipment: Aircraft engine depreciation.

§ 241.77 Depreciation; other flight equipment. (a) Depreciation on flight equipment owned by the air carrier, other than aircraft and aircraft engines, calculated in accordance with instructions pertaining to account 2600, "Reserve for Depreciation," shall be included in this classification.

(b) This classification shall not include gain or loss on other flying equipment sold or otherwise disposed of or retired. Gain on sale or retirement of property and equipment shall be credited to account 7189 (a), "Retirement of Property Profits or Losses; Net."

ACCOUNT AND ITEM LIST

5977 Depreciation; flight equipment: Aircraft propellers—depreciation. Aircraft radio equipment—depreciation. Miscellaneous flight equipment—depreciation. Flight equipment spare parts and assemblies—depreciation. Improvements to leased flight equipment.

§ 241.78 Depreciation; ground property and equipment. (a) Depreciation on ground property and equipment owned by the air carrier, calculated in accordance with instructions pertaining to account 2600, "Reserve for Depreciation," shall be included in this classification.

(b) This classification shall not include gain or loss on ground property and equipment sold or otherwise dis-

posed of or retired. Gain on sale or retirement of property and equipment shall be credited to account 7189 (b), "Retirement of Property Profits or Losses; Net."

ACCOUNT AND ITEM LIST

6978 Ground property and equipment depreciation:

Depreciation on all ground operating property and equipment.

§ 241.80 Expenses transferred; credit. (a) Credits resulting from fees or allocated costs charged affiliated companies and divisions and others, or to the air carrier's property accounts, shall be included in this classification. In instances of amounts charged affiliated companies or divisions, the amount of costs credited to this account should be debited to account 4114, "Affiliated Companies and Interdivisional Revenues."

(b) This classification shall not include credits for direct costs; such costs shall be credited direct to the classification wherein the charges were originally recorded.

(c) The records supporting entries in this classification shall be kept with sufficient particularity to reveal clearly the periods covered and the nature, purpose, and amount of each item of expense.

ACCOUNTS AND ITEM LISTS

5180 Flying operations; direct. 5280 Direct maintenance; flight equipment. 5980 Depreciation; flight equipment. 6180 Ground operations. 6280 Ground and indirect maintenance. 6380 Passenger service. 6480 Traffic and sales. 6580 Advertising and publicity. 6680 General and administrative. 6980 Depreciation; joint facilities.

SUBPART E—NON-OPERATING INCOME AND EXPENSE ACCOUNTS

§ 241.7181 Cash discounts income. (a) This account shall include all cash discounts earned by the air carrier for the prompt payment of accounts. The appropriate accounts shall be charged with the full amount of invoices and this account shall be credited with the amount of the cash discounts.

(b) Trade discounts shall not be included in this account but treated as reductions from list prices.

§ 241.7182 Interest income. This account shall include interest income from all sources applicable to the accounting period. It may include as an increase or reduction of interest received, the proportionate part applicable to the accounting period of discount or premium required to extinguish at the date of maturity the difference between the par value and the purchase price of securities purchased by the air carrier. Such charges or credits shall be concurrently charged or credited to the account in which the securities are carried. This account shall not include interest on securities issued or assumed by the air carrier and subsequently reacquired.

§ 241.7183 Dividend income. This account shall include the income from dividends on stocks of other companies

owned by the air carrier. Dividends shall not be included in this account unless actually declared or guaranteed. This account shall not include dividends on securities issued or assumed by the air carrier and subsequently reacquired.

§ 241.7184 Amortization of premium on debt. (a) This account shall be credited with the proportionate part, applicable to the accounting period, of the unamortized premium on debt carried in account 2330, "Unamortized Premium on Debt."

(b) Amortization of discount and expense on debt shall be charged to account 7191, "Amortization of Discount and Expense on Debt."

§ 241.7185 Other non-operating income. (a) This account shall include all non-operating income not provided for in non-operating income accounts 7181 to 7184, inclusive.

(b) This account shall be credited with royalties from patents; profits on the reacquisition of the air carrier's long term debt; and profits on the sale of stocks, bonds, and other securities owned by the air carrier.

§ 241.7186 Foreign exchange profits or losses; net. (a) This account shall include profits and losses including service charges resulting from foreign exchange transactions in connection with the air carrier's operations.

(b) When a fixed rate of exchange is in use for conversion purposes, the resulting debit or credit should be made to this account.

(c) In countries where a free rate of exchange prevails, a fixed monthly book rate should be used and adjusted monthly or periodically, as current fluctuations justify, and the resulting debit or credit made to this account.

(d) In countries where free exchange does not prevail, a fixed monthly book rate should be used and exchange profits or losses resulting from liquidation of current assets and liabilities charged to this account.

§ 241.7187 Non-operating property profits or losses; net. (a) This account shall include the gross revenue and expenses received, paid, or accrued from all non-operating property and equipment included in account 1700, "Non-Operating Property and Equipment." It shall also include loss or gain on the sale, exchange, or retirement of all property and equipment included in account 1700, "Non-Operating Property and Equipment."

(b) Subaccounts with appropriate titles shall be established for the revenue from each class of property and the accounts shall be maintained with sufficient particularity to clearly reveal the periods covered and the nature of each item of revenue.

§ 241.7188 Separately operated divisions profits or losses; net. (a) This account shall include the net profits or losses of separately operated divisions.

(b) A subaccount with appropriate title shall be established for each separately operated division, and the monthly debit or credit to this account shall be charged or credited to the appropriate subaccount in account 1520.

RULES AND REGULATIONS

"Investments in and Advances to Separately Operated Divisions."

§ 241.7189 Retirement of property profits or losses; Net. (a) This account shall include the loss or gain on sale, exchange or retirement of all operating property and equipment included in account group 1600, "Operating Property and Equipment," except loss or gain on incidental sales of spare parts recorded in account 1608, "Flight Equipment Spare Parts and Assemblies," which shall be included in account 4111, "Service Sales; Net."

(b) Loss or gain on retirements is defined as the difference between the depreciated cost of the operating property or equipment retired and the sale price or salvage value. Gain or loss on sale, exchange or retirement of property and equipment included in account 1700, "Non-Operating Property and Equipment," shall be included in account 7187, "Non-Operating Property Profits or Losses; Net."

(c) Gain or loss on assets recorded in account 1520, "Investments in and Advances to Separately Operated Divisions," shall be accounted for on the books of separately operated divisions and treated by the air carrier as a part of monthly net profit or loss of separately operated divisions.

(d) When property or equipment owned by the air carrier is applied as part payment of the purchase price of new property and equipment, the new property and equipment shall be recorded at its full purchase price. The difference between the depreciated cost of assets applied as part payment and the amount allowed therefor shall be treated as gain or loss and entered in this account.

(e) When property is sold or exchanged for other property and the terms of the contract require reconditioning or overhaul of such property, the cost of the property sold or exchanged and the accrued depreciation shall be eliminated from the account and charged to an appropriate subaccount under account 1850, "Other Deferred Charges." The cost of reconditioning or overhaul shall be charged to the suspense account thus established, and the sale price or exchange value shall be credited thereto. If a reserve for overhaul of such property has been established, the amount thereof shall be cleared and also credited to the suspense account; the resulting loss or gain shall be transferred to this account from the suspense account.

(f) This account shall be subdivided between (1) flight equipment and (2) ground property and equipment.

§ 241.7190 Interest expense. (a) This account shall include on an accrual basis interest expense applicable to the accounting period on long-term debt and short-term obligations; also interest and penalties on unpaid taxes and on all other classes of debt.

(b) Subaccounts shall be established for (1) interest on long-term debt and (2) miscellaneous interest expense.

(c) This account shall be maintained with sufficient particularity to clearly reveal the periods covered and the nature of each item of expense.

§ 241.7191 Amortization of discount and expense on debt. (a) This account shall be charged with the proportionate part, applicable to the accounting period, of the discount and expense on debt carried in account 1840, "Unamortized Discount and Expense on Debt."

(b) Amortization of premium on debt shall be credited to account 7184, "Amortization of Premium on Debt."

§ 241.7192 Route extension and development. (a) Expenses pertaining to extension and development projects, at the option of the air carrier, may be charged directly to this account or accumulated in account 1830, "Extension and Development," and written off or amortized by charges to this account. This account shall become the final repository of all expenses incurred in the development of new routes and the extension of existing routes. Expenses of intervening in new route extension proceedings shall be charged directly to this account.

(b) There shall be included in the cost of such projects all related expenses, such as salaries, travel and incidental expenses, legal expenses, and regulatory bodies expenses. Salaries shall include not only employees engaged wholly in connection with such projects but a proportionate part of other employees' salaries when a substantial part of their time is devoted to such projects.

(c) Separate subaccounts shall be established for the purpose of definitely separating the expenses of each project, and the records supporting the entries in each subaccount shall be kept with sufficient particularity to clearly reveal the periods covered and the nature and purpose of each item of expense.

§ 241.7193 Other non-operating expenses. (a) This account shall include all deductions from gross income not otherwise provided for.

(b) This account shall be charged with the cost of insurance carried on the lives of officers and employees when the air carrier is the beneficiary; fines imposed by regulatory agencies for infraction of rules and regulations including fines and penalties imposed in connection with carriage of mail; losses from obligations arising under contracts whereby the air carrier has guaranteed payment of money or performance of other obligations on the part of another

corporation or person; rents paid or accrued, including taxes or other obligations assumed, for the use of rented property, equipment and facilities which are not used in transportation or incidental services of the air carrier; losses on the reacquisition of the air carrier's long-term debt; losses on the sale of stocks, bonds, and other securities owned by the air carrier; and losses on accounts receivable which have been charged with non-operating income.

SUBPART F—INCOME TAXES

§ 241.9100 Income taxes. (a) This account shall include excess profits taxes, federal and state income taxes, undistributed surplus taxes, and other taxes imposed on net income and undistributed surplus.

(b) This account shall be charged at regular monthly accounting periods, so far as practicable, with the proportionate tax accruals applicable to the period and the concurrent credits entered in account 2130, "Accrued Taxes." When each actual tax liability has been ascertained, the total amount of such tax accumulated in this account shall be adjusted so as to include, as nearly as practicable, the total amounts of taxes applicable to the accounting period.

(c) Penalties and interest on delinquent taxes shall be charged to account 7190, "Interest Expense."

SUBPART G—REPORTING PROCEDURES

§ 241.7-1 General instructions.

FILING OF SCHEDULES

1. Each air carrier subject to the provisions of the Civil Aeronautics Act of 1938, as amended, and engaged in operating regularly scheduled air transport service, shall file with the Civil Aeronautics Board completed CAB Form 41, Report of Financial and Operating Statistics for Air Carriers, at the frequency intervals and in accordance with instructions contained in these Reporting Procedures.

2. The certification on the face sheet of the original copy shall be signed by an officer of the reporting carrier in charge of the accounts, while the other copies shall be conformed. The certification shall be attached to each set of schedules required to be filed on the dates set forth in paragraph 10 hereunder, and shall certify to all schedules filed as a part of the report, whether such schedules are filed at the same time as the certification or prior thereto.

3. The CAB Form 41 report shall comprise the following schedules, to be filed in number of copies and frequency indicated therefor.

Schedule No.	Title	Filing	
		Number of copies	Frequency
A	Certification Sheet.	2	Monthly.
A-1	Balance Sheet.	3	Quarterly.
A-2	Analysis of Changes in Surplus Accounts.	2	Do.
A-3	Analysis of Operating Reserves.	2	Do.
A-4	Analysis of Valuation and Surplus Reserves.	2	Do.
A-5	Aircraft and Aircraft Engines Acquired; Operating Property and Equipment Retired.	2	Do.
A-6	Accounts with Affiliated Companies and Separately Operated Divisions.	2	Do.
A-7	Operating Property and Equipment.	2	Do.
A-8	Investments and Advances.	2	Annually.
A-9	Prepayments; Other Special Funds; Deferred Charges; Deferred Credits; and Intangibles.	2	Do.
A-10	Aircraft and Aircraft Engines.	2	Do.
B	Flight Equipment Spare Parts and Assemblies.	2	Do.
B-1	Statement of Profit and Loss Earned Surplus.	3	Quarterly.
B-2	Incidental Revenues: Nonoperating Income and Expense.	3	Do.
B-3	Statement of Direct Aircraft Operating Expenses.	3	Do.
B-4	Statement of Ground and Indirect Expenses.	3	Do.
	Distribution of Station Expenses.	2	Do.

Schedule No.	Title	Filing	
		Number of copies	Frequency
B-5	On-Line Station Operating Data	2	Quarterly.
B-6	Statement of Out-of-Period Items	2	Do.
B-7	Payroll Analysis	2	Do.
B-8	Charges Relating to Extension and Development	2	Do.
B-9	Analysis of Affiliate and Interdivisional Charges; Expenses Transferred, Credit	2	Do.
B-10	Statement of Taxes	2	Annually.
C	Flight and Traffic Statistics	3	Monthly.
C-1	Revenue Passenger-Miles	2	Do.
D	Dividends Declared; List of Stockholders	2	Annually.
E	General Officers and Directors	2	Do.
F	Corporate and Securities Data	2	Do.

In each instance the number of copies indicated above shall include the original. The distribution of the seven-part set provided for those schedules required to be filed in triplicate shall be as follows:

Sheet	Description	Distribution
First	Original—translucent	CAB.
Second	Carbon—translucent	Carrier.
Third	Carbon—opaque	CAB.
Fourth	do	Do.
Fifth	do	Carrier.
Sixth	do	Do.
Seventh	Working copy	Do.

4. CAB Form 41 (a) shall be filed in duplicate for each of the first two months of each quarter and the information thereon shall be in agreement with the carrier's accounts and records at the time of preparation of the report. Separate Forms 41 (a) shall be filed for each air transport division as defined in paragraph 8 hereunder.

5. Monthly schedules shall reflect traffic and flight statistics for the respective calendar month and 12-months-to-date periods.

6. Quarterly schedules shall reflect the status of accounts, adjusted to reflect full accruals, as of or for the period ended March 31, June 30, September 30, and December 31, of each year on both a quarterly and 12-months-to-date basis.

7. Annual schedules shall reflect the status of accounts, adjusted to reflect full accruals, as of or for the entire year ended December 31 of each year.

8. Where the reporting carrier operates separate and distinct air transport divisions, regardless of whether conducted under certificates of public convenience and necessity issued by the Civil Aeronautics Board or on a nonscheduled basis, for which it maintains separate records and books of account, and where the reporting carrier conducts both domestic and international operations, the carrier shall file separate Schedules B, B-1 through B-10, C and C-1, for each such division and operation. Separate filing of additional schedules may be required or exemptions, in full or in part, from the above separate filing may be granted by the Civil Aeronautics Board after examination of the Board's needs in this respect. Where separate reports are submitted in accordance with the above, an additional Schedule B shall be filed showing profit and loss for the "system;" and an additional Schedule C shall be filed for the "system," presenting data covering "All services" only.

9. Where separate reporting of the remaining schedules is not required for each of the separate divisions, pursuant to the preceding paragraph, the schedules shall include the data for the company as a whole, and shall be marked "System."

10. The required number of schedules comprising CAB Form 41 reports shall be submitted to the Civil Aeronautics Board on or before the expiration of the period immediately following the end of the period covered by the respective schedules, as follows:

Schedule Nos.: Filing period (days)

C and C-1 30
 A, A-1 through A-6, B, B-1 through
 B-9, CAB Form 41 (a) 45
 A-7 through A-10, B-10, D, E, F 90

The period for filing final schedules listed on line 2 shall be extended to 90 days with respect to the report for the final quarter of the carrier's fiscal year; however, preliminary Schedules A and B (Balance Sheet and Statement of Profit and Loss, respectively) must be submitted within the 45-day filing period.

11. If a carrier finds that circumstances will prevent the filing of a report within the prescribed time limit, consideration will be given to the granting of an extension upon receipt of a written request therefor. Such a request must set forth good and sufficient reason to justify granting the extension, must set forth the date when the report can be filed, and be submitted sufficiently in advance to the due date to permit proper time for consideration and communication to the carrier of action taken. If a request is denied, the carrier is in no manner relieved of filing the report within the prescribed time limit, or of the consequences of delinquency in filing.

12. Each report shall include the results of all financial transactions and the required operating statistics from the first business day to the last business day, inclusive, of the periods reported. The financial reports for each quarter should reflect accruals of all known items of revenue and expense, even though not collected or billed, in the same manner as such items would be reflected at the end of the fiscal year, and similarly, that portion of all prepaid revenues and expenses applicable to future periods should be excluded from the reported operating results for the current period and deferred to the periods to which properly applicable.

13. All letters and statements of correction or revision of reported data shall be a part of such reports.

14. In the reporting on CAB Form 41 all inverse items shall be indicated by the use of an appropriate symbol and footnote rather than utilizing red figures.

15. Each reporting carrier shall, on Schedules B, B-1, B-2, B-3, and C, signify the operations reported in accordance with the following classification:

Certified U. S. mail carriers will use, as appropriate—

Trunk line. Alaskan.
 Feeder line. Foreign or overseas.
 Territorial line. System.

Certified non-U. S. mail carriers will use, as appropriate—

NM—All Cargo.
 NM—Pass. and Prop.

16. A good quality black ribbon shall be used in preparing the original translucent copy required for certain schedules. In no event shall ditto or similar processes be used in preparing translucent copies, nor

shall any information be typed on the reverse side of any translucent copies submitted.

FILING OF IBM CARDS

Those carriers to whom IBM facilities are available shall file with the Board, concurrently with the schedule to which they apply, one set of IBM cards, punched to reflect the details set forth in Schedules B, B-2, B-3, B-4, B-5, and C. The card to be used for this purpose is designated "Civil Aeronautics Board—Financial and Operating Statistics for Air Carriers." Instructions for preparing the cards necessary for individual schedules will be found in the section hereof relating to each such schedule, and the several codes to be used in card punching will be found on pages 21-53 through 21-62.

A card shall be filed for each amount reported in the afore-mentioned schedules. Where two amounts are reported on the same line of a schedule, such as in the quarterly and 12-months-to-date columns, a separate card shall be provided to cover each amount. However, only one card should be submitted for an item regardless of the number of times such item may appear in the several schedules.

Since the card is designed for both traffic and financial data it should be noted that the fields to be used to identify the required items will vary from schedule to schedule. The respective fields to be used are enumerated in the specific instructions for each schedule.

In those instances where a field of a card does not apply to the item coded such field shall be x-skipped.

Where fields are not filled to capacity, significant digits should be preceded by zeros.

The several fields of the card are identified by number below. Where facilities are available the cards shall be interpreted on the upper printing line as follows:

Field No.	Field name	Card columns	Type bars
1	Type card	1	1
2	Carrier	2-4	2-4
3	Operation	5-6	6-7
4	Service	7-8	9-10
5	Type of aircraft	9-11	12-14
6	Station	12-15	16-19
7	Station characteristics	16-24	21-29
8	Month	25-26	31-32
9	Year	27	34
10	Quarter	28	36
11	12 months to date	29-30	37-38
12	Activity	31-32	40-41
13	Traffic line number	33-34	42-43
14	Account number	35-39	44-48
15	Amount	40-51	49-60

Card columns 50 and 51 shall be reserved exclusively for fractional amounts, including cents in the case of money amounts and minutes in the case of average hours of utilization of aircraft. Whole numbers shall be punched to the left of these two card columns using columns 40 through 49. In punching, all fractional amounts shall be carried two places beyond the decimal point.

All financial credit items shall be indicated by punching x in column 51.

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SCHEDULE A—BALANCE SHEET

Account 1240, Accounts receivable; traffic;
 Account 2040, Accounts payable; airline traffic accounts;

Account 2150, Air travel plan liability. The balances in these accounts shall be shown on the balance sheet in gross amounts and shall not be offset either in total or for each airline or subscriber.

Account 1250, Accounts receivable; affiliated companies;

Account 2050, Accounts payable; affiliated companies. The balances in these accounts shall be shown on the balance sheet in net

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amounts with respect to each affiliated company, but shall not be offset in totals.

Account 1510, Investments in and advances to affiliates;

Account 1520, Investments in and advances to separately operated divisions;

Account 2220, Advances from affiliates;

Account 2230, Advances from separately operated divisions. The balances of advances in these accounts shall be shown on the balance sheet in net amounts with respect to each affiliated company and each separately operated division, but shall not be offset in totals.

Account 2210, Long-term debt: When this account includes reacquired long-term debt held pending disposition and not retired, and appropriate note or symbol shall be inserted following the title of the account and an explanation furnished in a footnote setting forth the circumstances and amount involved.

Account 2520, Other valuation reserves: The amount of such reserves applicable to each asset account shall be shown in Schedule A-3, Analysis of Valuation and Surplus Reserves. The net value of the asset shall be shown on the balance sheet.

Profit or loss—year to date: This item on the liability side of the balance sheet shall represent the net profit or loss for the calendar year to date.

Contingent assets and liabilities shall not be included in the body of the balance sheet but shall be referred to in footnotes with full explanation thereof on an attached statement. However, this information may be omitted from all quarterly reports except the report for the quarter ending December 31 of each year.

SCHEDULE A-1—ANALYSIS OF CHANGES IN SURPLUS ACCOUNTS

This schedule shall show the changes occurring during the quarter in account 2910, "Capital Surplus," and account 2940, "Unappropriated Earned Surplus." Net profit or loss for the current calendar year to date shall not be included in this schedule. The net profit or loss for the calendar year as set forth on Schedule B, Statement of Profit and Loss and Earned Surplus, for the period ended December 31, shall be reflected in the Unappropriated Earned Surplus section of Schedule A-1 for the quarter ending March 31 of the following year.

SCHEDULE A-2—ANALYSIS OF OPERATING RESERVES

Reserve for Aircraft Overhaul—Account 2410.

Reserve for Aircraft Engine Overhaul—Account 2420.

In the subschedule relating to the aircraft overhaul reserve, the difference between the amount set forth for "Additions: Charged Operating Expenses" and the sum of the amounts set forth for "Charges: Labor" and "Charges: Materials and Outside Repairs" should normally be the same as the amount for the current quarter reported opposite account 5270, "Reserve Provision, Aircraft Repairs," on Schedule B-32, Statement of Direct Aircraft Operating Expenses. When these data are not in agreement, a reconciliation shall be provided by footnote or attached statement.

In the subschedule relating to the aircraft engine overhaul reserve, the difference between the amount set forth for "Additions: Charged Operating Expenses" and the sum of the amounts set forth for "Charges: Labor" and "Charges: Materials and Outside Repairs" should normally be the same as the amount for the current quarter reported opposite account 5271, "Reserve Provision, Aircraft Engine Repairs," on Schedule B-2. When these data are not in agreement, a reconciliation shall be provided by footnote or attached statement.

In each of these two subschedules the item, "Additions: Equipment Transferred," relates to the overhaul reserve accompanying equipment transferred from affiliated companies or separately operated divisions. The item, "Charges: Equipment Transferred or Retired," relates to the overhaul reserve accompanying equipment transferred to affiliated companies or separately operated divisions and to the reserve applicable to equipment retired through sale, abandonment, etc.

SCHEDULE A-3—ANALYSIS OF VALUATION AND SURPLUS RESERVES

Reserve for Bad Debts—Account 2510.
And Other Valuation Reserves—Account 2520.

This subschedule is designed for the reporting of amounts with respect to the reserves indicated and shall not reflect any amounts for the asset accounts to which the reserves are related. Only the account numbers of the related asset accounts shall be shown herein.

Of the amounts shown in the column headed "Balance End of Quarter," the balance for only account 2510, "Reserve for Bad Debts," shall be reported in Schedule A, Balance Sheet. In accordance with the reporting procedure prescribed for Schedule A, the reserves included in account 2520, "Other Valuation Reserves," shall be deducted from the gross values of the related assets and only the net values of the assets shall be reported on the balance sheet.

SCHEDULE A-4

AIRCRAFT AND AIRCRAFT ENGINES ACQUIRED

This part of Schedule A-4 shall be used to report all aircraft and aircraft engines acquired during the quarter through purchase from others or by transfer from affiliated companies or separately operated divisions. Aircraft shall be listed first, followed by a listing of aircraft engines; both shall be listed by individual units.

The acquisition of aircraft and aircraft engines shall be reported in this schedule in the report for the quarter in which the equipment is actually purchased or transferred, irrespective of whether the cost thereof is recorded in the property and equipment accounts in account group 1800 during that quarter or in a subsequent quarter. If the cost data are not available at the time that an acquisition is reported in this schedule, a footnote to that effect shall accompany the entry made herein. When such cost data are finally determined, the equipment shall again be listed in this schedule, with complete information, and identified as being the same equipment reported at the earlier date.

In addition to the information required in columns 1 to 14, inclusive, a footnote shall be added, for each aircraft listed herein, showing the date on which the aircraft was or will be placed in operation by the reporting air carrier. If this date is not definitely known at the time of submission of the report, an estimated date, bearing the notation "Estimate," shall be provided, with the exact date being shown by footnote on a subsequent Schedule A-4 when the information is definitely known. When the date placed in operation is shown in a subsequent report, the aircraft shall be identified by license number, type of aircraft, and date acquired.

Column 6 does not apply to aircraft, and columns 7, 8 and 9 do not apply to aircraft engines.

Column 1, Date acquired: Each date listed in this column shall include the day of the month. When aircraft or aircraft engines are acquired by transfer from affiliated companies or separately operated divisions, both the date of original acquisition by the system and the date of transfer to the reporting carrier shall be shown.

Column 3, License number, shall contain the license number of each aircraft acquired and the manufacturer's number of each aircraft engine acquired.

Column 5, Type and model, shall contain a description of the type and model of each aircraft and aircraft engine acquired. Aircraft shall be described in accordance with the definition of "Aircraft type" as set forth in the reporting procedure for Schedule C, Flight and Traffic Statistics.

Column 8, Useful load in pounds is defined as the difference between the gross weight which the airplane is licensed to carry into the air and its weight empty plus all justifiable airplane equipment. It constitutes the allowable weight which can be placed in the airplane. When there is a difference between the useful load for winter operation and summer operation, both shall be shown.

Column 9, Passenger capacity: In the case of a plane equipped with sleeping accommodations, the passenger capacity shall be shown both as a day plane and as a sleeper plane.

Column 10, Cost.

Column 11, Reserve for depreciation: When aircraft or aircraft engines are purchased from others, the cost of each unit shall be shown in column 10; when acquired by transfer from affiliated companies or separately operated divisions, the cost of each unit shall be reported in column 10 and the reserve for depreciation accrued at the date of transfer shall be shown in column 11.

OPERATING PROPERTY AND EQUIPMENT RETIRED

This part of Schedule A-4 shall be used to report all operating property and equipment retired during the quarter, including property and equipment transferred to affiliated companies and to separately operated divisions. Aircraft shall be listed first, followed by a listing of aircraft engines and then all other property and equipment. Retirements of aircraft and aircraft engines shall be reported by individual units; all other property and equipment retirements shall be reported in total for each account affected except when items recorded in any such account are retired as a unit with aircraft, aircraft engines, or items recorded in another account, and the realization reported thereon in column 24 is not apportioned to the individual accounts. Under such circumstance, the retirements of property and equipment other than aircraft and aircraft engines shall be reported in two or more amounts for each account involved in order that the retirements, relating to the group transaction may be identified by accounts.

Subtotals shall be entered in columns 21 to 25, inclusive, for aircraft retired and also for aircraft engines retired.

Column 15, Date retired.

Column 16, Date acquired: Each date listed in these two columns for aircraft and aircraft engine retirements shall include the day of the month.

Column 17, License number, shall contain the license number of each aircraft retired and the manufacturer's number of each aircraft engine retired.

Column 19, Type and model: Aircraft and aircraft engines retired shall be described herein as indicated above for column 5. Other operating property and equipment retired shall be described by the titles of the respective accounts affected.

Column 20, Total hours flown since the date of original acquisition shall be reported for each aircraft and aircraft engine retired.

Column 21, Cost: The cost data reported in this column shall correspond, by accounts, with the amounts shown in column 4 of Schedule A-6, Operating Property and Equipment.

Column 24, Realization: A separate amount of realization shall be shown, if possible, for each aircraft and aircraft engine retired and for each account relating to other operating property and equipment for

which retirements are reported. When two or more aircraft, two or more aircraft engines or items of property and equipment recorded in any two or more accounts are retired as a unit and the realization thereon is represented by a single amount, this amount may be apportioned to the individual aircraft, aircraft engines and accounts for other property and equipment, or it may be related to the several components of the group retirement as a whole, with the exception that an apportionment shall be made to the flight equipment retirements as a whole and to the ground property and equipment retirements as a whole when the realization relates to items included in both of those major categories of property and equipment. Flight equipment shall include all items recorded in operating property and equipment accounts 1601 to 1609, inclusive. If the realization on two or more aircraft, two or more aircraft engines or items recorded in any two or more flight equipment accounts is reported in this column in a single amount, the individual aircraft and aircraft engines and the amounts (by accounts) of other flight equipment relating thereto shall be clearly indicated by numerical or lettered cross-reference codes. Similar treatment shall be accorded retirements of ground property and equipment (by accounts) when the realization on items recorded in two or more of such accounts is reported in this column in a single amount. Cost of sale, if any, incurred in connection with the retirements of operating property and equipment shall be deducted from the sale price and the net amount shall be reported in this column.

Column 25, Gain or loss: The amounts reported in this column shall be obtained by deducting the depreciated cost shown in column 23 from the amount of realization reported in column 24. Gains shall be shown in black and losses shall be shown by appropriate symbol and footnote. The net gains or losses reported herein for flight equipment and for ground property and equipment shall agree with the amounts shown opposite accounts 7189 (1) and 7189 (2), respectively, in Schedule B-1, Nonoperating Income and Expense.

Column 26, Disposition, shall be used to indicate the final disposition of the property and equipment retired. When property and equipment is sold or transferred, the name of the person to whom sold or the name of the affiliate or division to which transferred shall be shown.

SCHEDULE A-5—ACCOUNTS WITH AFFILIATED COMPANIES AND SEPARATELY OPERATED DIVISIONS

The purpose of this schedule is to show the detail, by companies and divisions, of the amounts reported in total in the balance sheet in the accounts indicated at the head of columns 2, 3, 4, 6 and 7 of this schedule. In each of the two sections of this schedule the data with respect to affiliated companies shall be listed first, followed by a listing of data for separately operated divisions. In columns 1 and 5, each group shall be appropriately headed "Affiliated Companies" or "Separately Operated Divisions," and, in the money column, separate totals shall be shown for each group.

Columns 2 and 6 relate only to affiliated companies. Columns 3, 4 and 7 relate to affiliated companies and separately operated divisions.

The totals shown in columns 2 and 6 shall agree with the amounts reported in the balance sheet in accounts 1250 and 2050, respectively. The sum of the totals shown in columns 3 and 4 for "Affiliated Companies" shall agree with account 1510 as reported in the balance sheet, and the sum of the totals in columns 3 and 4 for "Separately Operated Divisions" shall agree with account 1520 in the balance sheet. In column 7, the totals for "Affiliated Companies" and "Separately

Operated Divisions" shall agree with the amounts reported in the balance sheet in accounts 2220 and 2230, respectively.

SCHEDULE A-6—OPERATING PROPERTY AND EQUIPMENT

Column 2, Beginning of quarter: The amounts reported in this column shall be the same as the amounts reported in column 6 of Schedule A-6 for the preceding quarter.

Column 3, Additions. This column shall be used to report all additions and betterments to operating property and equipment, as defined in the instructions for account group 1600, and all operating property and equipment acquired by transfer from affiliated companies and separately operated divisions during the quarter.

Column 4, Retirements: This column shall be used to report all operating property and equipment retired during the quarter, including property and equipment transferred to affiliated companies and separately operated divisions. The amounts reported herein shall agree, by accounts, with the amounts shown in column 21 of Schedule A-4, Operating Property and Equipment Retired. With respect to account 1608, "Flight Equipment Spare Parts and Assemblies," column 4 shall include the net debit resulting from issuance of repair parts for use on flight equipment and from the returns to the account of such parts removed from flight equipment.

Column 5, Transfers. This column shall reflect only the transfers of amounts between the accounts listed in this schedule. Transfers to an account shall be shown in black and transfers from an account shall be indicated by appropriate symbol and footnote. The amounts reported herein for transfers to accounts shall be equivalent to the amounts reported as transfers from accounts, resulting in an algebraic sum of zero for the column. Transfers of property and equipment to or from affiliated companies and separately operated divisions shall not be reported in this column but shall be included in column 4 or column 3, respectively.

Columns 6 and 7: The amounts reported in these columns for "Total Flight Equipment," "Total Other Property and Equipment," "Land" and "Construction Work in Progress" shall agree, respectively, with the amounts shown for these items in Schedule A, Balance Sheet.

SCHEDULE A-7—INVESTMENTS AND ADVANCES

This schedule shall be prepared in accordance with the requirements set forth in the instructions pertaining to accounts 1510, 1520, and 1530.

Column 1: The data reported herein shall be listed to show separately amounts relating to each affiliate, division, or other organization and group totals for affiliates, separately operated divisions, and other investments.

Columns 2 and 3: The rate of interest or dividend payments in Column 2 shall be stated on an annual basis, and column 3 shall reflect the total income received during the calendar year.

Column 4: This column shall reflect the number of shares or the principal amount of bonds and notes owned by the air carrier as at the end of the year.

Column 5: This column shall reflect the air carrier's investment in and advances and loans to affiliates, separately operated divisions and others. Dividends, the cost of additions, and the amount received for deductions, if other than cash, shall be explained.

SCHEDULE A-8—PREPAYMENTS, OTHER SPECIAL FUNDS, DEFERRED CHARGES, DEFERRED CREDITS AND INTANGIBLES

The data submitted on this schedule shall be grouped and totaled by the several accounts included therein. The account bal-

ances reflected in column 3 shall agree with the amounts reported in the respective accounts on Schedule A.

SCHEDULE A-9—AIRCRAFT AND AIRCRAFT ENGINES

This statement shall set forth, individually, the aircraft owned and in operation, those owned and in conversion, and non-operating aircraft, with subtotals for each group.

Data with respect to rented aircraft shall be listed in columns 1 through 8, inclusive. Capitalized conversion costs relative to rented aircraft shall be reflected in columns 9 through 13, inclusive.

Aircraft engines need not be listed individually, but should be grouped in the same manner as aircraft.

SCHEDULE A-10—FLIGHT EQUIPMENT SPARE PARTS AND ASSEMBLIES

This schedule shall be prepared in accordance with the requirements set forth in the instructions pertaining to accounts 1608 and 2608.

The grand totals in columns 7, 10, and 11 shall agree with the figures reflected in columns 6, 7, and 8 on Schedule A-6 for account 1608.

Column 4, Additions: This column shall reflect new purchases and original additions to account 1608.

Column 5, Retirements and withdrawals: All retirements and withdrawals of non-rotatable parts made directly from account 1608 shall be reflected in this column.

Column 6, Transfers and adjustments: This column shall reflect transfers and adjustments to and from the flight equipment accounts.

SCHEDULE B—STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

EARNED SURPLUS

Earned surplus, beginning of period: Earned surplus at the beginning of the quarter shall be the total amount of earned surplus reported on Schedule A as at the close of the preceding quarter. Earned surplus at the beginning of the twelve-month period shall be the total amount of earned surplus reported on Schedule A as at the end of the month immediately preceding the first month included in the twelve-months-to-date figure. Earned surplus shall include balances in accounts 2920, "Reserve for Uninsured Losses," 2930 "Other Surplus Reserves," 2940, "Unappropriated Earned Surplus," and profit or loss year-to-date as shown on Schedule A.

Profit or loss for period: The profit or loss for the quarter and the profit or loss for the twelve-month period reported on this line shall be the same as net profit or loss for the corresponding period as shown in the profit and loss section of Schedule A.

Adjustments to earned surplus: Adjustments to earned surplus for the quarter and for the twelve-month period shall be the net amount of additions and charges during the respective periods to account 2940, "Unappropriated Earned Surplus," as reported on Schedule A-1, excluding additions or charges for profit and loss for the period as shown on the line above and excluding charges for dividends declared by the carrier during the period as reported below.

Net changes in surplus reserves: Amounts reported on this line shall be the net amount of additions and charges recorded during the quarter and the twelve-month period to accounts 2920, "Reserve for Uninsured Losses," and 2930, "Other Surplus Reserves," as reported on Schedule A-3.

Dividends: The amount of dividends declared during the quarter and during the twelve-month period as reported on Schedule A-1 shall be shown on this line.

Earned surplus, close of period: This figure shall be the same as the amount of

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earned surplus reported on Schedule A as at the end of the period.

Where a carrier conducts domestic and international operations, the earned surplus section of Schedule B shall be filled in for the "system" only.

IBM TABULATING CARD

An individual card shall be punched and submitted for each amount reported on each page of this schedule except those items relating to the analysis of earned surplus for which no cards will be required. The codes prescribed on page 21-62 shall be used for those summaries on this schedule to which no CAB account number has been assigned. The following fields shall be used for purposes of coding the cards applying to this schedule: 1, 2, 3, 9, 10 or 11, 14, and 15.

SCHEDULE B-1—INCIDENTAL REVENUES; NON-OPERATING INCOME AND EXPENSES

Credit amounts reported in this schedule shall be shown in black and debit accounts shall be indicated by an asterisk (*).

Account 7189, Retirement of property profits or losses—net: The amounts shown herein for sub-accounts (1) and (2) for the quarter shall agree with the net profits or losses for flight equipment and for ground property and equipment, respectively, as reported in column 25 of Schedule A-4, Operating Property and Equipment Retired.

SCHEDULE B-2—STATEMENT OF DIRECT AIRCRAFT OPERATING EXPENSES

Information reported in this schedule shall reflect data pertaining to owned and rented aircraft used by the carrier in scheduled and nonscheduled services and in nonrevenue service. "Scheduled Service" means all revenue flights operated over the air carrier's certificated routes pursuant to published flight schedules and all flights operated as extra sections thereto. "Nonscheduled Service" means all revenue flights which cannot be classified as scheduled service.

No separation shall be required between data relating to owned and rented aircraft or between data for scheduled and nonscheduled services. A separation shall be required of data relating to the various types of aircraft used by the carrier in revenue service. For purposes of this schedule, "type of aircraft" shall mean a distinction between aircraft models as set forth in the instructions relating to Schedule C. A carrier may, if it desires, report direct aircraft operating expenses of a particular aircraft type separately for passenger combination service, coach and tourist service, and all cargo service.

Individual sheets shall be submitted for direct aircraft operating expenses relating to:

(a) All aircraft types employed in all services.

(b) Each aircraft type employed in revenue service.

(c) Aircraft types not generally used in revenue service.

Data relating to (a) above shall reflect the total amounts of direct aircraft operating expenses pertaining to all types of aircraft used in all classes of service. The amounts reported on this sheet shall be the sum of the amounts reported on the sheets relating to (b) and (c) above. This sheet shall be submitted as the first page of Schedule B-2, and the words "All Types" shall be inserted at the top of the sheet in the space opposite "Aircraft Type."

Data pertaining to (b) above shall relate to all types of aircraft used or intended to be used by the carrier in scheduled and nonscheduled services as defined above and shall reflect direct aircraft operating expenses for both revenue and nonrevenue flights performed with such types of aircraft. A separate sheet shall be used for each type of aircraft, with the type being indicated in the space provided at the top of the form for reporting the aircraft type.

Data relating to (c) above shall reflect direct aircraft operating expenses relating to aircraft types not used or intended to be used by the carrier in scheduled or nonscheduled revenue service. If more than one type of aircraft is involved, a separation of data relating to each type of aircraft shall not be required. The type of aircraft and not the individual aircraft unit shall constitute the basis for determining the expenses to be reported on this sheet. Expenses relating to nonrevenue flights performed with types of aircraft generally used or intended to be used by the carrier in scheduled and nonscheduled services should be reflected in the data relating to (b) above. Expenses reported on the sheet applicable to (c) above shall relate to the aircraft for which flight and traffic statistics are consolidated on the last page of Schedule C for "Services employing aircraft types not generally used in revenue services." This sheet shall be submitted as the last page of Schedule B-2, and the words "Generally Nonrevenue" shall be inserted at the top of the sheet in the spaces opposite "Aircraft Type."

Carriers whose operations are confined to domestic operations should use a single series in numbering the pages making up Schedule B-2, for example, Page 1 of 12; carriers engaged in domestic and foreign and/or overseas operations should use two series, for example,

- (1) Trunk line, page 1 of 8.
- (2) Foreign, page 1 of 5.

IBM TABULATING CARD

The IBM card which reflects each amount reported on each page of this schedule shall be prepared in a manner similar to that prescribed for Schedule B using the following fields of the card: 1, 2, 3, (4, optional), 5, 9, 10 or 11, 14, 15.

The code identifying the type of aircraft concerned shall be punched in the fifth field of the card following the aircraft codes which are shown on pages 21-58. It is essential that each carrier literally report separately the operations of each aircraft type set forth in the attached coding sheet. Upon entry into service of a new aircraft type, the carrier concerned shall request the assignment of an appropriate code by the Civil Aeronautics Board. The summary totals, by aircraft type, for each expense function shall be coded by the respective CAB control accounts 5100, 5200, and 5900. The summaries by control account for all aircraft types shall be punched in connection with Schedule B and an additional card shall not be submitted for the summaries for all aircraft types shown on Schedule B-2. The code to be used for total aircraft operating expenses, by aircraft type, shall be the same as the code employed in punching such total for all aircraft types in connection with Schedule B, namely 5999.

Codes for use in the fourth field, when the carrier elects to separate on this schedule expenses of an aircraft type by services, are set forth on pages 21-54.

SCHEDULE B-3—STATEMENT OF GROUND AND INDIRECT EXPENSES

The amounts reported in this schedule shall represent the ground and indirect expenses relating to scheduled and nonscheduled services, and to nonrevenue flights by aircraft not generally used in revenue service. Definitions of scheduled and nonscheduled services are set out in the reporting instructions relating to Schedule C, Flight and Traffic Statistics.

Individual sheets shall be used for reporting expenses classified under functional account groups 6100 through 6600, with the functional account number being inserted in the spaces provided at the top of the form. The total amount of ground and indirect expenses pertaining to each functional account group shall be inserted opposite the word "Total" preceding account 78, "Ground property and equipment depreciation."

An individual sheet shall also be used for reporting the total amount of ground and indirect expenses relating to all functional account groups. The amounts reported on this sheet, with the exception of those at the bottom of the page relating to functional account group 6900, shall be the sum of the amounts reported on the sheets referred to above relating to functional account groups 6100 through 6600. A separate sheet will not be required for reporting amounts charged to functional account group 6900. Such amounts shall be shown on the total sheet only.

Carriers whose operations are confined to domestic operations should use a single series in numbering the pages making up Schedule B-3, for example, Page 1 of 7; carriers engaged in domestic and foreign and/or overseas operations should use two series, for example,

- (1) Trunk line, page 1 of 7.
- (2) Foreign, page 1 of 7.

The sheet reporting the total amount of ground and indirect expenses relating to all functional account groups shall be designated as page one of Schedule B-3, and the words "All Functions" shall be inserted in the spaces provided at the top of the page for showing the functional account number. The sheets relating to functional account groups 6100 through 6600 shall be arranged in numerical sequence following the total sheet.

In preparing the above strips, no separation shall be made between data relating to scheduled service and nonscheduled service. However, in these cases in which the volume of a carrier's nonscheduled service exceeds the level set forth in the following paragraph, a "Memorandum Schedule B-3" shall be submitted showing amounts of ground and indirect expenses directly assignable to nonscheduled service.

The reporting on "Memorandum Schedule B-3" of ground and indirect expenses directly assignable to nonscheduled service will be required for a carrier or for a separate international or domestic operation only for each quarter in which for that carrier or separate operation the total aircraft miles flown in commercial nonscheduled service equal or exceed three percent of the total aircraft miles flown in scheduled service. The requirement for filing memorandum Schedule B-3 as herein provided applies only to commercial operations.

The "Memorandum Schedule B-3" shall be prepared in the same form as the regular B-3 schedule, and the words, "Memorandum-Nonscheduled Service" shall be inserted in the heading. Separate sheets shall be submitted showing amounts related to each functional account group. Ground and indirect expenses not directly assignable to nonscheduled service shall not be included in the Memorandum schedule.

IBM TABULATING CARD

Following the procedure outlined for Schedules B and B-2, the fields listed below shall be used for punching data applying to this schedule: 1, 2, 3, 9, 10 or 11, 14, 15.

The code 6700 shall be used as a control number for the objective accounts, exclusive of the 6900 group of accounts, shown on page one of Schedule B-3 titled "All Functions." The cards for such accounts shall be punched in accordance with the respective objective account number, i. e., 6721, 6722, etc., through 6780, while 6799 shall be used for punching the total of this group of accounts.

Cards for the totals of ground and indirect expenses and the functional account groups thereunder shall be punched in connection with Schedule B, and additional cards shall not be submitted for these items shown on Schedule B-3.

No cards shall be required in connection with "Memorandum Schedule B-3."

SCHEDULE B-4—DISTRIBUTION OF STATION EXPENSES

This schedule is designed for reporting the distribution by stations of all expenses reported in Schedule B-3, Statement of Ground and Indirect Expenses. Each total reported on this schedule shall agree with the corresponding total shown in Schedule B-3.

No separation shall be made herein between the expenses for scheduled and nonscheduled services except that the amounts reported on line 2, as described below, shall relate only to nonscheduled service. Reference should be made to the reporting procedure for Schedule C, Flight and Traffic Statistics, for definitions of scheduled and nonscheduled services.

Line 1, General headquarters, maintenance bases and divisional expenses, shall be used to report the ground and indirect expenses which are not directly assignable to the operation of a particular station, traffic office, etc. Expenses of maintenance bases shall not be considered as local station expenses and, accordingly, shall be reported on this line. Similarly, the passenger service expenses in accounts 24, 36, 56 and 63 shall not be distributed to the on-line or off-line stations but shall be included in the amount reported on this line in column 5.

Line 2, All off-line stations, shall reflect the expenses directly assignable to all stations at which the operations of the carrier are related only to its nonscheduled services. Traffic offices maintained at off-line points for the purpose of selling or soliciting traffic for the scheduled service shall be considered as on-line stations.

Lines 3 to 56, inclusive, on-line stations: In column 1, the carrier shall list in alphabetical sequence the name of each city or other geographical location at which costs are incurred in connection with the carrier's scheduled service. In the appropriate money columns, the expenses directly assignable to each such station shall be set forth, except that expenses of maintenance bases and certain passenger service expenses, as indicated above, shall be included in the amounts reported on line 1.

IBM TABULATING CARD

An individual IBM card shall be punched and submitted for each amount applicable to general headquarters, off-line stations and each on-line station listed on this schedule. No card shall be punched for the total of each column appearing on this schedule; such card shall be punched in connection with Schedule B. The station codes are prescribed on page 21-60. CAB control accounts shall be used for coding data listed in columns 3 through 9 of this schedule and the code for data listed in column 2 shall be 6999. The following fields shall be punched in preparing each of these cards: 1, 2, 3, 6, 9, 10, 14 and 15.

SCHEDULE B-5—ON-LINE STATION OPERATING DATA

The purpose of this schedule is to provide selected operating data relating to the individual on-line stations for which the station expenses are reported on lines 3 to 56, inclusive, of Schedule B-4, Distribution of Station Expenses.

The data to be reported in columns 3 and 4 and 12 to 15, inclusive, shall be the amounts for both scheduled and nonscheduled services. Reference should be made to the reporting procedure for Schedule C, Flight and Traffic Statistics, for definitions of scheduled and nonscheduled services.

Column 1, Name: The names of the stations shall be listed in this column in the same order in which they are listed in Schedule B-4.

Column 2, Station characteristics: The characteristics of each station shall be indicated in this column by the use of the code numbers 1 to 9, inclusive, described at the

bottom of the schedule. Two or more code numbers shall be used for each station having two or more of the characteristics listed.

Column 3, Number of employees at end of quarter, shall reflect the number of persons employed at each station at the end of the quarter whose salaries or wages are included in the station expenses reported on lines 3 to 56, inclusive, of Schedule B-4.

Column 4, Gross ticket sales: For each station listed in column 1, this column shall contain the dollar amounts of gross sales of air transportation during the quarter.

Columns 5 to 9, inclusive, number of departures scheduled: These columns shall show, by types of aircraft, the number of departures scheduled during the quarter at each station as set forth in the carrier's published schedules. A separate column shall be used for each type of aircraft, with the type being indicated at the head of the column. For the purpose of this schedule, the aircraft shall be distinguished only with respect to model, such as DC-3, DC-4, etc.

Column 10, actual departures—scheduled service, shall reflect the number of actual departures made by all types of aircraft at each station during the quarter on all flights hereinbefore defined as scheduled service in the instructions relating to Schedule B-2.

Column 11, Actual departures—nonscheduled service, shall reflect the number of actual departures made by all types of aircraft at each on-line station during the quarter on flights hereinbefore defined as nonscheduled service in the instructions relating to Schedule B-2.

Column 12, Loads enplaned—number of revenue passengers, shall contain a count of all revenue passengers boarding the carrier's planes at each station listed herein. Passengers should be counted only at stations on the carrier's system where they first board the carrier's planes.

Column 13, Loads enplaned—tons of mail;

Column 14, Loads enplaned—tons of express;

Column 15, Loads enplaned—tons of freight: Column 13 shall reflect the tons of both United States and foreign mails enplaned; column 14 shall reflect the tons of express enplaned in scheduled service; and column 15 shall reflect the tons of freight enplaned in scheduled service and the tons of all classes of property enplaned in nonscheduled service at each on-line station. The distinction between express and freight enplaned in scheduled service shall be made in accordance with the definitions thereof set forth in the instructions for operating revenue accounts 3105, "Express," and 3106, "Freight." Tons of mail, express and freight should be reported only at stations from which it is originally dispatched on the carrier's planes. The total shown at the bottom of the schedule for each column shall be the sum of the amounts reported by stations.

IBM TABULATING CARDS

The data reported in columns 3 through 15 of the schedule shall be identified on the IBM card through punching in the field headed "Activity." The code to be used in this field shall correspond with the column number in which the item is reported on Schedule B-5. A carrier may, however, use single activity code "9" to identify items reported in columns 5 through 9 relating to the number of departures scheduled. This procedure should be followed in instances where a carrier operates more than five different types of aircraft and finds it necessary to insert additional columns on Schedule B-5 in order to report the departures scheduled by types of aircraft.

Station codes are prescribed on page 21-60. The code for the total of all stations shall be 999.

The code for "Station Characteristics" shall be as listed on page 21-60. The number in the headings of card columns 16

through 24 correspond to the station characteristic code numbers. When punching information in these columns, 1 shall be punched in column 16 when that characteristic is applicable; 2, in column 17; 3, in column 18; etc., progressively to 9 in column 24. Where a characteristic does not apply to the station reported a zero shall be punched in the card columns relating to such characteristic.

The following fields shall be used when punching data for this schedule: 1, 2, 3, 5, 6, 7, 9, 10, 12, 15.

SCHEDULE B-6—STATEMENT OF OUT-OF-PERIOD ITEMS

This schedule is designed for the reporting of revenue and expense items of certain magnitudes which are included in Schedules B to B-4, inclusive, for the current quarter but which are applicable to other periods. This schedule shall show each out-of-period revenue or expense item amounting to more than one percent of the monthly average of total revenues or expenses, respectively, for the preceding quarter. When out-of-period amounts having the same general origin, such as retroactive increase in salaries or wages, a retroactive adjustment of accruals to reserve accounts, etc., are recorded in two or more subsidiary accounts, the total of such amounts having a common origin shall be considered as an "item" for the purpose of this schedule.

An out-of-period item relating to more than one quarter shall be shown in the amounts applicable to each such quarter. An item relating to only a small number of subsidiary accounts or types of aircraft or stations shall be reported in detail by subsidiary accounts and, if applicable, by types of aircraft or stations. When reporting in such detail would be impracticable, that is, in an instance where an out-of-period item relates to a large number of subsidiary accounts or types of aircraft or stations, the data shall be reported by quarters and functional control accounts only.

The definition of "type of aircraft" applicable to reporting on Schedule C, "Flight and Traffic Statistics," shall be equally applicable to the reporting of data in this schedule.

SCHEDULE B-7—PAYROLL ANALYSIS

The purpose of this schedule is to provide an analysis of the number of persons employed and the rates of compensation paid or accrued based upon the payroll period ending nearest the 15th of the last month in the quarter. The term "payroll period" is used here in a collective sense to denote the various payroll periods for all groups of employees, irrespective of the difference in length of the pay periods. The amount reported in this schedule may, therefore, represent a composite of data relating to two or more separate payrolls covering different periods of time, although the data with respect to any one group of employees shall not reflect more than one payroll period.

The compensation to be reported herein shall include overtime pay but shall not include bonuses. And, for the purpose of this schedule, the data with respect to any one employee shall be shown in only the account to which most of his salary is charged, even though the compensation of such employee is normally prorated to two or more accounts.

Column 2: This column shall reflect, for each item listed in column 1, the average of (1) the number of persons employed at the beginning of the payroll period ending nearest the 15th of the last month in the quarter and (2) the number of persons employed at the end of the same payroll period.

Column 3: The amount to be reported on each line in this column shall be determined by expanding to an annual basis the amount of compensation, exclusive of bonuses, applicable to the payroll period ending nearest the

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15th of the last month in the quarter with respect to the employees included in the numerical count on the same line in column 2. The compensation for mechanics, as shown herein on line 38, shall reflect the wages for all mechanics charged to all accounts, including amounts for unallocated shop labor in account 6228, "Training and Unallocated Shop Labor," and amounts capitalized.

Column 4: Each item in this column shall be determined by dividing the amount of compensation shown in column 3 by the number of employees reported in column 2.

SCHEDULE B-8

CHARGES RELATING TO EXTENSION AND DEVELOPMENT

The description in column 1 shall be sufficiently comprehensive to reveal the purpose of each charge and shall include CAB Docket number, if any. The description shall indicate the nature of the cost incurred, such as "survey flights," etc. When amounts reported in column 3 represent amortization of costs previously capitalized, the description of each item being amortized and the notation "amortization" shall be entered in column 1.

Column 2, Account 1830, shall contain the amounts charged to account 1830, "Extension and Development," during the current quarter.

Column 3, Account 7192, shall contain the amounts charged to account 7192, "Route Extension and Development," during the current quarter.

Credit items, if any, other than credits to account 1830 concurrently charged to account 7192, and if of a substantial amount, shall be shown separately with appropriate explanation.

The difference between the total in column 2 and the credits to account 1830 concurrently charged to account 7192 during the quarter shall agree with the difference between the amounts reported in account 1830 in the balance sheets as at the end of the preceding and current quarters. The total in column 3 shall agree with the amount reported for the current quarter opposite account 7192, in Schedule B-1, Non-Operating Income and Expense.

EXTENSION AND DEVELOPMENT

The description of each individual project carried in account 1830, "Extension and Development," shall be listed in column 4 and the unamortized balance relating to each project as at the end of the current quarter shall be listed in column 5. The total in column 5 shall agree with the amount reported for account 1830 in the balance sheet.

SCHEDULE B-9—ANALYSIS OF AFFILIATE AND INTERDIVISIONAL CHARGES—ACCOUNT 39 AND EXPENSES TRANSFERRED, CREDIT—ACCOUNT 80

This schedule shall be used to show the detail of the amounts reported for account 39, "Affiliate and Interdivisional Charges," account 80, "Expenses Transferred—Credit," in Schedule B-2, Statement of Direct Aircraft Operating Expenses, and in Schedule B-3, Statement of Ground and Indirect Expenses.

Lines 1 to 25, inclusive, Account 39—Affiliate and interdivisional charges: In column 1 the carrier shall report the name of each affiliated company and separately operated division for which amounts are included in account 39. The data with respect to affiliated companies shall be listed first, followed by a listing of the data for separately operated divisions. The total shown on line 25 in each of columns 2 to 4, inclusive, and columns 5 to 11, inclusive, shall agree with the amount reported for account 39 under the corresponding functional control account in Schedules B-2 and B-3, respectively.

Lines 26 to 50, inclusive, Account 80—expenses transferred—credit. In column 1 the carrier shall report the name of each affiliated company and separately operated division for which amounts are included in account 80. Column 1 shall also contain the number and title of each of the reporting carrier's other accounts to which amounts included in account 80 have been transferred, exclusive of the accounts to which the amounts relating to affiliated companies and separately operated divisions have been transferred. Data relating to affiliated companies shall be listed first, followed by a listing of data for separately operated divisions and then for the other accounts to which amounts have been transferred. The total shown on line 50 in each of columns 2 to 4, inclusive, and columns 5 to 11, inclusive, shall agree with the amount reported for account 80 under the corresponding functional control account in Schedules B-2 and B-3, respectively.

SCHEDULE B-10—STATEMENT OF TAXES

This schedule shall reflect the taxes paid or accrued by the air carrier during the entire calendar year.

The "Grand Total" of all taxes paid or accrued as reported on this schedule shall agree with the totals of account 68, "Taxes—

Payroll," account 69, "Taxes—Other than Payroll," and account 9100, "Income Taxes," as reported on Schedules B, B-2 and B-3 for the twelve-month period ending December 31.

SCHEDULE C—FLIGHT AND TRAFFIC STATISTICS
GENERAL

The amounts reported in this schedule shall represent the total for both owned and rented aircraft, with no separation being required between the data for owned and rented units.

All mileage data shall be based upon direct airport-to-airport distances as distinguished from course-flown distances.

Scheduled service means all revenue flights operated over the air carrier's certified routes pursuant to published flight schedules and all flights operated as extra sections thereto, and all nonrevenue flights incident to the revenue flights so defined.

Nonscheduled service means all revenue flights which cannot be classified as scheduled services, and all nonrevenue flights incident to such flights.

The breakdown of flight and traffic statistics required on Schedule C shall be in accordance with the following classification of services:

Designation:	Abbreviation
Scheduled:	
Regular combination service	Sch. reg. comb.
Coach and tourist service	Sch. coach and tour.
All cargo service	Sch. all cargo.
Total services	Total scheduled.
Nonscheduled:	
Passenger or combination service	Nonsch. pass. or comb.
All cargo service	Nonsch. all cargo.
Total services	Total nonscheduled.
Exclusive nonrevenue	Excl. nonrev.
Total—all services	All services.

The abbreviations indicated above shall be used in the heading of the schedule to designate the service reported.

Aircraft type refers to model such as DC-8, DC-3 Super, CV-240, etc., with no distinction being required with respect to the type of service, such as passenger or cargo, for which the aircraft is primarily equipped. As industry developments result in improved versions of a specific aircraft model, differing substantially from its predecessors in operational and cost characteristics, separate reporting for different series of the same model aircraft will be prescribed. The following separation of existing model series will be required:

Douglas DC-3.
Douglas DC-3, Super.
Douglas DC-6.
Douglas DC-6A.
Douglas DC-6B.
Lockheed L-49.
Lockheed L-649.
Lockheed L-749.
Lockheed L-1049.
Martin 202.

SCHEDULED SERVICE

Information on Schedule C relating to scheduled service shall be furnished by types of aircraft used or intended to be used in such service, whether or not the type of aircraft was actually flown in scheduled revenue service during the particular month. These data shall be further separated in accordance with the classifications of service indicated on page 21-37.

Thus, an individual sheet shall be filed for each type of aircraft flown in each classification of scheduled service. A summary sheet shall be filed for total scheduled service.

In those instances where a carrier uses but one type of aircraft and performs only a single class of nonscheduled service, a single sheet may be used for reporting nonscheduled service data. The words "Total Non-scheduled" should be inserted in the heading opposite "Service" with a footnote indicating the specific class of service conducted, for example "All-Cargo only." The words "Total All Types" should be inserted in the heading opposite "Aircraft Type" with a footnote indicating the type of aircraft, for example, "DC-4 only."

sheet may be used for reporting scheduled service data. The words, "Total Scheduled," should be inserted in the heading opposite "Service" with a footnote indicating the specific class of service conducted, for example "Regular Combination only." The words, "Total All Types," should be inserted in the heading opposite "Aircraft Type" with a footnote indicating the type of aircraft, for example "DC-4 only."

NON-SCHEDULED SERVICE

Information on Schedule C relating to non-scheduled service shall be furnished by types of aircraft. These data shall be further separated in accordance with the classifications of service indicated on page 21-37.

Thus, an individual sheet shall be filed for each type of aircraft flown in each classification of nonscheduled service. A summary sheet shall be filed for total nonscheduled service.

In those instances where a carrier uses but one type of aircraft and performs only a single class of nonscheduled service, a single sheet may be used for reporting nonscheduled service data. The words "Total Non-scheduled" should be inserted in the heading opposite "Service" with a footnote indicating the specific class of service conducted, for example "All-Cargo only." The words "Total All Types" should be inserted in the heading opposite "Aircraft Type" with a footnote indicating the type of aircraft, for example, "DC-4 only."

The following lines of Schedule C are not applicable to and shall not be used for reporting information relating to nonscheduled services:

Lines 1 through 4, 18 through 21, 23, 29, 30, 31, 37, 41, 42, and 43.

Reporting of revenue plane miles performed in off-line service. In order that adherence to the limitation (established in

Part 207 of the Economic Regulations of the Civil Aeronautics Board) on the amount of charter and other services which may be performed by a certificated air carrier can be determined from information on the carrier's reports relating to nonscheduled service, the following special reporting of revenue plane miles performed in off-line service is required.

If the total revenue plane miles flown by a carrier in nonscheduled service for any calendar quarter exceed 2½ percent of the revenue plane miles flown by the carrier in scheduled service during the preceding 12-month period, the volume of revenue plane miles performed in off-line service shall be reported in a footnote on Schedule C. The footnote should be placed on the sheet, or each sheet if more than one, of Schedule C on which are reported flight and traffic statistics for "Total nonscheduled" services for the last month of the calendar quarter in which the revenue plane miles flown in nonscheduled service exceed the percentage specified herein. In instances where the off-line mileage reported includes defense contract operations, the revenue plane miles flown in contract operations should be stated in a notation on carrier's "Form 41-D Waiver Report" for the quarter.

TYPES OF AIRCRAFT GENERALLY NOT USED IN REVENUE OPERATIONS

A consolidation of data for all types of aircraft used and intended to be used predominantly in nonrevenue service shall be reported on a separate sheet of Schedule C with no separation being required as to the types of aircraft included therein. The type of aircraft and not the individual aircraft unit shall constitute the basis for determining which aircraft shall be reported on this sheet. Only lines 9, 10, 32, 35 through 40, 45 and 46 shall be filled in.

As previously indicated herein, all data for training or other nonrevenue flights performed with types of aircraft used or intended to be used in scheduled or nonscheduled transport services shall be reported on the sheets applicable to those services. Data relating to aircraft types not used for scheduled or nonscheduled transport service shall be reported on this sheet except that any nontransport revenue service and nonrevenue operation incident thereto shall be reported as nonscheduled service.

ALL SERVICES

An individual sheet shall be used for reporting the total of all services conducted by the carrier during the period reported.

NUMBERING PAGES

Carriers whose operations are confined to domestic operations should use a single series in numbering the pages of Schedule C, for example, page 1 of 15; carriers engaged in domestic and foreign and/or overseas operations should use three series, for example,

- (1) Trunk line, page 1 of 15.
- (2) Foreign, page 1 of 13.
- (3) System, page 1 of 1.

In numbering the pages of a series used for data relating to domestic operations or a series used for data relating to international operations, the sheet applicable to "All Services" should be designated as page 1. Sheets applicable to scheduled, nonscheduled, and exclusive nonrevenue service should then follow in the order named. In arranging the sheets applicable to scheduled service, the sheet for "Total Scheduled" should precede the individual sheets for each type of aircraft flown in each classification of scheduled service; in arranging the sheets applicable to nonscheduled service, the sheet for "Total Nonscheduled" should precede the individual sheets for each type of aircraft flown in each classification of nonscheduled service.

AIRCRAFT MILES

Line 1, Passenger, property and United States mail—regular trips shall be used for reporting the aircraft miles flown on regular trips of scheduled passenger flights which are designated to carry United States mail, whether or not mail is carried on such flights.

Line 2, Passenger, property and United States mail—extra sections, shall be used for reporting the aircraft miles flown on extra sections of scheduled flights which are designated to carry United States mail, whether or not mail is carried on such flights.

Line 3, Property and United States mail only—regular trips, shall be used for reporting the aircraft miles flown on regular trips of scheduled cargo flights which are designated to carry United States mail, whether or not mail is carried on such flights.

Line 4, Property and United States mail only—extra sections, shall be used for reporting the aircraft miles flown on extra sections of scheduled cargo flights which are designated to carry United States mail, whether or not mail is carried on such flights.

Line 5, Passenger and property only, shall be used for reporting the aircraft miles flown (1) on regular trips and extra sections of scheduled passenger flights which are not designated and scheduled to carry United States mail, and (2) on those flights in nonscheduled service transporting passengers.

Line 6, Property only, shall be used for reporting the aircraft miles flown (1) on regular trips and extra sections of scheduled all cargo flights which are not designated and scheduled to carry United States mail, and (2) on those flights in nonscheduled service transporting cargo only.

Line 7, Non-transport, shall reflect the revenue aircraft miles performed in nonscheduled operations on flights on which no mail, passengers or property are transported. The flights to be reported on this line are those relating to such services as aerial photography, advertising, dusting operations, etc. Data for line 7 shall be reported only on that page of Schedule C reporting data for "All Services" and on those pages relating to "Nonscheduled" services.

Line 9, Nonrevenue miles: The aircraft miles reported on this line shall represent the miles performed on the nonrevenue flights for which the aircraft hours are reported on lines 35 to 38, inclusive.

PASSENGER-MILES

Line 12, Revenue passenger-miles (in thousands);

Line 13, Nonrevenue passenger-miles (in thousands): "Passenger-miles" is defined as the miles flown per each interstation trip multiplied by the number of passengers carried on that trip. Nonrevenue passenger-miles refers to nonrevenue passengers carried on revenue flights. "Nonrevenue passengers" means persons transported without charge including company employees. For purposes of computing passenger-miles, infants not occupying a separate seat and carried without charge or at a small fraction of the regular fares shall not be included either as revenue or nonrevenue passengers. Passengers carried at reduced fares shall be included as full passengers.

Passenger-miles shall be rounded to the nearest thousand for each type of aircraft and the "000" shall be omitted. The amount shown in each total page shall be the sum of the amounts reported in the supporting detail pages.

SEAT-MILES AND LOAD FACTOR

Line 15, Available seat-miles operated (in thousands) is defined as the miles flown per each interstation trip multiplied by the number of seats available on that trip for the carriage of passengers (as distinguished

from the rated passenger-carrying capacity of the aircraft). Available seat-miles shall be rounded to the nearest thousand for each type of aircraft and the "000" shall be omitted. The amount shown in each total page shall be the sum of the amounts reported in the supporting detail pages.

Line 16, Revenue passenger load factor is defined as the quotient obtained by dividing the revenue passenger-miles (line 12) by the available seat-miles operated (line 15). Each quotient shall be carried to two places beyond the decimal point, such as 80.46.

TON-MILES

All ton-mile data shall be based upon the short ton of 2,000 pounds.

Lines 17 to 26, inclusive. Ton-miles utilized on revenue flights is defined as the miles flown per each interstation trip in revenue service multiplied by the number of tons carried on that trip.

Revenue ton-miles utilized:

Line 17, Passengers (including free baggage): In computing this item, the air carrier may use either the actual weight per passenger, including free baggage, or an average weight per passenger, including free baggage, as determined by a study conducted by the carrier over a representative period. If an air carrier operating geographically separated air transport divisions elects to use the average-weight procedure on any of such divisions, a separate average-weight determination shall be made for each division so reporting. Each air carrier shall inform the Civil Aeronautics Board of which procedure it is employing and of any change in procedure or average weight used. If the average-weight procedure is employed, the carrier shall furnish the Board with sufficient data to support the average figure so used. The notification by the carrier of any change in procedure or average weight used, and the submission of data in support thereof, shall be made in advance of, or concurrently with, the submission of Schedule C for the month in which the change occurs. A change in procedure or average weight used shall also be indicated briefly in a footnote to Schedule C.

Lines 18 and 19 United States mail-letter; United States mail-parcel post: In those instances where separate "Certificates of Delivery" for letter air mail and parcel post air mail are furnished the carriers by the Post Office Department, a segregation of the ton-miles flown in each service shall be reported. Under existing conditions, such a segregation appears available only with respect to those carriers engaged in transporting parcel post to foreign countries. At such time as the Post Office Department may furnish the facilities necessary for the derivation of the ton-miles flown with parcel post in the domestic air mail service, those carriers engaged in such activity shall segregate and report as a separate item the air parcel post ton-miles flown.

Line 21, Express: This item relates only to scheduled service and shall reflect the ton-miles of traffic for which the revenue is reported in the operating revenue account 3105, "Express".

Line 22, Freight: For scheduled service, this item shall reflect the ton-miles of traffic for which the revenue is reported in the operating revenue account 3106, "Freight". For non-scheduled service, this item shall represent the ton-miles of all classes of property transported.

Nonrevenue ton-miles utilized:

Line 25 shall be used for reporting the ton-miles relating to all passengers and property transported without charge on revenue flights.

Line 27, Available ton-miles (revenue flights only) is defined as the miles flown per each interstation trip in revenue service multiplied by the available load for that

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trip. "Available load" means the remainder of the gross weight which the airplane is licensed to carry into the air after deducting first, its weight empty plus all justifiable airplane equipment, and second, the operating load consisting of gasoline and oil, ship's crew, steward's supplies, etc. This item represents the maximum salable load multiplied by the miles flown.

Available ton-miles may be computed by the use of reliable standard capacities rather than upon the basis of actual available capacities for each trip. Each carrier shall submit to the Civil Aeronautics Board a detailed statement of its method of computing available ton-miles, whether on an actual or standard basis, also any future changes in methods of computation, subject to review and approval by the Board.

Line 28. Percent of revenue ton-miles to available ton-miles: The percentage reported on this line shall be determined by dividing the total revenue ton-miles (line 24) by the available ton-miles (line 27). The quotients shall be carried to two places beyond the decimal point.

OPERATING PERFORMANCE FACTOR

Line 29. Scheduled miles is defined as the sum of the direct airport-to-airport distances of all flights scheduled to be performed during the month over the air carrier's certificated routes in pursuance of published flight schedules. Scheduled miles shall be reported in total only on those pages of Schedule C covering "All Services" and "Total Scheduled Services," and shall reflect the flight patterns as set forth in the published schedules. Flights listed in the published schedules for operation only as extra sections when the traffic demands shall be excluded. In computing scheduled miles, stations scheduled as fuel stops or flag stops shall be considered as if such stations were scheduled as regular traffic stops. The scheduled miles relating to flights scheduled to begin in one month and terminate in the next shall be included in the month in which the flight is scheduled to depart, provided that such flights in international services shall not be considered to extend beyond the first crew change.

Line 30. Scheduled miles flown is defined as the aircraft miles performed on flights for which the scheduled miles are reported on line 29. Scheduled miles flown shall be reported in total only on those pages of Schedule C covering "All Services" and "Total Scheduled Services," and shall not include any miles performed on extra-section flights. The miles performed on flights scheduled to begin in one month and terminate in the next shall be included in the month in which the flight is scheduled to depart, provided that such flights in international services shall not be considered to extend beyond the first crew change. This applies to flights delayed because of weather, mechanical failure or similar reasons. The scheduled miles for such delayed flights shall have been properly reported on line 29 of the report for the same month.

Line 31. Percentage completed shall be obtained by dividing the scheduled miles flown (line 30) by the scheduled miles (line 29). The quotient shall be carried to two places beyond the decimal point, such as 97.56.

USE OF AIRCRAFT

"Aircraft days" is defined as the sum of the number of days that each aircraft owned by the reporting carrier and each aircraft rented, leased or borrowed from others is in the possession of the air carrier during the current month, including the number of days that any such aircraft is out of service during the month due to periodic maintenance or major overhaul but excluding the number of days during the month that each newly acquired aircraft is on hand before being placed in operation. Owned aircraft

which are rented, leased or loaned to others shall not be considered as being in the possession of the reporting carrier during the period of such rental, lease or loan.

If the reporting air carrier is engaged in both domestic and international operations, and all or some of its aircraft units are used in both operations, the aircraft days shall be assigned or prorated to the domestic and international operations in the following manner:

(1) If aircraft are exclusively assigned to either domestic or international operations, the total time of such aircraft, including time spent in maintenance and overhaul, shall be reported for the operation to which such aircraft are assigned.

(2) If aircraft are used interchangeably in domestic and international operations, the time of the aircraft while they were in an operating status shall be reported on the basis of the total time which each aircraft was assigned to either domestic or international operations. The time of aircraft in maintenance or overhaul shall be distributed to domestic and international operations on the basis of the total hours flown by aircraft of the same type in the respective operations during the month prior to the month covered by the report. In case of aircraft held in reserve at joint domestic and international stations, the time of such aircraft shall be distributed on the basis of the number of departures scheduled at such station with the aircraft of the same type on the respective operations.

The reporting procedure set forth below for lines 32 and 33 shall be applied to the domestic and international operations separately after the determination, in accordance with the foregoing, of the number of aircraft days relating to the domestic and international operations, respectively.

Line 32. Number of aircraft days assigned: For each type of aircraft used in revenue service, this line shall reflect the number of aircraft days assigned or prorated to scheduled and nonscheduled services, and shall include the number of aircraft days, if any, relating to the nonrevenue service performed with such types of aircraft. The assignment or proration of aircraft days to scheduled and nonscheduled services shall be made in the same manner as described above for the assignment or proration of aircraft days to domestic and international operations. The aircraft days relating to the types of aircraft used generally in nonrevenue service shall be shown in total on this line on the page devoted to such aircraft types.

In connection with the data reported on line 32, the carrier shall show on the margin or in a statement attached to the appropriate page of this schedule, (1) for each newly acquired aircraft placed in operation during the current month, the license number and type of aircraft, the date acquired, and the date placed in operation; (2) for each owned aircraft retired during the month through sale, transfer, abandonment, etc., the license number and type of aircraft and the date retired; (3) by types of aircraft, the number of aircraft days included on line 32 for aircraft rented, leased or borrowed from others; and (4) by types of aircraft, the number of aircraft days excluded from line 32 for owned aircraft which have been rented, leased or loaned to others during all or any part of the current month. The data with respect to newly acquired aircraft placed in operation and owned aircraft retired during the month shall be shown in the report for either the domestic or international operations, whichever appears appropriate for each such aircraft.

All aircraft days reported herein shall be expressed as whole numbers.

Line 33. Average revenue hours of use per day per aircraft shall be obtained by dividing the revenue aircraft hours (line 34) by the number of aircraft days assigned (line 32).

Each quotient shall be stated in terms of hours and minutes, such as 9:48.

AIRCRAFT HOURS

Aircraft hours shall be computed from the time the plane becomes airborne on take-off to the time of ground contact upon landing. Minutes or fractional hours shall not be shown in reporting aircraft hours flown.

Line 34. Revenue hours, shall reflect the aircraft hours relating to flights for which the aircraft miles are reported on lines 1 to 7, inclusive.

Nonrevenue hours:

Line 35. Ferry flights shall include all flights for the purpose of returning aircraft to base, equipment equalization flights, flights for the delivery of aircraft from manufacturer prior to use in line service, and flights to and from maintenance bases.

Line 36. Personnel training flights shall include all flights for the purpose of obtaining flying time for pilot personnel as well as ordinary flights in connection with flight personnel training programs. This item shall also include all flights for the purpose of permitting pilot personnel to familiarize themselves with the route or routes over which they will fly. Flights in connection with training programs for others shall not be reported herein.

Line 37. Extension and development flights shall include all flights for the purpose of surveying proposed extensions of the air carrier's routes, or proposed new routes.

Line 38. Other nonrevenue flights shall include all nonrevenue flights not reported on lines 35, 36 or 37.

NUMBER OF EMPLOYEES

Line 41. Based in continental United States: Enter the total number of full and part-time employees, both permanent and temporary, who worked or received pay for any part of the pay period(s) ending nearest the 15th of the month, whether paid daily, weekly, monthly or otherwise, and who were based in continental United States. Persons based in the United States but employed on transoceanic flights should be included. Include salaried officers of the corporation and employees on paid sick leave, holidays and vacations, but do not include pensioners, members of the armed forces, or persons on leave of absence without pay.

Line 42. Based outside continental United States: Enter the total number of employees who were assigned to locations outside continental United States.

Line 43. Total number of employees: This item should be the sum of lines 41 and 42.

Lines 41, 42 and 43 are intended to cover all classes of employees included on quarterly Schedule B-7. These employee data shall be reported in totals only on that page of Schedule C relating to "All Services," and 12-months-to-date figures will not be required.

MISCELLANEOUS

Line 11. Number of revenue passengers carried:

Line 44. Tons of revenue express and freight carried: These items shall be reported in total only on those pages of Schedule C covering "All Services," "Total Scheduled Services," and "Total Nonscheduled Services." The figures reported on line 11 shall represent an unduplicated count of revenue passengers for each operation for which separate reports are filed. Transfer passengers between separate operating units within each reporting unit shall be eliminated, but lay-over passengers shall be included. Those passengers transported at full published fares and also those carried at reduced fares shall be classified as revenue passengers, but infants carried at a small fraction of the regular fares shall not be so classified.

Line 45. Aircraft engine fuel consumed (gallons);

Line 46, Aircraft engine oil consumed (gallons): These items shall be reported by types of aircraft and shall represent the gallons of fuel and oil consumed in revenue and nonrevenue flights. Fractional gallons shall not be shown in reporting the gallons of fuel and oil consumed.

IBM TABULATING CARD

An individual punched IBM card shall be submitted for each amount reported on each page of Schedule C. The following fields shall be used when punching the cards applying to this schedule: 1, 2, 3, 4, 5, 8 or 11, 9, 13, 15.

The identification of the item punched on each card shall be made in the 13th field of the card and shall be coded using the appropriate line number of the schedule.

The decimals required as part of the percentages included on Schedule C and the minutes included in "Average revenue hours of use per day per aircraft" shall be punched in card columns 50 and 51. No other fractional amounts shall be punched for items on Schedule C. Passenger-mile and available seat-mile data shall be punched in thousands.

In those instances where a carrier uses but one type of aircraft in performing a single class of scheduled service and reports the information on a single sheet as provided for in the instructions on page 21-38, the information shall be coded "19" in field 4 and "999" in field 5.

In those instances where a carrier uses but one type of aircraft in performing a single class of nonscheduled service and reports the information on a single sheet as provided for in the instructions on page 21-39, the information shall be coded "29" in field 4 and "999" in field 5.

SCHEDULE C-1—REVENUE PASSENGER-MILES

This schedule is designed for reporting revenue passenger-miles by types of aircraft on selected route segments and shall be confined to the revenue passenger-miles performed in scheduled services. A separate column shall be used for each type of aircraft, with the type being indicated at the head of the column. The further separation of data as to class of service conducted, as required in the reporting on Schedule C, will not be required with respect to the data furnished on Schedule C-1.

The revenue passenger-miles to be reported for each type of aircraft on each segment shall be rounded to the nearest thousand and the "000" shall be omitted. The total shown in column 2 for each segment shall be the sum of the amounts reported therefor in columns 3 to 7, inclusive. The total shown at the bottom of the schedule for each type of aircraft shall agree with the revenue passenger-miles reported on line 12 of that page or pages of Schedule C pertaining to the corresponding type of aircraft. The total shown at the foot of column 2 shall agree with the amount reported on line 12 of that page of Schedule C pertaining to "Total Scheduled Services."

The route segments to be reported in this schedule shall be defined separately for each air carrier by the Civil Aeronautics Board and shall consist, generally, of the natural major segments of each carrier's operations, although reporting with respect to certain nonstop operations may also be required. The route segments as defined for each carrier by the Board shall represent the minimum requirements for this schedule and no contraction thereof shall be made without the permission of the Board.

SCHEDULE D—DIVIDENDS DECLARED AND LIST OF STOCKHOLDERS

The listing of dividends declared during the calendar year and stockholders of record as at the close of the year shall be prepared in accordance with the instructions set forth on this schedule.

SCHEDULE E—COMPENSATION OF GENERAL OFFICERS, DIRECTORS AND OTHERS

The listing of General Officers and Directors shall include those corporate officers, executives and directors whose positions are elective. Columns 4 and 5 shall reflect the total salary, bonuses and any indirect compensation paid or accrued for services during the calendar year. Remuneration paid "Indirectly" includes payments made by persons holding management contracts providing for management of, or services to, the air carrier or any of its subsidiaries. Columns 6 through 9 shall reflect securities of the air carrier owned as at December 31.

The schedule of persons other than directors, officers and employees receiving compensation for personal services in excess of \$10,000 during the calendar year shall set forth the period covered and the services rendered in sufficient detail so as to indicate the specific service as well as the type of service rendered. For the purpose of this schedule, "persons" shall be construed to mean individuals, partnerships, corporations or other legal entities.

SCHEDULE F—CORPORATE AND SECURITIES DATA

The information to be reported shall be prepared in accordance with the instructions set forth on the schedule.

CAB FORM 41 (A)—INTERIM OPERATING STATEMENT AND SELECTED EXPENSES

The purpose of this schedule is to provide a summary of all operating revenues and expenses and the detail, by types of aircraft, of selected direct aircraft operating expenses for each of the first two months of each quarter. The data to be reported therein shall represent the totals for all scheduled and nonscheduled services and nonrevenue service performed with both owned and rented aircraft during each of such months.

In reporting the selected direct aircraft operating expenses in the lower part of this schedule, a separate line shall be used for each type of aircraft, with the type being shown in column 3. For the purpose of this schedule, the aircraft shall be distinguished only with respect to model, such as DC-3, DC-4, etc.

CODES FOR PUNCH CARDS

CODES FOR "TYPE CARD" COLUMN ONE OF IBM CARD

- 1 Items on schedule B.
- 2 Items on schedule B-2.
- 3 Items on schedule B-3.
- 4 Items on schedule B-4.
- 5 Items on schedule B-5.
- 6 Items on schedule C.

CODES FOR "OPERATION" COLUMNS 5 AND 6 OF IBM CARD

Certificated U. S. mail operations:

- 10 Domestic trunk line.
- 20 Domestic feeder line.
- 30 Domestic territorial line (other than Alaskan).
- 40 Alaskan air carrier.
- 50 Foreign or overseas air carrier.
- 60 System.

Certificated non-U. S. mail operations:

- 80 All-cargo transport.
- 90 Passenger and property transport.

CODES FOR "SERVICE" COLUMNS 7 AND 8 OF IBM CARD

- 10 Scheduled:
 - 11 Regular combination service.
 - 12 Coach and tourist service.
 - 13 All-cargo service.
 - 19 Total scheduled services.

20 Nonscheduled:

- 21 Passenger or combination services.
- 22 All-cargo service.
- 29 Total nonscheduled services.

30 Exclusive nonrevenue.

40 All services.

"Service" codes for optional reporting on Schedule B-2 only

50 Scheduled and nonscheduled services combined

- 51 Passenger combination service.
- 52 Coach and tourist service.
- 53 All-cargo service.

CODES FOR "CARRIER" COLUMNS 2, 3 AND 4 OF IBM CARD

- 030 Airnews, Inc.
- 045 Alaska Airlines, Inc.
- 060 Alaska Coastal Airlines
- 075 All American Airways, Inc.
- 090 American Airlines, Inc.
- 105 Bonanza Airlines, Inc.
- 120 Braniff Airways, Inc.
- 135 Byers Airways
- 145 Capital Airlines, Inc.
- 160 Caribbean Atlantic Airlines, Inc.
- 175 Catalina Air Transport
- 190 Central Airlines, Inc.
- 205 Chicago and Southern Air Lines, Inc.
- 220 Colonial Airlines, Inc.
- 235 Continental Air Lines, Inc.
- 250 Cordova Air Service, Inc.
- 265 Delta Air Lines, Inc.
- 280 Eastern Air Lines, Inc.
- 295 Ellis Air Lines
- 310 Empire Air Lines, Inc.
- 330 Flying Tiger Line Inc., The
- 345 Frontier Airlines, Inc.
- 370 Hawaiian Airlines, Limited
- 385 Helicopter Air Service, Inc.
- 400 Inland Air Lines, Inc.
- 415 Island Air Ferries, Inc.
- 440 Lake Central Airlines, Inc.
- 455 Los Angeles Airways, Inc.
- 470 Mid-Continent Airlines, Inc.
- 480 Mid-West Airlines, Inc.
- 500 National Airlines, Inc.
- 520 Northeast Airlines, Inc.
- 530 Northern Consolidated Airlines, Inc.
- 545 Northwest Airlines, Inc.
- 565 Ozark Airlines, Inc.
- 580 Pacific Northern Airlines, Inc.
- 595 Pan American-Grace Airways, Inc.
- 610 Pan American World Airways, Inc.
- 620 Pan American General Accounting Office.

- 630 Pan American Alaska Operations.
- 640 Pan American Atlantic Division.
- 650 Pan American Latin American Division.
- 660 Pan American Pacific Operations.
- 680 Piedmont Aviation, Inc.
- 700 Pioneer Air Lines, Inc.
- 725 Reeve Aleutian Airways.
- 740 Resort Airlines, Inc.
- 750 Riddle Aviation Company.
- 760 Robinson Airlines Corporation.
- 775 Slick Airways, Inc.
- 790 Southern Airways, Inc.
- 800 Southwest Airways Company.
- 820 Trans-Pacific Airlines, Ltd.
- 830 Trans-Texas Airways.
- 845 Trans World Airlines, Inc.
- 865 U. S. Airlines, Inc.
- 880 United Air Lines, Inc.
- 895 Uraba, Medellin and Central Airways, Inc.
- 910 West Coast Airlines, Inc.
- 920 Western Air Lines, Inc.
- 940 Wien Alaska Airlines, Inc.
- 955 Wiggins Airways, Inc., E. W.
- 965 Wisconsin Central Airlines, Inc.

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CODES FOR "TYPE AIRCRAFT" COLUMNS 9, 10 AND 11 OF IBM CARD

Aircraft used in revenue services

100 Single engine.
 200 Twin engine.
 210 Boeing.
 211 247-D.
 220 Cessna.
 221 T-50.
 230 Consolidated Vultee.
 231 CV-240.
 240 Curtis.
 241 C-46.
 250 Douglas.
 251 DC-2.
 252 DC-3.
 253 DC-3, Super.
 260 Grumann.
 261 G-21A.
 270 Lockheed.
 271 10.
 272 14.
 273 18.
 280 Martin.
 281 202.
 285 404.
 400 Four engine.
 410 Boeing.
 411 B-307.
 412 B-314.
 413 B-377.
 440 Douglas.
 441 DC-4.
 442 DC-6A.
 443 DC-6B.
 444 DC-6.
 470 Lockheed.
 471 L-49.
 472 L-649.
 473 L-749.
 474 L-1049.
 500 Helicopter.
 510 Bell.
 511 B-47D.
 520 Sikorsky.
 521 S-51.
 800 Types generally not used in revenue service.
 999 Total all types.

CODES FOR "STATION CHARACTERISTICS" COLUMNS 16 THROUGH 24 OF IBM CARD

1. City traffic office.
2. Line operations.
3. Fueling and service.
4. Food service.
5. Stock and stores.
6. Communications.
7. Lay-over point.
8. Reservations control.
9. Transfer point.

CODES FOR "STATION" COLUMNS 12 THROUGH 15 OF IBM CARD

The city codes of Airline Clearing House, Inc., shall be used for coding on-line stations. The code for "General headquarters, maintenance bases, and divisional expenses" shall be 997; the code for "All off-line stations" shall be 998; and the code for totals of all stations shall be 999.

CODES FOR "MONTH" COLUMNS 25 AND 26 OF IBM CARD

The month shall be indicated on the card on a calendar year basis beginning with one for January, progressively through twelve for December.

CODES FOR "YEAR" COLUMN 27 OF IBM CARD

The calendar year 1951 shall be indicated by punching one in this column; the calendar year 1952, by punching two in this column, etc.

CODES FOR "QUARTER" COLUMN 28 OF IBM CARD

1. Quarter ended March 31.
2. Quarter ended June 30.
3. Quarter ended September 30.
4. Quarter ended December 31.

CODES FOR "12 MONTHS TO DATE" COLUMNS 29 AND 30 OF IBM CARD

The 12 months to date shall be indicated on the card on a calendar year basis beginning with one for the 12 months ended January 31 progressively through twelve for the 12 months ended December 31.

CODES FOR "ACTIVITY" COLUMNS 31 AND 32 OF IBM CARD

Each item required in columns 3 through 15 on Schedule B-5 of CAB Form 41 shall be identified in the card applicable thereto by punching in this field of the card the column number, as printed on Schedule B-5, in which the item is reported. Code "9" may, however, be used to identify all items reported in columns 5 through 9.

CODES FOR "TRAFFIC LINE NO." COLUMNS 33 AND 34 OF IBM CARD

Each item required on Schedule C of CAB Form 41 shall be identified in the card applicable thereto by punching in this field of the card the line number, as printed on Schedule C, on which the item is reported.

CODES FOR "ACCOUNT" COLUMNS 35 THROUGH 39 OF THE IBM CARD

The functional and objective account numbers printed on Schedules B, B-2, B-3 and B-4 shall be used in completing this field of the card. Codes for those financial items not numbered on these schedules are as follows:

Schedule B:

3107-9	Total scheduled transportation revenue.
3199	Total transportation revenue.
4999	Total operating revenue.
5999	Total direct aircraft operating expenses.
6999	Total ground and indirect expenses.
7009	Total operating expenses.
7099	Net operating income.
9099	Net income before income taxes.
9999	Net profit or loss for period.

Schedule B-2:

5999 Total aircraft operating expenses (for aircraft types only).

Schedule B-3:

6700	Ground and indirect expense (to be used as a control for coding each objective account shown on page one of Schedule B-3 titled "All Functions," exclusive of the 6900 group of accounts).
6799	Total ground and indirect expenses before depreciation of Ground Equipment.

Column 39 shall be used for punching the subaccount numbers indicated for certain items on Schedules B and B-2.

SUBPART H—ACCOUNTING AND REPORTING REQUIREMENTS APPLICABLE TO DEFENSE CONTRACT OPERATIONS

§ 241.8-1 Accounting and reporting requirements applicable to defense contract operations. Accounting and reporting requirements applicable to the defense contract operations of certified air carriers were prescribed (effective with the first period of operations during 1950 under the contracts) in Defense Contract Accounting and Reporting Letter No. 1-D issued December 27, 1950. The existing requirements, which have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942, are as set forth in this subpart.

GENERAL

§ 241.8-2 Operations covered by requirements in this subpart. The ac-

counting and reporting requirements prescribed in this subpart are applicable to all operations and services for the defense establishment, whether performed or furnished directly by an air carrier or indirectly through other carriers. All parts of these requirements except for the quarterly report specified under § 241.7-4 (a) are waived, however, where the total expenses charged to defense contract operations clearly do not exceed for any quarter three percent of the total operating expenses of the regular commercial operation. For purposes of this waiver, each international and domestic operation of a carrier shall be considered separately, the effectiveness of the waiver being predicated upon reported data for each operation, and all such operations of a carrier must meet the specified waiver requirement. Upon application to the Accounting and Statistics Division by a carrier setting forth facts to show that the defense contract operations of the carrier, although in excess of the volume contemplated by the foregoing waiver, are of such limited extent as to have no consequential effect on the investment or financial results of the commercial operations involved, consideration will be given to waiving, in whole or in part, the requirements of accounting and reporting separately for such defense activities.

§ 241.8-3 Form and certification. (a) Except as otherwise provided in this subpart, existing schedules of CAB Form 41 shall be adapted to reporting the defense contract operations. However, only those schedules specifically called for in this subpart must be filed for the contract operations. Financial data shall be reported for each quarter and flight and traffic statistics for each month. Filing dates shall be the same as for the regular report of commercial operations. An original and one copy of all schedules and statements shall be submitted.

(b) The schedules and statements comprising the report of defense contract operations are designated as "CAB Form 41-D" and each page of the report shall be modified or marked to carry this designation in the lower right-hand corner. Each sheet of the report shall be further identified by inserting immediately below the name of the reporting company the words, "Defense Contract Operations."

(c) To facilitate the identification and proper handling of the reports, each schedule or statement applicable to the contract operations shall be marked in the upper right hand corner with any applicable security classification which may be established by the Department of Defense.

(d) The certification on the face sheet of Form 41 shall be attached to each set of schedules required to be filed for defense contract operations. The certification shall be signed by an officer of the reporting carrier in charge of the accounts and shall certify as to all schedules filed as part of the report, whether such schedules are filed at the same time as the certification or prior thereto.

(e) The requirements for reporting defense contract operations are supplemental to those of the CAB Form 41 Manual which, except as modified in this

subpart, shall also be followed in accounting and reporting for the contract operations.

§ 241.8-4 Form 41-D Waiver Report. (a) Each certificated air carrier not filing a report on CAB Form 41-D shall submit for each quarter concurrently with the filing of the regular Form 41 report, in duplicate on the form provided, a "Form 41-D Waiver Report." Either item 1 or item 2 of this form shall be completed, as applicable, indicating the status of the carrier with respect to defense contract reporting requirements. The statement shall be signed by an officer of the reporting carrier in charge of the accounts. Carriers which did not perform any operations or services for the defense establishment during the calendar year 1950 shall submit the initial statement under this heading to cover the entire year; thereafter, the statement shall be submitted quarterly.

(b) The net income from all defense contract operations shall be recorded in account 4119, "Other Incidental Revenues; Net."

ACCOUNTING AND REPORTING PROCEDURES

§ 241.8-5 Report of defense contract operations, CAB Form 41-D. The report of defense contract operations, CAB Form 41-D, shall consist of the schedules of Form 41 and other statements set forth in §§ 241.8-6 to 241.8-16.

§ 241.8-6 Schedule A-6; Operating property and equipment. (a) Balance sheet items of the carrier applicable to defense contract operations shall be included in the carrier's regular report of commercial operations. Data presently being reported on the regular Schedule A-6 shall continue to be reported on a "system" basis and shall include operating property and equipment used in all types of service.

(b) In addition to the regular Schedule A-6, there shall be submitted a statement of operating property and equipment assigned exclusively to defense contract operations. This statement shall be submitted quarterly. Information called for in columns 3, 4 and 5 may be omitted.

§ 241.8-7 Schedule B; Statement of revenues, fees and expenses of defense contract operations. (a) Schedule B of Form 41 shall be used to report revenues and fees accruing and expenses incurred in connection with defense contract operations. For purpose of this report, the title of Schedule B shall be modified by the reporting carrier to conform to the heading of this section.

(b) Separate statements shall be filed for "defense transport operations" and "other defense contract operations." "Other defense contract operations" shall include such contract activities as maintenance and modification of equipment and training of personnel when these activities are the primary feature of a contract operation and are not in support of transport operations performed by the reporting carrier. The separation of reported data between "defense transport operations" and "other contract operations" prescribed for this and certain other schedules in

this subpart contemplates only two classifications and not a further breakdown of "other contract operations."

(c) Revenues and fees accruing under the contracts shall be reported on the line for "Incidental Revenues; Net." Income taxes shall not be reported on the schedules relating to defense contract operations but shall be reported on carrier's regular Schedule B.

(d) The bases used in determining the expenses to be reported on this schedule shall be the same as those used in arriving at the expenses to be charged to the contract operations or the contracting agency if the contract provides for settlement on the basis of such expense charges and, in any event, shall be consistent with the methods used in arriving at the reimbursement to be received by the carrier under the contract.

(e) The net income from defense contract operations, including those for which a separate report is not required, shall be recorded in account 4119, "Other Incidental Revenues; Net," and shall be reflected in this account on the carrier's regular Schedule B-1. The net income before income taxes as reported on Schedule B for defense contract operations shall be the same as that included in account 4119 on the carrier's regular Schedule B-1.

§ 241.8-8 Schedule B-1; Incidental revenues; non-operating income and expense. (a) This schedule shall be used to report incidental revenues and non-operating income and expense relating to defense contract operations. Separate statements shall be filed for defense transport operations and other defense contract services. The "twelve months to date" column of this schedule in the report of defense contract operations need not be completed.

(b) Profit or loss from the retirement of flight equipment and ground property and equipment shall not be included in this schedule but shall be included in carrier's regular Schedule B-1. However, a notation should be made on Schedule B-1 relating to defense contract operations of the amount of profit or loss included on carrier's regular Schedule B-1 resulting from the retirement of flight equipment and ground property and equipment directly assignable to defense contract operations.

§ 241.8-9 Schedule B-2; Statement of direct aircraft operating expenses. This schedule shall be used to report direct aircraft operating expenses relating to defense contract operations. Separate statements shall be filed for defense transport operations and other defense contract services. All expenses reported shall be distributed by type of aircraft. The "twelve months to date" column of this schedule in the report of defense contract operations need not be completed.

§ 241.8-10 Schedule B-3; Statement of ground and indirect expenses. (a) This schedule shall be used for the following statements of ground and indirect expenses which will be required in connection with defense contract operations:

Statement of ground and indirect expenses common to both commercial and defense contract operations.

Statement of ground and indirect expenses allocated to defense contract operations. Separate schedules shall be submitted for defense transport operations and other defense contract services.

Statement of direct and allocated ground and indirect expenses assigned to defense contract operations. Separate schedules shall be submitted for defense transport operations and other defense contract services.

(b) The "twelve months to date" column of this schedule in the report of defense contract operations need not be completed.

(c) At the time of the filing of the first quarterly report covering defense contract operations, the carrier shall submit a supplemental statement fully explaining the methods of allocation and the bases therefor. Whenever a revision is made in the allocation procedures outlined in the first report, carriers shall submit a statement explaining the revised method of allocation and shall include a notation as to the effective date of the change.

§ 241.8-11 Schedule B-6; Statement of out-of-period items. This schedule shall be used to report out-of-period items and adjustments of allocated amounts relating to defense contract operations. Separate statements shall be filed for defense transport operations and other defense contract services. Instructions relating to the reporting of out-of-period items as set forth in § 241.7-2, Schedule B-6, will apply to reporting of out-of-period items relating to defense contract operations with the following exceptions:

Detailed reporting by station will not be required.

The amounts of all expenses and capital expenditures disallowed and of reallocations in connection with defense contracts shall be reported on Schedule B-6 irrespective of magnitude. Such amounts shall be indicated by appropriate notation and shall be reported by primary account. All such adjustments which also are reflected in the operating results of the commercial operations shall be reported as part of the out-of-period items on the commercial Schedule B-6.

§ 241.8-12 Schedule B-7; Payroll analysis. This schedule shall be used to report the number of employees and the rates of compensation paid or accruing to persons assigned exclusively to defense contract operations. Data reported on this schedule applicable to contract operations shall not be included in the data reported on the carrier's regular Schedule B-7. Data on the latter schedule shall include information relating to employees assigned exclusively to commercial operations and employees performing services assignable to both commercial and defense contract operations.

§ 241.8-13 Statement of aircraft used in defense contract operations. (a) At the time of the filing of the schedules relating to the first quarter of defense operations, carrier shall submit a statement listing the type and license number of all aircraft assigned exclusively to

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defense contract operations. Information shall be included as to the type of contract service for which each aircraft is being utilized. Aircraft leased rather than owned by the carrier shall be indicated by appropriate notation and the name of the party from whom the aircraft is leased shall be included.

(b) Subsequent additions to and retirements from the fleet of aircraft used in defense contract services shall be reported monthly on the margin of Schedule A-6 or on a supplemental statement. Data relating to additions and retirements shall include the number and type of each aircraft, the type of contract service to which the aircraft has been assigned or from which the aircraft has been withdrawn, a notation as to whether the aircraft is owned or leased, and, if leased, the party from whom leased.

§ 241.8-14 Preparatory costs. (a) The expenses incurred in creating and developing the defense contract operations, including those arising from such activities occasioned by contracts as training of personnel for contract operations, transfers of personnel, ferrying aircraft incidental to contract operations, and the establishment of plant and facilities, when identifiable shall be deferred by charges to account 1850, "Other Deferred Charges." These preparatory costs charged to account 1850 shall be amortized over the period in which related revenues are accrued, or charged during the period in which reimbursed, to account 72, "Amortization of Other Deferred Charges."

(b) The carrier shall submit a statement in significant detail of the deferred preparatory costs showing, also, the basis for amortizing or writing off the preparatory costs. Such statement shall be included as part of the report of defense contract operations for each quarter during which preparatory costs are deferred and a revised or supplemental statement submitted for each quarter during which there is a change in the amount of deferred preparatory costs, except as a result of amortization or write-off on the basis previously reported.

§ 241.8-15 Capital expenditures. (a) The cost of equipment modifications and other capital expenditures occasioned by the defense contracts which are not to be directly reimbursed but are to be applied against the fees or other compensation received under the contracts shall be capitalized in appropriate sub-accounts in account group 1600, "Operating Property and Equipment." Property and equipment records shall be maintained which will permit a ready identification of amounts so capitalized and of the applicable depreciation and which will provide a separation of the costs of modifications of property and equipment included therein. In no case will the depreciation of property and equipment or modifications thereof used or useful only in the defense contract operations be charged to the regular depreciation expense accounts or reflected in the expenses of the commercial operations. The carriers shall submit a statement in significant detail of all

capital expenditures occasioned by the defense contracts which are capitalized showing, also, the bases for depreciation thereof. Such statement shall be submitted as part of the report of defense contract operations for each quarter during which such amounts are capitalized and whenever there is a change in the amounts capitalized or the bases for depreciation.

(b) The cost of equipment modifications and other capital expenditures for the account of the carrier which are to be directly reimbursed as costs of operations under the defense contracts shall be reported on the lower margin of Schedule B-3, relating to contract operations, with details on an attached sheet if this space is inadequate. A separation shall be made between expenditures applicable to flight equipment and to other property and equipment with a separation under each heading of the costs of modifications. The total amount of capital expenditures to be directly reimbursed as reported on Schedule B-3 shall be included on Schedule B of the report of defense contract operations opposite the title "Capital Expenditures" which is to be written in below account 6900, "Depreciation; Ground Equipment." Capital expenditures referred to in this paragraph do not include purchases for the account of the Government which would be handled as accounts receivable items.

§ 241.8-16 Flight and traffic statistics. Schedule C of Form 41 shall continue in use exclusively for reporting flight and traffic statistics of regular commercial operations. Flight and traffic statistics applicable to military contract operations shall be reported for each month on Schedule C, Flight and Traffic Statistics Defense Contract Operations, of CAB Form 41-D.

[F. R. Doc. 51-15304; Filed, Dec. 26, 1951; 8:53 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[General Ceiling Price Regulation, Supplementary Regulation 63, Area Milk Price Regulation]

GCPR, SR 63—AREA MILK PRICE ADJUSTMENTS

AMPR 7—CENTRAL WESTERN WASHINGTON MILK MARKETING AREA, STATE OF WASHINGTON

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 Area Milk Price Regulation pursuant to Supplementary Regulation 63 to the General Ceiling Price Regulation (16 F. R. 9559) is hereby issued.

STATEMENT OF CONSIDERATIONS

The General Ceiling Price Regulation issued on January 26, 1951, pointed out that the general freeze which it imposed on prices at various levels of production

and distribution was an emergency measure made imperative by the urgency of bringing the inflationary spiral to a halt. On September 24, 1951, Supplementary Regulation 63 became effective permitting adjustments of ceiling prices for fluid milk products in individual marketing areas upon petition or upon the initiative of the appropriate District or Regional Director. Pursuant to this authority, this area milk price regulation is being issued adjusting ceiling prices for the Central Western Washington marketing area, consisting of King, Snohomish, Kitsap, Pierce, and Mason Counties, on sales of fluid milk products within that area by processors and distributors. Sales of milk products not covered by this regulation remain bound by the provisions of the General Ceiling Price Regulation.

This marketing area was selected after consideration of all relevant factors. Within this area is located the primary population concentration of the State of Washington. Nearly uniform conditions in this economic market apply in terms of labor and material costs, Federal Milk Marketing Administration orders and their effect on the price of producer milk, transportation costs, and in the incidence and stringency of the application of the health regulations embodied in the Fluid Milk Act of 1949 of the State of Washington. The patterns of prices have been historically uniform, and the price of standard and homogenized milk is with few exceptions identical for home-delivered milk in quart containers.

There was created in Western Washington, effective June 1, 1951, the Puget Sound-Washington Milk Marketing Area in accordance with the Agricultural Marketing Act of 1937. The prices milk handlers are to pay producers of fluid milk are now set through the orders of the Federal Marketing Administrator. The formula initiated on June 1, 1951, was basically amended effective September 1, 1951. By October 1, 1951, the pattern of price differentials among products, container sizes, and classes of sales appeared to reflect the attempts of handlers of fluid milk in this area to adjust to these changed conditions, and therefore, October 1, 1951, has been used in this regulation for the purpose of applying differentials to items not directly priced.

This area milk price regulation provides uniform dollar and cent ceiling prices for nine basic fluid milk products at wholesale delivered and retail home-delivered, and in addition, provides a method whereby dollar and cent ceiling prices are to be calculated for products not enumerated. Ceiling prices have been determined by taking prices in effect during the period January 1, 1950-June 30, 1950, and adding thereto increases in cost per sales point as follows: (1) producer milk, 3.4 cents; (2) direct labor (including distribution labor and commissions), 0.4 cent; (3) containers, cans and cases, 0.3 cent. This area milk price regulation was issued on the basis of data found to be representative of operations in the marketing area.

This regulation indicates the price for producer milk upon which the adjust-

ments in ceiling prices are based. This price is \$6.063 per cwt. for Class I 4% milk, and is to be the basis for computing future parity adjustments.

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 Seattle District Director of the Office of Price Stabilization to be necessary to prevent circumvention or evasion of this regulation.

In the judgment of the Seattle District Director of the Office of Price Stabilization, the provisions of this area milk price regulation are generally fair and equitable and are necessary to effectuate the purpose of Title IV of the Defense Production Act of 1950, as amended by the Defense Production Act Amendments of 1951.

The Seattle District Director of the Office of Price Stabilization gave due consideration to the national effort to achieve maximum production in furtherance of the objectives of the Defense Production Act of 1950, as amended; to prices prevailing during the period from May 24, 1950, to June 24, 1950, inclusive; and to all relevant factors of general applicability.

The Director has consulted the industry to the extent practicable and has given due consideration to its recommendations.

REGULATORY PROVISIONS

Sec.

1. What this area milk price regulation does.
2. Where this area milk price regulation applies.
3. Sellers and sales covered by this area milk price regulation.
4. Ceiling prices for processors and distributors for listed items.
5. Ceiling prices for processors and distributors for unlisted items.
6. Reporting requirements.
7. Application to the Office of Price Stabilization if ceiling price cannot be determined under Sections 4 and 5.
8. Modification of ceiling prices by Director of Price Stabilization.
9. Prohibitions.
10. Producer prices.
11. Rounding of fractions.
12. Special conditions of sale; transfers.

AUTHORITY: Sections 1 to 12 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 area milk price regulation does. This area milk price regulation issued pursuant to Supplementary Regulation 63 to the General Ceiling Price Regulation (SR 63) provides dollar and cent ceiling prices at wholesale delivered and at retail home-delivered for nine listed milk products for fluid consumption in designated types and sizes of containers sold in the Central Western Washington milk marketing area. It also provides a method for determining ceiling prices on listed products sold in containers of other types and sizes and to other classes of purchasers

as well as ceiling prices of unlisted products.

SEC. 2. Where this area milk price regulation applies. The provisions of this area milk price regulation are applicable to the Central Western Washington milk marketing area. This area consists of the following counties in the State of Washington: King, Pierce, Snohomish, Kitsap and Mason.

SEC. 3. Sellers and sales covered by this area milk price regulation. This area milk price regulation covers processor and distributor sales in this marketing area of milk products for fluid consumption. Definitions of these terms may be found in sections 3 and 11 (e) of SR 63. This area milk price regulation also covers sales of milk products to be delivered to a purchaser located in this area though the seller is located outside of this area, but does not cover sales of milk products to be delivered from a plant located in this area to a purchaser located outside of the area.

SEC. 4. Ceiling prices for processors and distributors for listed items. Your ceiling prices for milk products for fluid consumption, in the designated types and sizes of containers, are set forth below. Ceiling prices at retail home-delivered apply for all types of containers. Ceiling prices at wholesale delivered apply only for glass containers. For all products the butterfat content prevailing on October 1, 1951, shall not be decreased.

Basic products	Retail home-delivered ceiling price	Wholesale delivered ceiling price
1. Standard milk, quarts including homogenized.....	\$0.22	\$0.195
2. Skim milk, quarts.....	.17	.15
3. Buttermilk, quarts.....	.18	.165
4. Chocolate drink, quarts.....	.22	.195
5. Half and half, pints.....	.29	.25
6. Table cream, $\frac{1}{2}$ pints.....	.25	.21
7. Whipping cream, $\frac{1}{2}$ pints.....	.35	.31
8. Sour cream, $\frac{1}{2}$ pints.....	.32	.28
9. Cottage cheese, 16 ounces.....	.31	.25

SEC. 5. Ceiling prices of unlisted items for processors and distributors—
(a) **Listed products in unlisted types or sizes of containers.** Your ceiling price for a product listed in Section 4 in a container of an unlisted type or size shall be determined in accordance with this section.

(1) For differences in container sizes regardless of type of container, calculate your ceiling price as follows: (i) On each basic product take your ceiling price existing on October 1, 1951, and the ceiling price provided by section 4 of this regulation; (ii) take the difference between these ceiling prices and find the percentage of increase or decrease on each product; (iii) apply this percentage to your ceiling price prevailing on October 1, 1951, for the specific container size; (iv) increase or decrease your October 1, 1951, ceiling price of that specific container by the amount so calculated.

EXAMPLE. The adjusted retail ceiling price for a half-pint of table cream is 25 cents, as specified in Section 4. If your retail ceiling price for a half-pint of table cream was 24 cents on October 1, 1951, the new ceiling price

of 25 cents represents an increase of 4.17 per cent. Your adjusted ceiling price for table cream in any container size other than a half-pint equals the price of such container size on October 1, 1951, plus 4.17 per cent. If, for example, your retail ceiling price for a quart of table cream was 84 cents on October 1, 1951, your new ceiling price is 84 cents plus 4.17 per cent of 84 cents, or 87.503 cents. After rounding in accordance with Section 11 for this container size and product, a final adjusted ceiling price of 88 cents is obtained.

(2) For differences in container types at wholesale delivered, where you heretofore sold a product listed in section 4 in more than one type of container of the same size, you will calculate your ceiling price by applying to the ceiling price specified in section 4 the dollar and cent differential in effect on October 1, 1951, between the listed and unlisted types of containers.

(b) **Listed products sold to unlisted classes of purchasers.** Your ceiling price for a product listed in section 4 to an unlisted class of purchaser shall be the price listed in section 4 for the same product in the same container type and size sold at wholesale delivered, adjusted by the dollar and cent differential which you had in effect on October 1, 1951, between the price of the product sold at wholesale delivered and the price to the unlisted class of purchaser.

(c) **Listed products in unlisted types or sizes of containers sold to unlisted types of purchasers.** Your ceiling price for a product listed in section 4 but in a container of a different type or size to an unlisted class of purchaser shall be the ceiling price determined for a listed class of purchaser in section 5 (a) (1) and (2) adjusted as in section 5 (b). Where you cannot compute the price of a listed product in an unlisted type or size of container to an unlisted class of purchaser because you have heretofore made no sales to a listed class of purchaser, you must price under section 8.

(d) **Unlisted products.** Your ceiling price for a product of fluid milk not listed in section 4 shall be calculated as follows:

(1) Take your October 1, 1951 ceiling price for standard milk at retail home-delivered in quart size of any type container and the ceiling price provided by section 4 of this regulation for the same product; (2) take the difference between these ceiling prices and find the percentage increase or decrease; (3) apply this percentage to the ceiling prices for each class of purchaser listed or unlisted, prevailing on October 1, 1951, for the unlisted product in all container sizes; (4) increase or decrease your October 1, 1951, ceiling price of the unlisted product by the amount so calculated; (5) maintain dollar and cents differentials for different container types as specified in section 5 (a) (2).

SEC. 6. Reporting requirements. Within ten days after the effective date of this regulation you shall send by registered mail to the Seattle District Office of the Office of Price Stabilization, 905 Second Avenue, Seattle, Washington, a completed copy of OPS Public Form 126 showing your ceiling prices calculated under section 5.

RULES AND REGULATIONS

SEC. 7. Ceiling prices for milk products covered by this regulation for which ceiling prices cannot be determined under sections 4 and 5. (a) If you cannot determine a ceiling price under sections 4 and 5, your ceiling price for the sale of any milk product for fluid consumption to any class of purchaser is the ceiling price determined under this regulation for the sale of the same milk product in the same size and type of container by your most closely competitive seller of the same class (as defined in section 22 of GCPR) to the same class of purchaser. You may not, however, sell any such milk product until 15 days after you have sent a report, as hereinafter described, by registered mail to the Seattle District Director of the Office of Price Stabilization, 905 Second Avenue, Seattle, Washington. If you had a ceiling price for such product determined pursuant to the General Ceiling Price Regulation, you may continue to sell at such price until the expiration of 15 days after you have sent the report. After the expiration of the 15 days, you may sell the product at your proposed ceiling price unless you are notified by the Seattle District Director that your proposed ceiling price has been disapproved or that more information is required. Your report shall state the name and address of your company; the name, address, and type of business of your most closely competitive seller of the same class; your reasons for selecting him as your most closely competitive seller; and if you are starting a new business, a statement whether you or the principal owner of your business are now or during the past 12 months have been engaged in any capacity in the same or similar business at any other establishment, and if so, the trade name and address of each such establishment. Your report should also include the following:

(1) If you are a processor: A description of the product you are pricing; the processing involved in the production of that product; the classes of purchasers to whom you will be selling; the ceiling price of your selected competitor; and your proposed ceiling prices to each class of purchaser.

(2) If you are a distributor: A description of the product you are pricing; your net invoice cost of the commodity being priced; the names and addresses of your sources of supply; the function performed by them (e. g., processing, distributing, etc.); and the class of purchasers to whom they customarily sell; the classes of purchasers to whom you plan to sell; your selected competitor's ceiling price; your proposed ceiling prices; and a statement that your proposed ceiling price will not exceed the ceiling price your customers paid to their customary sources of supply.

An application under this section 7 (a) may be filed on OPS Public Form 122 which may be obtained from the District Office of the Office of Price Stabilization, 905 Second Avenue, Seattle, Washington.

(b) If you cannot determine a ceiling price under section 7 (a) because no competitor has determined a ceiling price under this regulation for the sale of the same product in the same size and

type of container to the same class of purchaser, you must apply to the Seattle District Director of the Office of Price Stabilization for the establishment of a ceiling price for sales by you of that milk product for fluid consumption. The Director shall, as soon as possible after the receipt of the application or the receipt of such additional information as he may request, issue a letter order establishing a ceiling price for the sale by you of that product at the various levels of distribution, and specifying a producer price for milk from which parity adjustments will be computed. You may not sell the milk product until the Director has issued a letter order establishing your ceiling price for the sale of the product. An application under the provisions of this paragraph shall contain the following information: An explanation of why you are unable to determine your ceiling price under any other provision of this regulation; all pertinent information describing the nature of your business such as indicated in section 7 (a) (1) or (2); a description of the product, its butterfat content, the type and size of container in which it will be sold and the class of purchaser to whom you intend to sell; your proposed ceiling price and the method used by you to determine it; and the reason you believe the proposed price is in line with the level of ceiling prices otherwise established by this regulation.

(c) After the determination of the ceiling price under section 7, you may increase, and you must decrease, such ceiling price by parity adjustments in conformity with section 10 (b) of this regulation. If your ceiling price was determined under (a) of this section, you shall compute your parity adjustments from the producer price upon which the ceiling price of your most closely competitive seller was based. If your ceiling price was determined under (b) of this section, you shall compute your parity adjustments from the producer price specified in the letter order.

SEC. 8. Modification of ceiling prices by District Director of Price Stabilization. The Seattle District Director of Price Stabilization may at any time request further information with respect to a ceiling price granted, reported or proposed pursuant to this regulation, or he may disapprove or revise any such granted, reported or proposed price to bring it into line with the level or ceiling prices otherwise established by this regulation.

The Seattle District Director of Price Stabilization may also at any time amend or modify this regulation as to sellers and sales covered, and as to the area where the regulation applies, as it may appear necessary and proper to effectuate the provisions of SR 63.

SEC. 9. Prohibitions. After the effective date of this regulation, regardless of any contract or other obligation, you shall not sell, and you shall not buy in the regular course of business or trade, any milk product at a price exceeding the ceiling price established under this regulation.

SEC. 10. Producer prices. (a) The producer price for milk on which are

based the adjusted ceiling prices specified or determined pursuant to sections 4 or 5 of this regulation, is \$6.063 per cwt. for milk of 4% butterfat content, f. o. b. plant, which in the Federal Marketing area is milk defined by the Federal Marketing Administrator as Class I milk, and which in areas outside of the Federal Marketing area is milk specified by state or local health authorities as Grade A milk.

(b) The producer price specified in section 10 (a) shall be used as the basis for computing parity adjustments of ceiling prices in accordance with section 8 of SR 63 for the products listed in section 4. The differentials set forth in section 5 for unlisted container types and unlisted products shall then be applied to the adjusted prices in order to obtain adjusted ceiling prices for such other items. You obtain ceiling prices for unlisted sizes by applying section 5 (a) (1).

SEC. 11. Rounding of fractions. If in computing an adjusted ceiling price you arrive at a unit price which involves a fraction of a cent, you may increase, and must decrease, such price in accordance with the following table in order to arrive at a price rounded to the nearest cent or part of a cent:

	Milk products	Cream and half and half
1/4-gallon containers or larger	1 cent	1 cent.
Quart containers	1/2 cent	1 cent.
Pint containers	1/4 cent	1 cent.
1/2-pint containers or less	1/2 cent	1/2 cent.
		Cottage cheese
Bulk pounds (containers over 16 ounces)	1 cent	
16-ounce containers or less	1/2 cent	

After the computation of the ceiling price for the total number of units of any milk product sold has been determined, fractions remaining shall be dropped if less than one-half cent and may be increased to the next higher cent if one-half cent or more. If, however, you have customarily billed any particular purchase or any class of purchasers for milk products for fluid consumption purchased during a month or other billing period, any fraction remaining after the computation of the ceiling price for the total number of units of all milk products for fluid consumption so sold during the preceding month or other billing period shall be dropped if less than one-half cent and may be increased to the next higher cent if one-half cent or more.

SEC. 12. Special conditions of sale; transfers. You must maintain all conditions and terms of sale in effect during the period December 19, 1950, through January 25, 1951.

In the event of a transfer of your business or stock in trade, as provided in section 19 of GCPR, the provisions of that section shall govern ceiling prices of the transferee.

Effective date. This area milk price regulation is effective on December 21, 1951.

NOTE: The reporting requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

LEO H. WEISFIELD,
District Director, Office of Price
Stabilization, Seattle District
Office.

DECEMBER 21, 1951.

[F. R. Doc. 51-15389; Filed, Dec. 21, 1951;
4:23 p. m.]

Chapter IV—Salary and Wage Stabilization, Economic Stabilization Agency

Subchapter B—Wage Stabilization Board
[General Wage Regulation 11, Area Ceiling Determination No. 2, Amdt. 1]

GWR 11—AGRICULTURAL LABOR

ACD 2—AREA CEILINGS FOR AGRICULTURAL WAGES; COTTON PICKING IN DESIGNATED COUNTIES IN CALIFORNIA

Pursuant to the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong., Pub. Law 96, 82d Cong.), Executive Order 10161 (15 F. R. 6105), Executive Order 10233 (16 F. R. 3503), General Order No. 3, Economic Stabilization Administrator (16 F. R. 739), General Wage Regulation No. 11 (16 F. R. 4938), and Wage Stabilization Board Resolution 37 (16 F. R. 8954), Area Ceiling Determination No. 2 to GWR 11 is hereby amended.

STATEMENT OF CONSIDERATIONS

Piece rates for the second picking of cotton are customarily higher than those for the first picking. This is due largely to the decreases in yields during the second picking which bring about decreases in worker output rates. Analysis of available records on cotton picking wage rates in the San Joaquin Valley, California, during the 1950-51 season indicates that an approximate differential of 50 cents per hundred pounds existed as between the first and second pickings. This increase of 50 cents per hundred pounds in the cotton picking rate generally took effect around the early part of December 1950, at the start of the second picking. Information obtained at the public hearings of October 3 and 4, 1951, in Fresno and Bakersfield, respectively, substantiates the above findings.

AMENDATORY PROVISIONS

Section 2 (a) and the unnumbered paragraph preceding section 2 (a) are amended to read as follows:

SEC. 2. *Area ceiling wage rates.* (a) Any employer covered by this area ceiling determination may, without further approval, pay any rate up to but not exceeding the following:

First picking—\$4 per hundred pounds of seed cotton.

Second picking—\$4.50 per hundred pounds of seed cotton.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Issued: November 30, 1951.

ARTHUR M. ROSS,
Chairman, 12th Regional
Wage Stabilization Board.

[F. R. Doc. 51-15308; Filed, Dec. 26, 1951;
8:53 a. m.]

Subchapter A—Salary Stabilization Board

[General Salary Stabilization Regulation 1, Revised, Amdt. 1]

GSSR 1—STABILIZATION AND AUTHORIZED ADJUSTMENTS OF SALARIES AND OTHER COMPENSATION

POSTPONEMENT OF EFFECTIVE DATE OF GSSR 1, REVISED

STATEMENT OF CONSIDERATIONS

General Salary Stabilization Regulation 1, Revised, was originally adopted by the Salary Stabilization Board on October 30, 1951 to be effective on January 1, 1952. The Salary Stabilization Board has decided to postpone the effective date of the regulation to February 1, 1952, and to continue in effect until that date the existing regulations and orders which are to be superseded by General Salary Stabilization Regulation 1, Revised.

AMENDATORY PROVISIONS OF GENERAL SALARY STABILIZATION REGULATION 1, REVISED

Sections 1.8 and 1.9 are amended to read as follows:

SEC. 1.8 *Certain regulations and orders superseded.* Effective February 1, 1952, the following regulations and orders are hereby superseded:

(a) General Salary Stabilization Regulation 1, adopted on July 5, 1951.

(b) General Salary Stabilization Regulation 3, adopted on September 12, 1951.

(c) General Salary Order 1, dated August 3, 1951.

(d) General Salary Order 2, dated September 28, 1951.

(e) General Salary Order 3, dated October 12, 1951.

(f) General Salary Order 4, dated October 29, 1951.

(g) General Salary Order 5, dated October 29, 1951.

(h) General Salary Order 6, dated October 30, 1951.

SEC. 1.9 *Effective date of this regulation.* This regulation shall take effect on February 1, 1952.

(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.)

By order of the Salary Stabilization Board.

JOSEPH D. COOPER,
Executive Director,
Office of Salary Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15337; Filed, Dec. 26, 1951;
9:51 a. m.]

Chapter XIV—General Services Administration

[Amdt. 4]

TUNGSTEN REGULATION; DOMESTIC TUNGSTEN PROGRAM

SPECIFICATIONS; MOLYBDENUM ALLOWANCE IN SCHEELITE

Pursuant to the authority vested in me by the Defense Materials Procurement Administrator in Delegation of Authority, dated September 14, 1951,¹ this regulation, as amended,² is further amended for the purpose of increasing the allowable molybdenum content of domestically produced scheelite and/or synthetic scheelite concentrates that the Administrator will buy at the base price of \$63 per short ton unit of contained tungsten trioxide, without penalty for excess molybdenum, from persons participating in the Domestic Tungsten Program. The figure in the last column of the sixth line of the table appended to section 6 (a) (2) (representing the specification as to the maximum percentage allowance of the element molybdenum in scheelite and/or synthetic scheelite concentrates deliverable under the Program without application of the penalty for excess molybdenum provided in section 6 (b)) is hereby amended to read as follows: "2.75."

This amendment 4 shall be effective December 26, 1951.

(Sec. 704, 64 Stat. 816, Pub. Laws 69, 96, 82d Cong.; 50 U. S. C. App. Sup. 2154. Interpret or apply sec. 303, 64 Stat. 801, Pub. Laws 69, 96, 82d Cong.; 50 U. S. C. App. Sup. 2093, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp., sec. 201, E. O. 10281, Aug. 28, 1951, 16 F. R. 8789)

Dated: December 26, 1951.

RUSSELL FORBES,
Acting Administrator.

[F. R. Doc. 51-15367; Filed, Dec. 26, 1951;
2:06 p. m.]

Chapter XXI—Office of Rent Stabilization, Economic Stabilization Agency

[Rent Regulation 1, Amdt. 1 to Schedule A and Amdt. 1 to Schedule B]

SCHEDULES A AND B—RR 1—HOUSING REGULATION

MASSACHUSETTS

Amendment 1 to Schedule A and Amendment 1 to Schedule B of Rent Regulation 1—Housing Regulation. Said regulation is amended in the following respects:

1. In Schedule A, item 143 is amended to read and new items 143a and 143b are added, all as follows:

¹ 16 F. R. 9446.

² 16 F. R. 4373, 5901, 7329, 11542.

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>Massachusetts</i>				
(143) Boston.....	B	Norfolk and Suffolk.	Mar. 1, 1942	Nov. 1, 1942
(143a) Cambridge.....	B	Middlesex.	do.	do.
(143b) Fall River-Brockton.	B	Barnstable County, except the towns of Brewster, Eastham, and Orleans; Bristol County; and in Plymouth County the city of Brockton, and the towns of Abington, Bridgewater, East Bridgewater, Hingham, Mattapoisett, Middleboro, Plymouth, Rockland, West Bridgewater, and Whitman.	do.	do.

2. The following is added as a footnote at the end of item 11, of Schedule B of Rent Regulation 1:

NOTE: Since the issuance of the foregoing item 11, that which consisted of and was known as the Eastern Massachusetts Defense-Rental Area has been changed so that it now consists of and is known as the Boston Defense-Rental Area, the Cambridge Defense-Rental Area, and the Fall River-Brockton Defense-Rental Area.

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

This amendment shall be effective December 26, 1951.

Issued this 21st day of December 1951.

TIGHE E. WOODS,
Director of Rent Stabilization.

[F. R. Doc. 51-15312; Filed, Dec. 26, 1951; 9:51 a. m.]

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans' Administration

PART 6—UNITED STATES GOVERNMENT LIFE INSURANCE

PART 8—NATIONAL SERVICE LIFE INSURANCE

MISCELLANEOUS AMENDMENTS

1. In Part 6, §§ 6.0 and 6.1 are amended to read as follows:

§ 6.0 Under section 300, World War Veterans' Act, 1924, as amended. Persons entering the active military or naval service under the War Department, Navy Department, or Coast Guard service may apply for the United States Government life insurance provided for by section 300 of the World War Veterans' Act, 1924, as amended, within 120 days after enlistment, entrance into, or employment in the active service and before discharge or resignation. The amount of insurance granted to one person may not be more than \$10,000 or less than \$1,000 in multiples of \$500. Applications for such insurance should be made on forms prescribed by the Veterans' Administration, but any statement in writing sufficient to identify the applicant, and the amount and plan of insurance, and a remittance to cover the first monthly premium thereon, will be acceptable as an application for insurance: *Provided*, That on and after October 8, 1940, and, except as hereinafter provided in this section, no United States Government life insurance shall be granted to any person under the provision of section 300 of the World War Veterans' Act, 1924, as amended.

Act, 1924, as amended: Provided further, That the foregoing shall not be construed to prohibit the issue of United States Government life insurance under the provision of this section in cases in which acceptable applications accompanied by the required premiums or authorizations for payment of the required premiums have, prior to October 8, 1940, (a) been received by the Veterans' Administration, (b) been placed in the mails properly directed to the Veterans' Administration or (c) been delivered to an authorized representative of the War Department, the Navy Department, or the Coast Guard, and which are forwarded to the Veterans' Administration not later than 120 days subsequent to October 8, 1940.

§ 6.1 Under section 310, World War Veterans' Act, 1924, as amended. Veterans of the World War who applied or were eligible to apply for yearly renewable term (wartime) insurance or United States Government life (converted) insurance may apply for United States Government life insurance as authorized by section 310 of the World War Veterans' Act, 1924, as amended May 29, 1928, in amounts not to exceed \$10,000 nor less than \$1,000 in multiples of \$500: *Provided*, That the amount of insurance granted under section 310, plus any amount in force under premium paying conditions, or in force as extended insurance, plus any amount carried under a previous policy and surrendered for cash, or surrendered for paid-up insurance, shall not exceed \$10,000. Applications for such insurance should be made on forms prescribed by the Veterans' Administration but a statement in writing sufficient to identify the applicant and the amount and plan of insurance, together with a report of physical examination and a remittance sufficient to cover the first monthly premium thereon, will be considered an application for insurance: *Provided*, That on and after April 25, 1951, and except as hereinafter provided in this section, no United States Government life insurance shall be granted to any person under the provision of section 310 of the World War Veterans' Act, 1924, as amended: *Provided further*, That the foregoing shall not be construed to prohibit the granting or issuing of United States Government life insurance under the provisions of this section in cases in which acceptable applications accompanied by the required premiums or authorizations for the payment of the required premiums have, on or before April 25, 1951, (a) been received by the Veterans' Administration, (b) been placed in the mails

properly directed to the Veterans' Administration, or (c) been delivered to an authorized representative of any of the uniformed services.

(Sec. 310, 45 Stat. 970, as amended, sec. 10, Pub. Law 23, 82d Cong.; 38 U. S. C. 512a)

2. New §§ 6.2 and 6.3 are added as follows:

§ 6.2 Applications for insurance under section 5 of the Servicemen's Indemnity Act of 1951 (Public Law 23, 82d Congress). (a) Any person in the active service on or after April 25, 1951, who surrenders a permanent plan of United States Government life insurance which is in force other than as extended term insurance, for its cash value under the provisions of § 6.115 while in active service shall be granted a new policy of United States Government life insurance as provided in § 6.3 (a) upon written application signed by the applicant and payment of the required premium within 120 days after separation from such active service. Such insurance shall be granted without medical examination.

(b) Any person having United States Government life insurance on the 5-year level premium term plan, the term of which expires while such person is in active service, after April 25, 1951, shall be granted United States Government life insurance on the 5-year level premium term plan as provided in § 6.3 (b) upon written application signed by the applicant and payment of the required premium within 120 days after separation from such active service and evidence of good health satisfactory to the Administrator.

(c) Applications for insurance may be made during the 120 day period specified in this section even though the applicant reenters active service within such 120 day period: *Provided*, That a person who reenters active service on the date of separation or the following day shall be deemed to be in continuous active service and shall not be eligible for insurance under said section 5 during such period of continuous active service.

(d) An application for insurance hereunder should be made on the form prescribed therefor, but any written statement which in substance meets the requirements of this section may be considered an application.

(Sec. 5, Pub. Law 23, 82d Cong.)

§ 6.3 United States Government life insurance issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951. (a) United States Government life insurance on a permanent plan, issued pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951, shall be issued on the same plan and under the same terms and conditions as United States Government life insurance surrendered for its cash value under the provisions of such section. The amount of permanent plan United States Government life insurance issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951 shall not be in excess of the amount of insurance surrendered for cash under such section.

(b) United States Government life insurance on the 5-year level premium plan issued pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951 shall be issued under the same terms and conditions as the United States Government life insurance 5-year level premium term policy which expired under the provisions of such section. The amount of 5-year level premium term insurance issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951 shall not be in excess of the amount of term insurance which expired under the provisions of such section.

(c) The amount of insurance granted under said section 5 plus the amount of any other insurance (National Service life—United States Government life—War Risk) in force under premium paying conditions, or as paid-up or extended insurance shall not exceed \$10,000.

(Sec. 5, Pub. Law 23, 82d Cong.)

3. Section 6.5 is amended to read as follows:

§ 6.5 Insurance applied for by person entering active military or naval service. (a) The effective date of United States Government life insurance applied for by persons entering the active military or naval service under the War Department, Navy Department, or Coast Guard service will be established as of the date on which valid application and tender of premium are made and forwarded to the Veterans' Administration; but not later than 120 days from the date of the applicant's enlistment, entrance into, or employment in the active service and while on active duty. If the first premium is to be paid by allotment of pay as in the Navy, Marine Corps, and Coast Guard, or by deduction from pay, as in the Army, the effective date of the insurance will be the first day of the month following the month in which said allotment or authorization for deduction is executed, but not later than the first day of the month following the expiration of the period of 120 days from date of the applicant's enlistment, entrance into or employment in the active service and while on active duty: *Provided*, The amount of premium is deducted from the applicant's service pay in accordance with the allotment or authorization.

(b) The effective date of a United States Government life insurance policy granted to a person entering the active military or naval service under the War Department, Navy Department, or Coast Guard service may be established upon written request by the applicant as of any day of a month prior to the month in which the application and tender of premiums are made to the Veterans' Administration, as set out in paragraph (a) of this section: *Provided*, That such date is not prior to the date of entrance into the active service, and that there be paid (1) an amount equal to the full reserve on the insurance at the end of the month prior to the month in which the application is made, and (2) the full premium on the amount and plan of insurance for the month in which application is made.

4. A new § 6.7 is added as follows:

§ 6.7 Effective date of United States Government life insurance applied for pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951. (a) The effective date of United States Government life insurance issued pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951 shall not be established in any event prior to April 25, 1951, nor prior to the date of entry into active service. (1) Subject to these limitations the effective date of such insurance may be established upon written request of the applicant as follows:

(i) As of the date on which valid application and tender of premiums are made;

(ii) As of the first day of the month in which valid application and tender of premiums are made;

(iii) As of the first day of the month following the month in which valid application and tender of premiums are made;

(iv) As of the first day of any month, but not more than 6 months, prior to the month in which valid application and tender of premiums are made: *Provided*, That there be paid (a) an amount equal to the full reserve on the insurance at the end of the month prior to the month in which application is made, and (b) the full premium on the amount of insurance for the month in which application is made.

(2) Unless otherwise specified by the applicant, the effective date of such United States Government life insurance shall be established as of the date on which valid application and tender of premiums are made.

(Sec. 5, Pub. Law 23, 82d Cong.)

5. Section 6.13 is amended to read as follows:

§ 6.13 Premium rate. United States Government life insurance is granted at the premium rate for the age nearest birthday anniversary of the applicant at the time the policy becomes effective in accordance with the premium rates published in Veterans' Administration Pamphlet 9-2 entitled "Premium Rates and Policy Values for U. S. Government Life Insurance."

6. Sections 6.16 and 6.17 are amended to read as follows:

§ 6.16 Payment of premiums; insured in active service or entitled to retirement pay. Premiums on United States Government life insurance may be paid by persons in the active military, naval, or Coast Guard service or by persons entitled to retirement pay from such services (a) by direct remittance to the Veterans' Administration, or (b) by allotment of service pay or retirement pay.

§ 6.17 Payment of insurance premiums by mail. When it appears by proof satisfactory to the Administrator of Veterans' Affairs that the person to whom insurance has been granted under the War Risk Insurance Act or the World War Veterans' Act, 1924, as amended, or any person authorized to act on his behalf, has deposited in the mail within

the grace period allowed by regulation for payment of a premium an envelope, properly addressed to the Veterans' Administration, Washington 25, D. C., to a regional office, or any other field station of the Veterans' Administration, containing money, check, draft, or money order, in payment of a premium, such insurance will not lapse for non-payment of such premium within the grace period: *Provided*, That if tender is by check or draft, such check or draft is honored on presentation for payment.

7. Section 6.51 is amended to read as follows:

§ 6.51 To a policy at a higher rate of premium as of a current effective date. A United States Government life insurance policy on the 5-year convertible term plan or the 5-year level premium plan may be exchanged for a policy of the same amount on any plan of insurance issued by the Veterans' Administration at a higher rate of premium, upon payment of the current monthly premium at the attained age of the insured for the plan of insurance selected: *Provided*, That where premium waiver on United States Government life insurance is effective under section 622 of the National Service Life Insurance Act, as amended, that portion of the current monthly premium at the attained age of the insured for the plan of insurance selected which is not required for the pure insurance risk must be paid. The reserve (if any) on the policy will be allowed as a credit on the current monthly premium. Such exchange will be made without medical examination upon complete surrender of the policy while in force and within 5 years from the effective date of the policy.

(Sec. 10, Pub. Law 23, 82d Cong.)

8. Section 6.85 is amended to read as follows:

§ 6.85 Reinstatement of policies in force under extended insurance. (a) A lapsed United States Government life insurance policy which is in force under extended term insurance may be reinstated without health statement or other medical evidence, if application and tender of premiums with interest are made not less than 5 years prior to the date such extended insurance would expire: *Provided*, That in any case in which the extended insurance under an endowment policy provides protection to the end of the endowment period, such policy may be reinstated upon application and payment of the premiums with interest, and health statement or other medical evidence will not be required.

(b) Reinstatement is effected when an acceptable application and the required premiums are delivered to the Veterans' Administration. If application for reinstatement is submitted by mail, properly addressed to the Veterans' Administration, the postmark date shall be the date of delivery. The effective date of reinstatement of the insurance shall be the last monthly premium due date prior to the delivery or postmark date of the application for reinstatement, except where reinstatement is effected on the due date of a premium,

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then in such case, that date shall be the reinstatement date.

9. A new § 6.86 is added as follows:

§ 6.86 Applications for reinstatement of United States Government life insurance pursuant to section 5 of the Servicemen's Indemnity Act of 1951. (a) Any person in the active service on or after April 25, 1951, who surrenders a permanent plan policy of United States Government life insurance which is in force other than as extended term insurance, for its cash value under the provisions of § 6.115 while in active service, upon written application made by any such person within 120 days after separation from such active service, may reinstate such surrendered United States Government life insurance (or any portion thereof in multiples of \$500, not less than \$1,000) without medical examination upon payment of (1) an amount equal to the full reserve of the insurance at the end of the month prior to the month in which application is made and (2) the full premium on the amount of insurance for the month in which application is made.

(b) Application for reinstatement under section 5 of the Servicemen's Indemnity Act of 1951 may be made during the 120 day period specified in this section even though the applicant reenters active service within such 120 day period: *Provided*, That a person who reenters active service on the date of separation or the following day shall be deemed to be in continuous active service and shall not be eligible for reinstatement of insurance under section 5 of the Servicemen's Indemnity Act of 1951 during such period of continuous active service.

(c) Reinstatement is effected when an acceptable application and the required premiums are delivered to the Veterans' Administration. If application for reinstatement is submitted by mail, properly addressed to the Veterans' Administration, the postmark date shall be the date of delivery. The effective date of reinstatement of the insurance shall be the last monthly premium due date prior to the delivery or postmark date of the application for reinstatement, except where reinstatement is effected on the due date of a premium, then in such case, that date shall be the reinstatement date.

(Sec. 5, Pub. Law 23, 82d Cong.)

10. Section 6.95 is amended to read as follows:

§ 6.95 How paid. A United States Government life insurance policy, except as hereinafter provided in this section, shall participate in and receive such dividends from gains and savings as may be determined by the Administrator of Veterans' Affairs: *Provided*, That United States Government life insurance on which premiums are waived under the provisions of section 622 of the National Service Life Insurance Act, as amended, shall not be entitled to dividends for the period during which such premium waiver is in effect. Any dividends so apportioned may be taken in cash and, if not so taken, shall be left on deposit to accumulate at such rate of interest

as the Administrator of Veterans' Affairs may determine, but a rate never less than $3\frac{1}{2}$ percent compounded and credited annually and payable, if not previously withdrawn, at the maturity of the policy to the person entitled to its proceeds.

(Sec. 10, Pub. Law 23, 82d Cong.)

11. Section 6.102 is amended to read as follows:

§ 6.102 Rate of interest on policy loans on and after July 19, 1939. Section 7 of Public No. 198, 76th Congress, 1st Session, approved July 19, 1939, is quoted as follows: "On and after the date of enactment of this act, the rate of interest charged on any loan secured by a lien on United States Government life (converted) insurance shall not exceed 5 per centum per annum."

(a) On and after July 19, 1939, and except as provided in paragraph (b) of this section, the interest on all policy loans then outstanding or thereafter granted will be at the rate of 5 per centum per annum.

(b) On and after August 1, 1946, the interest on all policy loans then outstanding or thereafter granted will be at the rate of 4 per centum per annum. (Sec. 7, 53 Stat. 1070; 38 U. S. C. 512b-1)

12. Section 6.125 is amended to read as follows:

§ 6.125. Due proof of the death of the insured. Upon due proof of the death of the insured while a United States Government life insurance policy is in force, the monthly installments, without interest, which have accrued since the death of the insured, the first installment being due on the date of the death of the insured, shall be paid to the beneficiary designated, and thereafter the payment of the monthly installments shall continue to be so payable until 240 installments in all, including any paid to the insured during his lifetime on account of total permanent disability, shall have been paid; but if 240 or more installments shall have been paid to the insured on account of total permanent disability, no death benefit shall be payable. If optional settlement 1, 2, 3, or 4 has been selected, payment shall be made accordingly, subject to deduction on account of total permanent disability payments.

13. Section 6.143 is amended to read as follows:

§ 6.143. Period allowed for resumption of payment of premiums after termination of a total permanent disability award. The yearly renewable term insurance shall not lapse during the period between the termination of the total and permanent disability award and 31 days from date of notice to the insured advising him of the reduced amount of insurance and the amount of the premium, but, if any premium or premiums due and payable during that time be not paid within 31 days from date of said notice or within 31 days from the due date of the first premium, whichever is the later date, or if any subsequent premium be not paid on the due date or within the grace period of 31 days thereafter, the insurance shall lapse but may

be reinstated as provided in § 6.144. A letter mailed by the Veterans' Administration to the insured at his last known address informing him of the termination of the insurance award and the amount and due date of the premium on the reduced amount of insurance will be sufficient notice within the provisions of this section. The nonreceipt of such letter will not excuse the nonpayment of premium.

14. Section 6.150 is amended to read as follows:

§ 6.150 Claims alleging insurance contract where there is no application for insurance on file. In those cases where claim is made alleging that a person made valid application for yearly renewable term (War Risk) insurance or United States Government life insurance, and that the insurance is subject to reinstatement, or that such insurance matured by reason of the total and permanent disability or death of the person at a time when the insurance was in force, and, in case of death, that there was a valid designation of beneficiary, or that there is entitlement to total disability benefits, and where there is no application for insurance on file, the claimant will be required to submit all available evidence concerning the alleged application for insurance in such manner and on such forms as may be deemed necessary. The evidence submitted by the claimant and the evidence as disclosed by records in possession of the Government relative to the question as to whether the person made a valid application for insurance will be considered and, if found sufficient to establish as a fact that the said person did apply for insurance and if the other allegations of said claim are sustained, a record of insurance will be established in accordance with such finding. However, if it be determined that the evidence is not sufficient to establish as a fact that the said person applied for insurance as alleged, or determined that any insurance applied for as alleged would not be valid or not subject to reinstatement, or determined that the said person did not become permanently and totally disabled, or die at a time when the insurance would have been in force if insurance had been applied for, or, in case of death, if it be determined that there was no valid designation of beneficiary, the claimant will be so informed and will be notified that, unless he desires to appeal to the Administrator, a disagreement exists as to the matters in controversy as contemplated by the provisions of section 19 of the World War Veterans' Act, 1924, as amended, as far as the Veterans' Administration is concerned. Further, the claimant will be informed that an appeal may be taken from the decision to the Administrator of Veterans Affairs by giving notice in writing in accordance with § 19.2 of this chapter. The director, underwriting service, will make all original determinations as to whether a person made valid application for insurance as alleged. The determination as to the validity of beneficiary designations, in death cases, will be made by the dependents and beneficiaries claims service in central office.

15. A new § 6.162a is added as follows:

§ 6.162a *Application for reinstatement and issue of the total disability provision pursuant to section 5 of the Servicemen's Indemnity Act of 1951.* (a) Any person having a United States Government life insurance policy on a permanent plan with a total disability provision attached, who surrendered such insurance pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951, at a time when the total disability provision was in force, upon meeting the requirements for reinstatement of such insurance pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951, may reinstate the lapsed total disability provision without medical examination upon (1) written application signed by any such person, (2) payment of the required reserve, and (3) the full premium on the total disability provision for the month in which application is made: *Provided*, That reinstatement requirements are met within 120 days following the applicant's separation from active service.

(b) Any person having a United States Government life insurance policy on a permanent plan with a total disability provision attached, who surrendered such insurance pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951, at a time when the total disability provision was in force, upon meeting the requirements for issuance of United States Government life insurance pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951, may be issued a total disability provision without medical examination upon written application signed by the applicant and payment of the first monthly premium within 120 days after separation from active service: *Provided*, That the total disability provision issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951 shall not be in excess of the total disability insurance which lapsed at the time the life insurance was surrendered pursuant to section 5 of the Servicemen's Indemnity Act.

(c) If a total disability provision was not in force at the time a permanent plan policy of United States Government life insurance was surrendered pursuant to section 5 of the Servicemen's Indemnity Act of 1951, or, if an insured who surrendered a permanent plan policy of United States Government life insurance pursuant to section 5 of the Servicemen's Indemnity Act of 1951, at a time when the total disability provision was in force, fails to meet the requirements for reinstatement or issue of the total disability provision within 120 days following separation from active service, the total disability provision may, if the life insurance is in force under premium-paying conditions, be reinstated in accordance with the provisions of § 6.164, or the insured may be issued a total disability provision upon compliance with the requirements of § 6.162.

(d) Where no total disability provision was attached to United States Government life insurance surrendered under

the provision of section 5 of the Servicemen's Indemnity Act of 1951, such provision may be added to United States Government life insurance issued or reinstated under such section upon compliance with the provisions of § 6.162.

(Sec. 5, Pub Law 23, 82d Cong.)

16. Section 6.170 is amended to read as follows:

§ 6.170 *Renewal of United States Government life insurance on the 5-year level premium term plan.* Pursuant to the provisions of an amendment approved August 2, 1951, amending section 301 of the World War Veterans' Act of 1924, as amended (Pub. Law 101, 82d Cong., approved August 2, 1951), all or any part of United States Government life insurance on the 5-year level premium term plan, in any multiple of \$500 or not less than \$1,000, may be renewed without medical examination for successive 5-year periods, upon application therefor and payment of the premium at the 5-year level premium term rate required at the attained age of the insured, before the expiration of the current 5-year period. The renewal of insurance for any successive 5-year period will become effective as of the day following the expiration of the preceding 5-year period, and the minimum for such renewal will be at the 5-year level premium term rate for the attained age of the applicant on that day: *Provided*, That no insurance may be renewed by any person who has exercised his optional right to change to another plan of insurance. The renewal of the insurance in accordance with the law and regulations will be evidenced by the following certificate:

UNITED STATES GOVERNMENT LIFE INSURANCE

CERTIFICATE OF RENEWAL

5-Year Level Premium Term Insurance

Policy number	Monthly	\$-----
K-----	Quarterly	\$-----
Age of insured	Semiannual	\$-----
Amount of insurance	Annual	\$-----

Name of insured-----

Pursuant to the provisions of the amendment approved August 2, 1951, to section 301 of the World War Veterans' Act, 1924, as amended, and in consideration of the payment of the monthly premium at the rate for the attained age of insured in the amount as stated above on the day this certificate becomes effective and on the same day of each month thereafter for a period of 60 months, the insurance under said policy, of which this agreement becomes a part, is renewed as 5-year level premium term insurance for the period beginning -----, 19----, and ending -----, 19----.

The insurance renewed is subject to the conditions, benefits, and privileges contained in the policy except that any nonforfeiture provisions and any table of guaranteed surrender values of the policy shall be null and void. The insurance under this certificate ceases on the ending date shown above.

Effective as of -----, 19-----.

CARL R. GRAY, Jr.,
Administrator of Veterans' Affairs.

Countersigned at Washington, D. C.

Examined and issued -----, 19-----.

Registrar

(65 Stat. 151; 38 U. S. C. 512)

17. Sections 6.176 and 6.177 are amended to read as follows:

§ 6.176 *Reinstatement; 5-year level premium term policy.* (a) A United States Government life insurance policy on the 5-year level premium term plan may be reinstated at any time after lapse and within the 60-month period upon evidence of the insurability of the insured satisfactory to the Administrator of Veterans' Affairs and upon the payment of all premiums in arrears, with interest from their several due dates at the rate of 5 percent per annum, compounded annually, to the first monthly premium due date after July 31, 1946, and thereafter at the rate of 4 percent per annum, compounded annually, and the payment of any indebtedness which existed at the time of such default, with interest.

(b) Reinstatement is effected when an acceptable application and the required premiums are delivered to the Veterans' Administration. If application for reinstatement is submitted by mail, properly addressed to the Veterans' Administration, the postmark date shall be the date of delivery. The effective date of reinstatement of the insurance shall be the last monthly premium due date prior to the delivery or postmark date of the application for reinstatement, except where reinstatement is effected on the due date of a premium, then in such case, that date shall be the reinstatement date.

§ 6.177 *Dividends; 5-year level premium term policy.* A United States Government life insurance policy on the 5-year level premium term plan, except as hereinafter provided in this section, shall participate in and receive such dividends from gains and savings as may be determined by the Administrator of Veterans' Affairs: *Provided*, That United States Government life insurance on which premiums are waived under the provisions of section 622 of the National Service Life Insurance Act, as amended, shall not be entitled to dividends for the period during which such premium waiver is in effect. Any dividends so apportioned shall be paid in cash.

(Sec. 10, Pub. Law 23, 82d Cong.)

18. In § 6.180, paragraph (a) is amended to read as follows:

§ 6.180 *Continuance of insurance after termination of total and permanent rating and award, where such termination is effective after the expiration of the term period.* If United States Government life insurance on the 5-year level premium term plan (or on the 5-year convertible term plan) matures or has matured by reason of total and permanent disability and the insured recovers from such disability after expiration of the term period, the reduced amount of insurance (commuted value of remaining unpaid installments) or any part thereof in multiples of \$500 and not less than \$1,000 may be continued without medical examination on the level premium term plan or on any permanent plan, as the insured may elect, and subject to the following provisions:

(a) Such insurance may be renewed for successive 5-year periods. Upon application for renewal and payment of premiums at the rate required for the attained age of the insured on the policy anniversary renewal date for the current 5-year period, a certificate of renewal will be issued effective on the policy anniversary renewal date.

* * * * *

19. Section 6.181 is amended to read as follows:

§ 6.181 Grace period for payment of first premium payable on United States Government life insurance and total disability insurance after termination of a total and permanent disability insurance award and a total disability insurance award. United States Government life insurance and total disability insurance shall not lapse during the period between the termination of a total and permanent disability insurance award or the termination of a total disability insurance award and 31 days from the due date of the first premium payable after such termination or 31 days from date of receipt of notice at the insured's last address of record advising of the termination of the award and the amount and due date of the first premium so payable, whichever is the later date. If the premium or premiums be not paid within said 31 days, the insurance policy and the total disability provision shall lapse in accordance with the terms and conditions thereof and shall otherwise be subject to the terms and conditions of said policy and provision. A letter by registered mail with return receipt requested will be mailed to the insured at his last address of record advising of the due date of the first premium payable after termination of the award, and of the amount of insurance, and the amount due as premiums. The receipt of such letter at the insured's last address of record will be sufficient notice within the provisions of this section, and the failure of the insured to furnish a correct current address at which mail will reach him promptly shall not be grounds for an extension of time under this section.

20. A new § 6.185 is added as follows:

§ 6.185 Premium waiver on United States Government life insurance under section 622 of the National Service Life Insurance Act, as amended April 25, 1951. (a) Persons in the active service for a continuous period in excess of 30 days, after April 25, 1951, who are insured under a 5-year level premium term United States Government life insurance policy, upon written application while in the active service, may be granted waiver of premiums which become due during the remainder of the insured's continuous active service and for 120 days thereafter, provided the insurance is not lapsed at the time the waiver is to be effective.

(b) Persons in the active service for a continuous period in excess of 30 days, after April 25, 1951, who are insured under a permanent plan of United States Government life insurance, upon written application while in the active service, may be granted waiver of that portion

of the premium representing the cost of pure insurance risk, as determined by the Administrator, which becomes due during the remainder of such continuous active service and for 120 days thereafter: *Provided*, That the insurance is not lapsed at the time the waiver is to be effective: *And provided further*, That during the period of such waiver the portion of the premium which is not required for the pure insurance risk is paid when due (or within the grace period).

(c) No premiums may be waived under this section which become due on or prior to June 1, 1951, or which become due on or prior to the first day of the second calendar month following the insured's entry into active service, whichever is the later date: *Provided*, That no premium shall be waived for any period prior to the date of application therefor. Subject to these limitations, premium waiver under this section shall be effective as follows:

(1) As of the premium due date of the policy following the date application for waiver is delivered to the Veterans' Administration. If forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery.

(2) As of the premium due date of the policy following the date application for waiver is executed and placed in military or naval channels. Unless otherwise shown, the date the application is executed will be taken as the date it was placed in such channels.

(d) Premiums tendered on 5-year level premium term insurance to cover a period during which waiver is effective under this section shall be refunded without interest. If premiums for the full amount are tendered in payment of permanent plan insurance during a period in which waiver is effective under this section, only that portion of such premiums which represents the cost of pure insurance risk, as determined by the Administrator, shall be refunded, and such refund shall be with interest.

(e) United States Government life insurance on the 5-year level premium term plan shall be automatically renewed for an additional 5-year period at the premium rate for the then attained age of the insured, provided the premiums on such insurance are being waived under this section at the expiration of the term period and the insured at the expiration of such term period is in the active service. The renewal of insurance under this paragraph shall be effective as of the day following the expiration of the preceding term period and the premium for such renewed insurance will be at the 5-year level premium term rate for the attained age of the insured on that day. The premiums on the insurance renewed under this paragraph shall continue to be waived while the insured continues in active service and for 120 days after separation therefrom.

(f) Upon separation of the insured from active service the 120-day period specified in this section will continue to run even though the insured reenters active service within the 120-day period. In such case the waiver of premiums under this provision will terminate upon expiration of the 120-day period unless

the insured again meets the requirements of this section. However, if the insured reenters active service on the date of separation or the following day, such reentrance shall be deemed to be a continuation of the previous active service and the waiver continued as otherwise provided.

(g) United States Government life insurance on which premium waiver has ceased under this section because of the expiration of the 120-day period following the insured's date of separation from continuous active service, may be continued by the payment of premiums, the due date of the first premium payable being the next regular monthly due date of the premium under the policy following expiration of the 120-day period. The insurance shall lapse if premiums are not paid when due or within the grace period allowed for the payment of such premiums.

(h) If the insured fails to pay when due (or within the grace period) that portion of the premium which is not required for the pure insurance risk on any permanent plan of United States Government life insurance for which the cost of the pure insurance risk is being waived under this section, the insurance shall lapse and the premium waiver cease. Upon reinstatement of the insurance, a new application for waiver of premiums under this section will not be required if the insured has continued in the active service without interruption and is otherwise entitled to continuance of such waiver.

(i) The insured while in the active service or within 120 days following separation from such service may by request terminate premium waiver under this section: *Provided*, That such request shall not be effective prior to the date it is mailed or otherwise delivered to the Veterans' Administration.

(j) Waiver of premiums under section 622 shall not include the premiums due and payable on the total disability provision attached to such United States Government life insurance policy.

(k) During any period waiver of premium is effective under section 622 the insurance shall be non-participating.

(l) A 5-year level premium term policy on which premiums have been waived under section 622 during any portion of the term period shall have no reserve value.

(Sec. 10, Pub. Law 23, 82d Cong.)

(Sec. 5, 43 Stat. 608, as amended, sec. 2, 46 Stat. 1016, sec. 7, 48 Stat. 9, sec. 6, Pub. Law 23, 82d Cong.; 38 U. S. C. 11a, 426, 707. Interpret or apply secs. 300, 301, 43 Stat. 624, as amended; 38 U. S. C. 511, 512. Other statutory provisions interpreted or applied are cited to text in parentheses)

21. In Part 8, §§ 8.0, 8.1, 8.2, and 8.3 are amended to read as follows:

§ 8.0 Eligibility—(a) *Applications by persons in active service.* Persons in the active service in the land or naval forces of the United States on October 8, 1940, and persons entering such service after that date (including those selected for training and service in the land or naval forces of the United States under the Selective Training and Service Act of 1940) under orders to active duty for a

period of not less than 31 days, upon written application by any such person and payment of premiums while in such active service, shall be granted National Service life insurance, on one or more of the following plans, in an amount of not more than \$10,000 or less than \$1,000 in multiples of \$500, in accordance with subparagraphs (1) and (2) of this paragraph: 5-year level premium term, ordinary life, 20-payment life, 30-payment life, 20-year endowment, endowment at age 60 and endowment at age 65: *Provided*, That no policy may be issued for less than \$1,000. Such insurance must become effective while the applicant is in active service and in accordance with the provisions of § 8.2 (a). No person may carry at any one time a combined amount of insurance in excess of \$10,000 under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, and the National Service Life Insurance Act of 1940, as amended. Application for National Service life insurance should be made on forms prescribed by the Administrator, but any statement in writing which in substance meets the requirements of this paragraph shall be considered as an application provided that the first monthly premium is paid, advanced or authorized to be deducted or allotted from pay at time of such application.

(1) Every person who is commissioned and ordered into, or who is examined, accepted, and enrolled in the active service in the land or naval forces after October 8, 1940, shall be granted such insurance without medical examination, provided application therefor is made while the applicant is in the active service and within 120 days after entrance into such service. Entrance into active service shall include a reentrance, but the provisions of section 602 (a) of the act shall not apply where the reentrance is a continuation of previous active service without interruption.

(2) Any person in the active service not eligible for insurance under subparagraph (1) of this paragraph, shall be granted such insurance upon application made at any time while in the active service, provided the applicant is in good health at the time of such application and furnishes evidence thereof satisfactory to the Administrator of Veterans' Affairs.

(b) *Applications for insurance under section 602 (c) (2) of the National Service Life Insurance Act, as amended August 1, 1946.* (1) Persons who were in the active service between October 8, 1940, and September 2, 1945, both dates inclusive, may be granted National Service life insurance on one or more of the plans specified in paragraph (a) of this section in an amount of not more than \$10,000 nor less than \$1,000, in multiples of \$500, upon compliance with the conditions stated below: *Provided*, That no policy may be issued for less than \$1,000.

(i) Written application therefor by any such person.

(ii) Payment of the first monthly premium.

(iii) Proof, satisfactory to the Administrator, that the applicant is in good health.

(iv) The amount of insurance here granted plus the amount of any other insurance (National Service life—United States Government life—War Risk) in force under premium-paying conditions or as extended insurance, shall not exceed \$10,000.

(v) No person who has surrendered his National Service life insurance for a cash value or for paid-up insurance shall be entitled to apply for insurance under this section to the extent of the amount of insurance so surrendered.

(2) Service in the Philippine Commonwealth Army during the period stated above shall not be considered active service for the purpose of granting new insurance under section 602 (c) (2) of the act, as amended.

(3) Where application is made prior to January 1, 1950, the application will not be denied on the ground that the applicant is not in good health by reason of any disability, less than total in degree, resulting from or aggravated by active service between October 8, 1940, and September 2, 1945.

(4) An application for insurance under this paragraph should be made on the form prescribed therefor, but any written statement which in substance meets the requirements of this paragraph may be considered an application.

(c) *Prohibition on the granting of insurance under the provisions of the National Service Life Insurance Act, as amended, in effect prior to the enactment of Public Law 23, 82d Congress.* On and after April 25, 1951, and except as hereinafter provided in this paragraph, no National Service life insurance shall be granted to any person under the provisions of paragraphs (a) and (b) of this section: *Provided*, That the foregoing shall not be construed to prohibit the granting or issuing of National Service life insurance under the provisions of paragraphs (a) and (b) of this section in cases in which acceptable applications accompanied by the required premiums or authorizations for the payment of the required premiums have, on or before April 25, 1951, (1) been received by the Veterans' Administration, (2) been placed in the mails properly directed to the Veterans' Administration, or (3) been delivered to an authorized representative of any of the uniformed services.

(d) *Applications for Insurance under section 5 of the Servicemen's Indemnity Act of 1951 (Public Law 23, 82d Cong.).* (1) Any person in the active service on or after April 25, 1951, who surrenders a permanent plan of National Service life insurance which is not lapsed, for its cash value under the provisions of § 8.27 (a) or (b) while in such active service, shall be granted a new policy of National Service life insurance as provided in § 8.110 (a) upon written application signed by the applicant and payment of the required premium within 120 days after separation from such active service. Such insurance shall be granted without medical examination.

(2) Any person having National Service life insurance on the 5-year level premium term plan, the term of which expires while such person is in active

service, after April 25, 1951, shall be granted National Service life insurance on the 5-year level premium term plan as provided in § 8.110 (b) upon written application signed by the applicant and payment of the required premium within 120 days after separation from such active service and evidence of good health satisfactory to the Administrator.

(3) Application for insurance may be made during the 120-day period specified in this paragraph even though the applicant reenters active service within such 120-day period: *Provided*, That a person who reenters active service on the date of separation or the following day shall be deemed to be in continuous active service and shall not be eligible for insurance under said section 5 during such period of continuous active service.

(4) An application for insurance under this paragraph should be made on the form prescribed therefor, but any written statement which in substance meets the requirements of this paragraph may be considered an application.

(e) *Applications for insurance under section 620 of the National Service Life Insurance Act, as amended April 25, 1951.* (1) All persons granted indemnity protection under section 2 of the Servicemen's Indemnity Act of 1951 shall be deemed to be in active service for the purposes of said section 620. Any person who is released from such active service, under other than dishonorable conditions, on or after April 25, 1951, shall be granted National Service life insurance as provided in § 8.111 upon compliance with the following conditions:

(i) Written application signed by the applicant.

(ii) Proof, satisfactory to the Administrator, that the applicant is suffering from a service connected disability (or disabilities) for which compensation is or would be payable, if 10 per centum or more in degree and except for which such person would be insurable according to the standards established by the Administrator for qualifying under the good health provisions of the National Service Life Insurance Act, as amended.

(iii) Written application for such insurance must be submitted within 1 year from the date service connection of such disability is determined by the Veterans' Administration: *Provided*, That if the disability was incurred under the conditions stated in the last proviso of section 2 of the Servicemen's Indemnity Act of 1951, the application for insurance must be filed within 1 year after the incurrence of such disability. (Last proviso of section 620 of Public Law 23, 82d Cong.)

(iv) Payment of the required premium.

(2) An application for insurance under this paragraph should be made on the form prescribed therefor, but any written statement which in substance meets the requirements of this paragraph may be considered an application. If the applicant is mentally incompetent the application may be made only by the guardian and, if required under the State law, after the court shall have au-

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thorized the fiduciary to make such application.

(f) *Application for insurance under section 621 of the National Service Life Insurance Act, as amended April 25, 1951.* (1) Any person entitled to indemnity protection under section 2 of the Servicemen's Indemnity Act of 1951 who is ordered into active service (or has been in active service) for a period exceeding 30 days, upon written application signed by the applicant and payment of premiums on or after April 25, 1951, and within 120 days after separation from such active service shall be granted National Service life insurance as provided in § 8.112. Such insurance shall be granted without medical examination.

(2) Application for insurance may be made during the 120 day period specified in this paragraph even though the applicant reenters active service within such 120 day period: *Provided*, That a person who reenters active service on the date of separation or the following day shall be deemed to be in continuous active service and shall not be eligible for insurance under said section 621 during such period of continuous active service.

(3) Applications for insurance under this paragraph should be made on the form prescribed therefor, but any written statement which in substance meets the requirements of this paragraph may be considered an application. If the applicant is mentally incompetent the application may be made only by the guardian and, if required under the State law, after the court shall have authorized the fiduciary to make such application.

(Secs 5, 10, Pub. Law 23, 82d Cong.)

§ 8.1 Definition of good health. (a) The words "good health" when used in connection with insurance, mean that the applicant is, from clinical or other evidence, free from disease, injury, abnormality, infirmity, or residual of disease or injury to a degree that would tend to weaken or impair the normal functions of the mind or body or to shorten life.

(b) The existence of "good health" shall not be denied in connection with any application for reinstatement of insurance, or for new insurance if such application is submitted prior to January 1, 1950, and if the disability or disabilities, less than total in degree, resulted from or were aggravated by active military or naval service between October 8, 1940, and September 2, 1945, both dates inclusive.

§ 8.2 Effective date—(a) Insurance applied for by persons in active service. The effective date of a National Service life insurance policy granted under section 602 (a), (b), (c) (1) or (d) (1) of the National Service Life Insurance Act of 1940, as amended, shall not be established prior to October 8, 1940, nor prior to the entrance of the applicant into active service. The effective date of the policy shall not be established later than the first day of the month following the date of application, or after termination of active service.

(1) Subject to the foregoing limitations the effective date of a National Service life insurance policy may be established upon written request by the applicant as follows:

(i) As of the date on which valid application and tender of premiums are made: *Provided*, That a premium advanced by the service department under the provisions of Public Law 451, 77th Congress, and regulations of the department promulgated thereunder shall be deemed to be a tender of the first premium.

(ii) As of the first day of month in which valid application and tender of premiums are made.

(iii) As of the first day of month following that in which valid application is made and premium tendered or allotment of pay established.

(iv) As of the first day of any month, but not more than 6 months, prior to the month in which valid application and tender of premium are made: *Provided*, That there be paid (a) an amount equal to the full reserve on the insurance at the end of the month prior to the month in which application is made, and (b) the full premium on the amount of insurance for the month in which application is made.

(2) Unless otherwise specified by the applicant, the effective date of National Service life insurance shall be established as follows:

(i) As of the date on which valid application and tender of premium are made: *Provided*, That a premium advanced by the service department under the provisions of Public Law 451, 77th Congress, and regulations of the department promulgated thereunder shall be deemed to be a tender of the first premium.

(ii) If the first premium be not tendered or advanced as provided above, such insurance shall be effective as of the first day of the month following the month in which valid application is made and allotment of pay established.

(b) *Effective date of insurance applied for under section 602 (c) (2) of the National Service Life Insurance Act, as amended August 1, 1946.* (1) The effective date of a policy issued under section 602 (c) (2) of the National Service Life Insurance Act, as amended, may be established upon written request of the applicant as follows:

(i) As of the date on which valid application and tender of premium are made.

(ii) As of the first day of the month in which valid application and tender of premium are made.

(iii) As of the first day of the month following the month in which valid application and tender of premium are made.

(iv) As of the first day of any month, but not more than 6 months, prior to the month in which valid application and tender of premium are made: *Provided*, That there be paid (a) an amount equal to the full reserve on the insurance at the end of the month prior to the month in which application is made, and (b) the full premium on the amount of insurance for the month in which application is made.

(2) Unless otherwise specified by the applicant, the effective date of National Service life insurance shall be established as of the date on which valid application and tender of premiums are made.

(c) *Effective date of insurance applied for under sections 620 and 621 of the National Service Life Insurance Act, as amended April 25, 1951 and section 5 of the Servicemen's Indemnity Act of 1951 (Public Law 23, 82d Cong.).* The effective date of National Service life insurance issued under the provisions of sections 620 and 621 of the National Service Life Insurance Act, as amended, and section 5 of the Servicemen's Indemnity Act of 1951 shall not be established in any event prior to April 25, 1951, nor prior to the date of entry into active service. (1) Subject to these limitations the effective date of such insurance may be established upon written request of the applicant as follows:

(i) As of the date on which valid application and tender of premiums are made;

(ii) As of the first day of the month in which valid application and tender of premiums are made;

(iii) As of the first day of the month following the month in which valid application and tender of premiums are made;

(iv) As of the first day of any month, but not more than 6 months, prior to the month in which valid application and tender of premiums are made: *Provided*, That there be paid (a) an amount equal to the full reserve on the insurance at the end of the month prior to the month in which application is made, and (b) the full premium on the amount of insurance for the month in which application is made.

(2) Unless otherwise specified by the applicant, the effective date of such National Service life insurance shall be established as of the date on which valid application and tender of premiums are made.

(Secs 5, 10, Pub. Law 23, 82d Cong.)

§ 8.3 Premium rates National Service life insurance is granted at the premium rate for the age nearest birthday anniversary of the applicant at the time the policy becomes effective. The premium rates for National Service life insurance, except as hereinafter provided in this section, are based on the American Experience Table of Mortality with interest at the rate of 3 per centum per annum. The premium rates for insurance issued under sections 620 and 621 of the National Service Life Insurance Act, as amended April 25, 1951, are based on the Commissioners 1941 Standard Ordinary Table of Mortality with interest at the rate of 2 1/4 per centum per annum.

(Sec. 10, Pub. Law 23, 82d Cong.)

22. Sections 8.5, 8.6, and 8.7 are amended to read as follows:

§ 8.5 Due date of premiums. Premiums on National Service life insurance are due and payable monthly in advance in legal tender of the United States of America to the Treasurer of the United States in the city of Washington, D.C.

trict of Columbia. Premiums may be paid annually, semiannually, or quarterly, in advance, in which case the premium payable will be the sum of the monthly premium for the period discounted at 3 per centum per annum, except that premiums on insurance issued under sections 620 and 621 of the National Service Life Insurance Act, as amended, shall be discounted at 2 1/4 per centum per annum. The discounted premiums for these periods are stated on the first page of the policy. At maturity the discounted value of the premiums paid in advance beyond the current month shall be refunded to the beneficiary. If any premium be not paid when due, the policy shall cease and become void except as otherwise provided.

(Sec. 10, Pub. Law 23, 82d Cong.)

§ 8.6 Payment of premiums; insured in active service or entitled to retirement pay. Premiums on National Service life insurance may be paid by persons in the active military, naval, or Coast Guard service or by persons entitled to retirement pay from such services (a) by direct remittance to the Veterans' Administration, or (b) by allotment of service pay or retirement pay.

§ 8.7 Payment of insurance premiums by mail. When it appears by proof satisfactory to the Administrator of Veterans' Affairs that the person to whom insurance has been granted under the National Service Life Insurance Act of 1940, as amended, or any person authorized to act on his behalf, has deposited in the mail within the grace period allowed by regulation for payment of a premium an envelope, properly addressed to the Veterans' Administration, Washington 25, D. C., to a regional office, district office or center, or any field station of the Veterans' Administration, containing money, check, draft, or money order, in payment of a premium, such insurance will not lapse for nonpayment of such premium within the grace period: *Provided*, That such envelope is delivered to the Veterans' Administration without return to the sender: *And provided further*, That if tender is by check or draft, such check or draft is honored on presentation for payment.

23. Sections 8.10 and 8.11 are amended to read as follows:

§ 8.10 Premiums to be deducted from compensation, retirement pay, or pension, treated as paid, for purpose of preventing lapse. When premiums deductions are authorized by the insured under National Service life insurance, in accordance with the provisions of Veterans' Administration Regulations, the insurance premium will be treated as paid for the purpose of preventing lapse of the insurance, although such deduction is not in fact made, if upon the due date of the premium there is due and payable to the insured an amount of disability compensation, death compensation, retirement pay, disability pension, or death pension sufficient to provide the payment. Any premium authorized to be deducted from disability compensation, death compensation, re-

tirement pay, disability pension, or death pension, due and payable to the insured and not actually paid, shall be deducted from any amount of current disability compensation, death compensation, retirement pay, disability pension, or death pension that may become due and payable to the insured. The amounts so deducted for premiums shall, except as otherwise provided in §§ 8.102 and 8.103, be deposited and covered into the Treasury to the credit of the National Service Life Insurance Fund.

§ 8.11 Termination of the authorization to deduct insurance premiums from compensation, retirement pay, or pension. Deduction of insurance premiums on National Service life insurance shall cease and the authorization shall terminate if the disability compensation, death compensation, retirement pay, disability pension, or death pension becomes insufficient to provide the premium, or if disability compensation, death compensation, retirement pay, disability pension, or death pension is no longer due and payable to the insured. If authorization was executed by the manager of a Veterans' Administration hospital or domiciliary or chief officer of a State hospital or other institution to make deductions from an institutional award, the authorization will cease and terminate at the termination of the institutional award, and if subsequent premiums are to be paid by deduction from monthly benefit payments, another authorization must be executed by the insured or his legal representative or his wife. (See § 8.8 (a).) The insurance shall lapse after the termination or cancellation of the authorization to deduct premiums from disability compensation, death compensation, retirement pay, disability pension, or death pension, unless the premium be otherwise paid within the grace period. The insured will be notified, by letter directed to his last address of record, of the termination of the authorization to deduct premiums; but the failure to give such notice or the failure to receive such notice shall not prevent lapse of the insurance.

24. Section 8.20 is amended to read as follows:

§ 8.20 Nonlapse of insurance during active service prior to date of enactment of Public Law 589, 79th Congress. (a) Where the insured provided for payment of the premiums by authorizing in writing the deduction of premiums from his service pay, insurance shall be deemed not to have lapsed or not to have been forfeited because of desertion under section 612 of the National Service Life Insurance Act, as amended, while he remained in active service, prior to the date of enactment of Public Law 589, 79th Congress, approved August 1, 1946, provided the deduction of premiums was discontinued because (1) the insured was discharged to accept a commission; or (2) the insured was absent without leave, if restored to active duty; or (3) the insured was sentenced by court martial, if he was restored to active duty, required to engage in combat, or killed in combat. If the insured died while

the insurance was continued in force as provided above in this paragraph, payment of the benefits shall be made directly from the National Service life insurance appropriation, and any premiums due on such insurance shall be deducted from the proceeds of the insurance.

(b) The provisions of paragraph (a) of this section shall not apply to any insurance forfeited for any cause other than desertion under section 612 of the National Service Life Insurance Act, as amended.

25. Section 8.22 is amended to read as follows:

§ 8.22 Reinstatement of National Service life insurance—(a) Reinstatement of National Service life insurance except insurance reinstated pursuant to section 5 of the Servicemen's Indemnity Act of 1951. Subject to the provisions of the National Service Life Insurance Act, as amended, and regulations issued thereunder, any insurance which has lapsed or may hereafter lapse and which has not been surrendered for a cash value or for paid-up insurance, may be reinstated upon written application signed by the applicant, and, except as hereinafter provided in this paragraph, upon payment of all premiums in arrears, with interest from their several due dates, provided such applicant at the time of application and tender of premiums is in the required state of health as shown in § 8.23 (a) or (b), whichever is applicable, and submits evidence thereof at the time of application and tender of premiums as may be satisfactory to the Administrator of Veterans' Affairs: *Provided*, That interest on premiums in arrears shall be at the rate of 5 per centum per annum, compounded annually, to the first monthly premium due date after July 31, 1946, and thereafter at the rate of 4 per centum per annum, compounded annually: *Provided further*, That the payment or reinstatement of any indebtedness against any policy must be made, and if such indebtedness with interest exceeds the reserve of the policy at the time of application for reinstatement thereof, then the amount of such excess shall be paid by the applicant as a condition of the reinstatement of the indebtedness and of the policy: *Provided further*, That a lapsed National Service life insurance policy which is in force under extended term insurance may be reinstated without health statement or other medical evidence, if application and tender of premiums with interest are made not less than 5 years prior to the date such extended insurance would expire: *Provided further*, That in any case in which the extended insurance under an endowment policy provides protection to the end of the endowment period such policy may be reinstated upon application and payment of the premiums with interest, and health statement or other medical evidence will not be required: *And provided further*, That National Service life insurance on the level premium term plan may be reinstated by written application of the insured accompanied by evidence of insurability and tender of two monthly premiums, one for the month of lapse,

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the other for the premium month in which reinstatement is effected; but such insurance when reinstated without payment of all premiums in arrears with interest shall have no reserve value. Except as provided in § 8.84, application for reinstatement of level premium term insurance accompanied by evidence of insurability and tender of premiums must be submitted prior to the expiration of the 5-year term period.

(b) *Applications for reinstatement of insurance pursuant to section 5 of the Servicemen's Indemnity Act of 1951.* (1) Any person in the active service on or after April 25, 1951, who surrenders a permanent plan policy of National Service life insurance which is not lapsed, for its cash value under the provisions of § 8.27 (a) or (b), while in active service, upon written application made by any such person within 120 days after separation from such active service, may reinstate such surrendered National Service life insurance (or any portion thereof in multiples of \$500, not less than \$1,000) without medical examination upon payment of (i) an amount equal to the full reserve of the insurance at the end of the month prior to the month in which application is made and (ii) the full premium on the amount of insurance for the month in which application is made.

(2) Application for reinstatement under section 5 of the Servicemen's Indemnity Act of 1951 may be made during the 120 day period specified in this paragraph even though the applicant reenters active service within such 120 day period: *Provided*, That a person who reenters active service on the date of separation or the following day shall be deemed to be in continuous active service and shall not be eligible for reinstatement of insurance under section 5 of the Servicemen's Indemnity Act of 1951 during such period of continuous active service.

(c) *Effective date of reinstatement.* Reinstatement is effected when an acceptable application and the required premiums are delivered to the Veterans' Administration. If application for reinstatement is submitted by mail, properly addressed to the Veterans' Administration, the postmark date shall be the date of delivery. The effective date of reinstatement of the insurance shall be the last monthly premium due date prior to the delivery or postmark date of the application for reinstatement, except where reinstatement is effected on the due date of a premium, then in such case, that date shall be the reinstatement date.

(d) *Inquiry prior to expiration of the grace period.* When the insured under a National Service life insurance policy on the level premium term plan makes inquiry prior to the expiration of the grace period disclosing a clear intent to continue insurance protection, such as a request for information concerning premium rates or conversion privileges, etc., an additional reasonable period not exceeding 60 days may be granted for payment of premiums due; but the premiums in any such case must be paid during the lifetime of the insured.

(Sec. 5, Pub. Law 23, 82d Cong.)

26. Section 8.26 is amended to read as follows:

§ 8.26 *How paid.* A National Service life insurance policy, except as herein-after provided, in this section, shall participate in and receive such dividends from gains and savings as may be determined by the Administrator of Veterans' Affairs: *Provided*, That insurance issued under the provisions of section 620 and 621 of the National Service Life Insurance Act, as amended, shall not be entitled to dividends, and insurance on which premiums are waived, in whole or in part, under the provisions of section 622 of the National Service Life Insurance Act, as amended, shall not be entitled to dividends for the period during which such premium waiver is in effect: *Provided further*, That insurance on which the requirements of good health have been waived under the provisions of section 602 (c) (2) of the National Service Life Insurance Act, as amended, at the time of issue or reinstatement of such insurance shall not be entitled to dividends. Any such dividends shall be paid in cash except that at the written request of the insured they may be left to accumulate on deposit, provided the policy is in force on a basis other than extended term insurance or level premium term insurance. Payment of dividends shall be without interest except when left to accumulate on deposit in accordance with the insured's written request. Interest on dividend accumulations will be credited annually at such rate as the Administrator may determine. Dividend accumulations and unpaid dividends shall not be available for the payment of insurance premiums except at the written request of the insured made before default in payment of a premium. Any unpaid dividend on a lapsed policy will be paid in cash to the insured, if living, otherwise to his estate. Dividend accumulations will be used in addition to the reserve on the policy for the purpose of computing the period of extended term insurance or the amount of paid-up insurance as provided in §§ 8.29 (a) and 8.30, respectively. Upon maturity of the policy, any dividend accumulations not previously withdrawn and any unpaid dividends will be payable in cash to the person currently entitled to receive payments under the policy.

(Sec. 10, Pub. Law 23, 82d Cong.)

27. Section 8.27 is amended to read as follows:

§ 8.27 *Cash value—(a) Cash value on National Service life insurance other than insurance issued under section 620 of the National Service Life Insurance Act, as amended.* Provisions for cash value, paid-up insurance, and extended term insurance, except as provided in § 8.29 (b), shall become effective at the completion of the first policy year on any plan of National Service life insurance other than the 5-year level premium term plan; all values, reserves, and net single premiums being based on the American Experience Table of Mortality, with interest at the rate of 3 per centum per annum. The cash value at the end of the first policy year and at the end of any policy year thereafter, for which

premiums have been paid in full, shall be the reserve together with any dividend accumulations. For each month after the first policy year for which month a premium has been paid or waived, the reserve at the end of the preceding policy year shall be increased by one-twelfth of the increase in reserve for the current policy year. Upon written request therefor and upon complete surrender of the policy with all claims thereunder, the United States will pay to the insured the cash value of the policy less any indebtedness, provided the policy has been in force by payment or waiver of the premiums for at least 1 year.

(b) *Cash value on insurance issued under the provisions of section 620 of the National Service Life Insurance Act, as amended April 25, 1951.* Provisions for cash value, paid-up insurance, and extended term insurance, except as provided in § 8.29 (b), shall become effective at the completion of the first policy year on any plan of National Service life insurance other than the 5-year level premium term plan issued under the provisions of section 620 of the act, as amended; all values on such insurance, reserves, and net single premiums being based on the Commissioners 1941 Standard Ordinary Table of Mortality, with interest at the rate of 2 1/4 per centum per annum. The cash value at the end of the first policy year and at the end of any policy year thereafter, for which premiums have been paid in full, shall be the reserve. For each month after the first policy year for which month a premium has been paid or waived, the reserve at the end of the preceding policy year shall be increased by one-twelfth of the increase in reserve for the current policy year. Upon written request therefor and upon complete surrender of the policy with all claims thereunder, the United States will pay to the insured the cash value of the policy less any indebtedness, provided the policy has been in force by payment or waiver of premiums for at least 1 year.

(Sec. 10, Pub. Law 23, 82d Cong.)

28. Section 8.30 is amended to read as follows:

§ 8.30 *Provision for paid-up insurance; other than 5-year level premium term policies.* If a National Service life insurance policy on any plan other than 5-year level premium term has not been surrendered for cash, upon written request of the insured and complete surrender of the policy with all claims thereunder, after the expiration of the first policy year and while the policy is in force under premium-payment conditions, the United States will issue paid-up insurance for such amount as the cash value less any indebtedness will purchase when applied as a net single premium at the attained age of the insured. For this purpose the attained age is the age on the birthday anniversary nearest to the effective date of the policy plus the number of years and months from that date to the date the paid-up insurance becomes effective. Such paid-up insurance will be effective as of the expiration of the period for which premiums have been

paid and earned; and, any premiums paid in advance for months subsequent to that in which the application for paid-up insurance is made shall be refunded to the insured. The paid-up insurance shall be with right to dividends except insurance issued or reinstated under the provisions of section 602 (c) (2) of the National Service Life Insurance Act of 1940, as amended, where the requirements of good health have been waived, and insurance issued under the provisions of section 620 of the National Service Life Insurance Act, as amended. The insured may at any time surrender the paid-up policy for its cash value or obtain a loan on such paid-up insurance. (Sec. 10, Pub. Law 23, 82d Cong.)

29. Sections 8.32, 8.33, 8.34, 8.35, and 8.36 are amended to read as follows:

§ 8.32 Plans of National Service life insurance. Subject to the conditions stated in §§ 8.33 and 8.34, National Service life insurance on the 5-year level premium term plan except when issued under the provisions of section 621 of the National Service Life Insurance Act, as amended, may be converted to the following plans of insurance: Ordinary life, 20-payment life, 30-payment life, 20-year endowment, endowment at age 60, and endowment at age 65.

(Sec. 10, Pub. Law 23, 82d Cong.)

§ 8.33 Exchange of a 5-year level premium term policy as of a current effective date. National Service life insurance on the level premium term plan, other than non-convertible 5-year level premium term insurance issued under the provisions of section 621 of the National Service Life Insurance Act, as amended, which is in force may be exchanged, effective as of the date any premium becomes due within the term period, for insurance of the same amount, on any other plan, on the same reserve basis, issued by the Veterans' Administration under the National Service Life Insurance Act of 1940, as amended, upon payment by the insured (except where premium waiver under section 602 (n) of the act, as amended, is effective) of the current monthly premium at the attained age of the insured for the plan of insurance selected: *Provided*, That where premium waiver is effective under section 622 of the National Service Life Insurance Act, as amended, that portion of the current monthly premium at the attained age of the insured for the plan of insurance selected which is not required for the pure insurance risk must be paid. The reserve (if any) on the policy will be allowed as a credit on the current monthly premium except where premium waiver is effective: *Provided*, That conversion to an endowment plan may not be made while the insured is totally disabled. The exchange will be made without medical examination except when deemed necessary to determine whether an applicant for exchange to an endowment plan is totally disabled, and upon complete surrender of the policy while in force by payment or waiver of premiums. Except as provided in § 8.84, conversion of the term policy must be effected within the 5-year term period, and if not exchanged or converted prior to the expiration of such period all protection thereunder shall cease.

(Sec. 10, Pub. Law 23, 82d Cong.)

§ 8.35 Exchange to a policy bearing the same effective date and having a higher reserve value. If the insured be not totally disabled, National Service life insurance on any plan other than 5-year level premium term may be changed to insurance of the same amount, as of the same date, and based on the same age, on any plan of insurance on the same reserve basis, issued by the Veterans' Administration under the National Service Life Insurance Act of 1940, as amended, having a higher reserve value, upon payment by the insured of the difference between the reserve on the new policy and the reserve on the old policy. Such exchange will be made without medical examination except when deemed necessary to determine whether the insured be totally disabled and upon complete

effectuated within the 5-year term period, and if not exchanged or converted prior to the expiration of such period all protection thereunder shall cease.

(Sec. 10, Pub. Law 23, 82d Cong.)

surrender of the policy while in force by payment of premiums.

§ 8.36 Exchange to a policy bearing the same effective date and having a lower reserve value. National Service life insurance may be exchanged within 5 years from the effective date for insurance of the same amount bearing the same date, and based on the same age, on any plan of insurance on the same reserve basis, issued by the Veterans' Administration having a lower reserve value except to the 5-year level premium term plan: *Provided*, The applicant is in good health at the time of application and furnishes evidence thereof satisfactory to the Administrator upon such forms as the Administrator shall prescribe, or otherwise as he shall require. The old policy must be in force under premium-paying conditions and must be surrendered with all rights and claims thereunder. The difference between the reserve on the old policy and the reserve on the new policy, less any indebtedness, may be used to cover payment of future premiums or withdrawn in cash at the option of the insured. If the old policy has been in force for less than 12 months, the difference in reserve may be used only for the purpose of paying future premiums on the insurance, and such premiums shall not be subject to withdrawal by the insured prior to the expiration of the first policy year.

30. Section 8.40 is amended to read as follows:

§ 8.40 Requirements for waiver of premiums under section 602 (n) of the National Service Life Insurance Act, as amended. Upon written application by the insured payment of premiums may be waived during the continuous total disability of the insured which continues or has continued for six or more consecutive months: *Provided*, Such disability commenced (a) subsequent to date of application for insurance, (b) while the insurance was in force under premium-paying conditions, and (c) prior to the insured's sixtieth birthday, *Provided*, This section shall not apply to any premium waiver authorized under subsection 602 (d) (3) of the act, as amended: *Provided further*, That waiver of premiums under this section shall not be denied on permanent plans of insurance issued or reinstated pursuant to section 5 of the Servicemen's Indemnity Act of 1951 because the total disability of the insured commenced prior to the date of his application for insurance or for reinstatement thereof; nor shall waiver of premiums under this section be denied on insurance issued under section 620 of the National Service Life Insurance Act, as amended, because the service-connected disability of the insured became total in degree prior to the effective date of such insurance. The insured shall be required to furnish proof satisfactory to the Administrator showing continuous total disability for at least six consecutive months and may be denied benefits for failure to cooperate: *Provided further*, That in the event of death of the insured without filing application for waiver, such application may be filed by the beneficiary with evidence of the

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insured's right to waiver under the conditions of this section on or before August 1, 1947, or within 1 year after death of the insured, whichever is the later; or, if the beneficiary be insane or a minor, such beneficiary may file application for waiver with evidence of the insured's right to waiver under the conditions of this section, within 1 year after removal of such legal disability: *Provided further*, That where an insured meets the requirements of this section, waiver of premiums under this section on his National Service life insurance shall not be denied for the reason that premiums on such insurance are or have been waived under section 622 of the National Service Life Insurance Act, as amended.

(Secs. 5, 10, Pub. Law 23, 82d Cong.)

31. In § 8.41, paragraphs (a) and (b) are amended to read as follows:

§ 8.41 *Effective date of premium waiver.* (a) Upon written application of the insured waiver of premiums may be granted effective as of the date 6 months' continuous total disability commenced, but except as hereafter provided in this paragraph, waiver in such cases shall not be effective as to any premium which became due more than 1 year prior to receipt of such application in the Veterans' Administration: *Provided*, That the Administrator may grant waiver of premiums in excess of such 1-year period in any case in which he finds that the insured's failure to submit timely application or satisfactory evidence to show the existence or continuance of total disability was due to circumstances beyond the insured's control: *Provided further*, That upon written application of the insured made on or before August 1, 1947, the Administrator shall grant waiver of any premium which became due not more than 5 years prior to the date of enactment of the Insurance Act of 1946 (Public Law 589, 79th Cong., approved August 1, 1946), if otherwise authorized under the provisions of section 602 (n) of the act, as amended: *Provided further*, That on permanent plans of National Service life insurance issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951, waiver of premiums shall not be effective prior to the effective date of reinstatement of such insurance.

* * * * *

(Secs. 5, 10, Pub. Law 23, 82d Cong.)

32. Section 8.70 is amended to read as follows:

§ 8.70 *Claims alleging insurance contract where there is no application for insurance on file.* In those cases where claim is made alleging that a person made valid application for National Service life insurance, and that the insurance is subject to reinstatement or a waiver of payment of premiums is in order, or that the insurance matured by reason of the death of the insured at a time when the insurance was in force, and that there was a valid designation of beneficiary, and where there is no application for insurance on file, the claimant will be required to submit all available evidence concerning the alleged application for insurance in such manner and on such forms as may be deemed necessary. The evidence submitted by the claimant and the evidence as disclosed by records in possession of the Government relative to the question as to whether the person made a valid application for insurance will be considered and, if found sufficient to establish as a fact that the said person did apply for insurance and if the other allegations of said claim are sustained, a record of insurance will be established in accordance with such finding. However, if it be determined that the evidence is not sufficient to establish as a fact that the said person applied for insurance as alleged, or determined that any insurance applied for as alleged would not be valid or not subject to reinstatement, or determined that the said person did not die at a time when the insurance would have been in force if insurance had been applied for, or, in case of death, if it be de-

termined that there was no valid designation of beneficiary, the claimant will be so informed and will be notified that, unless he desires to appeal to the Administrator, a disagreement exists as to the matters in controversy as contemplated by the provisions of section 617 of the National Service Life Insurance Act of 1940, as amended, as far as the Veterans' Administration is concerned. Further, the claimant will be informed that an appeal may be taken from the decision to the Administrator of Veterans' Affairs by giving notice in writing in accordance with § 19.2 of this chapter. The director, underwriting service, will make all original determinations, as to whether a person made valid application for insurance as alleged. The determination as to the validity of beneficiary designations, in death cases, will be made by the dependents and beneficiaries claims service in central office or by the claims service in the district office, as may be appropriate in the particular case.

33. Sections 8.76 and 8.77 are amended to read as follows:

§ 8.76 *Selection and revocation of option.* The insured under a National Service life insurance policy may, during his lifetime, make his selection of the optional settlement set forth in § 8.79 or 8.80, whichever is applicable, but such selection shall not be valid unless and until notice thereof is received in the Veterans' Administration. The insured may select a different optional settlement for the contingent beneficiary from that selected for the principal beneficiary, but, if the principal beneficiary entitled to settlement in one sum survives the insured or if the principal beneficiary not entitled to settlement in one sum survives the insured and receives any payment, the option selected for the contingent beneficiary shall have no force or effect, except as provided below in this section: That where the insured has selected a lump-sum settlement for the contingent beneficiary, and the principal beneficiary, not entitled to settlement in one sum, dies after payment has commenced but before all installments certain have been paid, the present value of the remaining unpaid installments certain shall be paid to the contingent beneficiary in one sum, unless such contingent beneficiary elects to continue to receive the remaining unpaid installments certain as they become due and payable. The insured may, during his lifetime, revoke his selection of the optional settlement, but the revocation shall not be valid unless and until notice thereof is received in the Veterans' Administration.

§ 8.77 *Election of optional settlement by beneficiary—(a) Insurance maturing on or after August 1, 1946.* (1) If the insured under a National Service life insurance policy has not selected one of the optional settlements and dies on or after August 1, 1946, the insurance shall be payable in 36 equal monthly installments, but the designated beneficiary may elect to receive settlement under option 2, 3, or 4. Such an election shall not be valid unless and until it is re-

(b) Upon written application of the beneficiary as provided in § 8.40, waiver of premiums may be granted effective as of the date 6 months' continuous total disability commenced, but, except as hereafter provided in this paragraph, waiver in such cases shall not be effective as to any premium which became due more than 1 year prior to the date of insured's death: *Provided*, That the Administrator may grant waiver of pre-

ceived in the Veterans' Administration. If the insured has selected an optional settlement, then at the death of the insured the designated beneficiary may elect to receive payment in installments spread over a greater period of time than that selected by the insured; thus:

(i) If the insured has selected option 1, the beneficiary may elect to receive payment under option 2, 3, or 4;

(ii) If the insured has selected option 2 with monthly installments not in excess of 120, the beneficiary may elect to receive payment in a greater number of installments under option 2 or may elect to receive payment under option 3 or 4;

(iii) If the insured has selected option 2 with monthly installments in excess of 120, the beneficiary may elect to receive payment in a greater number of installments under option 2 or may elect to receive payment under option 4: *Provided*, The number of installments certain payable under option 4, are not less than the number selected by the insured;

(iv) If the insured has selected option 3, the beneficiary may elect to receive payment under option 4;

(v) If the insured has selected option 4 and named no contingent beneficiary, the beneficiary may elect to receive payment under option 3.

(2) A change in the mode of settlement is not authorized after payment has commenced, but, where the insured has selected settlement under option 1, a beneficiary who has elected to receive payment under option 2, 3, or 4 may elect to receive the commuted value of any remaining unpaid installments certain: *Provided*, That where the commutation is elected under option 3 or 4 after payment under such option has commenced, and the beneficiary survives the period certain, such beneficiary shall be entitled to the resumption of monthly installments payable for life in accordance with the monthly income option previously selected by such beneficiary. The entitlement to the resumption of monthly installments will be effective as of the monthly payment date next following the expiration of the period certain. Settlement under any one of the options or payment to the beneficiary of said commuted value under option 2 or payment of said commuted value under option 3 or 4 to the beneficiary who does not survive the period certain shall be in full and complete discharge of all liability under the contract.

(3) Options 3 and 4 shall not be available if the beneficiary be a firm, corporation, legal entity (including the estate of the insured), or trustee.

(4) Settlement under option 4 is not available to any beneficiary who is 69 or more years of age at the time of the death of the insured, except that on insurance issued under section 620 or 621 of the National Service Life Insurance Act, as amended, option 4 is not available if a male beneficiary is 78 or more years of age or if a female beneficiary is 80 or more years of age at the time of death of the insured.

(5) If the option selected by the insured or the designated beneficiary requires payment to any one beneficiary of monthly installments of less than \$10, the amount payable to such beneficiary

shall be paid under option 2 in such maximum number of monthly installments as are a multiple of 12 and will provide a monthly installment of not less than \$10.

(6) If the present value of the amount payable at the time any person initially becomes entitled to such payment is not sufficient to provide at least 12 monthly installments of not less than \$10 each, such amount shall be payable in one sum.

(b) *Insurance matured prior to August 1, 1946.* (1) If the insured under a National Service life insurance policy has not selected one of the optional settlements and died prior to August 1, 1946, payment will be made as provided in § 8.75, unless the first beneficiary elects settlement under option 4 (refund life income). If the insured selected settlement under the mode of payment provided in § 8.75, then at his death the beneficiary, if less than 69 years of age at the death of the insured, may elect to receive payment under option 4, but such an election shall not be valid unless and until it is received in the Veterans' Administration. If the insured selected option 4, payment will be made accordingly.

(2) Except as provided below in this subparagraph, a change in the mode of settlement is not authorized in any case in which payment has commenced, and settlement under any one of the options shall be in full and complete discharge of all liability under the contract: *Provided*, That where payments were commenced on or after September 30, 1944, but before the beneficiary was advised of the right of election, change in the mode of settlement may be effected if such beneficiary so elects within a reasonable period, ordinarily not more than 60 days, after notice has been sent regarding optional settlement: *Provided further*, That in any case in which payments were commenced prior to September 30, 1944, the beneficiary, whether or not the first beneficiary, may, within 2 years after the enactment of Public Law 589, 79th Congress, approved August 1, 1946, elect to refund life income (option 4) payable in monthly installments adjusted as of the date of maturity of the insurance and based upon the age of the original payee at such maturity date, credit being allowed for payments made under the present mode of settlement.

(Sec. 10, Pub. Law 23, 82d Cong.)

34. In § 8.79, the title is amended to read as follows:

§ 8.79 *Optional settlements on insurance issued under the provisions of the National Service Life Insurance Act of 1940, as amended, prior to the enactment of Public Law 23, 82d Congress, approved April 25, 1951.* * * *

35. A new § 8.80 is added as follows:

§ 8.80 *Optional settlements on insurance issued under the provisions of section 620 or 621 of the National Service Life Insurance Act, as amended April 25, 1951.* The optional settlements under a National Service life insurance policy issued under the provisions of section 620 or 621 of the National Serv-

ice Life Insurance Act, as amended April 25, 1951, are as follows:

Option 1; insurance payable in one sum. Settlement under this option will be made only when selected by the insured. When such selection has been made, the face amount (less any indebtedness) will be payable in one sum upon the death of the insured.

Option 2; insurance payable in elected installments. The installments noted below will be payable for an agreed number of months (not less than 36) to the designated beneficiary, but, if the designated beneficiary dies before the agreed number of monthly installments have been paid, the remaining unpaid monthly installments will be payable as provided in § 8.89, 8.90, or 8.91, whichever may be applicable:

Number of monthly installments	Amount of each monthly installment	Number of monthly installments	Amount of each monthly installment
36	\$28.69	144	\$7.91
48	21.75	156	7.38
60	17.59	168	6.92
72	14.82	180	6.53
84	12.84	192	6.18
96	11.36	204	5.88
108	10.21	216	5.61
120	9.29	228	5.37
132	8.53	240	5.16

Option 3; insurance payable in installments throughout life. The monthly installments noted below will be payable throughout the lifetime of the designated beneficiary, but, if such beneficiary dies before 120 of such installments have been paid, the remaining unpaid monthly installments will be payable as provided in § 8.89, 8.90, or 8.91, whichever may be applicable.

Age of beneficiary at date of death of insured	Amount of each monthly installment per \$1,000 of insurance payable to original beneficiary	
	Male	Female
10 and under.....	\$2.49	\$2.39
11.....	2.50	2.40
12.....	2.52	2.42
13.....	2.54	2.44
14.....	2.56	2.45
15.....	2.58	2.47
16.....	2.60	2.49
17.....	2.63	2.51
18.....	2.65	2.53
19.....	2.67	2.55
20.....	2.70	2.57
21.....	2.73	2.59
22.....	2.75	2.61
23.....	2.78	2.63
24.....	2.81	2.66
25.....	2.84	2.68
26.....	2.87	2.71
27.....	2.91	2.73
28.....	2.94	2.76
29.....	2.98	2.79
30.....	3.02	2.82
31.....	3.06	2.85
32.....	3.10	2.89
33.....	3.14	2.92
34.....	3.19	2.96
35.....	3.24	2.99
36.....	3.29	3.03
37.....	3.34	3.07
38.....	3.39	3.11
39.....	3.45	3.16
40.....	3.51	3.20
41.....	3.57	3.25
42.....	3.64	3.30
43.....	3.71	3.36
44.....	3.78	3.41
45.....	3.85	3.47
46.....	3.93	3.53
47.....	4.01	3.60
48.....	4.09	3.66
49.....	4.18	3.73
50.....	4.27	3.81
51.....	4.37	3.89

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Age of beneficiary at date of death of insured	Amount of each monthly installment per \$1,000 of insurance payable to original beneficiary		Age of beneficiary at date of death of insured	Amount of each monthly installment per \$1,000 of insurance payable to original beneficiary	
	Male	Female		Male	Female
52	\$4.46	\$3.97	52	\$9.28	\$9.28
53	4.57	4.08	53	9.28	9.28
54	4.67	4.16	54	9.29	9.29
55	4.78	4.24	55	27	27
56	4.90	4.35	56	28	28
57	5.02	4.45	57	29	29
58	5.15	4.56	58	30	30
59	5.28	4.68	59	31	31
60	5.41	4.81	60	32	32
61	5.56	4.94	61	33	33
62	5.71	5.08	62	34	34
63	5.86	5.22	63	35	35
64	6.02	5.38	64	36	36
65	6.18	5.63	65	37	37
66	6.35	5.70	66	38	38
67	6.52	5.87	67	39	39
68	6.70	6.05	68	40	40
69	6.88	6.24	69	41	41
70	7.06	6.43	70	42	42
71	7.24	6.63	71	43	43
72	7.43	6.83	72	44	44
73	7.60	7.03	73	45	45
74	7.78	7.23	74	46	46
75	7.95	7.44	75	47	47
76	8.12	7.64	76	48	48
77	8.27	7.83	77	49	49
78	8.42	8.02	78	50	50
79	8.59	8.21	79	51	51
80	8.63	8.30	80	52	52
81	8.79	8.33	81	53	53
82	8.89	8.67	82	54	54
83	8.97	8.79	83	55	55
84	9.04	8.90	84	56	56
85	9.10	8.99	85	57	57
86	9.16	9.08	86	58	58
87	9.19	9.14	87	59	59
88	9.22	9.18	88	60	60
89	9.24	9.22	89	61	61
90	9.26	9.24	90	62	62
91	9.27	9.26	91	63	63
92	9.28	9.27	92	64	64
93	9.28	9.28	93	65	65

Age of beneficiary at date of death of insured	Amount of each monthly installment per \$1,000 of insurance payable to original beneficiary		Age of beneficiary at date of death of insured	Amount of each monthly installment per \$1,000 of insurance payable to original beneficiary	
	Male	Female		Male	Female
94	\$9.28	\$9.28	94	\$9.28	\$9.28
95	9.28	9.28	95	9.29	9.29
96 and over	9.29	9.29	96 and over	9.29	9.29
97			97		
98			98		
99			99		
100			100		
101			101		
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Option 4: refund life income. The amount of the installments noted below will be payable monthly throughout the lifetime of the designated beneficiary, but, if such beneficiary dies before payment of the number of installments certain noted below, the remaining unpaid monthly installments payable for such period certain as may be required in order that the sum of the installments certain (including a last installment of such reduced amount as may be necessary) shall equal the face value of the contract less any indebtedness, will be payable as provided in § 8.89, 8.90, or 8.91, which ever may be applicable. The law does not authorize settlement under this option in any case in which less than 120 installments may be paid; if a male beneficiary is 78 or more years of age at the time of the death of the insured, payment will be made as provided in option 3; if a female beneficiary is 80 or more years of age at the time of the death of the insured, payment will be made as provided in option 3. (Beneficiaries of any age up to and including 77 for a male beneficiary and 79 for a female beneficiary: Payable for life of first beneficiary with number of installments stated below guaranteed.)

10 and under

Age of beneficiary at date of death of insured

Age of beneficiary at date of death of insured	Male beneficiary		Female beneficiary		Number of guaranteed monthly installments	Amount of each monthly installment per \$1,000 of insurance payable to original beneficiary
	Male	Female	Male	Female		
105	405	\$2.47	421	\$2.38		
106	402	2.49	419	2.39		
107	400	2.50	415	2.41		
108	397	2.52	414	2.42		
109	394	2.54	410	2.44		
110	391	2.56	407	2.46		
111	388	2.58	405	2.47		
112	385	2.60	402	2.49		
113	382	2.62	399	2.51		
114	379	2.65	396	2.53		
115	376	2.67	393	2.55		
116	373	2.69	390	2.57		
117	370	2.71	387	2.59		
118	367	2.73	384	2.61		
119	364	2.75	381	2.63		
120	362	2.77	378	2.66		
121	360	2.79	376	2.68		
122	358	2.81	374	2.70		
123	355	2.83	372	2.73		
124	353	2.85	370	2.75		
125	351	2.88	368	2.77		

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and not less than \$1,000, may be renewed without medical examination for successive 5-year periods, upon application therefor and payment of the premium at the 5-year level premium term rate required at the attained age of the insured, before the expiration of the current term period: *Provided further*, That in any case in which the insured is shown by evidence satisfactory to the Administrator to be totally disabled at the expiration of the level premium term period of his insurance under conditions which would entitle him to continued insurance protection but for such expiration, such insurance, if subject to renewal under this section, shall be automatically renewed for an additional period of 5 years at the premium rate for the then attained age. The renewal of insurance for any 5-year period will become effective as of the day following the expiration of the preceding term period, and the premium for such renewal will be at the 5-year level premium term rate for the attained age of the applicant on that day: *Provided*, That no insurance may be renewed by any person who has exercised his optional right to change to another plan of insurance.

37. A new § 8.86 is added as follows:

§ 8.86 Removal of National Service life insurance on 5-year level premium term plan issued under the provisions of section 621 of the National Service Life Insurance Act, as amended April 25, 1951. All or any part of a National Service life insurance policy issued under the provisions of section 621 of the National Service Life Insurance Act, as amended, in any multiple of \$500 and not less than \$1,000, may be renewed without medical examination for successive 5-year term periods upon application therefor and payment of the premium at the 5-year level premium term rate required at the attained age of the insured, before expiration of the current 5-year period: *Provided further*, That where the insured is shown by evidence satisfactory to the Administrator to be totally disabled at the expiration of the level premium term period of his insurance under conditions which would entitle him to continued insurance protection but for such expiration, such insurance, if subject to renewal under this section, shall be automatically renewed for an additional period of 5 years at the premium rate for the then attained age. The renewal of insurance for the second and successive 5-year periods will become effective as of the day following the expiration of the preceding 5-year period, and the premium for such renewal will be at the 5-year level premium term rate for the attained age of the applicant on that day.

(Sec. 10, Pub. Law 23, 82d Cong.)

38. Section 8.88 is amended to read as follows:

§ 8.88 Payment to designated beneficiaries where insurance matures on or after August 1, 1946. National Service life insurance maturing on or after the date of enactment of Public Law 589, 79th Congress, approved August 1, 1946, is payable to the designated beneficiary

in 36 monthly installments unless one of the optional settlements as provided in § 8.79 or 8.80, whichever is applicable, has been selected by the insured or the designated beneficiary. The monthly installments, without interest, which have accrued since the death of the insured (the first installment being due on the date of the death of the insured) and the monthly installments which thereafter are payable in accordance with the option selected shall be paid to the designated beneficiary or beneficiaries.

39. Section 8.96 is amended to read as follows:

§ 8.96 Application for total disability income provision and application for reinstatement thereof. (a) Application for the total disability income provision under National Service life insurance, authorized by section 602 (v) of the National Service Life Insurance Act of 1940, as amended August 1, 1946, and the report of physical examination should be on such forms as may be prescribed by the Veterans' Administration, but any statement in writing sufficient to identify the applicant and the amount of insurance applied for, together with a satisfactory report of a physical examination and remittance to cover the first monthly premium will be sufficient as an application for the total disability income provision. Total disability insurance with benefits at the rate of \$5 per month will be granted for each \$1,000 of National Service life insurance in force in full multiples of \$500, but not to exceed the amount of life insurance, other than extended insurance, in force under the policy at the time of the application, upon compliance with the above requirements provided the applicant is in good health: *Provided further*, That in any case in which the applicant while not totally disabled and prior to January 1, 1950, furnished proof satisfactory to the Administrator that his inability to furnish proof of good health is the result of an injury or disability actually service incurred between October 8, 1940, and September 2, 1945, both dates inclusive, the requirement of proof of good health shall be waived: *Provided further*, That no total disability income provision shall be issued on insurance granted under the provisions of section 620 or 621 of the National Service Life Insurance Act, as amended.

(b) Except as provided in § 8.96a, a total disability income provision which is lapsed may be reinstated if the insured meets the same requirements as those for reinstatement of the policy to which the total disability income provision is attached; except that in no event shall the requirement of a health statement or other medical evidence be waived in connection with the reinstatement of the total disability income provision.

40. A new § 8.96a is added as follows:

§ 8.96a Application for reinstatement and issue of the total disability income provision pursuant to section 5 of the Servicemen's Indemnity Act of 1951. (a) Any person having a National Service life insurance policy on a permanent plan with a total disability income provision attached, who surrendered such

insurance pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951, at a time when the total disability income provision was in force, upon meeting the requirements for reinstatement of such insurance pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951, may reinstate the lapsed total disability income provision without medical examination upon (1) written application signed by any such person, (2) payment of the required reserve and (3) the full premium on the total disability income provision for the month in which application is made: *Provided*, That reinstatement requirements are met within 120 days following the applicant's separation from active service.

(b) Any person having a National Service life insurance policy on a permanent plan with a total disability income provision attached, who surrendered such insurance pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951, at a time when the total disability income provision was in force, upon meeting the requirements for issuance of National Service life insurance pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951, may be issued a total disability income provision without medical examination upon written application signed by the applicant and payment of the first monthly premium within 120 days after separation from active service: *Provided*, That the total disability income provision issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951 shall not be in excess of the total disability insurance which lapsed at the time the life insurance was surrendered pursuant to section 5 of the Servicemen's Indemnity Act.

(c) If a total disability income provision was not in force at the time a permanent plan policy of National Service life insurance was surrendered pursuant to section 5 of the Servicemen's Indemnity Act of 1951, or if an insured who surrendered a permanent plan policy of National Service life insurance pursuant to section 5 of the Servicemen's Indemnity Act of 1951 at a time when the total disability income provision was in force, fails to meet the requirements for reinstatement or issue of the total disability income provision within 120 days following separation from active service, the total disability income provision may, if the life insurance is in force under premium paying conditions, be reinstated in accordance with the provisions of § 8.98, or the insured may be issued a total disability income provision upon compliance with the requirements of § 8.96 (a).

(d) Where no total disability income provision was attached to National Service life insurance surrendered under the provisions of section 5 of the Servicemen's Indemnity Act of 1951, such provision may be added to National Service life insurance issued or reinstated under such section upon compliance with the provisions of § 8.96 (a).

(Sec. 5, Pub. Law 23, 82d Cong.)

41. A new § 8.103 is added as follows:

§ 8.103 Crediting of premiums to and payment of benefits from the Service-Disabled Veterans' Insurance Fund and the Veteran's Special Term Insurance Fund. (a) All premiums and other collections for insurance issued under the provisions of section 620 of the National Service Life Insurance Act, as amended April 25, 1951, shall be credited directly to a fund in the Treasury of the United States to be known as the Service-Disabled Veterans' Insurance Fund and any payments on such insurance shall be made directly from such fund.

(b) All premiums and other collections for insurance issued under the provisions of section 621 of the National Service Life Insurance Act, as amended April 25, 1951, shall be credited directly to a fund in the Treasury of the United States to be known as the Veterans' Special Term Insurance Fund and any payments on such insurance shall be made directly from such fund.

(Sec. 10, Pub. Law 23, 82d Cong.)

42. New §§ 8.110, 8.111, 8.112, and 8.113 are added as follows:

§ 8.110 National Service life insurance issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951. (a) National Service life insurance on a permanent plan, issued pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951 shall be issued on the same plan and under the same terms and conditions as National Service life insurance surrendered for its cash value under the provisions of such section: *Provided*, That waiver of premiums under section 602 (n) of the National Service Life Insurance Act, as amended, shall not be denied because the total disability of the applicant commenced prior to the date of his application for such insurance. The amount of permanent plan National Service life insurance issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951 shall not be in excess of the amount of insurance surrendered for cash under such section.

(b) National Service life insurance on the 5-year level premium term plan issued pursuant to the provisions of section 5 of the Servicemen's Indemnity Act of 1951 shall be issued under the same terms and conditions as the National Service life insurance 5-year level premium term policy which expired under the provisions of such section. The amount of 5-year level premium term insurance issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951 shall not be in excess of the amount of term insurance which expired under the provisions of such section.

(c) The amount of insurance granted under said section 5 plus the amount of any other insurance (National Service Life—United States Government Life—War Risk) in force under premium paying conditions, or as paid-up or extended insurance, shall not exceed \$10,000.

(Sec. 5, Pub. Law 23, 82d Cong.)

§ 8.111 National Service life insurance issued under section 620 of the National Service Life Insurance Act, as amended April 25, 1951. (a) National Service life

insurance granted under the provisions of section 620 of the National Service Life Insurance Act, as amended April 25, 1951, shall be issued upon the same terms and conditions as are contained in the standard policies of National Service life insurance except that (1) the premium rates, cash, loan, paid-up, and extended values shall be based upon the Commissioners 1941 Standard Ordinary Table of Mortality with interest at the rate of $2\frac{1}{4}$ per centum per annum; (2) all settlements on policies involving annuities shall be calculated on the basis of the annuity table for 1949 with interest at the rate of $2\frac{1}{4}$ per centum per annum; (3) all such insurance shall be issued on a nonparticipating basis; and (4) waiver of premiums under section 602 (n) of the National Service Life Insurance Act, as amended, shall not be denied because the service connected disability of the applicant became total in degree prior to the effective date of such insurance.

(b) National Service life insurance granted under section 620 of the act, as amended, shall be on one or more of the following plans: 5-year level premium term, ordinary life, 20-payment life, 30-payment life, 20-year endowment, endowment at age 60, and endowment at age 65: *Provided*, That no insurance shall be issued on an endowment plan if the applicant is totally disabled. Insurance issued under section 620 of the act, as amended, shall be in an amount of not more than \$10,000 nor less than \$1,000 in multiples of \$500: *Provided*, That no policy may be issued for less than \$1,000: *Provided further*, That no person may carry at any one time a combined amount of insurance in force in excess of \$10,000 under the War Risk Insurance Act, as amended, the World War Veterans' Act, as amended, and the National Service Life Insurance Act, as amended.

(Sec. 10, Pub. Law 23, 82d Cong.)

§ 8.112 National Service life insurance issued under section 621 of the National Service Life Insurance Act, as amended April 25, 1951. (a) National Service life insurance granted under the provisions of section 621 of the National Service Life Insurance Act, as amended, shall be issued upon the same terms and conditions as are contained in the standard policies of National Service life insurance on the 5-year level premium term plan except (1) all such insurance may be renewed for successive 5-year term periods at the attained ages in accordance with the provisions of § 8.86 but may not be exchanged for or converted to insurance on any other plan; (2) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality with interest at the rate of $2\frac{1}{4}$ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the bases of the annuity table for 1949, with interest at the rate of $2\frac{1}{4}$ per centum per annum; and (4) insurance issued under this section of the act shall be nonparticipating.

(b) National Service life insurance granted under section 621 of the act shall be in an amount of not more than \$10,000 nor less than \$1,000 in multiples of \$500:

Provided, That no policy may be issued for less than \$1,000: *Provided further*, That no person may carry at any one time a combined amount of insurance in force in excess of \$10,000 under the War Risk Insurance Act, as amended, the World War Veterans' Act, as amended, and the National Service Life Insurance Act as amended.

(Sec. 10, Pub. Law 23, 82d Cong.)

§ 8.113 Premium waiver under section 622 of the National Service Life Insurance Act as amended April 25, 1951.

(a) Persons in the active service for a continuous period in excess of 30 days, after April 25, 1951, who are insured under a 5-year level premium term National Service life insurance policy, upon written application while in the active service, may be granted waiver of premiums which become due during the remainder of the insured's continuous active service and for 120 days thereafter: *Provided*, The insurance is not lapsed at the time the waiver is to be effective.

(b) Persons in the active service for a continuous period in excess of 30 days, after April 25, 1951, who are insured under a permanent plan of National Service life insurance, upon written application while in the active service, may be granted waiver of that portion of the premium representing the cost of the pure insurance risk, as determined by the Administrator, which becomes due during the remainder of such continuous active service and for 120 days thereafter: *Provided*, That the insurance is not lapsed at the time the waiver is to be effective: *And provided further*, That during the period of such waiver the portion of the premium which is not required for the pure insurance risk is paid when due (or within the grace period).

(c) No premiums may be waived under this section which become due on or prior to June 1, 1951, or which become due on or prior to the first day of the second calendar month following the insured's entry into active service, whichever is the later date: *Provided*, That no premium shall be waived for any period prior to the date of application therefor. Subject to these limitations, and except as hereinafter provided in this paragraph, premium waiver under this section shall be effective as follows:

(1) As of the premium due date of the policy following the date application for waiver is delivered to the Veterans' Administration. If forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery.

(2) As of the premium due date of the policy following the date application for waiver is executed and placed in military or naval channels. Unless otherwise shown the date the application is executed will be taken as the date it was placed in such channels.

(3) If premiums are being waived under section 602 (n) of the National Service Life Insurance Act, as amended, at the time application for waiver under this section is made, such waiver will be effective at the termination of the premium waiver under section 602 (n) of the act, provided the insured has continued in the active service without in-

terruption and is still eligible for waiver under this section at the later date.

(d) Premiums tendered on 5-year level premium term insurance to cover a period during which waiver is effective under this section shall be refunded without interest. If premiums for the full amount are tendered in payment of permanent plan insurance during a period in which waiver is effective under this section, only that portion of such premiums which represents the cost of pure insurance risk, as determined by the Administrator, shall be refunded, and such refund shall be with interest.

(e) National Service life insurance on the 5-year level premium term plan shall be automatically renewed for an additional 5-year period at the premium rate for the then attained age of the insured, provided the premiums on such insurance are being waived under this section at the expiration of the term period and the insured at the expiration of such term period is in active service. The renewal of insurance under this paragraph shall be effective as of the day following the expiration of the preceding term period and the premium for such renewed insurance will be at the 5-year level premium term rate for the attained age of the insured on that day. The premiums on the insurance renewed under this paragraph shall continue to be waived while the insured continues in active service and for 120 days after separation therefrom.

(f) Upon separation of the insured from active service the 120 day period specified in this section will continue to run even though the insured reenters active service within the 120 day period. In such case the waiver of premiums under this provision will terminate upon expiration of the 120 day period unless the insured again meets the requirements of this section. However, if the insured reenters active service on the date of separation or the following day, such reentrance shall be deemed to be a continuation of the previous active service and the waiver continued as otherwise provided.

(g) National Service life insurance on which premium waiver has ceased under this section, because of the expiration of the 120-day period following the insured's date of separation from continuous active service, may be continued by the payment of premiums, the due date of the first premium payable being the next regular monthly due date of the premium under the policy following expiration of the 120 day period. The insurance shall lapse if premiums are not paid when due or within the grace period allowed for the payment of such premiums.

(h) If the insured fails to pay when due (or within the grace period) that portion of the premium which is not required for the pure insurance risk on any permanent plan of National Service life insurance for which the cost of the pure insurance risk is being waived under this section, the insurance shall lapse and the premium waiver cease. Upon reinstatement of the insurance, a new application for waiver of premiums under this section will not be required if the insured has continued in the ac-

tive service without interruption and is otherwise entitled to continuance of such waiver.

(i) The insured while in the active service or within 120 days following separation from such service may by request terminate premium waiver under this section: *Provided*, That such request shall not be effective prior to the date it is mailed or otherwise delivered to the Veterans' Administration.

(j) If waiver of premiums is granted under section 602 (n) of the National Service Life Insurance Act, as amended, while premiums are being waived under section 622, waiver under this provision will be suspended. Upon termination of waiver under section 602 (n) of the act, as amended, waiver of premiums under section 622 will be resumed, provided the insured continued in the active service without interruption and is entitled to continuance of such waiver.

(k) Waiver of premiums under section 622 shall not include the premiums due and payable on the total disability income provision attached to such National Service life insurance policy.

(l) During any period waiver of premium is effective under section 622 the insurance shall be nonparticipating.

(m) A 5-year level premium term policy on which premiums have been waived under section 622 during any portion of the term period shall have no reserve value.

(Sec. 10, Pub. Law 23, 82d Cong.)

(Sec. 608, 54 Stat. 1012, as amended, sec. 6, Pub. Law 23, 82d Cong.; 38 U. S. C. 808. Interpret or apply sec. 602, 54 Stat. 1009, as amended; 38 U. S. C. 802. Other statutory provisions interpreted or applied are cited to text in parentheses)

This regulation effective December 27, 1951.

[SEAL] O. W. CLARK,
Deputy Administrator.

[F. R. Doc. 51-15187; Filed, Dec. 26, 1951;
8:45 a. m.]

TITLE 46—SHIPPING

Chapter II—Federal Maritime Board, Maritime Administration, Department of Commerce

Subchapter B—Regulations Affecting Maritime Carriers and Related Activities

[Gen. Order 61, Revised]

PART 221—DOCUMENTATION, TRANSFER OR CHARTER OF VESSELS

CITIZENSHIP OATH BY OWNERS OR MORTGAGEES OF VESSELS OF UNITED STATES

General Order 61 (§ 221.11 *Citizenship oath by owners or mortgagees of vessels of the United States, as required by section 40 of the Shipping Act, 1916, as amended*) published in the FEDERAL REGISTER issue of May 2, 1946 (11 F. R. 4804) is revised to read:

§ 221.11 *Citizenship oaths by owners or mortgagees of vessels of the United States as required by section 40 of the Shipping Act, 1916, as amended*. Whenever any bill of sale, mortgage, hypothecation or conveyance of any vessel, or part thereof or interest therein is presented to any collector of customs to be

recorded, the vendee, mortgagee or transferee shall file therewith, as provided by section 40 of the Shipping Act, 1916, as amended (sec. 4, 40 Stat. 902; 46 U. S. C. 838), an oath in writing as follows:

(a) For a corporation, to be executed by the president, secretary or treasurer thereof, or any other official thereof duly authorized by such corporation to execute same (62 Stat. 212), Form MA-4557 (Rev. Nov. 1, 1951) and, in connection therewith when appropriate, Form MA-4557-A (Rev. 6-51); for an individual, Form MA-4558 (Rev. Nov. 1, 1951); or for a partner, joint owner, or member of co-partnership or unincorporated company or association, Form MA-4559 (Rev. Nov. 1, 1951).

(b) Said forms shall read respectively:

Form MA-4557 (Rev. 11-1-51)

OWNER OF MORTGAGEE OF VESSEL

(Section 40, Shipping Act, 1916, as amended)
U. S. C., Title 46, Sec. 838, 40 Stat. 902; 62 Stat. 212

OATH OF OFFICER OF INCORPORATED COMPANY*

I, _____, of _____, swear or affirm that I am _____ of the _____ a corporation organized under the laws of the State of _____ with offices at _____; that said corporation is the owner (or) mortgagee of the vessel, or part thereof, or interest therein, called _____ of official number _____, gross net _____, built in 19____, at _____ as appears by _____ No. issued at _____, 19____, surrendered _____ that I am a (Give cause of surrender) citizen of the United States of America by birth, having been born at _____ (City)

_____, on _____ (or) by nature (State) (Date of birth) ratification before the _____ for (Name of court) (District)

_____, on _____, county, or State) (Date naturalized) having been issued Naturalization Certificate No. _____; that the president and managing directors of said corporation are citizens of the United States of America; that the controlling interest (or) seventy-five (75) per centum of the interest in said corporation is owned by citizens of the United States of America; that the title to a majority of the stock (or) seventy-five (75) per centum of the stock of said corporation is vested in citizens of the United States of America free from any trust or fiduciary obligation in favor of any person not a citizen of the United States of America, and that such proportion of the voting power of said corporation is vested in citizens of the United States; that through no contract or understanding is it so arranged that the majority of the voting power (or) more than twenty-five (25) per centum of the voting power of said corporation may be exercised, directly or indirectly, in behalf of any person who is not a citizen of the United States of America; that by no means whatsoever is the control of said corporation (or) the control of any interest in said corporation in excess of twenty-five (25) per centum conferred upon or permitted to be exercised by any person who is not a citizen of the United States of America.

Subscribed and sworn to before me this _____ day of _____, 19____.

*This oath is to be taken whenever any bill of sale, mortgage, hypothecation, or con-

RULES AND REGULATIONS

veyance of any vessel, or part thereof, or interest therein, is presented by a corporation to any collector of customs for recording.

¹ Insert "President," "Secretary," or "Treasurer," or any other duly authorized official thereof, as the case may be.

² Insert full corporate name of company.

³ Insert business address of corporation.

⁴ Strike out word or expression not appropriate.

⁵ Insert other means whereby vessel became entitled to American registry, when appropriate.

⁶ I. e., document now surrendered, or document last surrendered heretofore (U. S. C., Title 46, Sec. 808).

⁷ Strike out reference to naturalization if party is native-born citizen.

⁸ A notary or other person duly qualified and authorized by law to administer oaths.

If more than one vessel is involved, only one form of oath need be filed if by a notation inserted in the clause immediately prior to the clause about the citizenship of affiant, appropriate reference is made to a schedule added to said affidavit, in which schedule shall be inserted the name and data of each additional vessel as required for the first vessel, owned by or under mortgage to the party on behalf of whom said affidavit is made.

Form MA-4557-A (Rev. 6-51)

(Explanatory clause prescribed by Maritime Administration for execution and attachment as and when desired by party making oath on behalf of corporate owner or mortgagee of vessel on form (MA 4557) prescribed by Maritime Administration pursuant to section 40 of the Shipping Act, 1916, as amended.

The basis for the statements of facts above recited with respect to the stock ownership and control of voting power of the company, is as follows: (1) The stock books of the company show that on _____, 19____, _____, per centum of the outstanding stock of the company was owned of record by persons whose addresses on the stock books of the company are in the United States; (2) I know of no substantial change in such percentage since that date; and (3) investigation has failed to disclose the existence of facts or relationships with respect to voting power and control contrary to those above recited.

^a This date must be within 30 days of date of oath.

^b The exact figure as disclosed by the stock books of the company must be given and the per centum figure must be not less than 65 per centum, except for an owner operating the vessel in the coastwise trade the per centum figure must be not less than 90 per centum.

Form MA-4558 (Rev. 11-1-51)

OWNER OR MORTGAGEE OF VESSEL

(Section 40, Shipping Act, 1916, as amended) U. S. C., Title 46, Sec. 838, 40 Stat. 902

OATH OF VENDEE, TRANSFEREE, OR MORTGAGEE WHEN AN INDIVIDUAL*

I, _____, of _____, swear or affirm that I am the sole owner, (or) sole mortgagee, of the vessel or part thereof, of interest therein, called _____

of _____, official number _____, gross _____, net _____, built in 19____, as appears by _____, No. _____, issued at _____, surrendered _____

issued at _____, 19____, surrendered _____

(Give cause of surrender) that I am a citizen of the United States of America by virtue of my birth in _____

(Place of birth) (City and State) on _____ (or)¹

(Date of birth) by virtue of my naturalization under the laws of the United States before the _____ for

(Name of court) on _____

(District, State, or county) _____, having been (Date of naturalization) issued Naturalization Certificate No. _____

Subscribed and sworn to before me² this _____ day of _____, 19____

rated company (or) association is composed of _____ partners³ (or) _____ (Number)

members⁴; that each partner⁵ (or) member of said firm, copartnership, unincorporated company, or association⁶ is a citizen of the United States; that through no contract or understanding is it so arranged that the controlling interest⁷ (or) more than twenty-five (25) per centum of the control or interest in said vessel is vested in, conferred upon, or permitted to be exercised by, any person who is not a citizen of the United States.

Subscribed and sworn to before me⁸ this _____ day of _____, 19____

*This oath is to be taken whenever any bill of sale, mortgage, hypothecation, or conveyance of any vessel, or part thereof, or interest therein, is presented by a person in case vessel, or part thereof, or interest therein, is owned by one individual, not in partnership, joint ownership, or an unincorporated company or an association. If more than one vessel is involved, only one form of oath need be filed if by a notation inserted in the clause immediately prior to the clause about the citizenship of affiant, appropriate reference is made to a schedule added to said affidavit in which schedule shall be inserted the name and data of each additional vessel as required for the first vessel, owned by or under mortgage to the party on behalf of whom said affidavit is made.

¹ Strike out words not appropriate.
² Insert other means whereby vessel became entitled to American registry, when appropriate.
³ I. e., document now surrendered, or document last surrendered heretofore (U. S. C., Title 46, Sec. 808).

⁴ A notary or other person duly qualified and authorized by law to administer oaths.

OWNER OR MORTGAGEE OF VESSEL

(Section 40, Shipping Act, 1916, as amended) U. S. C., Title 46, Sec. 838, 40 Stat. 902

OATH OF PARTNER, JOINT OWNER, OR MEMBER OF COPARTNERSHIP OR UNINCORPORATED COMPANY OR ASSOCIATION*

I, _____, of _____, (Address) swear or affirm that I am a member of the copartnership¹ (or) unincorporated company¹ (or) association doing business under the name of _____ (Name of firm or association) _____, with offices at _____

(Business address) in the city of _____

State of _____; that the copartnership¹ (or) unincorporated company¹ (or) association¹ is the vendee, transferee, or mortgagee of the vessel, or part thereof, or interest therein¹ called _____ of _____; official number _____; gross _____; net _____; built in 19____, at _____, as appears by _____, No. _____, issued at _____, 19____, surrendered²

(Give cause of surrender) that I am a citizen of the United States of America by virtue of my birth at _____, (Place of birth)

on _____, (City and State) (Date of birth) (or) by virtue of my naturalization before the _____ for

(Name of court) on _____

(District, county, or State) _____, having been (Date naturalized)

sued Naturalization Certificate No. _____; that said copartnership¹ (or) unincorpo-

rated company (or) association is composed of _____ partners³ (or) _____ (Number)

members⁴; that each partner⁵ (or) member of said firm, copartnership, unincorporated company, or association⁶ is a citizen of the United States; that through no contract or understanding is it so arranged that the controlling interest⁷ (or) more than twenty-five (25) per centum of the control or interest in said vessel is vested in, conferred upon, or permitted to be exercised by, any person who is not a citizen of the United States.

¹ Strike out word or expression not appropriate.
² Insert other means by which vessel became entitled to American registry, when appropriate.

³ I. e., document now surrendered, or document last surrendered heretofore (U. S. C., title 46, sec. 808).

⁴ A notary or other person duly qualified and authorized by law to administer oaths.

If more than one vessel is involved, only one form of oath need be filed if by a notation inserted in the clause immediately prior to the clause about the citizenship of affiant, appropriate reference is made to a schedule added to said affidavit, in which schedule shall be inserted the name and data of each additional vessel as required for the first vessel, owned by or under mortgage to the party on behalf of whom said affidavit is made.

(Sec. 204, 49 Stat. 1987, as amended; 46 U. S. C. 1114. Interpret or apply sec. 4, 40 Stat. 902, as amended; 46 U. S. C. 838)

Effective date: This order shall be effective on the date of publication in the *FEDERAL REGISTER*.

Dated: December 18, 1951.

[SEAL] E. L. COCHRANE,
Maritime Administrator,
Maritime Administration,
Department of Commerce.

[F. R. Doc. 51-15197; Filed, Dec. 26, 1951;
8:47 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

PART 123—FREIGHT COMMODITY STATISTICS

EXTENSION OF TIME REGARDING CANCELLATION OF REQUIREMENTS RELATING TO REPORTS BY GEOGRAPHIC AREA

At a Session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 17th day of December A. D. 1951.

The Matter of freight commodity statistics being under consideration:

The Commission, by Division 1, having given further consideration to its order of November 8, 1951, in the matter of freight commodity statistics relating to geographic areas, extends until December 28, 1951, the period within which written views or arguments may be filed in connection with the proposed

modifications, and until January 7, 1952, the effective date of that order. (16 F. R. 11838) (49 CFR 123.1 to 123.5 and Appendix II, List of Geographic Areas).

A copy of this order shall be served upon every class I and class II steam railroad other than switching and terminal companies subject to the provisions of section 20 of the Interstate

Commerce Act, and upon every receiver, trustee, executor, administrator, or assignee of any such steam railroad, and notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 20, 24, Stat. 386, as amended; 49 U. S. C. 20)

By the Commission, Division 1.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 51-15192; Filed, Dec. 26, 1951;
8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

17 CFR Part 521

U. S. STANDARDS FOR GRADES OF FROZEN ASPARAGUS¹

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the issuance, as herein proposed, of United States Standards for Grades of Frozen Asparagus, pursuant to the authority contained in the Agricultural Market Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621, et seq.) and the Department of Agriculture Appropriation Act, 1952 (Pub. Law 135, 82d Cong., approved Aug. 31, 1951). This revision, if made effective, will be the second issue by the Department of grade standards for this product.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed standards should file the same, in duplicate, with the Chief, Processed Products Standardization and Inspection Division, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C., not later than 30 days after publication hereof in the FEDERAL REGISTER.

The proposed standards are as follows:

§ 52.144 Frozen Asparagus. (a) Frozen asparagus is the product prepared from the clean, sound and succulent fresh shoots of the asparagus plant (*Asparagus officinalis*) by sorting, trimming, washing, and blanching, which is then frozen and stored at temperatures necessary for the preservation of the product.

(1) "Head" in "Cut Spears" or "Cuts and Tips" means the tip end which has been cut from an asparagus shoot and which is $\frac{3}{8}$ inch or more in length or an upper portion which possesses substantial compact head material which has been cut from near the tip end and which is approximately the same length as the predominating length of the units in the container.

(2) "Unit" means any individual portion of an asparagus shoot $\frac{3}{8}$ inch or more in length used in frozen asparagus.

¹ The requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act.

(b) *Styles of frozen asparagus.* (1) "Spears" (or "Stalks") is the style of frozen asparagus that consists of the head and adjoining portion of the shoot that is 3 inches or more in length.

(2) "Tips" is the style of frozen asparagus that consists of the head and adjoining portion of the shoot that is less than 3 inches in length.

(3) "Cut Spears" or "Cuts and Tips" is the style of frozen asparagus that consists of the head and adjoining portion of the shoot that is cut transversely into units 2 inches or less but not less than $\frac{1}{2}$ inch in length. This style shall contain not less than 18 percent, by count, of heads if cut into units $1\frac{1}{4}$ inches or less in length but not less than $\frac{1}{2}$ inch in length and shall contain not less than 25 percent, by count, of heads if cut into units longer than $1\frac{1}{4}$ inches.

(4) "Center Cuts" or "Cuts" is the style of frozen asparagus that consists of portions of shoots that are cut transversely into units 2 inches or less but not less than $\frac{1}{2}$ inch in length, or that does not meet the foregoing definition for "Cut Spears" or "Cuts and Tips."

(c) *Grades of frozen asparagus.* (1) "U. S. Grade A" or "U. S. Fancy" is the quality of frozen asparagus that possesses similar varietal characteristics; that possesses a good flavor and odor; that is practically free from defects; that possesses a good character; and that is of such quality with respect to color and uniformity of length as to score not less than 85 points when scored in accordance with the scoring system outlined in this section.

(2) "U. S. Grade B" or "U. S. Extra Standard" is the quality of frozen asparagus that possesses similar varietal characteristics; that possesses a reasonably good flavor and odor; that possesses a reasonably good color; that is reasonably free from defects; that possesses a reasonably good character; and that is of such quality with respect to uniformity of length as to score not less than 70 points when scored in accordance with the scoring system outlined in this section.

(3) "Substandard" is the quality of frozen asparagus that fails to meet the

requirements of U. S. Grade B or U. S. Extra Standard.

(d) *Types of frozen asparagus.* The type of frozen asparagus is not incorporated in the grades of the finished product, since the type of frozen asparagus is not a factor of quality for the purpose of these grades. The type of asparagus packed in the container may be designated as "green" or "all-green," "green-white," or "white" asparagus when it meets the following requirements:

(1) "Green" or "all-green" consists of units of frozen asparagus which are practically all typical green, light green, or purplish green in color: *Provided*, That (i) with respect to Spears and Tips, not more than 10 percent, by count, of the units may possess typical white, yellowish white, or purplish white color not in excess of $\frac{1}{3}$ of the length of the unit and (ii) with respect to Cut Spears or Cuts and Tips and Center Cuts or Cuts, not more than 5 percent, by count, of the units may be typical white, yellowish white, or purplish white, or partially of such color. Units possessing insignificant areas of white, yellowish white, or purplish white color shall be considered as typical green, light green, or purplish green in color.

(2) "Green-white" consists of (i) frozen asparagus Spears and Tips, of which at least $\frac{2}{3}$ of the length is typical green, light green, or purplish green in color: *Provided*, That not more than 20 percent, by count, of the units may possess typical white, yellowish white, or purplish white color in excess of $\frac{1}{3}$ of the length of the unit or (ii) Cut Spears or Cuts and Tips and Center Cuts or Cuts, which are typical green, light green, or purplish green in color: *Provided*, That not more than 30 percent, by count, of the units may be typical white, yellowish white, or purplish white, or partially of such color. Units possessing insignificant areas of white, yellowish white, or purplish white shall be considered as typical green, light green, or purplish green in color.

(3) "White" consists of units of frozen asparagus which are practically all typical white, yellowish white, or purplish white in color: *Provided*, That (i) with respect to Spears and Tips not more than 20 percent, by count, of the units (exclusive of heads with a tinge of green) may possess typical green, light green, or purplish green color not in excess of $\frac{1}{3}$ of the length of the unit and (ii) with respect to Cut Spears or Cuts and Tips and Center Cuts or Cuts, not more than 10 percent, by count, of the units may be typical green, light green, or purplish

PROPOSED RULE MAKING

green, or partially of such color. Units possessing insignificant areas of typical green, light green, or purplish green (exclusive of heads with a tinge of green) shall be considered as typical white, yellowish white, or purplish white in color.

(4) "Mixed color" consists of units of frozen asparagus that fails to meet the requirements of any of the foregoing types.

(e) *Size of frozen asparagus.* The size of frozen asparagus Spears and Tips is determined by measuring the longest dimension at right angles to the longitudinal axis of the unit after it has been restored to its original contour, at a point 5 inches from the top, except that units less than 5 inches in length are measured at the base. Frozen asparagus Spears and Tips will be considered as meeting the designated size, provided, that in sizes small, medium, large, and extra large, as the case may be, 80 percent, by count, are of a single size: *And further provided*, That not more than 10 percent, by count, may be one size larger or one size smaller than a single size. The word and number designations of the various sizes of frozen asparagus are shown in Table No. I of this paragraph.

TABLE NO. I
SIZES OF FROZEN ASPARAGUS, SPEARS, AND TIPS

Word designation	Number designation	Diameter in inches
Small.....	1	Less than $\frac{1}{4}$ inch.
Medium.....	2	$\frac{1}{4}$ inch or larger but less than $\frac{5}{8}$ inch.
Large.....	3	$\frac{5}{8}$ inch or larger but less than $\frac{7}{8}$ inch.
Extra large.....	4	$\frac{7}{8}$ inch or larger.
Mixture or blend of sizes.....		A mixture of two or more sizes or that does not meet any of the foregoing sizes.

(f) *Ascertaining the grade.* (1) The grade of frozen asparagus may be ascertained by considering, in conjunction with the other requirements of the respective grade, the respective rating for the factors of color, uniformity of length, absence of defects, and character.

(2) The relative importance of each factor which is scored is expressed numerically on the scale of 100. The maximum number of points that may be given such factors is:

Factors:	Points
(i) Color.....	20
(ii) Uniformity of length.....	10
(iii) Absence of defects.....	30
(iv) Character.....	40
Total score.....	100

(3) The scores for the factors of color, uniformity of length, absence of defects, and character are determined immediately after thawing to the extent that the product is substantially free from ice crystals and can be handled as individual units, and is cooked to determine tenderness and freedom from fiber as required under the factor of "character."

(4) "Good flavor and odor" means that the product, after cooking, has a good, characteristic normal flavor and odor.

and is free from objectionable flavors or objectionable odors of any kind.

(5) "Reasonably good flavor and odor" means that the product, after cooking, may be lacking in good characteristic normal flavor and odor but is free from objectionable flavors and objectionable odors of any kind.

(g) *Ascertaining the rating of the factors which are scored.* The essential variations within each factor which is scored are so described that the value may be ascertained for such factors and expressed numerically. The numerical range within each factor which is scored is inclusive (for example, "17 to 20 points" means 17, 18, 19, or 20 points).

(1) *Color.* (i) Frozen asparagus that possesses a good color may be given a score of 17 to 20 points. "Good color" means that the frozen asparagus possesses a good characteristic color typical of young and tender asparagus.

(ii) If the frozen asparagus possesses a reasonably good color a score of 14 to 16 points may be given. "Reasonably good color" means that the frozen asparagus possesses a reasonably good characteristic color typical of reasonably young and tender asparagus.

(iii) Frozen asparagus that fails to meet the requirements of subdivision (ii) of this subparagraph may be given a score of 0 to 13 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

(2) *Uniformity of length.* (i) Frozen asparagus that is practically uniform in length may be given a score of 9 to 10 points. "Practically uniform in length" has the following meanings with respect to the following styles:

(a) *Spears (or stalks) and tips.* In 90 percent or more, by count, of the units with the most uniform length, the length of the longest unit does not exceed the length of the shortest unit by more than $\frac{1}{4}$ of the length of the shortest unit.

(b) *Cut spears or cuts and tips and center cuts or cuts.* No units are longer than 2 inches and at least 80 percent, by count, shall not vary more than $\frac{1}{2}$ inch from the predominant length of the units.

(ii) If the frozen asparagus is reasonably uniform in length a score of 7 to 8 points may be given. "Reasonably uniform in length" has the following meanings with respect to the following styles:

(a) *Spears (or stalks) and tips.* In 80 percent or more, by count, of the units with the most uniform length, the length of the longest unit does not exceed the length of the shortest unit by more than $\frac{1}{4}$ of the length of the shortest unit.

(b) *Cut spears or cuts and tips and center cuts or cuts.* Ninety-five percent, by count, of the units are less than 2 inches in length and at least 80 percent, by count, shall not vary more than 1 inch from the predominant length of units.

(iii) Frozen asparagus that fails to meet the requirements of subdivision (ii) of this subparagraph may be given a score of 0 to 6 points and shall not be graded above U. S. Grade B or U. S. Extra Standard, regardless of the total score for the product (this is a limiting rule).

(3) *Absence of defects.* (i) The factor of absence of defects has reference to the degree of freedom from grit or silt, loose material, shattered heads, misshapen units, poorly cut units, and from units damaged and seriously damaged by discoloration, mechanical injury, pathological injury, insect injury, or damaged by other means not specifically mentioned.

(a) "Grit or silt" means sand or any other particle of earthy material.

(b) "Loose material" means any loose or shattered asparagus material, cut or broken pieces, less than $\frac{3}{8}$ inch in length.

(c) "Shattered head" means any unit with the asparagus head broken or shattered to the extent that the appearance is seriously affected.

(d) "Misshapen" means any spear (or stalk) or tip that is badly crooked, or any unit that is seriously affected in appearance by doubles or other malformations.

(e) "Poorly cut" means a unit that has a very ragged, stringy, or frayed edge or edges or a unit that is partially cut, or is cut at an angle of less than approximately 45 degrees.

(f) "Damaged" means damaged by discoloration, mechanical injury, pathological injury, insect injury, or damaged by other means which have not been specifically mentioned to such an extent that the aggregate damaged area materially affects the appearance or edibility of the unit.

(g) "Seriously damaged" means damaged to such an extent that the appearance or edibility of the unit is seriously affected.

(ii) Frozen asparagus that is practically free from defects may be given a score of 26 to 30 points. "Practically free from defects" has the following meanings with respect to the following styles of frozen asparagus:

(a) *Spears (or stalks) and tips.* No grit or silt may be present that affects the appearance or edibility of the product; loose material may be present that does not materially affect the appearance of the product and there may be present not more than 15 percent, by count, of shattered heads, misshapen units, poorly cut units, and damaged and seriously damaged units: *Provided*, That of such 15 percent not more than $\frac{1}{2}$ thereof or not more than 3 percent, by count, of all the units may be seriously damaged: *And further provided*, That one unit with shattered head, misshapen unit, poorly cut unit, and damaged and seriously damaged unit is permitted in a container if such unit exceeds the respective allowances of 15 percent, by count, or 3 percent, by count, of all the units.

(b) *Cut spears or cuts and tips and center cuts or cuts.* No grit or silt may be present that affects the appearance or eating quality of the product; loose material may be present that does not materially affect the appearance of the product and there may be present not more than 10 percent, by count, of shattered heads, misshapen units, poorly cut units, and damaged and seriously damaged units: *Provided*, That of such 10 percent not more than $\frac{1}{2}$ thereof or

not more than 5 percent, by count, of all the units may be seriously damaged.

(iii) If the frozen asparagus is reasonably free from defects a score of 22 to 25 points may be given. Frozen asparagus that falls into this classification shall not be graded above U. S. Grade B or U. S. Extra Standard, regardless of the total score for the product (this is a limiting rule). "Reasonably free from defects" has the following meanings with respect to the following styles of frozen asparagus:

(a) *Spears (or stalks) and tips.* Not more than a trace of grit or silt may be present that slightly affects the appearance or eating quality of the product; loose material may be present that does not seriously affect the appearance of the product; and there may be present not more than 30 percent, by count, of shattered heads, misshapen units, poorly cut units, and damaged and seriously damaged units: *Provided*, That of such 30 percent not more than $\frac{1}{3}$ thereof or not more than 10 percent, by count, of all the units may be seriously damaged.

(b) *Cut spears or cuts and tips and center cuts or cuts.* Not more than a trace of grit or silt may be present that slightly affects the appearance or eating quality of the product; loose material may be present that does not seriously affect the appearance of the product; and there may be present not more than 20 percent, by count, of shattered heads, misshapen units, poorly cut units, and damaged and seriously damaged units: *Provided*, That of such 20 percent not more than $\frac{1}{2}$ thereof or not more than 10 percent, by count, of all the units may be seriously damaged.

(iv) Frozen asparagus that fails to meet the requirements of subdivision (iii) of this subparagraph may be given a score of 0 to 21 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

(4) *Character.* (i) The factor of character refers to the degree of development of the head and bracts and to the tenderness and texture of the unit.

(ii) "Well developed" means that the appearance of the head is not materially affected by a seedy appearance and is practically compact.

(iii) "Reasonably well developed" means that the head may show a seedy appearance over the surface and may be open or elongated but not to such an extent as to give a definitely spread or branching appearance.

(iv) Frozen asparagus that possesses a good character may be given a score of 33 to 40 points. "Good character" has the following meanings with respect to the following styles:

(a) *Spears (or stalks) and tips.* Not less than 90 percent, by count, of the heads are well developed and the remainder is reasonably well developed; elongated or enlarged bracts may be present which do not materially affect the appearance of the unit; and not more than 10 percent, by count, of the units may be soft or mushy or possess tough fibers.

(b) *Cut spears or cuts and tips and center cuts or cuts.* The heads are at least reasonably well developed; elongated or enlarged bracts may be present which do not materially affect the appearance of the unit; and not more than 5 percent, by count, of the units may be soft or mushy or possess tough fibers.

(v) If the frozen asparagus possesses a reasonably good character a score of 27 to 32 points may be given. Frozen asparagus that falls into this classification shall not be graded above U. S. Grade B or U. S. Extra Standard, regardless of the total score for the product (this is a limiting rule). "Reasonably good character" has the following meanings with respect to the following styles:

(a) *Spears (or stalks) and tips.* Not less than 90 percent, by count, of the heads are reasonably well developed and not more than 20 percent, by count, of the units may be soft or mushy or possess tough fibers.

(b) *Cut spears, cuts and tips and center cuts or cuts.* Not more than $\frac{1}{3}$ of all the heads fail to meet the requirements for reasonably good character, and not more than 10 percent, by count, of the units may be soft or mushy or possess tough fibers.

(vi) Frozen asparagus that fails to meet the requirements of subdivision (v) of this subparagraph may be given a score of 0 to 26 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

(h) *Tolerance for certification of officially drawn samples.* (1) When certifying samples that have been officially drawn and which represent a specific lot of frozen asparagus, the grade for such lot will be determined by averaging the total scores of all containers, if:

(i) Not more than one-sixth of the containers comprising the sample fails to meet all the requirements of the grade indicated by the average of such total scores, and with respect to such containers which fail to meet the requirements of the indicated grade by reason of a limiting rule, the average score of all containers in the sample for the factor, subject to such limiting rule, must be within the range for the grade indicated;

(ii) None of the containers comprising the sample falls more than 4 points below the minimum score for the grade indicated by the average of the total scores; and

(iii) All containers comprising the sample meet all applicable standards of quality promulgated under the Federal Food, Drug, and Cosmetic Act and in effect at the time of the aforesaid certification.

(1) *Score sheet for frozen asparagus.*

Number, size and kind of container.....
Container marks or identification.....
Label.....
Net weight (ounces).....
Style.....
Type.....
Size.....
Heads in cut spears, cuts and tips (percent by count).....

Factors	Score points
I. Color.....	20
(A) 17-20	
(B) 14-16	
(SStd.) 10-13	
(A) 9-10	
(B) 7-8	
(SStd.) 10-6	
II. Uniformity of length.....	10
(A) 26-30	
(B) 122-25	
(SStd.) 10-21	
(A) 33-40	
(B) 27-32	
(SStd.) 10-20	
Total score.....	100

Grade.....

Flavor and odor.....

¹ Indicates limiting rule.

Issued at Washington, D. C., this 19th day of December 1951.

[SEAL] **GEORGE A. DICE,**
Deputy Assistant Administrator,
Production and Marketing
Administration.

[F. R. Doc. 51-15202; Filed, Dec. 26, 1951;
8:48 a. m.]

[7 CFR Part 926]

[Docket No. AO 70]

HANDLING OF FRESH PRUNES GROWN IN
UMATILLA COUNTY, OREG., AND WALLA
WALLA AND COLUMBIA COUNTIES, WASH.

CONSIDERATION OF TERMINATION OF THE
PROVISIONS OF MARKETING AGREEMENT NO.
77 AND ORDER NO. 26

Notice is hereby given, in accordance with 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 section 4 of the Administrative Procedure Act (60 Stat. 237; 5 U. S. C. 1001 et seq.), that consideration is being given to the proposed termination of Marketing Agreement No. 77 and Order No. 26 (7 CFR Part 926). The said marketing agreement and order, which became effective on July 23, 1938, have been inoperative since the 1942 season.

All persons who desire to submit written data, views, or arguments for consideration in connection with such proposed termination of the said marketing agreement and order should do so by filing the same in quadruplicate with the Director of the Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, Room 2077, South Building, Washington 25, D. C. not later than January 10, 1952.

Issued at Washington, D. C., this 19th day of December 1951.

[SEAL] **S. R. SMITH,**
Director,
Fruit and Vegetable Branch.

[F. R. Doc. 51-15203; Filed, Dec. 26, 1951;
8:48 a. m.]

PROPOSED RULE MAKING

FEDERAL CIVIL DEFENSE
ADMINISTRATION

[32 CFR Part 1708]

OFFICIAL CIVIL DEFENSE INSIGNIA

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Federal Civil Defense Administration is considering the issuance of regulations pursuant to sections 204 and 401 of the Federal Civil Defense Act of 1950 (64 Stat. 1254; 50 U. S. C. App. Supp. 2253), which prescribe the official civil defense insignia of the United States Civil Defense Corps and establish requirements for the reproduction, manufacture, sale, possession and wearing thereof.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed regulations may do so by filing them with the Federal Civil Defense Administration, Washington 25, D. C., not later than thirty days after the publication of this notice in the **FEDERAL REGISTER**.

The proposed regulations are as follows:

The following regulations, which consist of Part 1708, Official Civil Defense Insignia, are hereby issued.

PART 1708—OFFICIAL CIVIL DEFENSE
INSIGNIA

Sec.

- 1708.1 Purpose.
- 1708.2 Definitions.
- 1708.3 Prescribed insignia.
- 1708.4 Official articles.
- 1708.5 Manufacture, reproduction, and display of the prescribed insignia.
- 1708.6 Issuance, distribution, and sale of the prescribed insignia.
- 1708.7 Violations.

AUTHORITY: §§ 1708.1 to 1708.7 issued under sections 204 and 401, 64 Stat. 1254; 50 U. S. C. App. Sup. 2253.

§ 1708.1 Purpose. The purpose of the regulations in this part is to prescribe the official insignia of the United States Civil Defense Corps and to establish requirements for the reproduction, manufacture, sale, possession and wearing thereof.

§ 1708.2 Definitions. Except as otherwise stated, the following terms shall have the following meanings when used in the regulations in this part:

(a) "Administrator" means the Federal Civil Defense Administrator.

(b) "Civil Defense Activities" means the civil defense activities and services engaged in or performed by members.

(c) "Civil Defense Corps" means the civil defense organization established or authorized by a State pursuant to the regulations in this part, consisting of all individuals engaged in civil defense activities within such State or any political subdivision thereof.

(d) "Civil Defense Director" means the person responsible for the organization, training and operation of a Civil Defense Corps.

(e) "Member" means a person who has been duly enrolled as a member of a Civil Defense Corps and whose membership has not been suspended or terminated. A person who is a member of a

Civil Defense Corps shall be deemed to be a member of the United States Civil Defense Corps.

(f) "Official articles" means articles designated by the Administrator embodying the prescribed insignia.

(g) "Organizational equipment" means equipment (other than personal equipment) which the Administrator determines is necessary to a civil defense organization for civil defense purposes and which is of such a nature as to require the contribution of Federal funds, but not including items of equipment which the local community normally utilizes in combating local disasters except when required in unusual quantities dictated by the requirements of civil defense plans.

(h) "Registrant" means a person who has registered for membership in a Civil Defense Corps, but who has not qualified and been enrolled as such member and whose registrant status has not been suspended or terminated.

(i) "State" means any State, Territory or possession of the United States and the District of Columbia.

(j) "The United States Civil Defense Corps" means the aggregate of the Civil Defense Corps, and includes the individuals who are members of such Civil Defense Corps.

§ 1708.3 Prescribed insignia. (a) The prescribed insignia shall be the design covered under Letters Patent A. D. 129797, October 7, 1941, consisting of the "CD" symbol in bright red, centered within a white equilateral triangle superimposed upon a dark blue circle.

(b) The prescribed insignia may be reproduced in the approved colors, in black and white, or, when reproduced upon a colored surface, in the color of the surface and black or white.

(c) Where appropriate to the use of any official article the name of the particular civil defense activity involved shall be spelled out in block letters on a horizontal or curved line either immediately above the prescribed insignia or within the blue circle above or across the apex of the triangle. No symbol will be used to indicate the type of activity. The name of the State should appear, either immediately below the insignia or within the blue circle below the triangle. When it is desired to use both the name of the State and the name of the city or other civil defense organizational unit, one should appear immediately below the insignia and the other within the blue circle below the triangle.

(d) The dimensions of the components of the prescribed insignia when the blue circle is 3" in diameter will be as follows: (1) When lettering is embodied within the blue circle above and/or below the triangle, the triangle will be equilateral 2 1/4" on a side, each of the letters in the "CD" symbol will be approximately 1/4" in thickness and will occupy a circle approximately 1 1/16" in diameter centered in the triangle; (2) when no lettering is embodied within the blue circle, the angles of the equilateral triangle shall extend to the circumference of the blue circle, the "CD" symbol will be approximately 1/4" in width and will occupy a circle approximately 1 1/8" in diameter

centered in the triangle. Other sizes of the prescribed insignia will be established by diameter of the blue circle only; to the extent that the diameter of the blue circle is greater or less than 3", the dimensions of the other components shall be proportionately increased or decreased.

§ 1708.4 Official articles. (a) Official articles shall consist of the following articles embodying the insignia in the indicated sizes:

(1) *Arm bands.* The diameter of the prescribed insignia for use on arm bands shall be 3".

(2) *Badges.* The diameter of the prescribed insignia for use on badges shall be 1 3/4" to 2 1/4". Badges for the police service shall be made of metal and registered.

(3) *Hat bands.* The diameter of the prescribed insignia for use on hat bands shall be 1 3/4" to 2 1/4".

(4) *Helmets.* The diameter of the prescribed insignia for use on helmets shall be 1 3/4" to 2 1/4".

(5) *Label pins.* The diameter of the prescribed insignia for use on lapel pins shall be 1/2" to 3/4".

(6) *Vehicle pennants, placards, plates or stickers.* The diameter of the prescribed insignia for use on vehicle stickers shall be 3" to 4"; for use on pennants, placards or plates it shall be 6" to 12".

(7) *Membership cards and emergency passes.* The prescribed insignia shall be printed or embodied in cards and emergency passes issued to members of a Civil Defense Corps.

(8) *Flags and banners.* The prescribed insignia may be used on flags and banners.

(b) No person shall display, wear, or use an official article unless he or she is a member of or registrant for membership in a Civil Defense Corps and has on his or her person a membership or registration card establishing such status.

§ 1708.5 Manufacture, reproduction, and display of the prescribed insignia. (a) Any individual, association or business entity may manufacture the prescribed insignia and official articles in compliance with the regulations in this part.

(b) The prescribed insignia shall be manufactured, reproduced, and displayed only:

- (1) On official articles.
- (2) On organizational equipment.
- (3) On Federal Civil Defense Administration equipment, reserve stocks, and materials.
- (4) On facilities and equipment designated for emergency operational use by a Civil Defense Corps.

(5) On official letterheads, publications, posters, signs and advertisements of a Civil Defense Corps.

(6) In connection with articles or advertisements in newspapers, magazines, or other publications, or in connection with television or other public information media, provided such use is not intended to discredit the Federal Civil Defense Administration or a Civil Defense Corps, or to mislead, confuse, misrepresent, or defraud.

(7) On such other items, whether official articles or not, as may be designated or approved by the Administrator in writing.

(8) Without limitation of the foregoing, the reproduction of the prescribed insignia in connection with any publication or article used for political purposes is prohibited.

(c) No alteration or modification of the prescribed insignia may be made except as the Administrator may from time to time order.

§ 1708.6 Distribution, issuance, and retail sale of the prescribed insignia. No distribution, issuance, or retail sale of the prescribed insignia or official articles shall be made except to a member upon presentation of a certificate signed by a Civil Defense Director or by an official designated by such Director.

§ 1708.7 Violations. The manufacture, possession, or use of the prescribed insignia, or any official article, otherwise than in accordance with the regulations in this part by any person shall be unlawful and shall subject such person to a fine of not more than \$1,000 or imprisonment of not more than one year, or both.

J. J. WADSWORTH,
Deputy Administrator, Federal Civil Defense Administration.
[F. R. Doc. 51-18342; Filed, Dec. 26, 1951; 9:52 a. m.]

INTERSTATE COMMERCE COMMISSION

49 CFR Parts 71-78 I

[Docket No. 3666; Notice 4]

EXPLOSIVES AND OTHER DANGEROUS ARTICLES

NOTICE OF PROPOSED RULE MAKING

DECEMBER 20, 1951.

The Commission is in receipt of applications for early amendment of the above entitled regulations insofar as they apply to shippers in the preparation of articles for transportation, and to all carriers by rail and highway, as published in orders pursuant to section 835, of the Criminal Code, and Part II of the Interstate Commerce Act.

Application for these amendments or

pend action pending formal hearing in this docket.

[SEAL]

W. P. BARTEL,
Secretary.

PART 72—COMMODITY LIST OF EXPLOSIVES AND OTHER DANGEROUS ARTICLES CONTAINING THE SHIPPING NAME OR DESCRIPTION OF ALL ARTICLES SUBJECT TO PARTS 71-78 OF THIS CHAPTER

Amend § 72.5, Commodity List (15 F. R. 8267, 8272, Dec. 2, 1950) (49 CFR 72.5, 1950 Rev.) as follows:

§ 72.5 List of explosives and other dangerous articles. (a) * * *

Article	Classed as—	Exemption and packing (see sec.)	Label required if not exempt	Maximum quantity in one outside container by rail or express
Change		See § 73.8 (b) note 1.		
Fire extinguisher charges containing not to exceed 30 grains of propellant explosives per unit.	Add			
Isopropyl nitroexplosive.	F. L.	No exemption, 73.14.	Red #-----	10 gallons.
Propellant explosives, class A, see High explosives.	Expl. B Expl. B Expl. B	No exemption, 73.33. No exemption, 73.33. No exemption, 73.33.	Red #----- Not accepted. Not accepted.	10 pounds. Not accepted. Not accepted.
Propellant explosives in water (smokeless powder for canon or small arms).	F. L.	No exemption, 73.14.	Red #-----	10 gallons.
Propellant explosives in water (smokeless powder for canon or small arms).	Expl. B Expl. B Expl. A Expl. B Expl. B	No exemption, 73.33. No exemption, 73.33. No exemption, 73.36. (1) 73.94 No exemption, 73.94.	Red #----- Not accepted. Not accepted. Do. Do.	10 pounds. Not accepted. Not accepted. Do. Do.
Smokeless powder for canon or small arms, see Propellant explosives or High explosives.	Canceled			
Smokeless powder for canon in water	Expl. B Expl. B Expl. B	No exemption, 73.33. No exemption, 73.33. No exemption, 73.34.	Red #----- Not accepted. Not accepted.	10 pounds. Do. 10 pounds.
Smokeless powder for canon in water, unstable, condemned, or deteriorated.				
Smokeless powder for small-arms in quantity not exceeding 50 pounds net weight.	Expl. B Expl. A Expl. B Expl. B	No exemption, 73.36. (1) 73.94 No exemption, 73.94. No exemption, 73.94.	Red #----- Not accepted. Not accepted. Do. Do.	10 pounds. Not accepted. Not accepted. Do. Do.

PART 73—SHIPPIERS

Amend § 73.2 paragraph (a) (15 F. R. 8276, Dec. 2, 1950) (49 CFR 73.2, 1950 Rev.) to read as follows:

§ 73.2 Classification; dangerous articles. (a) Dangerous articles other than explosives having more than one hazardous characteristic, as defined by the regulations in Parts 71-78, must be classified according to the greatest hazard present, except those articles which

§ 73.28 Reused containers. (a) * * *

(1) Carboys must be retested as required by applicable specifications in Part 78 of this chapter.

2. Amend § 73.31 paragraph (g). Note 1 (16 F. R. 9373, Sept. 15, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.31) to read as follows:

§ 73.31 Qualification, maintenance, and use of tank cars. * * *

(g) * * *

Note 1. Periodic retests of metal tanks, safety valves, and heater systems of tank cars authorized and used exclusively for the transportation of flammable liquids and liquefied petroleum gases, now required to be made as prescribed in paragraph (g) of this section, may be waived because of the present emergency and until December 31, 1952, or until further order of the Commission.

3. Amend § 73.34 paragraphs (k) (1) and (k) (11), add Note 2 to (k) (11) and amend Note 1 to paragraph (m) (6) (15 F. R. 8284, Dec. 2, 1950) (49 CFR 73.34, 1950 Rev.) to read as follows:

§ 73.34 Qualification, maintenance, and use of cylinders. * * *

(k) * * *

(1) All cylinders not exceeding 2 inches outside diameter and length less than 2 feet are exempted from retest.

(1) Cylinders made in compliance with specifications ICC-4B (§ 78.50 of this chapter), ICC-4BA (§ 78.51 of this chapter), and ICC-26-3001, used exclusively for methyl chloride, or liquefied petroleum gas, or dichlorodifluoromethane, difluoroethane, difluoromono-chloroethane, monochlorotetrafluoroethane, monochlorotrifluoroethylene or mixtures thereof or mixtures of one or more with trichloromonofluoromethane, commercially free from corroding components, and protected externally by suitable corrosion resisting coatings (such as galvanizing, painting, etc.) may be retested decennially (see Note 2) instead of quinquennially, or, such cylinders may be subjected to an internal hydrostatic pressure equal to at least 2 times the marked service pressure without determination of expansions (see Note 1), but this type of test must be repeated quinquennially after expiration of the first ten-year period (see Note 2). When subjected to this latter test, cylinders must be carefully examined under the test

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pressure and removed from service if leaks or other harmful defects exist. All tests must be supplemented by a very careful examination of the cylinder at each filling, and must be rejected if evidence is found of bad dents, corroded areas, a leak or other conditions that indicate possible weakness which would render the cylinder unfit for service.

(Note 1 remains the same.)

NOTE 2. Due to the present emergency and until further order of the Commission, the decennial retest period may be extended to a twelve-year period, and the quinquennial retest period may be extended to a seven-year period after expiration of the first twelve-year period.

(m) * * *

(6) * * *

NOTE 1. Heat-treatment is not required after welding or brazing weldable low carbon parts to attachments of similar material which has been previously welded or brazed to the top or bottom of cylinders and properly heat-treated, provided such subsequent welding or brazing does not produce a temperature in excess of 400° F. in any part of the top or bottom material. The physical and flattening tests may be omitted when the cylinders are not reheat-treated.

SUBPART B—EXPLOSIVES; DEFINITIONS AND PREPARATION

1. Amend § 73.53 paragraphs (a) and (b) (15 F. R. 8285, Dec. 2, 1950) (49 CFR 73.53, 1950 Rev.) to read as follows:

§ 73.53 *Definition of class A explosives*—(a) *Type 1.* Solid explosives which can be caused to deflagrate by contact with sparks or flame such as produced by safety fuse or an electric squib, but cannot be detonated (see Note 1) by means of a No. 8 test blasting cap (see Note 2). Example: Black powder, low explosives, and certain types of propellant explosives.

(b) *Type 2.* Solid explosives which contain a liquid explosive ingredient, and which, when unconfined (see Note 3), can be detonated by means of a No. 8 test blasting cap (see Note 2); or which can be exploded in at least 50 percent of the trials in the Bureau of Explosives' Impact apparatus (see Note 4) under a drop of 4 inches or more, but cannot be exploded in more than 50 percent of the trials under a drop of less than 4 inches. Example: Commercial dynamite containing a liquid explosive ingredient and some types of propellant explosives.

2. Amend § 73.60 paragraphs (a) (6), (b) (2) and (d) (2) (15 F. R. 8287, Dec. 2, 1950) (49 CFR 73.60, 1950 Rev.) to read as follows:

§ 73.60 *Black powder and low explosives* (a) * * *

(6) Spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter). Fiberboard boxes with inside cylindrical fiber cartridges not over 5 inches diameter nor over 18 inches long with fiber at least 0.05 inch thick paraffined on outer surface with joints securely glued or cemented, or strong paraffined paper cartridges not over 12 inches long authorized only for compressed pellets (cylindrical block) $\frac{1}{8}$ inch or more in diameter. Boxes must be completely lined with strong paraf-

fined paper or other suitable water-proofed material without joints or other openings at the bottom or sides. Authorized gross weight not to exceed 65 pounds.

(b) * * *

(2) Spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter). Fiberboard boxes with inside containers which must be cloth or paper bags of capacity not exceeding 25 pounds, net weight, provided the completed shipping package shall be capable of standing a drop of 4 feet without rupture of inner or outer containers. The tubes of the box may be eliminated and a single tube as specified in spec. 23F may be substituted. The completed package shall not contain more than 50 pounds, net weight, of black powder.

* * * * *

(d) * * *

(2) Spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter). Fiberboard boxes with inside containers which must be strong paper bags of capacity not exceeding 25 pounds. Gross weight must not exceed 65 pounds.

* * * * *

3. Amend § 73.63 paragraphs (a) (2), (b), (c) (1), (d) (2) and (e) (2) (15 F. R. 8288, Dec. 2, 1950) (49 CFR 73.63, 1950 Rev.) to read as follows:

§ 73.63 *High explosive with liquid explosive ingredient*. (a) * * *

(2) Spec. 14, 15A, or 16A (§§ 78.165, 78.168, or 78.185 of this chapter). Wooden boxes, or spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter) fiberboard boxes, with inside containers which must be cartridges not exceeding 12 inches in diameter or 50 pounds in weight with length not to exceed 36 inches, or bags not exceeding 50 pounds each securely closed so as to prevent leakage therefrom. Gross weight of wooden boxes not to exceed 75 pounds and gross weight of fiberboard boxes not to exceed 65 pounds.

(b) High explosives (dynamite) containing 10 percent or less of a liquid explosive ingredient in cartridges or bags as prescribed in § 73.61 (d) and (e) may be packed in wooden boxes, spec. 14, 15A, or 16A (§§ 78.165, 78.168, or 78.185 of this chapter), gross weight not to exceed 140 pounds, or fiberboard boxes, spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter), gross weight not to exceed 65 pounds.

* * * * *

(c) * * *

(1) Spec. 14, 15A, or 16A (§§ 78.165, 78.168, or 78.185 of this chapter). Wooden boxes, or spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter) fiberboard boxes, with inside containers which must be cartridges not exceeding 4 inches in diameter or 8 inches in length, or cartridges not exceeding 5 inches in diameter or 10 inches in length, provided each such cartridge is enclosed alone, or with other cartridges in another strong paper shell and the resulting cartridge dipped in melted paraffin or equivalent material. The length of such completed cartridge shall not exceed 30 inches. Gross weight of wooden boxes not to exceed 75 pounds and gross weight of fiberboard boxes not to exceed 65 pounds.

* * * * *

(d) * * *

(2) Spec. 14, 15A, or 16A (§§ 78.165, 78.168, or 78.185 of this chapter). Wooden boxes, or spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter) fiberboard boxes, with inside containers which must be cartridges not exceeding 12 inches in diameter or 50 pounds in weight with length not to exceed 36 inches, or bags not exceeding 12½ pounds each packed with filling holes up. Gross weight of wooden boxes not to exceed 75 pounds and gross weight of fiberboard boxes not to exceed 65 pounds.

(e) * * *

(2) Spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter). Fiberboard boxes.

* * * * *

4. Amend § 73.64 paragraph (a) (2) (15 F. R. 8289, Dec. 2, 1950) (49 CFR 73.64, 1950 Rev.) to read as follows:

§ 73.64 *High explosives with no liquid explosive ingredient*. (a) * * *

(2) Spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter). Fiberboard boxes.

* * * * *

5. Amend § 73.65 paragraphs (a) (2) and (h) and cancel paragraph (j) (15 F. R. 8289, 8290, Dec. 2, 1950) (49 CFR 73.65, 1950 Rev.) to read as follows:

§ 73.65 *High explosives with no liquid explosive ingredient nor any chlorate*. (a) * * *

(2) Spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter). Fiberboard boxes.

* * * * *

(h) Shaped charges, commercial, must be packed in containers complying with specifications 14, 15A, or 16A (§§ 78.165, 78.168, or 78.185 of this chapter), wooden boxes, or spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter) fiberboard boxes, with inside containers which must be strong fiber tubes. Shaped charges having exposed lined conical cavities must have such cavities effectively filled. Shaped charges having conical cavities that are covered shall be paired together with the cavities facing each other and with one or more pairs in a fiber tube, or so arranged that the conical cavities of the shaped charges at the ends of the column face toward the center of the tube. The shaped charges in the fiber tubes must fit snugly with no excess space and the fiber tubes containing the shaped charges must be packed snugly with no excess space in the outside fiberboard or wooden box. Gross weight of wooden boxes not to exceed 140 pounds. Gross weight of fiberboard boxes not to exceed 65 pounds.

* * * * *

(j) [Canceled.]

6. Amend § 73.66 paragraph (g) (1) (15 F. R. 8290, Dec. 2, 1950) (49 CFR 73.66, 1950 Rev.) to read as follows:

§ 73.66 *Blasting caps and electric blasting caps*. * * *

(1) Spec. 14, 15A, or 16A (§§ 78.165, 78.168, or 78.185 of this chapter). Wooden boxes (see § 73.67 (a) (1), Note 1) or spec. 23F or 23H (§§ 78.214 or 78.219 of

this chapter) fiberboard boxes, with inside containers which must be pasteboard cartons containing not more than 100 caps each, or pasteboard tube inclosing each cap with wires or with the wires wrapped around the tube. Gross weight of wooden boxes containing pasteboard cartons must not exceed 150 pounds, except for export shipment. Gross weight of wooden boxes containing pasteboard tube must not exceed 75 pounds.

* * * * *

7. Amend § 73.67 (a) (1) Note 2 (15 F. R. 8290, Dec. 2, 1950) (49 CFR 73.67, 1950 Rev.) to read as follows:

§ 73.67 *Blasting caps with safety fuse.* (a) * * *

(1) * * *

NOTE 2. Because of the present emergency and until further order of the Commission, fiberboard boxes, spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter), may be used in lieu of prescribed wooden boxes, spec. 14, 15A, or 16A (§§ 78.165, 78.168, or 78.185 of this chapter).

* * * * *

8. Amend § 73.68 paragraph (a) (1) (15 F. R. 8290, Dec. 2, 1950) (49 CFR 73.68, 1950 Rev.) to read as follows:

§ 73.68 *Detonating powers.* (a)

(1) Spec. 14, 15A, or 16A (§§ 78.165, 78.168, or 78.185 of this chapter). Wooden boxes (see § 73.67 (a) (1), Note 1) or spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter) fiberboard boxes, with inside containers which must be pasteboard cartons containing not more than 50 primers each, or pasteboard or plastic tube inclosing each primer with wires, or pasteboard, wooden, metal or plastic tubes or spools with wires wrapped around the tube or spool. Gross weight of wooden boxes containing pasteboard cartons must not exceed 150 pounds, except for export shipment. Gross weight of wooden boxes containing pasteboard or plastic tube inclosing each primer with wires, or pasteboard, wooden, metal or plastic tubes or spools with the wires wrapped around the tube or spool, must not exceed 75 pounds.

* * * * *

9. Amend § 73.88 paragraphs (a) and (f) and Note 1 to (f) (15 F. R. 8293, Dec. 2, 1950) (49 CFR 73.88, 1950 Rev.) to read as follows:

§ 73.88 *Definition of class B explosives.* (a) Explosives, class B, are defined as those explosives which in general function by rapid combustion rather than detonation and include some explosive devices such as special fireworks, flash powders, some pyrotechnic signal devices and solid propellant explosives which include some smokeless powders. These explosives are further specifically described in paragraphs (b) to (f) of this section.

* * * * *

(f) *Propellant explosives.* Propellant explosives are solid chemicals or solid chemical mixtures which function by rapid combustion of successive layers, generally with little or no smoke, and some may also be sensitive to detonation. The rate of combustion is controlled by composition, size and form of grain.

Propellant explosives as prepared for shipment that are also sensitive to detonation are class A explosives as defined in § 73.53. Propellant explosives include smokeless powder for small arms, smokeless powder for cannon, smokeless powder or solid propellant explosives for rockets, jet thrust units, or other devices. Black powder is not included in this classification and is defined specifically in § 73.53 (a).

NOTE 1. Fire-extinguisher charges containing not to exceed 50 grains of propellant explosives per unit are exempt from the regulations in Parts 71-78 of this chapter.

10. Amend § 73.91 paragraph (f) (2) (15 F. R. 8294, Dec. 2, 1950) (49 CFR 73.91, 1950 Rev.) to read as follows:

§ 73.91 *Special fireworks.* * * *

(2) Spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter). Fiberboard boxes. Gross weight not to exceed 65 pounds.

* * * * *

11. Amend entire § 73.93 (15 F. R. 8294, 8295, Dec. 2, 1950) (16 F. R. 5323, June 6, 1951) (16 F. R. 9373, September 15, 1951) (16 F. R. 11776, 11777, November 21, 1951) (49 CFR 1950 Rev., 1951 Supp., 73.93) to read as follows:

§ 73.93 *Propellant explosives for cannon, small arms, or other devices.* (a) Propellant explosives for cannon, small arms, or other devices, when offered for transportation by carriers by rail freight, highway, or water must be packed in containers complying with the following specifications (see paragraph (f) (1) and (2) of this section and § 75.675 of this chapter for shipments by rail express):

(1) Spec. 10B (§ 78.156 of this chapter). Wooden barrels or kegs. Gross weight not to exceed 200 pounds.

(2) Spec. 13 (§ 78.140 of this chapter). Metal kegs at least 8 inches long. Gross weight not to exceed 150 pounds.

(3) Bundles of metal kegs, spec. 13 (§ 78.140 of this chapter), firmly tied together with rope and wrapped in strong burlap, canvas, or similar material, securely sewed and roped, are authorized. Net weight of propellant explosives must not exceed 100 pounds.

(4) Tight metal cases in tight wooden boxes free from loose knots and cracks or tight metal containers. Gross weight not to exceed 200 pounds.

(5) Spec. 14 or 15A (§§ 78.165 or 78.168 of this chapter). Wooden boxes, metal-lined, spec. 2F (§ 78.25 of this chapter). Gross weight not to exceed 200 pounds.

(6) Spec. 14 or 15A (§§ 78.165 or 78.168 of this chapter). Wooden boxes, or spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter) fiberboard boxes, with inside containers which must be cloth or paper bags, of capacity not exceeding 25 pounds, net weight, each capable of withstanding, when filled to shipping content, at least two drops on end from a height of 4 feet, without breakage or sifting of contents. Outside container not to exceed more than 50 pounds, net weight.

(7) Spec. 14, 15A, 15B or 15C (§§ 78.165, 78.168, 78.169 or 78.170 of this

chapter) wooden boxes, or spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter) fiberboard boxes, with inside containers which must be spec. 13 (§ 78.140 of this chapter) metal kegs. Gross weight not to exceed 200 pounds in wooden boxes or 65 pounds in fiberboard boxes.

(8) Spec. 14, 15A, 15B or 15C (§§ 78.165, 78.168, 78.169 or 78.170 of this chapter) wooden boxes, or spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter) fiberboard boxes, with inside containers which must be fiber or metal containers of not more than 1½ pounds capacity each. Gross weight not to exceed 200 pounds in wooden boxes or 65 pounds in fiberboard boxes.

(9) Spec. 14, 15A, 15B or 15C (§§ 78.165, 78.168, 78.169 or 78.170 of this chapter) wooden boxes, or spec. 23F or 23H (§§ 78.214 or 78.219 of this chapter) fiberboard boxes, with inside containers which must be not to exceed four metal containers, spec. 2A (§ 78.20 of this chapter), of not more than 25 pounds each. Gross weight in fiberboard boxes not to exceed 65 pounds.

(10) Spec. 21A or 21B (§§ 78.222 or 78.223 of this chapter). Fiber drums. Drums having wooden heads must be provided with a strong sift-proof liner. Use of these containers will be permitted because of the present emergency and until further order of the Commission.

(b) Propellant explosives (smokeless powder for cannon or small-arms) in water when offered for transportation by carriers by rail freight, highway, or water must be packed in containers complying with the following specifications:

(1) Spec. 5, 5A, 5B, 6A, 6B, or 6C (§§ 78.80, 78.81, 78.82, 78.97, 78.98, or 78.99 of this chapter). Metal barrels or drums.

(2) Spec. 10A or 10B (§§ 78.155 or 78.156 of this chapter). Wooden barrels or kegs.

(3) Spec. 15A (§ 78.168 of this chapter). Wooden boxes, metal-lined, spec. 2F (§ 78.25 of this chapter).

(c) Igniters composed of black powder may be included in shipments of propellant explosives.

(d) Propellant explosives (unstable, condemned, or deteriorated smokeless powder for cannon or small arms) must be packed submerged in water in containers complying with the following specifications:

(1) Spec. 5, 5A, 5B, 6A, 6B, or 6C (§§ 78.80, 78.81, 78.82, 78.97, 78.98, or 78.99 of this chapter). Metal barrels or drums.

(2) Spec. 10A or 10B (§§ 78.155 or 78.156 of this chapter). Wooden barrels or kegs.

(3) Spec. 15A (§ 78.168 of this chapter). Wooden boxes, metal-lined, spec. 2F (§ 78.25 of this chapter).

(4) Spec. 103 or 103W (§§ 78.265 or 78.280 of this chapter). Tank cars.

(5) Propellant explosives (unstable, condemned, or deteriorated smokeless powder for cannon or small arms) must not be offered for transportation by rail express.

(e) Each outside container must be plainly marked "Propellant Explosives" or "Propellant Explosives in Water", as the case may be. There may be added such additional marking as "Smokeless

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Powder For Cannon" or "Smokeless Powder For Small Arms" as the case may be.

(f) Propellant explosives when offered for transportation by rail express must be packed as follows (also authorized for transportation by carriers by rail freight, highway, or water):

(1) In tightly closed metal cans or fiber containers, not exceeding one pound each, packed in outside wooden boxes, Spec. 15C (§ 78.170 of this chapter), or outside fiberboard boxes, Spec. 12B, 23F, or 23H (§§ 78.205, 78.214, or 78.219 of this chapter). Not more than 10 one-pound cans or 10 one-pound fiber containers may be shipped in one outside container. Each outside container must be plainly marked "Propellant Explosives".

(2) Label: Each outside container of propellant explosives, when offered for transportation by rail express or water, must have securely and conspicuously attached to it a square red label as described in § 73.412.

12. Cancel entire § 73.94 (15 F. R. 8295, Dec. 2, 1950) (16 F. R. 5323, June 6, 1951) (16 F. R. 9373, September 15, 1951) (16 F. R. 11777, November 21, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.94).

13. Amend § 73.100 paragraph (b) (16 F. R. 9374, September 15, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.100) to read as follows:

§ 73.100 *Definitions of class C explosives.*

(b) Small-arms ammunition, designed to be fired from a pistol, revolver, rifle, or shotgun held by the hand or by the shoulder, or machine guns of caliber less than .75, or blank remover cartridges fired from catapults and canopies, is fixed ammunition consisting of a metallic or paper cartridge case, a primer and a propelling charge, with or without bullet, shot, tear gas material, tracer components, or incendiary compositions or mixtures, but not including bullets loaded with high explosives.

SUBPART C—FLAMMABLE LIQUIDS; DEFINITION AND PREPARATION

1. Add paragraphs (c) (19) and (20) to § 73.118 (15 F. R. 8298, Dec. 2, 1950) (49 CFR 73.118, 1950 Rev.) to read as follows:

§ 73.118 *Exemptions for flammable liquids.*

- (c) * * *
- (19) Isopropyl mercaptan.
- (20) Propyl mercaptan.

2. Amend § 73.124 paragraphs (a) (1) and (3) (15 F. R. 8301, Dec. 2, 1950) (49 CFR 73.124, 1950 Rev.) to read as follows:

§ 73.124 *Ethylene oxide.* (a) * * *

(1) Spec. 15A, 15B, 15C, or 16A (§§ 78.168, 78.169, 78.170, or 78.185 of this chapter) wooden boxes and Spec. 12B (§ 78.205 of this chapter) fiberboard boxes, with metal inside containers not over 12-ounce capacity each. Each inside container must have a minimum bursting strength of 180 psig as prepared for shipment and be provided with a safety vent having a minimum diameter of 0.1023 inch and closed with fusible metal having a yield temperature of 157

to 170° F. The safety vent opening shall be hot tinned before filling with fusible metal. Filling shall be such that the container will not be liquid full below 185° F. Each inside container must be completely insulated, except for top closure, with two coats of heat-retardant paint, of type approved by the Bureau of Explosives, applied over suitable primer and finished with suitable waterproof paint; or with other equally efficient insulation approved by the Bureau of Explosives. Not more than 12 inside containers nor more than one layer of containers may be packed in one outside container.

(3) In addition to specification containers prescribed in this section, ethylene oxide may be shipped when packed in strong incombustible outside containers, with inside containers which must be securely sealed glass ampules or vials, contents not over 100 grams each, cushioned in vermiculite or equally efficient incombustible cushioning material. Not more than 100 grams of ethylene oxide shall be packed in any such outside container.

3. Amend § 73.141 introductory text of paragraph (a) (16 F. R. 11777, November 21, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.141) to read as follows:

§ 73.141 *Amyl mercaptan, butyl mercaptan, ethyl mercaptan, isopropyl mercaptan, propyl mercaptan, and aliphatic mercaptan mixtures.* (a) Amyl mercaptan, butyl mercaptan, ethyl mercaptan, isopropyl mercaptan, propyl mercaptan, and aliphatic mercaptan mixtures must be packed in specification containers as follows:

SUBPART D—FLAMMABLE SOLIDS AND OXIDIZING MATERIALS; DEFINITION AND PREPARATION

1. Amend § 73.183 introductory text of paragraph (a) (15 F. R. 8308, Dec. 2, 1950) (49 CFR 73.183, 1950 Rev.) to read as follows:

§ 73.183 *Exemptions for nitrates.*

(a) Nitrate of aluminum, nitrate of barium, nitrate of lead, nitrate of potash, nitrate of soda, nitrate of strontia, nitro carbo nitrate, nitrate of ammonia, nitrate of ammonia fertilizer, nitrate of ammonia mixtures other than ammonium nitrate explosives mixtures, calcium nitrate and guanidine nitrate are exempt from specification packaging and labeling requirements for transportation by rail freight, rail express, highway and by carrier by water when packed as follows:

2. Amend § 73.206 paragraph (c) (2) (16 F. R. 5324, June 6, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.206) to read as follows:

§ 73.206 *Sodium or potassium, metallic, sodium amide, lithium metal, lithium silicon, and lithium hydride.* * * *

(c) * * *

(2) Spec. 17C, or 17H or 37D (§§ 78.115, 78.118 or 78.125 of this chapter). Metal drums (single-trip) authorized for cylindrical blocks at least 2

inches in diameter and not less than 6 inches in length, or rectangular blocks not less than 6 inches in length and not less than 2 inches in any other dimension. Net weight not over 300 pounds for Spec. 17C drums; not over 30 pounds for Spec. 17H or 37D drums.

* * * * *

3. Amend § 73.208 paragraph (b) (1) (16 F. R. 9374, September 15, 1951) (49 CFR, 1950 Rev., 1951 Supp. 73.208) to read as follows:

§ 73.208 *Titanium metal powder, wet or dry.* * * *

(b) * * *

(1) Spec. 15A or 15B (§§ 78.168 or 78.169 of this chapter). Wooden boxes with inside metal containers, tightly and securely closed by push-in covers, held in place by soldering at least four points, or in screw-cap metal cans. Inside containers must not exceed 10 pounds net each. Inside containers must be cushioned by incombustible material such as rock wool or asbestos wool. Gross weight of outside package must not exceed 75 pounds each.

* * * * *

4. Amend § 73.217 paragraph (b) (15 F. R. 8311, Dec. 2, 1950) (49 CFR 73.217, 1950 Rev.) to read as follows:

§ 73.217 *Calcium hypochlorite compounds, dry, and lithium hypochlorite compounds, dry.* * * *

(b) Strong outside wooden or fiberboard packages containing inside containers of glass or metal not over five pounds capacity each are exempt from specification packaging, marking, and labeling requirements for transportation by rail freight, rail express, or highway. When for transportation by water, strong wooden or fiberboard packages containing inside containers of metal not over five pounds capacity each are exempt from specification packaging only.

SUBPART E—ACIDS AND OTHER CORROSIVE LIQUIDS; DEFINITION AND PREPARATION

1. Amend § 73.245 paragraph (a) (4) (15 F. R. 8313, Dec. 2, 1950) (49 CFR 73.245, 1950 Rev.) to read as follows:

§ 73.245 *Acids or other corrosive liquids not specifically provided for.* (a) * * *

(4) Spec. 5A or 5M (§§ 78.81 or 78.90 of this chapter). Metal barrels or drums.

* * * * *

2. Amend § 73.247 paragraph (a) (3) (16 F. R. 11778, November 21, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.247) to read as follows:

§ 73.247 *Acetyl chloride, antimony pentachloride, benzoyl chloride, benzyl chloride, pyro sulfuryl chloride, silicon chloride, sulfur chloride (mono and di), thionyl chloride, tin tetrachloride (anhydrous), and titanium tetrachloride.* (a) * * *

(3) Spec. 1A, 1C, 1D, or 1E (§§ 78.1, 78.3, 78.4, or 78.7 of this chapter). Glass carboys in boxes, kegs, or plywood drums (not permitted for antimony pentachloride or tin tetrachloride, anhydrous).

* * * * *

3. Amend § 73.255 paragraph (a) (1) (15 F. R. 8315, Dec. 2, 1950) (49 CFR 73.255, 1950 Rev.) to read as follows:

§ 73.255 *Dimethyl sulfate*. (a) * * * (1) Spec. 5A or 5C (§§ 78.81 or 78.83 of this chapter). Metal barrels or drums not over 55 gallons each. Spec. 5C metal barrels or drums must be constructed of Type 304 stainless steel.

4. Amend § 73.256 paragraph (a) (2) (15 F. R. 8315, Dec. 2, 1950) (49 CFR 73.256, 1950 Rev.) to read as follows:

§ 73.256 *Compounds, cleaning, liquid*. (a) * * *

(2) Spec. 12B (§ 78.205 of this chapter). Fiberboard boxes with inside containers of natural rubber, ceresine, lead, or other material of equal strength and not subject to destruction by the lading.

5. Amend § 73.264 paragraphs (a) (1), (a) (2), (a) (3) and (a) (8) (15 F. R. 8317, Dec. 2, 1950) (16 F. R. 11778, November 21, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.264) to read as follows:

§ 73.264 *Hydrofluoric acid*. (a) * * *

(1) Spec. 15A, 15B, 15C, 16A, or 19A (§§ 78.168, 78.169, 78.170, 78.185, or 78.190 of this chapter). Wooden boxes with inside containers of natural rubber, ceresine, lead, or other hydrofluoric acid resistant material. These containers are authorized only for strengths of acid for which they are adequate, but in no case may the strength of acid exceed 65 percent.

(2) Spec. 12B (§ 78.205 of this chapter). Fiberboard boxes with inside containers of natural rubber, lead, polyethylene, or other hydrofluoric acid resistant plastic not over one pound capacity each. These containers are authorized only for strengths of acid for which they are adequate, but in no case shall the strength of acid exceed 65 percent.

(3) Spec. 11A or 11B (§§ 78.160 or 78.161 of this chapter). Wooden barrels or kegs with inside containers of natural rubber, ceresine, or lead. Lead containers are authorized for acid not over 65 percent strength.

(8) Spec. 103A, 103A-W, 104A, 104A-W, 105A, 105A-W or ARA-IV-A¹ (§§ 78.266, 78.281, 78.270, 78.285, 78.271 to 78.274, 78.286 to 78.289 of this chapter). Unlined metal tank cars which have been subjected to adequate passivation or neutralization process. (See Note 1 to paragraph (a) (7) of this section.) Authorized only for acid of 60 to 80 percent strength. If tanks are washed out with water they must be repassivated before reshipment.

6. Amend § 73.265 paragraph (a) (1) and add paragraph (b) (4) (15 F. R. 8318, Dec. 2, 1950) (49 CFR 73.265, 1950 Rev.) to read as follows:

§ 73.265 *Hydrofluosilicic acid*. (a) * * *

(1) Spec. 15A, 15B, 15C, 16A, or 19A (§§ 78.168, 78.169, 78.170, 78.185, or 78.190 of this chapter). Wooden boxes with inside containers of natural rubber, ceresine, or other material of equal efficiency resistant to hydrofluosilicic acid.

(b) * * *

(4) Spec. MC 310 (§ 78.330 of this chapter). Tank motor vehicles, lined with rubber.

SUBPART G—POISONOUS ARTICLES; DEFINITION AND PREPARATION

1. Amend § 73.353 paragraph (a) (3) (16 F. R. 11779, November 21, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.353) to read as follows:

§ 73.353 *Methyl bromide*. (a) * * *

(3) Spec. 3A225, 3AA225, 3B225, 3E1800, 4A225, 4B225, or 4BA225 (§§ 78.36, 78.37, 78.38, 78.42, 78.49, 78.50, or 78.51 of this chapter). Metal cylinders of not over 125 pounds water capacity (nominal). Valves or other closing devices must be protected, to prevent injury in transit, by screw-on metal caps or by packing the cylinders in strong boxes or crates. Cylinders having a wall thickness of less than 0.08 inch must be packed in boxes or crates (see § 78.25).

(No change in Note 1.)

2. Amend § 73.357 paragraph (b) (1) (16 F. R. 11779, November 21, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.357) to read as follows:

§ 73.357 *Chlorpicrin and chlorpicrin mixtures containing no compressed gas or poisonous liquid, Class A*. * * *

(b) * * *

(1) Spec. 3A, 3AA, 3B, 3C, 3D, 3E, 4A, 4B, or 4C (§§ 78.36, 78.37, 78.38, 78.40, 78.41, 78.42, 78.49, 78.50, or 78.52 of this chapter). Metal cylinders of not over 250 pounds water capacity (nominal). Valves or other closing devices must be protected, to prevent injury in transit, by screw-on metal caps or by packing the cylinders in strong boxes or crates. Cylinders having a wall thickness of less than 0.08 inch must be packed in boxes or crates (see § 73.25).

SUBPART H—MARKING AND LABELING EXPLOSIVES AND OTHER DANGEROUS ARTICLES

1. Amend § 73.400 paragraph (f) (15 F. R. 8340, Dec. 2, 1950) (49 CFR 73.400, 1950 Rev.) to read as follows:

§ 73.400 *Explosives*. * * *

(f) Each shipment of propellant explosives when offered for transportation by carriers by rail express must bear the label prescribed by § 73.412.

2. Amend § 73.402 introductory text of paragraph (a) and paragraphs (a) (1) to (a) (10) inclusive (16 F. R. 9380, September 15, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.402) to read as follows:

§ 73.402 *Labeling dangerous articles*.

(a) Each package containing any dangerous article as defined by Parts 71-78 of this chapter must be conspicuously labeled by the shipper as follows, except as otherwise provided:

(1) "Red label" as described in § 73.405 on containers of flammable liquids, except when exempted from the regulations by § 73.118. If flammable liquid is also a class A poison or a radioactive material poison D, the "poison gas" label or "radioactive materials" label must also be applied to the package.

(2) "Yellow label" as described in § 73.406 on containers of flammable solids and oxidizing materials, except when exempted from the regulations by §§ 73.153 and 73.183. If flammable solid or oxidizing material is also a class A poison or a radioactive material poison D, the "poison gas" label or "radioactive materials" label must also be applied to the package.

(3) "White label" as described in § 73.407 (a) (1), (2) and (3) on containers of acids, alkaline caustic liquids or corrosive liquids, except when exempted from regulations by § 73.244. If the acid, alkaline caustic liquid or corrosive liquid is also a class A poison or a radioactive material poison D, the "poison gas" label or "radioactive materials" label must also be applied to the package.

(4) "Red label" as described in § 73.408 (a) (1) on containers of flammable compressed gases, except when exempted from the regulations by § 73.302. If the flammable compressed gas is also a class A poison or a radioactive material poison D, the "poison gas" label or "radioactive materials" label must also be applied to the package.

(5) "Green label" as described in § 73.408 (a) (2) on containers of non-flammable compressed gases, except when exempted from the regulations by § 73.302. If the nonflammable compressed gas is also a class A poison or a radioactive material poison D, the "poison gas" label, or "radioactive materials" label must also be applied to the package.

(6) "Poison gas" label as described in § 73.409 (a) (1) on containers of class A poisons.

(7) "Poison" label as described in § 73.409 (a) (2) on containers of class B poison liquids or solids, except when exempted from the regulations by § 73.345 and § 73.364. If the class B poison liquid or solid is also a radioactive material poison D, the "radioactive materials" label must also be applied to the package.

(8) "Radioactive Materials" label as described in § 73.414 (a) on containers of class D poisons, Group I and II except when exempted by § 73.392.

(9) "Radioactive Materials" label as described in § 73.414 (b) on containers of class D poisons, Group III, except when exempted by § 73.392.

(10) "Tear gas" label as described in § 73.409 (a) (3) on containers of poisons, class C.

3. Add § 73.403 (16 F. R. 9380, September 15, 1951) (49 CFR, 1950 Rev., 1951 Supp., 73.403) to read as follows:

§ 73.403 *Labels for mixed packing*. (a) Use red label only when red and other labels are prescribed except when poison gas label or radioactive materials label are prescribed then both the red label and the poison gas label or red label and radioactive materials label must be used.

(b) Use white acid (alkaline caustic liquid or corrosive liquid) label only when white acid (alkaline caustic liquid or corrosive liquid) and yellow or poison labels are prescribed or poison labels (class B) are prescribed, except when poison gas label or radioactive materials

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label are prescribed then both the white acid label and the poison gas label or white acid and radioactive materials label must be used.

(c) Use yellow label only when yellow and poison labels are prescribed except when poison gas label or radioactive materials label are prescribed then both the yellow label and the poison gas label or the yellow label and the radioactive materials label must be used.

4. Amend § 73.412 introductory text of paragraph (a), (a) (1) and cancel (a) (2) (15 F. R. 8342, 8343, Dec. 2, 1950) (49 CFR 73.412, 1950 Rev.) to read as follows:

§ 73.412. *Propellant explosives label for express shipment.* (a) Label for propellant explosives must be square measuring 4 inches on each side and bright red in color. Printing must be in black letters inside of a black-line border measuring 3½ inches on each side and as shown in this section.

(1) *Red label for propellant explosives for express shipment.*

(Reduced size)
(Black printing on red)

4 inches

PROPELLANT EXPLOSIVES FOR
EXPRESS SHIPMENT

HANDLE CAREFULLY
KEEP FIRE AWAY

This is to certify that the contents of this package are properly described by name and are packed and marked and are in proper condition for transportation according to the regulations prescribed by the Interstate Commerce Commission.

(Shipper's name)

(2) [Canceled.]

PART 74—REGULATIONS APPLYING PARTICULARLY TO CARRIERS BY RAIL FREIGHT

SUBPART A—LOADING, UNLOADING, PLACARDING AND HANDLING CARS; LOADING PACKAGES INTO CARS

1. Amend § 74.525 paragraph (a) (15 F. R. 8345, Dec. 2, 1950) (49 CFR 74.525, 1950 Rev.) to read as follows:

§ 74.525 *Loading packages of explosives in cars, selection, preparation, inspection of car and certificate.* (a) Certified cars: For the transportation of all explosives, class A, except blasting caps and electric blasting caps not exceeding 1,000 caps, only closed cars, certified and placarded "Explosives", may be used.

2. Amend § 74.526 paragraph (n) (15 F. R. 8347, Dec. 2, 1950) (49 CFR 74.526, 1950 Rev.) to read as follows:

§ 74.526 *Loading explosives into cars.*

(n) Container cars must not be used for class A explosives, or blasting caps in any quantity.

3. Amend § 74.527 paragraph (a) (15 F. R. 8347, Dec. 2, 1950) (49 CFR 74.527, 1950 Rev.) to read as follows:

§ 74.527 *Forbidden mixed loading and storage.* (a) Explosives, class A, and initiating or priming explosives must not be transported in the same car with, nor be stored on railway property near, any of the dangerous articles other than explosives for which red, yellow, green, or white (acid or corrosive liquid) labels are prescribed in Parts 71-78, of this chapter, nor with charged electric storage batteries.

4. Amend § 74.532 paragraph (c) (15 F. R. 8347, Dec. 2, 1950) (49 CFR 74.532, 1950 Rev.) to read as follows:

§ 74.532 *Loading other dangerous articles into cars.*

(c) Packages protected by labels or carload lots exempted from labels (see § 73.402 (c) and (d) of this chapter) must be so loaded that packages cannot fall to the car floor and in such manner that other packages cannot fall onto or slide against them. Packages bearing marking "This Side Up" must be so loaded. Dangerous articles for which red, yellow, green, or white (acid, alkaline caustic liquid, or corrosive liquid) labels are prescribed herein, must not be loaded in the same car with explosives named in §§ 73.53 to 73.87 of this chapter. (See loading and storage chart, § 74.538.) Packages protected by yellow labels must not be loaded in the same end of a car with packages protected by "Acid", "Alkaline Caustic Liquid", or "Corrosive Liquid" labels.

F. R. 8349, Dec. 2, 1950) (49 CFR 74.538, 1950 Rev.) to read as follows:

§ 74.538 *Loading and storage chart of explosives and other dangerous articles.*

(a) *

"b" High explosives

"c" Propellant explosives or jet thrust units (jato), class B.

"d" Unless loaded in opposite ends of car, acids, or corrosive liquids, white label, must not be loaded with yellow label articles, ammunition for cannon with or without projectiles, or propellant explosives.

SUBPART C—PLACARDS ON CARS

1. Amend § 74.540 paragraph (a) (15 F. R. 8350, Dec. 2, 1950) (49 CFR 74.540, 1950 Rev.) to read as follows:

§ 74.540 *"Explosives" placards.* (a) Explosives placards as prescribed in § 74.550 must be applied to certified cars containing explosives, class A, specified in §§ 73.53 to 73.87 of this chapter. Placards must show in the spaces provided station name and date.

(Note 1 remains the same.)

2. Amend § 74.541 paragraphs (a) (4) and (5) (15 F. R. 8350, Dec. 2, 1950) (49 CFR 74.541, 1950 Rev.) to read as follows:

§ 74.541 *"Dangerous" placards; "Dangerous—Class D poison" placards; or "Caution—Residual phosphorus" placards.* (a) *

(4) Cars containing shipments of explosives, class B.

(Note 1 remains the same.)

(5) When explosives, class A, are loaded in the same car with explosives, class B, or poisonous solids or liquids, class B, only the "Explosives" placard is required.

SUBPART D—UNLOADING FROM CARS

1. Amend § 74.584 paragraph (a) Table (16 F. R. 5327, June 6, 1951) (49 CFR, 1950 Rev., 1951 Supp., 74.584) to read as follows:

§ 74.584 *Waybills, switching orders, or other billing.* (a) *

	Label notation to follow entry of the article on the billing	Placard notation to follow entry of the article on the billing	Placard endorsement must be $\frac{3}{8}$ " high and appear on the billing near the space provided for the car number
For high explosives, initiating explosives and low explosives, class A.	None	"Explosives Placard".	"Explosives".
For explosive chemical ammunition containing class A poison gas.	Poison gas label	"Explosives and Poison Gas Placard".	"Explosives" and "Poison Gas".
For explosives, class B.	None	"Dangerous Placard".	"Dangerous".
For explosives, class C.	None	None	None.
For flammable liquids.	Red label	"Dangerous Placard".	"Dangerous".
For flammable solids.	Yellow label	"Dangerous Placard".	"Dangerous".
For oxidizing materials.	Yellow label	"Dangerous Placard".	"Dangerous".
For corrosive liquids.	White label	"Dangerous Placard".	"Dangerous".
For compressed nonflammable gases in containers other than tank cars.	Green label	None	None.
For compressed nonflammable gases in tank cars.	None	"Dangerous Placard".	"Dangerous".
For compressed flammable gases.	Red Gas label	"Dangerous Placard".	"Dangerous".
For compressed flammable liquids.	Poison Gas label	"Poison Gas Placard".	"Poison Gas".
For compressed flammable solids.	Poison label	"Dangerous Placard".	"Dangerous".
For tear gases, class C.	Tear Gas label	None	None.
For radioactive materials, class D, poison.	Radioactive materials label	"Dangerous Class D Poison Placard".	"Dangerous Class D Poison".

PART 75—REGULATIONS APPLYING TO CARRIERS BY RAIL EXPRESS

1. Amend § 75.657 paragraph (a) (15 F. R. 8360, Dec. 2, 1950) (49 CFR 75.657, 1950 Rev.) to read as follows:

§ 75.657 *Waybills.* (a) The waybill or delivery sheet when used as a waybill, or other billing issued in lieu thereof, and the transfer sheet, or interchange record used for transferring such shipments to a connecting carrier, must properly describe the articles by name as shown in § 72.5 of this chapter and show color or kind of label applied.

PART 77—REGULATIONS APPLYING TO SHIPMENTS MADE BY WAY OF COMMON AND CONTRACT CARRIER BY PUBLIC HIGHWAY

SUBPART C—LOADING AND STORAGE CHART OF EXPLOSIVES AND OTHER DANGEROUS ARTICLES

1. Amend Items b and 2 vertical and horizontal columns and footnote b of chart in paragraph (a) of § 77.848 (15 F. R. 8368, Dec. 2, 1950) (49 CFR 77.848, 1950 Rev.) to read as follows:

§ 77.848 *Loading and storage chart of explosives and other dangerous articles.* (a) * * *

“b” High explosives

* * * * *

“2” Propellant explosives or jet thrust units (jato), class B.

* * * * *

^b Acids or other corrosive liquids, white label, must not be loaded above or adjacent to flammable solids or oxidizing materials, yellow label, ammunition for cannon with or without projectiles, or propellant explosives.

PART 78—SHIPPING CONTAINER SPECIFICATIONS

SUBPART C—SPECIFICATIONS FOR CYLINDERS

1. Amend § 78.42-2 paragraph (a) (15 F. R. 8395, Dec. 2, 1950) (49 CFR 78.42-2, 1950 Rev.) to read as follows:

§ 78.42 *Specification 3E; seamless steel cylinders.*

* * * * *

§ 78.42-2 *Type, size, and service pressure.* (a) *Type and size.* Seamless. Must have outside diameter not greater than 2 inches nominal, length less than 2 feet.

2. Amend § 78.55-16 paragraph (a) (15 F. R. 8418, Dec. 2, 1950) (49 CFR 78.55-16, 1950 Rev.) to read as follows:

§ 78.55 *Specification 4B-ET; welded and brazed cylinders made from electric resistance welded tubing.*

* * * * *

§ 78.55-16 *Physical test.* (a) To determine yield strength, tensile strength, elongation, and reduction of area of material. Required on 2 specimens cut from 1 cylinder, or part thereof heat-treated as required, taken at random out of each lot of 200 or less in the case of cylinders of capacity greater than 86 cubic inches and out of each lot of 500 or less for cylinders having a capacity of 86 cubic inches or less.

SUBPART D—SPECIFICATIONS FOR METAL BARRELS, DRUMS, KEGS, CASES, TRUNKS AND BOXES

Amend § 78.83-3 paragraph (d) (15 F. R. 8435, Dec. 2, 1950) (49 CFR 78.83-3, 1950 Rev.) to read as follows:

§ 78.83 *Specification 5C; steel barrels or drums.* * * *

(d) All parts of any completed container exposed to lading must comply with the standard 65 percent boiling nitric acid test in that the limit of inches per month penetration in accordance with corrosion test as used in American Society of Testing Materials Standard A-262-44-T shall be 0.0015 inch, this figure to be an average of five 48-hour tests.

SUBPART F—SPECIFICATIONS FOR FIBER-BOARD BOXES, DRUMS, AND MAILING TUBES

1. Cancel § 78.214-15 paragraph (a) Note 1 and amend § 78.214-20 paragraph (a) (2) (15 F. R. 8480, Dec. 2, 1950) (49 CFR 78.214-15, 78.214-20, 1950 Rev.) to read as follows:

§ 78.214 *Specification 23F; fiberboard boxes.* * * *

§ 78.214-15 *Authorized gross weight (when packed) and parts required.* (a) * * *

Note 1. [Canceled.]

* * * * *

§ 78.214-20 *Completed containers.* (a) * * *

(2) Three loaded samples to be tested. Each must withstand end to end pressure of at least 500 pounds without deflection of over 1½”.

2. Add § 78.219 (15 F. R. 8481, Dec. 2, 1950) (49 CFR 78.219, 1950 Rev.) to read as follows:

§ 78.219 *Specification 23H; fiberboard boxes.*

§ 78.219-1 *Compliance.* (a) Required in all details.

§ 78.219-2 *Definitions.* (a) Terms such as “200-pound test” mean minimum strength, Mullen or Cady test.

(b) “Joints” are where edges of parts of box are connected together in setting up box.

(c) “Seams” are where edges of parts of box are visible, except joints, when box is closed.

§ 78.219-3 *Solid fiberboard.* (a) To be 3-ply or more; both outer piles waterproofed. Each ply at least 0.016”.

§ 78.219-4 *Stitching staples.* (a) Of steel wire, copper-coated or equivalent in nonsparking quality, at least $\frac{1}{32}'' \times 0.014''$, or equal cross section, formed into staples about $\frac{1}{16}''$ wide.

§ 78.219-5 *Tape.* (a) Pressure sensitive, paper backed. The basic weight of the paper shall be not less than 70 pounds per ream after sizing and coating. Longitudinal tensile strength shall be not less than 50 pounds per inch of width and the latitudinal strength shall be not less than 11 pounds per inch of width.

(b) The tape must be not less than 1” wide manufactured of material which

will not separate or delaminate when submerged in water for 72 hours and which will not show any delamination or bleeding up to 160° F. and which will not lose its strength, delaminate or become brittle at 0° F.

(c) Water activated tapes are authorized when approved by the Bureau of Explosives.

§ 78.219-6 *Test.* (a) Acceptable board must have prescribed strength, Mullen or Cady test, under test as follows:

(1) Clamp board firmly in machine and turn wheel thereof at constant speed of approximately 2 revolutions per second.

(2) Six punctures required, 3 from each side; all results but one must show prescribed strength.

(3) Board failing may be retested by making 24 punctures, 12 from each side; when all results but 4 show prescribed strength the board is acceptable.

§ 78.219-7 *Type authorized.* (a) Of solid fiberboard, telescoping type construction without recessed heads. Box to consist of top and bottom sections, divided equally or unequally, and inner lining tube. The lining tube must be staple stitched to the lower section of the box to give in effect a 2-piece box.

§ 78.219-8 *Inside packing and size limits.* (a) As prescribed in § 78.219-11.

§ 78.219-9 *Forming.* (a) Parts must be cut true to size and so creased and slotted as to fit closely into position without cracking, surface breaks, separation of parts outside of crease, or undue binding.

§ 78.219-10 *Joints.* (a) Lapped at least 1½”; staple stitched at 2½” intervals and within 1” of each end of joint; 2 banks of staple stitches in each joint.

§ 78.219-11 *Authorized gross weight (when packed) and parts required.* (a) Box to be of solid fiberboard, special water-proofed at least 300-pound test, and weighing at least 250 pounds per thousand square feet. Tubes to be of solid fiberboard at least 200-pound test and of 1 piece with adjoining edges staple stitched or taped.

(b) Authorized gross weight: 65 pounds when two or more lining tubes are used to divide the box into two or more compartments; 65 pounds when one or more lining tubes are used and contents will consist of one cartridge only or of black powder in bags; 35 pounds in all other cases except that boxes having a single solid fiberboard lining tube at least 0.120 inch thick are authorized for 65 pounds gross weight.

§ 78.219-12 *Closing for shipment.* (a) The upper and lower sections of the container shall be secured together by the application of one single strip of tape, exclusive of manufacturer's joint disposed entirely around the perimeter of the container and spaced approximately equally distant over each portion of the container at the seam of abutting covers. The ends of the tape around the perimeter of the container must overlap 1½” minimum.

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(b) Tape used in closing must be at least equal in efficiency to that used on boxes passing the drum test prescribed in § 78.219-16.

§ 78.219-13 *Marking.* (a) On each container. Symbol in rectangle as follows:

ICC-23H***

(1) Stars to be replaced by authorized gross weight (for example ICC-23H35 or ICC-23H65). This mark shall be understood to certify that the container complies with all specification requirements.

(2) Name and address of plant making the container; symbol (letters) authorized if recorded with the Bureau of Explosives. This mark to be located just above or below the mark specified in paragraph (a) of this section.

(3) Size of markings. At least $\frac{1}{2}$ " high.

§ 78.219-14 *Special tests—(a) By whom and when.* By or for each plant making the boxes; at beginning of manufacture and at six-month intervals thereafter; on largest size, by weight, above and below 35 pounds gross. Report of results, with all pertinent data, to be maintained on file for one year; copy to be filed with the Bureau of Explosives.

§ 78.219-15 *Material.* (a) Box material (special waterproofed board) must be 300-pound test board and weigh at least 250 pounds per thousand square feet when commercially dry.

(b) Box material must also have 200-pound test strength and moisture content not over 30 percent as follows:

(1) Immediately after exposure for 3 days to 90 percent humidity at 75° F.

(2) Immediately after it has been in contact with water for 3 hours under 3" head at 75° F.

§ 78.219-16 *Completed containers.* (a) Samples must pass the following immediately after exposure for 2 weeks to 90 percent humidity at 75° F.; loaded containers shall contain dummy contents of shape and weight of the expected contents, and shall be closed in same manner as for shipment:

(1) *Three loaded samples to be tested.* Each must withstand 200 drops in standard 7-foot revolving test drum with pointed hazard in place, without spilling any contents.

(2) *Three loaded samples to be tested.* Each must withstand end to end pressure of at least 500 pounds without deflection of over $1\frac{1}{2}$ ".

(3) *Three empty samples to be tested.* Each must withstand top to bottom pressure of at least 500 pounds without deflection of $\frac{1}{2}$ inch.

3. Amend § 78.223-3 paragraph (b) (15 F. R. 8481, Dec. 2, 1950) (49 CFR 78.223-3, 1950 Rev.) to read as follows:

§ 78.223 *Specification 21B; fiber drums.* * * *

(b) Maximum authorized net weight 225 pounds, except as otherwise prescribed in the regulations.

APPENDIX I

Section, Paragraph and Reason for Amendment

72.5, Commodity List, to provide for the transportation of solid chemicals, or solid chemical mixtures, which function as propellants and to provide for the shipment of additional mercaptans.

73.2, (a), to provide for the proper classification of commodities having more than one hazardous characteristic.

73.23, (a) (1), to clarify retest requirements of carboys.

73.31, (g) Note 1, to provide a temporary waiver on retest requirements of tank cars authorized and used exclusively in the transportation of flammable liquids or liquefied petroleum gases.

73.34, (k) exception (1), to provide exception from retest requirements for all cylinders not exceeding 2" outside diameter and length less than 2 feet.

(k) (11), Note 2, clarification and to provide for continuance of investigation covering testing requirements for liquefied petroleum gas cylinders.

(m) (6), Note 1, clarification.

73.53, (a) and (b), to provide for the transportation of solid chemicals, or solid chemical mixtures, which function as propellants.

73.60, (a) (6), to provide for the use of an additional container for black powder and low explosives.

(b) (2), to provide for the use of an additional container for black powder.

(d) (2), to provide for the use of an additional container for low explosives.

73.63, (a) (2), to provide for the use of an additional container for high explosives with liquid explosive ingredient.

(b), to provide for the use of an additional container for high explosives (dynamite) containing 10 percent or less of liquid explosive ingredient.

APPENDIX II

Section, Paragraph, and Reason for Amendment

73.63, (c) (1), to provide for the use of an additional container for high explosives (dynamite containing more than 30 percent liquid explosive ingredient).

(d) (2), to provide for the use of an additional container for high explosives (gelatin dynamite and blasting gelatin).

(e) (2), to provide for the use of an additional container for high explosives (straight gelatin dynamites of 80 percent strength and over and blasting gelatin).

73.64, (a) (2), to provide for the use of an additional container for high explosives with no liquid explosive ingredient.

(h), to provide for the use of an additional container for commercial shaped charge.

(j) cancel, smokeless powder reclassified as propellant explosives.

73.66, (g) (1), to provide for the use of an additional container for electric blasting caps or blasting caps.

73.67, (a) (1), to provide for the use of an additional container for blasting caps with safety fuse.

73.68, (a) (1), to provide for the use of an additional container for detonating primers.

73.88, (a), (f) and Note 1 to (f), to provide regulations for the transportation of solid chemicals, or solid chemical mixtures.

73.91, (f) (2), to provide for the use of an additional container for railway torpedoes (track torpedoes).

73.93, entire section, to provide packing requirements for the transportation of propellant explosives including smokeless powder.

73.94, entire section canceled, smokeless powder for small-arms reclassified as propellant explosives.

APPENDIX III

Section, Paragraph, and Reason for Amendment

73.100, (b), to provide regulations for additional devices classified as small-arms ammunition.

73.118, (c) (19), (c) (20), to exclude isopropyl mercaptan and propyl mercaptan from exemptions for flammable liquids.

73.124, (a) (1), (a) (3), to provide a safer means of packaging shipments of ethylene oxide.

73.141, (a), to provide packing requirements for isopropyl mercaptan, and propyl mercaptan.

73.183, (a), to provide exemptions for certain nitrates of ammonia mixtures which are not explosives mixtures.

73.206, (c) (2), to provide additional container for the shipment of metallic sodium.

73.208, (b) (1), to correct a printer's error.

73.217, (b), clarification of exemptions for packaging, marking, and labeling export shipments of calcium hypochlorite compounds, dry.

73.245, (a) (4), to provide an additional container for acids or other corrosive liquids.

73.247, (a) (3), to correct an error.

73.255, (a) (1), to provide an additional container for dimethyl sulfate.

73.256, (a) (2), to provide a definite type of rubber to be used in the construction of inside containers used for liquid cleaning compounds.

73.264, (a) (1), (2), (3), to provide a definite type of rubber to be used in the construction of inside containers used for hydrofluoric acid.

(a) (8), to correct an error in section reference.

73.265, (a) (1), to provide a definite type of rubber to be used in the construction of inside containers used for hydrofluosilicic acid.

APPENDIX IV

Section, Paragraph, and Reason for Amendment

73.265, (b) (4), to provide for the use of tank motor vehicles for the shipment of hydrofluosilicic acid.

73.353, (a) (3), to provide for the shipment of cylinders having a thinner wall than presently authorized without boxing or crating.

73.357, (b) (1), to provide for the shipment of cylinders having a thinner wall than presently authorized without boxing or crating.

73.400, (f), to provide label for shipments of propellant explosives when offered for transportation by rail express.

73.402, (a) (1) to (10), to include requirements for dual labels for commodities classed as class A poison or radioactive material poison D, and for clarification.

73.403, to clarify requirements for labels for mixed packing.

74.412, (a), (a) (1) and cancel (a) (2), to provide label for shipment of propellant explosives by rail express.

74.525, (a), to provide requirements for the transportation of all class A explosives including propellant explosives which may be classed as high explosives.

74.526, (n), prohibits the use of container cars for the transportation of class A explosives including propellant explosives which are classed as high explosives.

74.527, (a), forbids the mixed loading and storage of class A explosives including propellant explosives in the same car or on railway property with any dangerous article for which a red, yellow, green, or white label is prescribed.

74.532, (c), clarification.

74.538, items b and 2, vertical and horizontal columns and footnote b of chart in para-

graph (a), to provide for the proper loading and storage in cars of propellant explosives.

APPENDIX V

Section, Paragraph, and Reason for Amendment

74.540, (a), to provide for the application of "explosives" placards to certified cars containing class A explosives including propellant explosives which are classed as high explosives.

74.541, (a) (4), to provide for the application of "dangerous" placards to cars containing class B explosives including propellant explosives which are classed as class B explosives.

(a) (5), to provide placard requirements for mixed loading of class A and class B explosives which includes propellant explosives.

74.584, (a) table, to provide label or placard notation on shipping papers when shipments of propellant explosives are tendered to rail carriers.

75.657, (a), to bring express regulations in accord with freight regulations in the matter of label notations on billing.

77.848, items b and 2, vertical and horizontal columns and footnote b of chart in paragraph (a), to provide the proper loading and storage in motor vehicles of propellant explosives.

78.42-2, (a), to increase the outside diameter of cylinder.

78.55-16, (a), to permit an increase in the size of the lot from which physical tests are made for small size cylinders.

78.83-3, (d), to provide for the use of a current standard in the testing of drums.

78.214-15, (a) Note 1, to remove a conflicting requirement.

78.214-20, (a) (2), to provide adequate test for fiberboard boxes.

78.219, to provide a new specification for the construction of fiberboard boxes.

78.223-3, (b), to increase the maximum authorized net weight of fiber drums constructed in accordance with Spec. 21B.

[F. R. Doc. 51-15193; Filed, Dec. 26, 1951; 8:45 a. m.]

NOTICES

DEPARTMENT OF JUSTICE

Office of Alien Property

[Vesting Order 18671]

COMMERZBANK A. G.

In re: Securities owned by Commerzbank A. G. F-28-170.

Under the authority of the Trading With the Enemy Act, as amended, (50 U. S. C. App. and Sup. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Commerzbank A. G., the last known address of which is Berlin, Germany, is a corporation, partnership, association, or other business organization which on or since December 11, 1941, and prior to January 1, 1947, was organized under the laws of and had its principal place of business in Germany and is, and prior to January 1, 1947 was, a national of a designated enemy country (Germany);

2. That the property described as follows:

a. Those certain debts or other obligations, matured or unmatured, evidenced by four (4) St. Louis-San Francisco Railway Company 4 percent Prior Lien Mortgage Series A bonds having an aggregate face value of \$1,000.00 said bonds being numbered Y6148, 8565, 8755 and 7919, together with any and all accruals to the aforesaid debts or other obligations and any and all rights to demand, enforce and collect the same, and any and all rights in and under said bonds, including particularly all rights under a plan of reorganization effective January 1947, and

b. Those certain shares of \$100.00 par value common stock of Brazil Railway Company, 57 Exchange Street, Portland, Maine, a corporation organized under the laws of Maine, evidenced by the certificates described in Exhibit A, attached hereto and by reference made a part hereof, said certificates issued in the names of the persons set forth in said Exhibit A, together with all declared and unpaid dividends thereon,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Commerzbank A. G., the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That the national interest of the United States requires that such person be treated as a person who is and prior to January 1, 1947, was a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being

deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 17, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

BRAZIL RAILWAY COMPANY STOCK

Number of shares	Certificate No.	Form of registration
50	42999/43003 for 10 shares each.	Bieber & Lichtenstädter.
20	34798 and 34799 for 10 shares each.	Societe Générale.
40	4803, 4848, 4849, 37310 for 10 shares each.	Dunn Fischer & Co.
20	30719 and 30720 for 10 shares each.	Brown Shipley & Co.
40	13751, 13753, 13755/E for 10 shares each.	Guarantee Insurance & Investment Co., Ltd.
60	3089, 3090, 4312, 2642, 963/964, 1520/22, 3127 for 5 shares each.	Do.
8	8291, 8292, 8254, 10408, 10127/30 for 1 share each.	P. W. Collard.
5	4515 for 5 shares.	Vivian Gray & Co.
3	45270/72 for 1 share each.	

[F. R. Doc. 51-15159; Filed, Dec. 21, 1951; 8:51 a. m.]

[Vesting Order 18674]

HENRY SCHUGT ET AL.

In re: Stock owned by and debt owing to Henry Schugt, Paul Schugt and Gertrude Schenk. D-28-6180.

Under the authority of the Trading With the Enemy Act, as amended (50 U. S. C. App. and Sup. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Henry Schugt, Paul Schugt and Gertrude Schenk, each of whose last known address is Germany, on or since

December 11, 1941, and prior to January 1, 1947 were residents of Germany and are, and prior to January 1, 1947 were, nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. Two thousand (2,000) shares of common stock of the Santa Eulalia Mining Company, 1111 Hearst Building, San Francisco, California, evidenced by a certificate numbered A49, registered in the name of Dr. H. M. Schugt, together with all declared and unpaid dividends thereon, and

b. That certain debt or other obligation evidenced by a check drawn by the Santa Eulalia Mining Company, on the Wells Fargo Union Bank and Trust Company of San Francisco to the order

NOTICES

of Dr. H. M. Schugt, said check numbered 1560, dated August 22, 1951, in the amount of \$100.00 and presently in the custody of the Attorney General of the United States, together with any and all accruals to the aforesaid debt or other obligation and any and all rights to demand, enforce and collect the same and any and all rights in and under said check.

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Henry Schugt, Paul Schugt and Gertrude Schenk, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That the national interest of the United States requires that such persons be treated as persons who are and prior to January 1, 1947, were nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 17, 1951.

For the Attorney General,

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-15162; Filed, Dec. 21, 1951;
8:51 a. m.]

[Vesting Order 18676]

KOIMO KISHINO YUTANI

In re: Claims of Koimo Kishino Yutani.
F-39-7071.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Koimo Kishino Yutani, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: Any and all rights and claims to Social Security benefits under the Social Security Act, approved August 14, 1935, as amended (Public Law 271, 74th Cong., 1st Session, 49 Stat. 620) to January 1, 1947, of Koimo Kishino Yutani, identified by Social Security Account Number 560-07-8189, together with any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 17, 1951.

For the Attorney General,

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-15164; Filed, Dec. 21, 1951;
8:51 a. m.]

DEPARTMENT OF AGRICULTURE

Office of the Secretary

SALE OF MINERAL INTERESTS; REVISED AREA DESIGNATION

Schedule A, entitled Fair Market Value Areas, and Schedule B, entitled One Dollar Areas, accompanying the Secretary's order dated June 26, 1951 (16 F. R. 6318), are amended as follows:

In Schedule A, under Mississippi, in alphabetical order, add the county "Choctaw".

In Schedule B, under Mississippi, delete the county "Choctaw".

(Sec. 3, Pub. Law 760, 81st Cong.)

Done at Washington, D. C., this 19th day of December 1951.

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

[F. R. Doc. 51-15198; Filed, Dec. 26, 1951;
8:47 a. m.]

SALE OF MINERAL INTERESTS; REVISED AREA DESIGNATIONS

Schedule A, entitled Fair Market Value Areas, and Schedule B, entitled One Dollar Areas, accompanying the Secretary's order dated June 26, 1951 (16 F. R. 6318), are amended as follows:

In Schedule A, under Minnesota, in alphabetical order, add the county "Becker", and under South Dakota, in

alphabetical order, add the counties "Mellette", "Shannon", "Todd", "Tripp", and "Washabaugh".

In Schedule B, under Minnesota, delete the county "Becker", and under South Dakota, delete the counties "Mellette", "Shannon", "Todd", "Tripp", and "Washabaugh."

(Sec. 3, Pub. Law 760, 81st Cong.)

Done at Washington, D. C., this 19th day of December 1951.

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

[F. R. Doc. 51-15201; Filed Dec. 26, 1951;
8:47 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 5208]

BAHAMAS AIRWAYS LTD.

NOTICE OF HEARING

In the matter of the application of Bahamas Airways Limited for amendment to its foreign air carrier permit, pursuant to section 402 (g) of the Civil Aeronautics Act of 1938, as amended.

Notice is hereby given pursuant to the Civil Aeronautics Act of 1938, as amended, that hearing in the above-entitled proceeding is assigned to be held on January 28, 1952, at 10:00 a. m., e. s. t., in Room 5855, Commerce Building, between Fourteenth and Fifteenth Streets on Constitution Avenue NW, Washington, D. C., before Examiner Richard A. Walsh.

Dated at Washington, D. C., December 21, 1951.

By the Civil Aeronautics Board.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 51-15341; Filed, Dec. 26, 1951;
9:51 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-1856]

SOUTH JERSEY GAS CO.

ORDER SUSPENDING RATE SCHEDULES

DECEMBER 18, 1951.

On November 19, 1951, South Jersey Gas Company filed with the Commission First Revised Sheets Nos. 4 and 8 to its FPC Tariff to supersede Original Sheets Nos. 4 and 8 of its said FPC Tariff.

This filing provides for an increase in the monthly demand charge per Mcf of billing demand of the Firm Service Rate Schedule G-1 from the presently filed charge of \$3.05 to a charge of \$4.83 and for an increase in the commodity charge per Mcf for all gas delivered under Rate Schedule G-1 and under Excess Gas Deliveries Rate Schedule E-1 from the presently filed charge of 23 cents to a charge of 24 cents. The proposed increase by South Jersey Gas Company affects its wholesale customers, the Jersey Central Power and Light Company and the Cumberland County Gas Company, and increases their cost of purchased gas by approximately \$63,400 and \$33,600 per year, respectively. This filing is

made to reflect a rate increase application submitted by the supplier of South Jersey Gas Company, which proposed rate increase has been suspended by the Commission (Transcontinental Gas Pipe Line Corporation, Docket No. G-1842).

The proposed increase in rates as set forth in the said First Revised Sheets Nos. 4 and 8 have not been shown to be justified and may be unjust, unreasonable, unduly discriminatory and preferential and place an undue burden upon the consumers of natural gas.

Unless suspended, the aforesaid First Revised Sheets Nos. 4 and 8 will become effective on December 20, 1951.

The Commission finds: It is necessary and desirable in the public interest that the Commission enter upon a hearing concerning the lawfulness of the proposed increase in rates and charges contained in the aforesaid First Revised Sheets Nos. 4 and 8 to FPC Gas Tariff of South Jersey Gas Company, and that the said filing be suspended pending hearing and decision thereon.

The Commission orders:

(A) Pursuant to sections 4 and 5 of the Natural Gas Act, a public hearing be held on a date to be hereafter fixed by the Commission in the hearing room of the Federal Power Commission, Hurley-Wright Building, 1800 Pennsylvania Avenue NW, Washington, D. C., concerning the lawfulness of the rates and charges, subject to the jurisdiction of the Commission, contained in the aforesaid rate schedules of South Jersey Gas Company designated First Revised Sheets Nos. 4 and 8 to its FPC Gas Tariff.

(B) Pending such hearing and decision thereon, as provided in section 4 (e) of the Natural Gas Act, South Jersey Gas Company's First Revised Sheets Nos. 4 and 8 to its FPC Gas Tariff be and they hereby are suspended and the use thereof is deferred until May 20, 1952, and until such time thereafter as such filing shall be made effective in the manner prescribed by the Natural Gas Act.

(C) Interested State Commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

Date of issuance: December 19, 1951.

By the Commission.

LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-15213; Filed, Dec. 26, 1951;
8:48 a. m.]

[Docket Nos. G-1805, G-1835]

EL PASO NATURAL GAS CO.

ORDER CONSOLIDATING PROCEEDINGS AND
FIXING DATE OF HEARING

DECEMBER 18, 1951.

El Paso Natural Gas Company (applicant), a Delaware corporation, having its principal place of business at El Paso, Texas, filed applications for certificates of public convenience and necessity, pursuant to section 7 (c) of the Natural Gas

Act, authorizing the construction and operation of certain natural gas facilities and the sale of natural gas, subject to the jurisdiction of the Commission, as described in the applications on file with the Commission and open to public inspection in Docket No. G-1805 on October 5, 1951, and in Docket No. G-1835 on November 13, 1951.

The Commission finds:

(1) Good cause exists to consolidate the above applications for the purposes of hearing and disposition.

(2) These proceedings are proper for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure, applicant having requested that its applications be heard under the shortened procedure provided by the aforesaid rule for noncontested proceedings, and no request to be heard, protest or petition having been filed subsequent to the giving of due notice of the filing of the applications, including publication in the FEDERAL REGISTER on October 23, 1951 (16 F. R. 10794) and November 28, 1951 (16 F. R. 11780), respectively.

The Commission orders:

(A) The aforesaid proceedings in Docket Nos. G-1805 and G-1835 be and the same hereby are consolidated for purposes of hearing and disposition.

(B) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, and the Commission's rules of practice and procedure, a hearing be held on January 8, 1952, at 9:45 a. m., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW, Washington, D. C., concerning the matters involved and the issues presented by such applications: *Provided, however,* That the Commission may, after a noncontested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(C) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Date of issuance: December 19, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-15214; Filed, Dec. 26, 1951;
8:48 a. m.]

[Docket No. G-1829]

TEXAS ILLINOIS NATURAL GAS PIPELINE CO.

ORDER FIXING DATE OF HEARING

DECEMBER 18, 1951.

On November 1, 1951, Texas Illinois Natural Gas Pipeline Company (applicant), a Delaware corporation, having its principal place of business at Chicago, Illinois, filed an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas

Act, as amended, authorizing the acquisition, by purchase, and operation of all the metering facilities of Chicago District Pipeline Company installed near Joliet, Illinois, through which deliveries of natural gas to said company from Natural Gas Pipeline Company of America have been measured, subject to the jurisdiction of the Commission, as fully described in said application on file with the Commission and open to public inspection.

The Commission finds: This proceeding is a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure, applicant having requested that its application be heard under the shortened procedure provided by the aforesaid rule for noncontested proceedings, and no request to be heard, protest or petition having been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on November 17, 1951 (16 F. R. 11704-11705).

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, and the Commission's rules of practice and procedure, a hearing be held on January 10, 1952, at 9:45 a. m., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW, Washington, D. C., concerning the matters involved and the issues presented by such application: *Provided, however,* That the Commission may, after a noncontested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

Date of issuance: December 19, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-15215; Filed, Dec. 26, 1951;
8:48 a. m.]

[Docket No. E-6397]

CALIFORNIA ELECTRIC POWER CO.

NOTICE OF APPLICATION

DECEMBER 18, 1951.

Take notice that on December 17, 1951, an application was filed with the Federal Power Commission, pursuant to section 204 of the Federal Power Act, by California Electric Power Company, a corporation organized under the laws of the State of Delaware, and doing business in the States of California and Nevada, with its principal business office at Riverside, California, seeking an order authorizing the issuance of not to exceed \$9,000,000 principal sum of promissory

NOTICES

OFFICE OF DEFENSE MOBILIZATION

[CDHA No. 27]

FINDING AND DETERMINATION OF CRITICAL DEFENSE HOUSING AREAS UNDER THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 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 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.

Flagstaff, Arizona, Area. (The area consists of that part of supervisory District 1, south of 36° latitude and that part of supervisory District 2, north of 35° latitude, in Coconino County, Arizona.)

Yuma, Arizona, Area. (The area consists of that part of Yuma County, Arizona, lying west of 114 degrees longitude and south of 33 degrees latitude.)

Edgemont, South Dakota, Area. (The area consists of the townships of Craven, Cottonwood, Dudley, Plain, and Provo, in Fall River County, South Dakota.)

Knob Noster (Sedalia Air Force Base), Missouri, Area. (The area consists of Johnson and Pettis Counties, Missouri.)

Victorville, California, Area. (The area consists of Victor Township, including the town of Victorville, and Oro Grande Township, all in San Bernardino County, California.)

Midland, Pennsylvania, Area. (The area consists of that part of Beaver County North and East of the Ohio River except the townships of Economy and Harmony and the Boroughs of Ambridge, Baden and Conway, in Pennsylvania.)

C. E. WILSON,
Director,
Office of Defense Mobilization.

DECEMBER 18, 1951.

[F. R. Doc. 51-15216; Filed, Dec. 26, 1951;
8:48 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-2749]

NORTHERN BERKSHIRE GAS CO.

ORDER AUTHORIZING THE ISSUE AND SALE OF PROMISSORY NOTE

DECEMBER 19, 1951.

Northern Berkshire Gas Company ("Northern Berkshire"), a subsidiary company of New England Electric System ("NEES"), a registered holding

company, has filed a declaration, pursuant to sections 6 (a) and 7 of the Public Utility Holding Company Act of 1935 ("the act") and Rule U-23 thereunder, with respect to the following proposed transaction:

Northern Berkshire proposes to issue and sell during December 1951, to The First National Bank of Boston an unsecured promissory note in the face amount of \$280,000. Said note will mature six months after its issue date and will bear interest at the prime interest rate at the time of issuance (presently 2 1/4 percent). Should said prime interest rate exceed 3 percent, Northern Berkshire will file an amendment to said declaration which, unless the Commission gives notice to the contrary, shall become effective five days thereafter. The proceeds of the proposed note will be used by Northern Berkshire to provide funds for construction, for the costs of conversion to natural gas and to reimburse its treasury for prior construction expenditures.

Due notice having been given of the filing of the declaration, and a hearing not having been requested of or ordered by the Commission; and the Commission finding that the applicable provisions of the act and the rules promulgated thereunder are satisfied and that no adverse findings are necessary, and deeming it appropriate in the public interest and in the interest of investors and consumers that said declaration be permitted to become effective forthwith:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act, that said declaration, as amended, be, and the same hereby is, permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DUBoIS,
Secretary.[F. R. Doc. 51-15194; Filed, Dec. 26, 1951;
8:46 a. m.]

[File No. 70-2751]

RALPH J. GREEN

ORDER APPROVING ACQUISITION OF UTILITY SECURITIES

DECEMBER 19, 1951.

Ralph J. Green, the president, a director, and the holder of 13,535 shares (53 percent) of Missouri Gas & Electric Service Company ("Gas & Electric"), and of 21,787 shares (16 percent) of Missouri Public Service Company ("Public Service"), has filed an application and amendments thereto pursuant to sections 9 (a) (2) and 10 of the Public Utility Holding Company Act of 1935 ("act") with respect to the acquisition by him of 133,036 shares of new common stock to be issued by Public Service in connection with a proposed merger of Gas & Electric into Public Service.

Gas & Electric and Public Service are public utility companies organized under the laws of the State of Missouri and operating in contiguous areas in that

notes maturing by their terms prior to twelve months from time of issue. Applicant proposes to issue said notes in varying amounts during the period January 24, 1952, to December 24, 1952, to the Bank of America National Trust and Savings Association evidencing borrowings from said bank; 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 12th day of January 1952, file 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. 51-15216; Filed, Dec. 26, 1951;
8:48 a. m.]

[Docket No. G-1846]

CONSUMERS GAS CO. AND WABASH NATURAL GAS CO.

NOTICE OF APPLICATION

DECEMBER 18, 1951.

Take notice that Consumers Gas Company (Consumers), an Illinois corporation, address, Carmi, Illinois, and Wabash Natural Gas Company (Wabash), an Illinois corporation, address, Evansville, Indiana, filed on November 30, 1951, a joint application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing Consumers to acquire, and an order pursuant to section 7 (b) of the Natural Gas Act authorizing and approving the abandonment by Wabash, of approximately 1/2 mile of 4-inch natural-gas transmission pipeline extending from a point of interconnection with the main natural-gas transmission pipeline facilities of Texas Eastern Transmission Corporation to a town border station at Carmi, Illinois.

Consumers proposes to acquire ownership and to operate the facilities hereinbefore described which are utilized to receive deliveries of natural gas from Wabash and Texas Eastern Transmission Corporation. Applicants state that the control and ownership of said facilities is presently in Wabash which no longer is in the position of a substantial supplier of natural gas to Consumers. Such acquisition of ownership by Consumers, the application states, would eliminate a fictitious bookkeeping transaction between Consumers and Wabash.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.9 or 1.10) on or before the 12th day of January 1952. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-15217; Filed, Dec. 26, 1951;
8:49 a. m.]

State. Applicant represents that neither company is a subsidiary of a holding company. Pursuant to an agreement of merger dated November 1, 1951, Gas & Electric will be merged into Public Service which, as the surviving corporation, will issue five shares of new common stock in exchange for each share of presently outstanding common stock of Gas & Electric and three shares of new common stock in exchange for each share of its presently outstanding common stock. The merger agreement states that any shareholder of either company who is not satisfied with the rights accorded him thereunder may, pursuant to Missouri law, obtain an appraisal of his interest and settlement thereof in cash. The proposed merger and exchange of securities have been approved by the Missouri Public Service Commission and the merger is subject to approval by the Federal Power Commission.

Upon consummation of the proposed merger and exchange of securities, applicant will become the president and the owner of approximately 25 percent of the voting securities (new common stock) of Public Service as the surviving corporation and will, therefore, be an affiliate of such company within the meaning of section 2 (a) (11) (A) of the act. Since applicant owns approximately 65 percent of the outstanding voting securities of West Missouri Power Company he is also an affiliate of that company within the meaning of section 2 (a) (11) (A). The balance of the outstanding voting securities of West Missouri Power Company is owned by members of applicant's family, who will receive approximately 11 percent of the new common stock of Public Service in exchange for their present holdings in the common stocks of Gas & Electric and Public Service. No one of the members of applicant's family will receive as much as five percent of the voting securities of Public Service.

The application having been filed on November 23, 1951, and said amendments having been filed on December 7 and 17, 1951, and notice of filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for a hearing with respect to said application, as amended, within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

Applicant having requested that the Commission's order issue herein not later than December 19, 1951, and that the order become effective upon issuance; and

The Commission finding with respect to the said application, as amended, that the requirements of section 10 (c) (2) are satisfied and observing no reason for making adverse findings under sections 10 (b) or 10 (c) (1) of the act; and the Commission deeming it appropriate in the public interest and in the interest of investors and consumers that said application be granted, and deeming it appropriate to grant the applicant's request that the Commission's order issue herein not later than December 19, 1951,

and that said order become effective upon issuance;

It is hereby ordered, Pursuant to Rule U-23 and the applicable provisions of the act and rules thereunder and subject to the terms and conditions prescribed by Rule U-24, that the application, as amended, be, and the same hereby is, granted and that said order shall become effective forthwith.

It is further ordered, That nothing herein shall be construed as a determination of the status of applicant or of the members of applicant's family, either individually or as a group, under the provisions of the Public Utility Holding Company Act of 1935, except the status of applicant as an affiliate.

By the Commission.

[SEAL] ORVAL L. DUBoIS,
Secretary.

[F. R. Doc. 51-15195; Filed, Dec. 26, 1951:
8:46 a. m.]

[File No. 70-2748]

NIAGARA MOHAWK POWER CORP.

SUPPLEMENTAL ORDER CONCERNING THE ISSUANCE AND SALE OF BONDS AT COMPETITIVE BIDDING

DECEMBER 19, 1951.

Niagara Mohawk Power Corporation ("Niagara Mohawk"), a subsidiary of The United Corporation, a registered holding company, having filed an application and amendments thereto, pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935 ("act") with respect to the issue and sale by Niagara Mohawk, pursuant to the competitive bidding requirements of Rule U-50, of \$15,000,000 principal amount of General Mortgage Bonds, -- percent Series, due December 1, 1981, and 1,000,000 shares of its common capital stock without par value; and

The Commission having, by Order dated December 11, 1951, granted said application, as amended, subject to the conditions, among others, that the proposed sale of bonds and common stock shall not be consummated until the results of competitive bidding and a final order of the Public Service Commission of the State of New York approving the issue and sale of said bonds and stock shall have been made a matter of record in this proceeding, and a further order shall have been entered in the light of the record so completed; and jurisdiction having been reserved over the payment of all fees and expenses to be incurred in connection with the proposed transactions; and

The Commission by Order dated December 18, 1951, having released jurisdiction with respect to the sale of the common stock; and

Niagara Mohawk having on December 19, 1951, filed a further amendment to said application in which it is stated that it has offered the bonds for sale pursuant to the competitive bidding requirements of Rule U-50 and has received the following bids:

Bidding group headed by—	Annual interest rate (percent)	Price to Niagara Mohawk (percent of principal) ¹	Annual cost to Niagara Mohawk (percent)
Morgan Stanley & Co...	3 3/4	101.141	3.315
Kuhn, Loeb & Co.	3 3/8	101.081	3.318
Halsey, Stuart & Co., Inc.	3 3/4	101.0399	3.32
Kidder, Peabody & Co.	3 3/4	100.305	3.250
The First Boston Corp.	3 3/4	100.15	3.369

¹ Exclusive of accrued interest from Dec. 1, 1951.

The amendment further stating that Niagara Mohawk has accepted the bid of Morgan Stanley & Co. for the bonds as set forth above and that the bonds will be offered for sale to the public at a price of 101.80 percent of principal amount thereof, resulting in an underwriters' spread of 0.659 percent of principal amount; and

The Public Service Commission of the State of New York having entered its Order dated December 19, 1951, approving the issue and sale of the bonds, and the record not having been completed with respect to the fees and expenses to be incurred in connection with the proposed sale of the bonds, which under the order of the State Commission may not exceed \$170,000 for the bonds; and

The Commission having examined said amendment and having considered the record herein and finding no basis for imposing terms and conditions with respect to the price to be received for the bonds, redemption prices of the bonds and the interest rate thereon, and the underwriters' spread with respect thereto:

It is hereby ordered, That jurisdiction heretofore reserved in connection with the sale of said bonds be, and the same hereby is, released, and that the said application, as further amended, be, and the same hereby is, permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24 of the general rules and regulations under the act.

It is further ordered, That jurisdiction heretofore reserved over the payment of all fees and expenses be, and hereby is, continued.

By the Commission.

[SEAL] ORVAL L. DUBoIS,
Secretary.

[F. R. Doc. 51-15196; Filed, Dec. 26, 1951:
8:46 a. m.]

ECONOMIC STABILIZATION AGENCY

Office of the Administrator

[General Order 8]

GO 8—ORGANIZATION FOR SALARY STABILIZATION

MISCELLANEOUS AMENDMENTS

Section 3 of General Order No. 8, Revised, is hereby amended to read as follows:

.01 *Salary Stabilization Board*. There shall be a Salary Stabilization Board

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which shall consist of five public members, one of whom shall be designated as Chairman. The Economic Stabilization Administrator may also designate one member of the board as vice chairman, who shall perform such duties as may be specifically delegated to him by the chairman, and who shall act for the chairman in his absence.

.02 *Office of Salary Stabilization.* There is hereby established an Office of Salary Stabilization. The head of the Office shall be the Chairman of the Salary Stabilization Board and in his absence, the Vice Chairman. There shall also be an Executive Director, who shall be in charge of the Office in the absence of the Chairman and Vice Chairman of the Board.

R. L. PUTNAM,
Administrator.

DECEMBER 26, 1951.

[F. R. Doc. 51-15344; Filed, Dec. 26, 1951;
10:13 a. m.]

Office of Price Stabilization

[Ceiling Price Regulation 7, Section 43,
Special Order 762]

GAYNES, INC.

CEILING PRICES AT RETAIL

Statement of considerations. This is an order establishing uniform retail prices issued upon the basis of an application filed by a supplier under section 43 of CPR 7. This section gives a manufacturer or wholesaler the right to apply for uniform retail ceiling prices for certain of his branded articles. This section requires that the articles must customarily have been sold at substantially uniform prices, and the ceiling prices applied for must not raise the general level of prices under CPR 7. The order may, of course, be amended or revoked if further review shows that the requirements of the regulation have not been fully met.

This special order requires each article to be tagged or marked with the retail ceiling price. The supplier must send to each retailer a copy of this special order, as well as a list of ceiling prices for each article or cost line and notice of all amendments. The order requires the supplier to file certain sales reports with OPS.

Retailers will be concerned with sections 1 through 6 of this special order which contain provisions applying to them. The rest of the order is of interest primarily to the applicant.

Order. For the reasons set forth in the statement of considerations and pursuant to section 43 of CPR 7, it is ordered that the following provisions be in effect:

Provisions for retailers—1. What this order does. Sections 1 through 6 apply to you and establish uniform ceiling prices if you sell at retail the articles identified below:

Name and address of applicant: Gaynes, Incorporated, 500 Seventh Avenue, New York, N. Y.

Brand names: "Life-Savers".

Articles: Women's, Misses', and Juniors' suits.

2. *Retail ceiling prices for listed articles.* Your ceiling prices for sales at retail of the articles identified above are the retail prices listed in your supplier's application filed with OPS. These prices will be included in a list which will be annexed to the copy of this order which you will receive from your supplier. The list of ceiling prices will be filed with the Federal Register as an appendix to this special order as soon as practicable. These ceiling prices are effective 10 days after you receive this order and the ceiling price list but in no event later than 60 days after the date this order is issued. You shall not sell above these ceiling prices. You may, of course, sell below these prices.

3. *Retail ceiling prices for unlisted items.* Some or all of the retail ceiling prices in this order are fixed in terms of the cost of the article to you. Whenever you receive one of applicant's branded articles which is in the same category and which has the same net cost as one covered by the list, the ceiling price for such article shall be the same as the ceiling price for the article having that same net cost.

4. *Retail ceiling prices affected by amendment to this order.* This order may be amended from time to time or it may be revoked. If so, the applicant is required to send you a copy of the revocation or amendment, together with any list of changes or additions in retail ceiling prices. The ceiling prices contained in any such amendment become your ceiling prices.

5. *Marking and tagging.* This order requires your supplier to pre-ticket his articles by an early date. The label, tag or ticket must be in the following form:

OPS—Sec. 43—CPR 7

Price \$.....

After 90 days from the effective date of this order, unless you receive articles marked or tagged in this form, you must so mark or tag them yourself. Before that date you must mark, tag or post your prices in the manner required by the regulation which applies in the absence of this special order.

With respect to articles the ceiling prices of which are affected by any amendment to this order, the same rules apply except that you must mark or tag such articles as stated above not later than 60 days after the effective date of the amendment.

6. *Applicability.* This special order establishes your ceiling prices for the articles covered by it regardless of whether you would otherwise price the articles under CPR 7 or any other regulation. It applies to sales in the 48 states and the District of Columbia.

Provisions for the applicant—7. Notification to retailers. As the manufacturer or wholesaler to whom this special order is issued, you shall do the following:

(a) *Sending order and list to old customers.* Within 15 days after the effective date of this special order, you shall send a copy of this order, together with a copy of the list referred to in section 8

below to each purchaser for resale to whom, within 2 months immediately prior to the effective date, you had delivered any article covered by this order.

(b) *Notification to new customers.* A copy of this special order and the list shall be sent to all other purchasers for resale on or before the date of the first delivery of any article covered by this order.

(c) *Notification with respect to amendments.* Within 15 days after the effective date of any subsequent amendment to this order, you shall send a copy of the amendment to each purchaser to whom, within 2 months immediately prior to the effective date of such amendment, you had delivered any article included in such amendment. Within 15 days after any amendment, the amendment shall also be included with the notification to new customers.

(d) *Notification to OPS.* Within 15 days of the effective date of this order, you shall send a copy of the list of prices referred to in section 8 below to the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

8. *Ceiling price list.* The ceiling price list must be annexed to a copy of the order and shall contain the cost and discount terms to retailers for each article covered by this special order and the corresponding retail ceiling prices fixed by the order. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Price to retailers	Retailer's ceilings for articles of cost listed in column 1
\$..... per..... unit. dozen. etc.	\$..... unit. dozen. etc.

Terms: percent E.O.M.
(etc.)

9. *Pre-ticketing requirements.* As the applicant to whom this special order is issued, you must, within 60 days after the effective date of this order (or in the case of an amendment within 60 days after the effective date of that amendment), mark each article covered by this order with a statement in the following form:

OPS—Sec. 43—CPR 7
Price \$.....

Instead of marking the article you may attach a label, tag or ticket containing the same information.

10. *Sales volume reports.* Within 45 days of the expiration of the first 6-month period following the effective date of this special order and within 45 days of the expiration of each successive 6-month period, you shall file with the Distribution Branch, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which you have delivered in that 6-month period.

This special order may be amended or revoked at any time.

Effective date. This special order shall become effective on the 20th of December 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15145; Filed, Dec. 19, 1951;
3:13 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 10, Amdt. 1]

CATALINA, INC.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 10 establishes new retail ceiling prices for certain of the applicant's branded articles. These new retail ceiling prices are listed in paragraph 1 of the special order and marked with an asterisk. The ceiling prices established prior to this amendment and still in effect are listed without an asterisk.

The Director has determined, on the basis of information available to him, that the retail ceiling prices requested are in line with those already granted and are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

Amendatory provisions. Special Order 10 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. Delete paragraph 1 of the special order and substitute therefor the following:

1. The following ceiling prices are established for sales by any seller at retail of men's swim wear, sport shirts, tee shirts, sweaters, boys' and girl's swim wear, ladies' swim wear, play clothes, tee shirts, robes and sweaters manufactured or distributed by the Catalina, Inc., having the brand name(s) "Catalina" and described in the manufacturer's application dated March 5, 1951, and supplemented and amended by the manufacturer's application dated October 9, 1951.

The ceiling prices listed below which are marked with an asterisk shall become effective on receipt of a copy of this order by the retailer, but in no event later than 30 days after the effective date of this order. Ceiling prices not marked with an asterisk are effective upon the effective date of this order. Sales may, of course, be made below the retail ceiling prices.

The selling prices to retailers listed below are subject to terms of 3 percent—10 E. O. M. Except ladies' sweaters which carry terms of 8 percent—10 E. O. M.

MEN'S SWIM WEAR

Selling price to retailers (per dozen):	Ceiling price at retail (per unit)
\$21.60	\$2.95
\$22.56	*2.95
\$25.20	3.50
\$28.80	3.95
\$32.64	4.50
\$36.00	4.95
\$43.20	5.95
\$46.80	6.50
\$48.00	6.95

LADIES' SWIM WEAR		Ceiling price at retail (per unit)	Ceiling price at retail (per unit)
	Per unit:		
\$57.00	\$7.95	\$14.25	\$1.95
\$63.00	8.95	\$22.56	*2.95
\$69.00	9.95	\$36.00	4.95
\$84.00	11.95	\$43.20	5.95
\$90.00	12.95	\$48.00	6.95
\$96.00	13.95	\$54.00	7.95
\$105.00	*14.95	\$63.00	8.95
\$108.00	14.95	\$69.00	9.95
\$114.00	*15.95	\$78.00	10.95
\$120.00	16.95	\$84.00	11.95
\$126.00	17.95	\$90.00	12.95
\$138.00	19.95	\$96.00	13.95
\$210.00	30.00	\$105.00	14.95
	MEN'S SPORT SHIRTS		
\$36.00	*\$4.95	\$120.00	16.95
\$42.00	*5.95	\$126.00	17.95
\$48.00	*6.95	\$135.00	18.95
\$69.00	*9.95	\$138.00	19.95
\$84.00	*11.95	\$141.00	*19.95
	MEN'S TEE SHIRTS		
\$9.72	*\$1.25	\$210.00	*30.00
\$11.52	*1.65	\$240.00	35.00
\$15.72	*1.95		
\$18.00	*2.50		
\$22.56	*2.95		
\$25.20	*3.50		
\$28.80 through \$30.00	*3.95		
\$36.00	*4.95		
\$43.20	*5.95		
\$51.00	*6.95		
	MEN'S SWEATERS		
Per unit:			
\$3.60	*\$5.95	\$36.00	*4.95
\$3.90	*6.50	\$43.20	*5.95
\$4.12	*6.95	\$54.00	*7.95
\$4.50	*7.50	\$63.00	*8.95
\$4.75	*7.95	\$69.00	*9.95
\$5.10	*8.50	\$78.00	*10.95
\$5.40	*8.95	\$90.00	*12.95
\$6.00	*9.95	\$96.00	*13.95
\$6.60	*10.95		
\$7.10	*11.95		
\$7.50	*12.50		
\$7.75	*12.95		
\$8.25	*13.95		
\$9.00	*14.95		
\$9.50	*15.95		
\$10.00	*16.95		
\$13.50	*22.50		
\$15.00	*25.00		
\$20.00	*35.00		
	BOYS' SWIM WEAR		
\$12.00	*\$1.65	\$12.00	*19.95
\$15.00	1.95		
\$18.00	2.50		
\$21.60	2.95		
\$25.20	3.50		
\$28.80	3.95		
\$32.40	4.50		
\$36.00	4.95		
\$43.20	5.95		
\$48.00	6.95		
	TODDLERS' AND JUVENILE SWIM WEAR		
\$12.00	\$1.65		
\$15.00	1.95		
\$18.00	2.50		
\$21.60	2.95		
\$25.20	3.50		
\$30.00	3.95		
\$32.00 through \$32.40	4.50		
\$36.00	4.95		
\$43.20	5.95		
\$48.00	6.95		
	GIRLS' AND TEEN AGE SWIM WEAR		
\$30.00	\$3.95		
\$36.00	4.95		
\$43.20	5.95		
\$48.00	6.95		

LADIES' PLAY CLOTHES, TEE SHIRTS AND ROBES

\$15.00	*\$1.95
\$18.00	*2.50
\$21.60	*2.95
\$25.20	*3.50
\$28.80	*3.95
\$36.00	*4.95
\$43.20	*5.95
\$51.00	*6.95
	LADIES' SWEATERS
\$3.60	\$3.00
\$3.90	\$3.75
\$4.12	\$4.25
\$4.50	\$4.75
\$4.75	\$5.50
\$5.10	\$6.25
\$5.40	\$6.75
\$6.00	\$7.25
\$6.60	\$7.75
\$7.10	\$8.25
\$7.50	\$8.75
\$7.75	\$9.25
\$8.25	\$9.75
\$9.00	\$11.50
\$9.50	\$11.95
\$10.00	\$12.95
\$13.50	\$13.95
\$15.00	\$14.95
\$20.00	\$17.95
	BOYS' SWIM WEAR
\$12.00	*\$1.65
\$15.00	1.95
\$18.00	2.50
\$21.60	2.95
\$25.20	3.50
\$28.80	3.95
\$32.40	4.50
\$36.00	4.95
\$43.20	5.95
\$48.00	6.95
	TODDLERS' AND JUVENILE SWIM WEAR
\$12.00	\$1.65
\$15.00	1.95
\$18.00	2.50
\$21.60	2.95
\$25.20	3.50
\$30.00	3.95
\$32.00 through \$32.40	4.50
\$36.00	4.95
\$43.20	5.95
\$48.00	6.95
	GIRLS' AND TEEN AGE SWIM WEAR
\$30.00	\$3.95
\$36.00	4.95
\$43.20	5.95
\$48.00	6.95

2. Delete all of paragraph 2 and substitute therefor the following:

(a) Toddlers' and juvenile swim wear having the style number 1492 and 1496 in the manufacturer's application dated March 5, 1951, so long as they have a manufacturer's selling price of \$30.00 per dozen, shall have a ceiling price at retail of \$4.50 per unit, and the manufacturer's selling price shall carry terms of 3 percent—10 E. O. M.

(b) Girls' swim wear having the style number 6881 in the manufacturer's application dated March 5, 1951, so long as it has a manufacturer's selling price of \$48.00 per dozen, shall have a ceiling price at retail of \$7.95 per unit, and the manufacturer's selling price shall carry terms of 3 percent—10 E. O. M.

(c) Girls' swim wear having the style numbers 6882, 6884, and 6886 in the manufacturer's application dated March 5, 1951, so long as they have a manufacturer's selling price of \$54.00 per dozen, shall have a ceiling price at retail of \$1.95 per unit, and the manufacturer's selling price shall carry terms of 3 percent—10 E. O. M.

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3. In paragraph 4, delete the designations "2 (d), 2 (e), 2 (f), 2 (g), 2 (h), and 2 (i)" wherever they appear.

4. In paragraph 5, delete the designations "2 (d), 2 (e), 2 (f), 2 (g), 2 (h), and 2 (i)".

Effective date. This amendment shall become effective December 19, 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15138; Filed, Dec. 19, 1951;
3:11 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 326, Amdt. 1]

JORDAN MFG. CORP.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 326, establishes new retail ceiling prices for certain of the applicant's branded articles. These new retail ceiling prices are listed in paragraph 2 of the special order and marked with an asterisk. The ceiling prices established prior to this amendment and still in effect are listed without an asterisk.

The Director has determined, on the basis of information available to him, that the retail ceiling prices requested are in line with those already granted and are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

Amendatory provisions. Special Order 326 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. Delete paragraph 2 of the special order and substitute therefor the following:

2. *Retail ceiling prices for listed articles.*

The following ceiling prices are established for sales after the effective date of this special order by any seller at retail of women's swim suits manufactured or distributed by Jordan Manufacturing Corp. having the brand name "Sea Nymph" and described in the suppliers application dated June 27, 1951, as supplemented and amended by the suppliers application dated August 22, 1951.

The ceiling prices listed below which are marked with an asterisk shall become effective on receipt of a copy of this order by the retailer, but in no event later than 30 days after the effective date of this order. Ceiling prices not marked with an asterisk are effective upon the effective date of this order. Sales may, of course, be made below the retail ceiling prices.

The selling prices to retailers listed below are subject to terms of 8/10 EOM.

Selling price to retailers (per unit):	Ceiling price at retail (per unit)
\$5.75-----	*\$8.99
\$6.75-----	*10.99
\$7.75-----	*12.99
\$8.75-----	*14.99
\$9.75-----	*16.99

2. In paragraph 7 of the special order delete sub-paragraph (a) and substitute therefor the following:

(a) *Sending order to old customers.* Within 15 days after the effective date of this special order, you shall send a copy of this order to each purchaser for resale to whom, within two months immediately prior to the effective date, you had delivered any article covered by this order.

3. In paragraph 7 of the special order delete sub-paragraph (b) and substitute therefor the following:

(b) *Notification to new customers.* A copy of this special order shall be sent to all other purchasers for resale on or before the date of the first delivery of any article covered by this order.

4. In paragraph 7 of the special order delete sub-paragraph (d).

5. Delete paragraph 8 and insert the word "Deleted" after the paragraph designation "g".

Effective date. This amendment shall become effective December 19, 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15139; Filed, Dec. 19, 1951;
3:11 p. m.]

[Ceiling Price Regulation 7, Section 43,
Revocation of Special Order 352]

CONVERSE RUBBER CORP.

CEILING PRICES AT RETAIL

Statement of considerations. Special Order 352, issued to Converse Rubber Corporation, on August 9, 1951, effective August 10, 1951, established ceiling prices at retail for men's and women's basketball shoes having the brand name "Converse."

Converse Rubber Corporation has applied for a revocation of this special order, stating that it is unable to comply with the preticketing and administrative provisions of the special order. The Director has determined that sufficient reasons have been shown for revocation of the special order.

This order of revocation requires the applicant to send a copy thereof to all purchasers for resale who have received notice of the special order.

Revocation. 1. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, Special Order 352, issued to Converse Rubber Corporation, on August 9, 1951, effective August 10, 1951, establishing ceiling prices at retail for men's and women's basketball shoes having the brand name "Converse," shall be, and the same hereby is, revoked in all respects.

2. Converse Rubber Corporation must, within 15 days after the effective date of this order of revocation, send a copy of this order of revocation to all purchasers for resale to whom it has given notice of Special Order 352.

Effective date. This order of revocation shall become effective December 19, 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15140; Filed, Dec. 19, 1951;
3:11 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 369, Amdt. 1]

EVANS CASE CO.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 369 establishes new retail ceiling prices for certain of the applicant's branded articles. These new retail ceiling prices are listed in paragraph 1 of the special order and marked with an asterisk. The ceiling prices established prior to this amendment and still in effect are listed without an asterisk.

The Director has determined, on the basis of information available to him, that the retail ceiling prices requested are in line with those already granted and are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

Amendatory provisions. Special Order 369 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. Delete paragraph 1 of the special order and substitute therefor the following:

1. The following ceiling prices are established for sales by any seller at retail of women's fitted handbags manufactured or distributed by the Evans Case Company, having the brand name "Evans," and described in the manufacturer's application dated April 30, 1951, and supplemented and amended by the manufacturer's applications dated June 4, 1951, June 21, 1951, October 1, 1951, and October 25, 1951.

The ceiling prices listed below which are marked with an asterisk shall become effective on receipt of a copy of this order by the retailer, but in no event later than 30 days after the effective date of this order. Ceiling prices not marked with an asterisk are effective upon the effective date of this order. Sales may, of course, be made below the retail ceiling prices.

The ceiling prices at retail listed below do not include the Federal Excise Tax:

Lot No. and material	Ceiling price at retail fitted (per unit)	Ceiling price at retail unfitted (per unit)
1450 Regular	\$133.00	\$100.00
Leather lining	180.00	140.50
1451 Regular	76.50	55.50
Leather lining	96.00	69.50
1452 Regular	121.50	88.25
Leather lining	169.00	129.50
1453 Regular	72.00	52.25
Leather lining	91.75	64.75
Genuine alligator	133.00	133.00
Genuine alligator, leather lining	172.75	146.00

Lot No. and material	Ceil- ing price at re- tail fitted (per unit)	Ceil- ing prices at re- tail un- fitted (per unit)
1454 Regular	\$110.75	\$83.50
Leather lining	151.00	118.00
Genuine alligator	270.00	242.00
Genuine alligator, leather lin- ing	315.00	282.00
1455 Regular	66.50	49.50
Leather lining	84.50	62.00
Genuine alligator	139.50	122.50
Genuine alligator, leather lin- ing	157.50	135.00
W1457 Regular	99.00	-----
Leather lining (with watch)	114.50	-----
Genuine alligator (with watch)	180.00	-----
Genuine alligator, leather lin- ing (with watch)	195.00	-----
1457 Regular	64.75	-----
Leather lining	80.00	-----
Genuine alligator	144.00	-----
Genuine alligator, leather lin- ing	159.00	-----
W1458 Regular (with watch)	75.50	58.50
1458 Regular	39.00	-----
1459 Regular	49.50	-----
Brocade	54.00	-----
1462 Regular	73.75	58.50
1463 Regular	108.00	85.50
1464 Regular	94.50	77.50
1465 Regular	86.50	71.00
1466 Regular	76.50	61.25
1467 Regular	66.50	51.25
1469 Regular	56.50	-----
1470 Regular	58.50	-----
1471 Regular	54.00	-----
1472 Regular	62.00	-----
1473 Regular	62.00	-----
1474 Regular	58.50	-----
1475 Regular	54.00	-----
1476 Regular	64.75	-----
W1477 Regular	93.50	-----
1478 Regular	77.50	-----
1479 Regular	73.00	-----
1481 Regular	49.50	-----
Satin	*42.50	-----
W1482 Regular	*42.50	-----
Satin	*68.50	-----
1482 Regular	*63.00	-----
Satin	*36.00	-----
1483 Suede	*30.50	-----
Satin	*51.25	-----
1484 Leather	*42.50	-----
1482 Regular	*49.50	-----
Brocade	14.50	-----
Gold kid	16.50	-----
Genuine alligator	18.50	-----
1968 Regular	39.50	-----
1889 Satin	45.00	-----
Brocade	5.75	-----
1893 Satin	7.50	-----
Leather	9.00	-----
1953 Regular	13.50	-----
Leather lining	64.75	49.50
Genuine alligator	82.75	64.75
Genuine alligator, leather lin- ing	139.50	124.00
1960 Regular	157.50	139.50
Gold kid	39.50	-----
Brocade	49.50	-----
1963 Satin	45.00	-----
Leather	9.00	-----
W1965 Regular	14.50	-----
Leather lining (with watch)	108.00	92.75
Genuine alligator (with watch)	126.00	108.00
Genuine alligator, leather lin- ing (with watch)	189.00	173.75
1965 Regular	208.00	189.00
Leather lining	73.00	57.50
Genuine alligator	91.00	73.00
Genuine alligator, leather lin- ing	153.00	121.50
1969 Regular	171.00	153.00
1972 Regular	94.50	79.25
1973 Regular	32.50	-----
1974 Regular	40.50	-----
1978 Regular	53.00	-----
1982 Regular	49.50	-----
1987 Regular	81.00	65.50
Leather lining	45.00	36.00
Genuine alligator	61.25	49.50
Genuine alligator, leather lin- ing	101.75	92.00
1988 Regular	117.00	105.00
1989 Regular	64.75	-----
1990 C regular	59.50	44.00
1991 Regular	20.50	-----
Genuine alligator	69.50	54.00
Genuine alligator, leather lin- ing	148.50	133.00
1992 Regular	166.50	148.50
Without combination	56.50	-----
	47.75	-----

FEDERAL REGISTER

[Ceiling Price Regulation 7, Section 43,
Special Order 759]

JACOBY-BENDER INC.

CEILING PRICES AT RETAIL AND WHOLESALE

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Jacoby-Bender Inc., 161 Sixth Avenue, New York 13, N. Y., has applied to the Office of Price Stabilization for maximum resale prices for retail and wholesale sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the articles a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. Ceiling prices. The ceiling prices for sales at retail and wholesale of watch bracelets and identification bands sold through retailers and wholesalers and having the brand name "J-B" shall be the proposed retail and wholesale ceiling prices listed by Jacoby-Bender Inc., 161 Sixth Avenue, New York 13, N. Y., hereinafter referred to as the "applicant" in its application dated September 25, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than February 18, 1952, no seller at retail or wholesale may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

Effective date. This amendment shall become effective December 19, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15141; Filed, Dec. 19, 1951;
3:12 p. m.]

NOTICES

2. *Marking and tagging.* On and after February 18, 1952, Jacoby-Bender Inc. must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price \$-----

On and after March 19, 1952, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to March 19, 1952, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 60 days after the effective date of the amendment. After 90 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 90-day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to resellers—(a) Notices to be given by applicant.* (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within 15 days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within 2 months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price and corresponding wholesale ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)	(Column 3)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1	Wholesaler's ceiling price for articles listed in column 1
-----	\$-----	\$-----

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in sub-paragraph 3 (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first 6-month period following the effective date of this special order and within 45 days of the expiration of each successive 6-month period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6-month period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective December 20, 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15142; Filed, Dec. 19, 1951;
3:12 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 760]

GEMEX CO.

CEILING PRICES AT RETAIL AND WHOLESALE

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Gemex Company, 1200 Commerce Avenue, Union, New Jersey, has applied to the Office of Price Stabilization for maximum resale prices for retail and wholesale sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the articles a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail and wholesale of men's and women's watch bracelets and watch straps sold through retailers and wholesalers and having the brand name(s) "Gemex" shall be the proposed retail and wholesale ceiling prices listed by Gemex Company, 1200 Commerce Avenue, Union, New Jersey hereinafter referred to as the "applicant" in its application, dated September 26, 1951 and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than February 18, 1952 no seller at retail or wholesale may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. *Marking and tagging.* On and after February 18, 1952, Gemex Com-

pany must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price \$-----

On or after March 19, 1952, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to March 19, 1952, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the pre-ticketing requirements of this paragraph within 60 days after the effective date of the amendment. After 90 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 90 day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. Notification to resellers—(a) Notices to be given by applicant:

(1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price and corresponding wholesale ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)	(Column 3)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1	Wholesaler's ceiling price for articles listed in column 1
-----	\$-----	\$-----

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in Sub-paragraph 3 (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first 6-month period following the effective date of this special order and within 45 days of the expiration of each successive 6-month period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6-month period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective December 20, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15143; Filed, Dec. 19, 1951;
3:12 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 761]

POOLE SILVER CO., INC.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Poole Silver Company, Inc., 320 Whittenton Street, Taunton, Massachusetts, has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the article a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail of plated silver hollow ware sold through wholesalers and retailers and having the brand name "Poole Silver" shall be the proposed retail ceiling prices listed by Poole Silver Company, Inc., 320 Whittenton Street, Taunton, Massachusetts hereinafter referred to as the "applicant" in its application dated September 26, 1951 and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than February 18, 1952, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

NOTICES

2. *Marking and tagging.* On and after February 18, 1952, Poole Silver Company, Inc. must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price \$-----

On and after March 19, 1952, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to March 19, 1952, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the pre-ticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the sixty-day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to resellers—(a) Notices to be given by applicant.* (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by Paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
	\$-----

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in sub-paragraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first six-month period following the effective date of this special order and within 45 days of the expiration of each successive six-month period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that six-month period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective December 20, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15144: Filed, Dec. 19, 1951;
3:12 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 763]

NOMA ELECTRIC CORP.

CEILING PRICES AT RETAIL AND WHOLESALE

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Noma Electric Corporation, 55 West 13th Street, New York 11, New York, has applied to the Office of Price Stabilization for maximum resale prices for retail and wholesale sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the articles a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail and wholesale of electrical decorative products sold through retailers and wholesalers and having the brand name(s) "Noma" shall be the proposed retail and wholesale ceiling prices listed by Noma Electric Corporation, 55 West 13th Street, New York 11, New York hereinafter referred to as the "applicant" in its application dated October 16, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than February 18, 1952, no seller at retail or wholesale may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. *Marking and tagging.* On and after February 18, 1952, Noma Electric Corporation must mark each article for which

a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price \$-----

On and after March 19, 1952, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to March 19, 1952, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 60 days after the effective date of the amendment. After 90 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 90 day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to resellers*—(a) *Notices to be given by applicant*. (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price and corresponding wholesale ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)	(Column 3)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1	Wholesaler's ceiling price for articles listed in column 1
-----	\$-----	\$-----

(5) Within 15 days after the effective date of this special order or any amend-

ment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers)*. (1) A copy of this special order, together with the annexed notice of ceiling prices described in sub-paragraph 3 (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports*. Within 45 days of the expiration of the first 6-month period following the effective date of this special order and within 45 days of the expiration of each successive 6-month period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6-month period.

5. *Other regulations affected*. The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation*. This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability*. The provisions of this special order are applicable in the United States and the District of Columbia, with the exception of the area known as Metropolitan Boston in the State of Massachusetts.

Effective date. This special order shall become effective December 20, 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15146; Filed, Dec. 19, 1951;
3:13 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 764]

EKCO PRODUCTS CO.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Ekco Products Company, 1949 North Cicero Avenue, Chicago 39, Illinois, has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which, in the judgment of the Director, indicates that the applicant has complied with other stated requirements.

The Director has determined, on the basis of information available to him, including the data submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order modifies those provisions relating to preticketing usually required in orders under section 43 to meet the particular requirements of the cooking utensil industry and accomplish the objective of notifying consumers of the uniform prices fixed under the order.

The articles covered by this special order are not sold to retail sellers at uniform wholesale prices. Therefore, each item is identified by its model number rather than by its cost to sellers at retail.

The applicant is required to send purchasers, for resale of the articles, a copy of this special order and, in specified cases, of subsequent amendments of this special order.

The Special Order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by the special order which applicant has delivered during that period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations, and pursuant to section 43 of Ceiling Price Regulation 7, this Special Order is hereby issued.

1. The ceiling prices for sales after the effective date of this special order by any seller at retail of cutlery, kitchen tools, kitchen utensils, and cleaner, sold through wholesalers and retailers and manufactured by Ekco Products Company, 1949 North Cicero Avenue, Chicago 39, Illinois, having the brand names "Ekconomic," "Ekco," "Ekco-ware," "Flint," "Ekcoline," "Diamond Silversmiths" and "Lusto" shall be the proposed retail ceiling prices listed by Ekco Products Company in its application dated October 9, 1951, and supplemented and amended in the manufacturer's application dated December 5, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C. No seller at retail may offer or sell any article covered by the special order at a price higher than the ceiling price

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established by this Special Order. Sales may, of course, be made at less than the ceiling prices.

2. On and after February 18, 1952, Ekco Products Company must furnish each purchaser for resale to whom, within two months immediately prior to the effective date, the manufacturer had delivered any article covered by paragraph 1 of this special order, with a sign 8 inches wide and 10 inches high, a price book, and a supply of tags and stickers. The sign must contain the following legend:

The retail ceiling prices for Ekco cooking utensils have been approved by OPS and are shown in a price book we have available for your inspection.

The price book must contain an accurate description of each article covered by paragraph 1 of this special order and the retail ceiling price fixed for each article. The front cover of the price book must contain the following legend:

The retail ceiling prices in this Ekco Products Company price book for cooking utensils have been approved by OPS under section 43, CPR 7.

The tags and stickers must be in the following form:

Ekco Products Company
OPS—Sec. 43—CPR 7
Price \$-----

Prior to February 18, 1952, unless the retailer has received the sign described above and has it displayed so it may be easily seen and a copy of the price book described above available for immediate inspection, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order. On and after March 19, 1952, no retailer may offer or sell any article covered by this order unless he has the sign described above displayed so it may be easily seen and a copy of the price book described above available for immediate inspection.

In addition, any retailer using the Ekco Products Company display case must affix in the display case, with each group of articles covered by the order, a tag or ticket described above, stating the retail ceiling price for each article. Any article which is on open display and not in the display case must have a tag or ticket described above attached to each such article. The display cases mentioned above are marked exhibits "A", and "F" in the manufacturer's application dated October 9, 1951.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the manufacturer's application or changes the retail ceiling price of a listed article, the applicant named in this special order must, within 30 days after the effective date of the amendment as to each such article, send an insertion stating the required addition or change for the price book described above.

After 60 days from the effective date of the amendment, no retailer may offer or sell the article, unless he has received the insertion described above and inserted it in the price book. Prior to the expiration of the 60 days' period, unless

the retailer has received and placed the insertion in the price book, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. (a) (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within 15 days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
-----	\$-----

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) (1) A copy of this special order, together with the annexed notice of ceiling prices described in paragraph 3 (a) (4) shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within 2 months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to

the amendment an appropriate notice as described above.

(4) Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

(5) The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

(6) This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

(7) The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective December 20, 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15147; Filed, Dec. 19, 1951;
3:18 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 765]

WINSTED HARDWARE MFG. CO.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, The Winsted Hardware Manufacturing Company, Winsted, Connecticut, has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the article a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number

of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. Ceiling prices. The ceiling prices for sales at retail of electric blenders and irons sold through wholesalers and retailers and having the brand name(s) "Waring" and "Durabilt" shall be the proposed retail ceiling prices listed by The Winsted Hardware Manufacturing Company, Winsted, Connecticut, hereinafter referred to as the "applicant" in its application dated November 23, 1951 and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than February 18, 1952, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. Marking and tagging. On and after February 18, 1952, The Winsted Hardware Manufacturing Company must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price \$-----

On and after March 19, 1952, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to March 19, 1952, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the sixty-day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. Notification to resellers—(a) Notices to be given by applicant. (1) After

receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
-----	\$-----

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) Notices to be given by purchasers for resale (other than retailers). (1) A copy of this special order, together with the annexed notice of ceiling prices described in sub-paragraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. Reports. Within 45 days of the expiration of the first six-month period following the effective date of this spe-

cial order and within 45 days of the expiration of each successive six-month period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that six-month period.

5. Other regulations affected. The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. Revocation. This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. Applicability. The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective December 20, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15148; Filed, Dec. 19, 1951;
3:13 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 766]

POOLE STERLING CO., INC.
CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Poole Sterling Co., Inc., 320 Whittenton Street, Taunton, Massachusetts, has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the article a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has de-

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livered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. Ceiling prices. The ceiling prices for sales at retail of sterling silver hollow ware sold through wholesalers and retailers and having the brand name(s) "Poole Sterling" shall be the proposed retail ceiling prices listed by Poole Sterling Co., Inc., 320 Whittenton Street, Taunton, Massachusetts, hereinafter referred to as the "applicant" in its application dated September 26, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than February 18, 1952, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. Marking and tagging. On and after February 18, 1952, Poole Sterling Co., Inc., must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price \$-----

On and after March 19, 1952, no retailer may offer, or sell the article unless it is marked or tagged in the form stated above. Prior to March 19, 1952, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the pre-ticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60-day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. Notification to resellers—(a) Notices to be given by applicant. (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to

each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within 15 days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within 2 months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
-----	\$-----

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in subparagraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within 2 months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. Reports. Within 45 days of the expiration of the first 6-month period following the effective date of this special order and within 45 days of the expiration of each successive 6-month period, the applicant shall file with the Dis-

bution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6-month period.

5. Other regulations affected. The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. Revocation. This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. Applicability. The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective December 20, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15149; Filed, Dec. 19, 1951;
8:18 p. m.]

[Ceiling Price Regulation 34, Section 20 (c),
Special Order 1]

TEXAS CO.

CEILING RATES PERMITTED TO BE PAID FOR
THE RENTAL OF BOATS

Statement of considerations. This special order adjusts the ceiling rates for the rental of various types of boats by The Texas Company from numerous boat owners for use in connection with its operations in the Southern part of Louisiana.

The Texas Company is engaged in prospecting, exploring, drilling for and producing petroleum in the Southern part of Louisiana, an area which is largely covered by swamps, marshlands, lakes and open waters. This area is accessible only by water or air and can be worked by The Texas Company only by the extensive use of marine equipment such as tugs, luggers, speed boats, Jo-boats and other types of small, shallow draft water craft.

For some 24 years The Texas Company has rented such craft and the services of their owners and crews under individual contracts at uniform rates. From information on file with OPS it appears that the level of rates frozen under Ceiling Price Regulation 34 makes this service unprofitable to the boat owners and that therefore they will not continue to render it, but will turn to other activities in which they are free to engage, such as shrimp and oyster fishing. It also appears that comparable service is not available to The Texas Company from any other source at prices less than those herein established.

This is a non-retail service and The Texas Company will absorb the increased costs brought about by this adjustment. However, it is not practicable for the numerous individual sellers themselves to make application for adjustment under section 20 (b) of Ceiling Price Reg-

ulation 34. Therefore, the grant of this adjustment under section 20 (c) is appropriate.

Special provisions. For the reasons set forth in the Statement of Considerations and pursuant to the provisions of Ceiling Price Regulation 34, section 20 (c), *It is ordered:*

1. The ceiling prices which may be paid by The Texas Company for the rental of small water craft operating in the waters of Southern Louisiana shall be:

(1) 175 horsepower heavy duty Diesel tugs with 5-man crew, per day, \$105.00.

(2) Twin 165 horsepower medium duty Diesel tugs, with 3-man crew, per day, \$70.00.

(3) 120 horsepower heavy duty Diesel tug with 5-man crew, per day, \$95.00, with 3-man crew, per day, \$65.00.

(4) 60 horsepower heavy duty Diesel tugs, with 2-man crew, per day, \$35.00; with 1-man crew, per day, \$26.50.

(5) 50 to 90 horsepower heavy duty Diesel luggers with 2-man crew, per day, \$35.00; with 1-man crew, per day, \$26.50.

(6) 60 to 225 horsepower medium duty Diesel luggers and 35 to 45 horsepower heavy duty Diesel luggers with 2-man crew, per day, \$30.00; with 1-man crew, per day, \$23.00.

(7) 40 to 50 horsepower medium duty Diesel luggers with 2-man crew, per day, \$27.00; with 1-man crew, per day, \$21.00.

(8) 30 horsepower medium duty Diesel luggers with 2-man crew, per day, \$25.00; with 1-man crew, per day, \$19.00.

(9) 165 horsepower medium duty Diesel luggers (supply boats) with 2-man crew, per day, \$36.50; with 1-man crew, per day, \$32.50.

(10) 150 horsepower to 225 horsepower medium duty luggers and 195 horsepower heavy duty Diesel luggers subject to extra heavy duty work, with 2-man crew, per day, \$35.00; with 1-man crew, per day, \$26.50.

(11) 120 horsepower to 225 horsepower medium duty Diesel luggers (general towing and supply) with 2-man crew, per day, \$40.00.

(12) 135 horsepower heavy duty Diesel luggers (general towing) with 2-man crew, per day, \$35.00; with 1-man crew, per day, \$26.50.

(13) 90 horsepower medium duty Diesel luggers (light duty) with 1-man crew, per day, \$19.00.

(14) 100 to 175 horsepower medium duty Diesel luggers (open water operators) with 2-man crew, per day, \$35.00; with 1-man crew, per day, \$26.50.

(15) 100 horsepower to 175 horsepower medium duty Diesel luggers (semi protected waters) with 2-man crew, per day, \$30.00; with 1-man crew, per day, \$23.00.

(16) 110 horsepower to 115 horsepower medium duty gasoline luggers with 2-man crew, per day, \$25.00; with 1-man crew, per day, \$20.00.

(17) Heavy duty Diesel speed boats, with 1-man crew, per day, \$31.00.

(18) Medium duty Diesel speed boats, with 1-man crew, per day, \$26.00.

(19) Light duty Diesel speed boats, with 1-man crew, per day, \$19.00.

(20) Medium duty gasoline speed boats (semi protected waters) with 1-man crew, per day, \$26.00.

(21) Light duty gasoline speed boats with 1-man crew, per day, \$21.00.

(22) Light duty gasoline Jo-boats, with 1-man crew, \$16.00.

(23) 30 to 55 horsepower medium duty Diesel luggers, without crew, per day, \$10.00.

(24) 100 horsepower to 115 horsepower medium duty gasoline luggers, without crew, per day, \$11.00.

(25) 100 horsepower to 110 horsepower medium duty Diesel speed boats, without crew, per day, \$11.00.

(26) 90 horsepower to 130 horsepower medium duty gasoline speed boats without crew, per day, \$11.00.

(27) Jo-boats without crew, per day, \$6.50.

2. All provisions of Ceiling Price Regulation 34, except as inconsistent with the provisions of this order, shall remain in full force and effect as to the services covered by this order.

3. This order may be amended, modified or revoked by the Director of Price Stabilization at any time.

Effective Date. This Special Order shall become effective on December 19, 1951.

MICHAEL V. DI SALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15176; Filed, Dec. 19, 1951;
4:58 p. m.]

[Ceiling Price Regulation 34, Section 20 (c),
Special Order 2]

PRICES FOR BROKERAGE SERVICES RENDERED
TO DECOPPET & DOREMUS, 63 WALL
STREET, NEW YORK, N. Y.

Statement of considerations. The ceiling prices for odd lot brokerage services supplied to DeCoppet & Doremus, 63 Wall Street, New York, N. Y., by its brokers are adjusted by this Special Order pursuant to section 20 (c) of Ceiling Price Regulation 34.

This section authorizes the Director of Price Stabilization to adjust ceiling prices paid by a purchaser of non-retail services: if his sellers are too numerous to make recourse to section 20 (b) practicable; they are threatening to discontinue supplying him with such services; he agrees to absorb his sellers' price increase above the ceiling; and he will pay for those services no more than he would be required to pay other suppliers for the same service.

It appears from the information submitted in the application of DeCoppet & Doremus that the sellers of odd lot brokerage services are too numerous to make recourse to paragraph 20 (b) of Ceiling Price Regulation 34 practicable. It further appears that the sellers of this service will be forced to discontinue supplying this company with this service if their prices are not increased. The application indicates that DeCoppet & Doremus agrees to absorb the increased charges of its such sellers; that the prices established herein do not exceed the amount which it would be required to pay other suppliers for the same service; and that such increased prices will

not be inconsistent with the purposes of the Defense Production Act of 1950, as amended.

Special provisions. For the reasons set forth in the Statement of Considerations and pursuant to the provisions of Ceiling Price Regulation 34, this Special Order is hereby issued.

1. On and after the effective date of this Special Order, the ceiling price for odd lot brokerage services supplied to DeCoppet & Doremus by the following brokers shall be increased to 1.125 cents for stocks selling for less than \$10.00 per share and 2.25 cents for stocks selling at \$10.00 per share and above:

Hugh M. Adams	Cyril E. Cunningham
Robert O. Bishop	Oliver H. Everett
Prosper J. Blinn	Charles A. Frankhauser
Hobart H. Byram	Garrow T. Geer, Jr.
Denis J. Carey	William H. Goodwin
Elliot W. Coleman	Woodley B. Gosling
Townsend P. Cole- man	George V. Gregory
A. Brendan Cocke	J. Randolph Grymes, Jr.
James F. Cooke	H. Ward Reighley
E. Van Dyke Cox, Jr.	Lee R. Rossbach
John V. Hagan	Henry Brevoort Sea- man
Joseph de F. Junkin, 3rd.	Herbert W. Sierck
Herman E. Jurgens	Cheston Simmons
Hervey L. Kimball	Bertrand L. Taylor, 3rd.
Richard L. Lamborn	Frank A. Vachis
N. Bruce McKay	John Y. G. Walker, Jr.
John M. Mackie	William E. Warren
Albert J. Maier	Harold M. Reckling
John A. Maier	
William F. O'Connor	
John W. Raschen	
Thomas Rayner	

2. All provisions of Ceiling Price Regulation 34, as amended (including the filing requirements of section 18 (c)), except as changed by the pricing provisions of this Special Order shall remain in effect.

3. This Special Order or any provisions thereof may be revoked, suspended or amended, by the Director of Price Stabilization at any time.

4. DeCoppet & Doremus shall deliver a copy of this Special Order to each broker listed in paragraph numbered 1 above, such delivery to be made in each case with or prior to the rendering of brokerage services by each such broker after the effective date of this Special Order.

Effective date: This order shall become effective December 19, 1951.

MICHAEL V. DI SALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15177; Filed, Dec. 19, 1951;
4:58 p. m.]

[Ceiling Price Regulation 34, Section 20 (c),
Special Order 3]

PRICES FOR BROKERAGE SERVICES RENDERED
TO CARLISLE & JACQUELIN, 120 BROAD-
WAY, NEW YORK, N. Y.

Statement of considerations. The ceiling prices for odd lot brokerage services supplied to Carlisle & Jacquelain, 120 Broadway, New York, New York, by its brokers are adjusted by this Special Order pursuant to section 20 (c) of Ceiling Price Regulation 34.

NOTICES

This section authorizes the Director of Price Stabilization to adjust ceiling prices paid by a purchaser of non-retail services: if his sellers are too numerous to make recourse to section 20 (b) practicable; they are threatening to discontinue supplying him with such services; he agrees to absorb his sellers' price increase above the ceiling; and he will pay for those services no more than he would be required to pay other suppliers for the same service.

It appears from the information submitted in the application of Carlisle & Jacquelin that the sellers of odd lot brokerage services are too numerous to make recourse to paragraph 20 (b) of Ceiling Price Regulation 34 practicable. It further appears that the sellers of this service will be forced to discontinue supplying this company with this service if their prices are not increased. The application indicates that Carlisle & Jacquelin agrees to absorb the increased charges of its such sellers; that the prices established herein do not exceed the amount which it would be required to pay other suppliers for the same service; and that such increased prices will not be inconsistent with the purposes of the Defense Production Act of 1950, as amended.

Special provisions. For the reasons set forth in the Statement of Considerations and pursuant to section 20 (c) of Ceiling Price Regulation 34, this Special Order is hereby issued.

1. On and after the effective date of this Special Order, the ceiling price for odd lot brokerage services supplied to Carlisle & Jacquelin by the following brokers shall be increased to 1.125 cents for stocks selling for less than \$10.00 per share and 2.25 cents for stocks selling at \$10.00 per share and above:

Henry A. Anderson	Jonathan T. Lanman,
Chester Apy	Jr.
Henry D. Babcock	Henry A. Libaire
William Baroni, Jr.	Hugh B. McIntyre
Paul R. Bosten	Joseph A. McLaughlin
Michael J. Brand	Walter H. Madden
Charles Braumuller	J. Hartley Mellick, Jr.
John F. Buckley	Roger D. Mellick, Jr.
John G. Carhart	Robert H. Minton
John T. Collins	Jeremiah R. Morris
Richard E. Duane	John L. Myles
George G. Elsaesser	Joseph B. Ray
David F. Forgie	Pierrepont D.
Robert A. Haughey, Jr.	Schreiber
Anton W. Herbek	Bayard D. Stout
Gregory C. Hunt	Andrew J. Tierney
Henry Kamermayer	Norman K. Toerge, Jr.
Thomas F. Kelley	Frederick P. Tompkins
Ralph E. Kevet	Leo B. Travers
Arthur Knapp, Jr.	Herbert S. Whitman
Raymond H. Kraebel	Allan B. Whitney
Arthur E. LaBranche	John T. Winkhaus, Jr.

2. All provisions of Ceiling Price Regulation 34, as amended (including the filing requirements of section 18 (c)), except as changed by the pricing provisions of this Special Order shall remain in effect.

3. This Special Order or any provisions thereof may be revoked, suspended or amended, by the Director of Price Stabilization at any time.

4. Carlisle & Jacquelin shall deliver a copy of this Special Order to each broker listed in paragraph numbered 1 above, such delivery to be made in each case with or prior to the rendering of broker-

age services by each such broker after the effective date of this Special Order.

Effective date. This order shall become effective December 19, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15178; Filed, Dec. 19, 1951;
4:58 p. m.]

[Ceiling Price Regulation 34, Section 20 (c),
Special Order 4]

PRICES FOR LOGGING SERVICES RENDERED
TO WEYERHAEUSER TIMBER COMPANY,
TACOMA, WASH.

Statement of considerations. The ceiling price for logging services supplied to Weyerhaeuser Timber Company, Tacoma, Washington, by its logging contractors is adjusted by this Special Order pursuant to section 20 (c) of Ceiling Price Regulation 34. This section authorizes the Director of Price Stabilization to adjust ceiling prices paid by a purchaser of nonretail services if his sellers are too numerous to make recourse to section 20 (b) of Ceiling Price Regulation 34 practicable; they are threatening to discontinue supplying him with such services; he agrees to absorb his sellers' price increase above the ceiling; and he will pay for those services no more than he would be required to pay other suppliers for the same service.

It appears from the information submitted in the application of Weyerhaeuser Timber Company that the sellers of this service are too numerous to make recourse to paragraph 20 (b) of Ceiling Price Regulation 34 practicable. It further appears that the sellers of this service will be forced to discontinue supplying this company with this service if their ceiling prices are not increased. The application indicates that Weyerhaeuser Timber Company agrees to absorb the increased charges of its such sellers; that the charges established herein do not exceed the amount which it would be required to pay other suppliers for the same service; and that such increased charges will not be inconsistent with the purposes of the Defense Production Act of 1950, as amended.

Special Provisions. For the reasons set forth in the Statement of Considerations and pursuant to section 20 (c) of Ceiling Price Regulation 34, this Special Order is hereby issued.

1. On and after the effective date of this Special Order the ceiling price for logging services supplied to Weyerhaeuser Timber Company, Tacoma, Washington, by the following logging contractors shall be increased by \$1.05 per thousand feet, log scale:

Ned S. Putnam, Klamath Falls, Oreg.
W. M. Raymond, Klamath Falls, Oreg.
Crown Zellerbach Corp., Portland, Oreg.
W. Glen Sexton, Portland, Oreg.
Gilbert-Eaton Logging Co., Sweet Home, Oreg.
William Binion, Aberdeen, Wash.
Harbor Plywood Corp., Aberdeen, Wash.
J. A. Johnson Logging Co., Aberdeen, Wash.
Anacortes Veneer, Inc., Anacortes, Wash.
Parrino Brothers, Auburn, Wash.

James Flores, Buckley, Wash.
John Thomesen, Chehalis, Wash.
Chambers Bros. Logging Co., Cosmopolis, Wash.

Mullenix Brothers, Doty, Wash.
George Nye, East Raymond, Wash.
Floyd Johnson, Enumclaw, Wash.
Osborn, Osborn & Barber, Enumclaw, Wash.
Stevens & Qualls, Enumclaw, Wash.
Forks Creek Logging Co., Frances, Wash.
Joe Karnas, Frances, Wash.

Victor Niemiszek, Frances, Wash.
Simon & Murphy, Granite Falls, Wash.
Rayonier, Inc., Hoquiam, Wash.

Kosmos Timber Co., Kosmos, Wash.
Sidney Bayne, Little Rock, Wash.
Aborigine Lumber Co., Longview, Wash.
W. L. Boyd, Longview, Wash.

John C. Lane and Bruce Cochran, Longview, Wash.

Donald O. Meurs, Longview, Wash.
Douglas Fir Products, Inc., Marysville, Wash.

Bews Brothers Logging Co., Morton, Wash.
S. J. Grassett and Rupert L. Nelson, Mossyrock, Wash.

E. & B. Logging Co., Raymond, Wash.
George Ervin, Raymond, Wash.

J. C. Hatchard, Raymond, Wash.
Kennedy & Rosentangle, Raymond, Wash.
Louis Marenakos, Renton, Wash.

Frank McDougall, Seattle, Wash.
Otto C. Feist, Silver Lake, Wash.
Oscar Haugen & Koert Roetcisoender, Snohomish, Wash.

Miller Mills, South Prairie, Wash.
Novak Logging Co., Sultan, Wash.

S & L Log Co., Sultan, Wash.
Owen H. Dickson, Tacoma, Wash.

Arthur Brown, Toledo, Wash.

M. J. Kalich Logging Co., Toledo, Wash.

Joseph Gardner, Toutle, Wash.

R. A. Laney, Winlock, Wash.

Emmet and Charles Erion, Woodland, Wash.

Swanda Kortes, Woodland, Wash.

Ben A. Thomas, Woodland, Wash.

Melbourne Stewart, Yelm, Wash.

2. Definitions. As used in this Special Order the term "logging services" means all services in connection with the falling of the standing tree, piling and burning brush, and the swamping, bucking, skidding, peeling, yarding, loading and re-loading on trucks and hauling of forest products over public and private roads. The term "forest products" includes logs, bolts, pulpwood, chemical woods, posts, poles, piling, hewn railroad ties, etc., but does not include firewood.

3. All provisions of Ceiling Price Regulation 34, as amended, (including the filing requirements of section 18 (c)) except as changed by the pricing provisions of this Special Order shall remain in effect.

4. This Special Order or any provisions thereof may be revoked, suspended or amended, by the Director of Price Stabilization at any time.

5. Weyerhaeuser Timber Company shall deliver a copy of this Special Order to each logging contractor listed in paragraph numbered 1 above, such delivery to be made in each case with or prior to the rendering of logging services by each such logging contractor after the effective date of this Special Order.

Effective date. This order shall become effective December 19, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 19, 1951.

[F. R. Doc. 51-15179; Filed, Dec. 19, 1951;
4:58 p. m.]