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TITLE 6—AGRICULTURAL CREDIT

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

Subchapter C—Loans, Purchases, and Other Operations

[1951 CCC Cottonseed Bulletin 3, Amdt. 3]

PART 643—OILSEEDS

SUBPART—1951 COTTONSEED PRODUCTS PURCHASE PROGRAM

The regulations of Commodity Credit Corporation with respect to the purchase of cottonseed products as a means of supporting the price of 1951-crop cottonseed (1951 CCC Cottonseed Bulletin 3, as amended; 16 F. R. 8415, 10921, 17 F. R. 1515) are hereby amended by revising § 643.583 thereof in order to permit, under certain conditions, resubmission of tenders of off-quality products which were originally rejected or not accepted by CCC because of insufficiency of required supporting information. As so revised, § 643.583 reads as follows:

§ 643.583 *Off-quality products.* In any case where cottonseed purchased by a crusher under this subpart can not be processed into prime quality products, the crusher may tender, in accordance with § 643.579, products of less than prime quality but not less than the quality indicated by chemical analysis of such cottonseed. The price of crude cottonseed oil of less than prime quality so tendered and delivered shall be computed by applying a discount determined in accordance with the rules of the National Cottonseed Products Association to the base price specified in § 643.581. The price of any cake or meal or linters of less than prime quality so tendered and delivered shall be mutually agreed upon between crusher and CCC. The crusher shall support each tender of less than prime quality products under this section with certificates of chemical analyses of the cottonseed purchased under this subpart and such other information as CCC may require. When a tender of off-quality products made within the time period specified in § 643.579 is rejected or is not accepted by CCC because the tender is not fully supported by certificates of chemical analyses or such other information as CCC may require, the crusher, upon approval and within a period prescribed by the PMA Commodity Office notwithstanding the period specified in § 643.579, may resubmit the tender with the supporting information required by CCC, again offering the off-quality products in quantities not in excess of the original tender. No provisional payment shall be made for off-quality products tendered and delivered. Payment for off-quality products shall be made by draft drawn on CCC by the crusher after the destination weight and quality and the applicable price have been determined.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interprets or applies secs. 4, 5, 62 Stat. 1070, as amended, 1072, secs. 301, 401, 63 Stat. 1053, 1054; 15 U. S. C. Sup., 714b, 714c, 7 U. S. C. Sup., 1447, 1421)

Issued this 8th day of May 1952.

[SEAL] JOHN H. DEAN,
Acting Vice President,
Commodity Credit Corporation.

Approved:

G. F. GEISSLER,
President,
Commodity Credit Corporation.

[F. R. Doc. 52-5304; Filed, May 12, 1952; 8:55 a. m.]

PART 668—MOHAIR

SUBPART—1952 MOHAIR PRICE SUPPORT PROGRAM

§ 668.10 *Support prices for mohair.* The Production and Marketing Administration and Commodity Credit Corporation hereby announce the 1952 Mohair Price Support Program. The program will be carried out under the general supervision and direction of the President of Commodity Credit Corporation, in accordance with bylaws of Commodity Credit Corporation, through the Production and Marketing Administration. Prices of mohair will be supported at a level which will yield an average return to growers equal to 75 percent of parity as of April 1, 1952. The parity price for mohair on that date was 76.3 cents per pound, which results in a support level averaging 57.2 cents per pound. Only

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FEDERAL REGISTER

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

CODIFICATION GUIDE—Con.

mohair produced in the continental United States, its territories or possessions, and still owned by the original grower, will be eligible for support. Detailed operating provisions of the program have not been formulated. If market conditions become such as to make necessary active market support of mohair under this program, detailed program requirements will be issued.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interprets or applies sec. 5, 62 Stat. 1072, secs. 201, 401, 63 Stat. 1051, 1054; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup., 1446, 1421)

Issued this 7th day of May 1952.

[SEAL] JOHN H. DEAN,
Acting Vice President,
Commodity Credit Corporation.

Approved:

HAROLD K. HILL,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 52-5281; Filed, May 12, 1952; 8:49 a. m.]

TITLE 7—AGRICULTURE

Chapter I—Production and Marketing Administration (Standards, Inspection, Marketing Practices), Department of Agriculture

PART 52—PROCESSED FRUITS AND VEGETABLES, PROCESSED PRODUCTS THEREOF, AND CERTAIN OTHER PROCESSED FOOD PRODUCTS

SUBPART B—UNITED STATES STANDARDS FOR GRADES OF PROCESSED FRUITS, VEGETABLES, AND OTHER PRODUCTS [1]

UNITED STATES STANDARDS FOR GRADES OF FROZEN LEAFY GREENS (OTHER THAN SPINACH)

A notice of proposed rule making was published on February 21, 1952, in the FEDERAL REGISTER (17 F. R. 1620) regarding proposed United States Standards for Grades of Frozen Leafy Greens (Other than Spinach). After considering all relevant matters presented, including the proposals set forth in the aforesaid notice, the following United States Standards for Grades of Frozen Leafy Greens are hereby promulgated under the authority contained in the Agricultural Marketing 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).

§ 52.388 *Frozen leafy greens.* Frozen leafy greens is the product prepared from the clean, sound, succulent leaves of fresh leafy greens (other than spinach) which may be whole or cut, with or without stems, by sorting, trimming, washing, and blanching, which is then frozen and maintained at temperatures necessary for the preservation of the product.

(a) *Kinds of frozen leafy greens.* (1) Beet greens (Beta vulgaris).

(2) Collards (Brassica oleracea, acephala).

(3) Dandelion greens (Taraxacum taraxacum).

(4) Endive (Cichorium endivia).

(5) Kale (Brassica oleracea, acephala).

(6) Mustard greens (Brassica juncea, brassica chinensis).

(7) Swiss chard (Beta vulgaris, cicla).

(8) Turnip greens (Brassica rapa).

(b) *Styles of frozen leafy greens.* (1) "Whole leaf" is the style of frozen leafy greens that consist of the whole leaf or large portions of leaf, with or without adjacent portions of the stem.

(2) "Sliced" is the style of frozen leafy greens that consist of the leaf or large portions of leaf, with or without adjoining portions of the stem, which has been sliced into reasonably uniform strips.

(3) "Cut" or "chopped" is the style of frozen leafy greens that consist of the leaf or large portions of leaf, with or without adjoining portions of the stem, which has been cut into small pieces.

(c) *Grades of frozen leafy greens.* (1) "U. S. Grade A" or "U. S. Fancy" is the quality of frozen leafy greens that

[1] The requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act.

possess a good flavor and odor, that possess a good color, that possess a good character, that are practically free from defects, and that 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 leafy greens that possess a fairly good flavor and odor, that possess a reasonably good color, that possess a reasonably good character, that are reasonably free from defects, and that 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 leafy greens that fail to meet the requirements of U. S. Grade B or U. S. Extra Standard.

(d) *Ascertaining the grade.* (1) The grade of frozen leafy greens is ascertained by considering, in conjunction with the requirements of the respective grade, the respective ratings of the factors of color, 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 each such factor is:

Factors:	Points
(i) Color	20
(ii) Absence of defects	40
(iii) Character	40
Total score	100

(3) The score for the factors of color and absence of defects is determined immediately after thawing to the extent that the product is substantially free from ice crystals and can be handled as individual units. A representative sample of the product is cooked for examination with respect to character and flavor and odor.

(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 and objectionable odors of any kind.

(5) "Reasonably good flavor and odor" means that the product after cooking may be lacking in good flavor and odor, but is free from objectionable flavors and objectionable odors of any kind.

(e) *Ascertaining the rating for the factors which are scored.* The essential variations within each factor which is scored are so described that the value may be ascertained for each factor 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 leafy greens that possess a good color may be given a score of 17 to 20 points. "Good color" means that the frozen leafy greens possess a practically uniform bright color characteristic of the variety.

(ii) If the frozen leafy greens possess a reasonably good color, a score of 14 to 16 points may be given. Frozen leafy greens that fall 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 color" means that the frozen leafy greens possess a reasonably uniform characteristic color which may be variable but not to the extent that the appearance of the frozen product is materially affected.

(iii) Frozen leafy greens that are definitely off color for any reason, or that fail 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) *Absence of defects.* (i) The factor of absence of defects refers to the degree of freedom from grit, sand or silt, seed stems, roots, grass and weeds, and damage by yellow, brown, or other discoloration.

(*a*) "Grit, sand or silt" means any particle of earthy material.

(*b*) "Damage" means damage by any yellow, brown, or other discoloration affecting any leaf, portion of a leaf, stem, or portion of a stem (except minute, insignificant injuries which shall not be considered as damage) to the extent that the appearance or edibility of the unit is materially affected.

(ii) Frozen leafy greens that are practically free from defects may be given a score of 34 to 40 points. "Practically free from defects" means that no grit, sand or silt may be present that affects the edibility of the frozen leafy greens; seed stems and roots may be present that do not more than slightly affect the appearance or edibility of the product; and for each 12 ounces of the product there may be present:

(*a*) Damage affecting leaves and stems or portions of leaves and stems aggregating not more than 4 square inches (4" x 1") in area: *Provided,* That the total damaged area or any part thereof does not materially affect the appearance or edibility of the product, and

(*b*) Grass and weeds aggregating not more than 8 inches in length: *Provided,* That the total amount or any part thereof does not materially affect the appearance or edibility of the product.

(iii) If the frozen leafy greens are reasonably free from defects a score of 28 to 33 points may be given. Frozen leafy greens that fall 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" means that the product may contain a trace of grit, sand or silt that does not materially affect the edibility of the frozen leafy greens; seed stems and roots may be present that do not materially affect the appearance or edibility of the product; and for each 12 ounces of the product there may be present:

(*a*) Damage affecting leaves and stems aggregating not more than 8 square inches (8" x 1") in area: *Provided,* That the total damaged area or any part thereof does not seriously affect the appearance or edibility of the product, and

(*b*) Grass and weeds aggregating not more than 12 inches in length: *Provided,* That the total amount or any part thereof does not seriously affect the appearance or edibility of the product.

(iv) Frozen leafy greens that fail to meet the requirements of subdivision (iii) of this subparagraph may be given a score of 0 to 27 points and shall not be graded above substandard regardless of the total score for the product (this is a limiting rule).

(3) *Character.* (i) The factor of character refers tothe tenderness and texture of the leaves and stems or portions of leaves and stems. The degree of freedom from coarse or tough leaves and stems or coarse or tough portions of leaves and stems, and the degree to which the appearance may be affected by ragged and torn leaves and stems or ragged and torn portions of leaves and stems are considered under this factor.

(ii) Frozen leafy greens that possess a good character may be scored 34 to 40 points. "Good character" means that the leafy greens are tender and practically free from coarse or tough leaves and stems or coarse or tough portions of leaves and stems and the appearance of the product is not materially affected by ragged and torn leaves and stems or ragged and torn portions of leaves and stems.

(iii) If the frozen leafy greens possess a reasonably good character a score of 28 to 33 points may be given. Frozen leafy greens that fall 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" means that the leafy greens shall be reasonably tender and that the appearance and eating quality shall not be materially affected by the presence of coarse or tough leaves and stems or coarse or tough portions of leaves and stems.

(iv) Frozen leafy greens that fail to meet the requirements of subdivision (iii) of this subparagraph may be given a score of 0 to 27 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

(f) *Tolerance for certification of officially drawn samples.* (1) When certifying samples that have been officially drawn and which represent a specific lot of frozen leafy greens, the grade for such lot will be determined by averaging the total score 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.

(g) *Score sheet for frozen leafy greens.*

Container size		
Container code or marking		
Label		
Net weight (ounces)		
Kind of greens		
Style		
Factors	**Score points**	
I. Color	20	(A) 17–20 (B) ¹ 14–16 (SStd.) ¹ 0–13
II. Absence of defects	40	(A) 34–40 (B) ¹ 28–33 (SStd.) ¹ 0–27
III. Character	40	(A) 34–40 (B) ¹ 28–33 (SStd.) ¹ 0–27
Total score	100	
Grade		
Flavor and odor		

¹ Indicates limiting rule.

(h) *Effective time.* The United States Standards for Grades of Frozen Leafy Greens (Other than Spinach) (which are the first issue) contained in this section shall become effective thirty days after date of publication of these standards in the FEDERAL REGISTER.

(Sec. 205, 60 Stat. 1090, Pub. Law 135, 82d Cong.; 7 U. S. C. 1624)

Issued at Washington, D. C., this 7th day of May 1952.

GEORGE A. DICE,
Deputy Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 52-5301; Filed, May 12, 1952; 8:54 a. m.]

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

PART 354—OVERTIME SERVICE RELATING TO IMPORTS AND EXPORTS

OVERTIME, NIGHT, AND HOLIDAY INSPECTION AND QUARANTINE ACTIVITIES AT BORDER, COASTAL, AND AIR PORTS

Section 354.1 of Part 354, Title 7, Code of Federal Regulations, is amended to read as follows:

§ 354.1 *Overtime work at border ports, seaports, and airports.* Any person, firm, or corporation having ownership, custody or control of plants, plant products, or other commodities or articles subject to inspection, certification, or quarantine under this chapter, and who requires the services of an employee of the Bureau of Entomology and Plant Quarantine on a holiday or at any other time outside the regular tour of duty of such employee, shall sufficiently in advance of the period of overtime request the Bureau inspector in charge to furnish inspection, quarantine or certification service during such overtime period, and shall pay the Government therefor at the rate of $2.40 per man hour per employee as follows: Each such period of overtime duty shall include the time on duty which shall be considered to be at least two hours in duration. In addition, each such period of overtime duty shall include a commuted travel time period, not in excess of three hours. The amount of this period shall be prescribed in administrative instructions to be issued by the Chief of the Bureau of Entomology and Plant Quarantine for the ports, stations, and areas in which the employees are located, and shall be established as nearly as may be practicable to cover the time necessarily spent in reporting to and returning from the place at which the employee performs such overtime duty if such travel is performed solely on account of such overtime duty. It will be administratively determined from time to time which days constitute holidays.

The purpose of this amendment is to establish a uniform hourly rate of payment for all overtime services furnished in accordance with the act of August 28, 1950 (64 Stat. 561). Determination of the costs of such overtime inspection depends entirely upon facts within the knowledge of the Department of Agriculture. It is to the benefit of the public that this amendment be made effective at the earliest practicable date. Accordingly, pursuant to the provisions of section 4 of the Administrative Procedure Act (60 Stat. 238), it is found upon good cause that notice and public procedure on this amendment are impracticable, unnecessary, and contrary to the public interest, and good cause is found for making this amendment effective less than thirty days after publication.

The foregoing amendment shall be effective May 13, 1952.

(64 Stat. 561; 5 U. S. C. 576)

Done at Washington, D. C., this 8th day of May 1952.

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

[F. R. Doc. 52-5282; Filed, May 12, 1952; 8:49 a. m.]

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

[1026 (Peanuts-52)-1]

PART 729—PEANUTS

MARKETING QUOTA REGULATIONS FOR 1952 CROP OF PEANUTS

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IDENTIFICATION AND MEASUREMENT OF FARMS

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RECORDS AND REPORTS

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AUTHORITY: §§ 729.340 to 729.369, inclusive, issued under sec. 375, 52 Stat. 66, as amended; 7 U. S. C. 1375. Interpret or apply secs. 301, 358, 359, 361–368, 372, 373, 374, 52 Stat. 38, 62, 63, 64, 65, as amended; 55 Stat. 88, as amended, 64 Stat. 40, 65 Stat. 29, 66 Stat. 27; 7 U. S. C. 1301, 1358, 1359, 1361–1368, 1372, 1373, 1374.

GENERAL

§ 729.340 *Basis and purpose.* The regulations contained in §§ 729.340 to 729.369 are issued pursuant to the Agricultural Adjustment Act of 1938, as amended, and govern the determination of farm peanut acreages, the issuance of marketing cards, the identification of peanuts, the collection and refund of penalties, and the records and reports incident thereto, on the marketing of peanuts of the 1952 crop, regardless of whether such peanuts are marketed before, during, or after the 1952–53 marketing year. Prior to preparing the regulations in §§ 729.340 to 729.369, public notice of their formulation was published in the FEDERAL REGISTER in accordance with the Administrative Procedure Act (5 U. S. C. 1003). Views and recommendations received in response to such notice have been duly considered within the limits prescribed by the Agricultural Adjustment Act of 1938.

§ 729.341 *Definitions.* As used in §§ 729.340 to 729.369 and in all instructions, forms and documents in connection therewith, the words and phrases defined in this section shall have the meanings herein assigned to them unless the context or subject matter otherwise requires.

(a) "Act" means the Agricultural Adjustment Act of 1938, as amended.

(b) "Assistant Administrator" means the Assistant Administrator for Production, or the Acting Assistant Administrator for Production, of the Production and Marketing Administration of the United States Department of Agriculture.

(c) "Buyer" means a person who

(1) Buys or otherwise acquires any peanuts from a producer,

(2) Buys or otherwise acquires farmers stock peanuts from any person, or

(3) Markets, as a commission merchant or broker, any peanuts for the account of a producer and who is responsible to the producer for the amount received for the peanuts.

(d) Committees: (1) "Community committee" means the persons elected within a community, pursuant to regulations governing the Production and Marketing Administration county and community committees published in the FEDERAL REGISTER of September 29, 1949 (14 F. R. 5916), to assist the county committee in the administration within the community of agricultural programs that are administered through the Production and Marketing Administration.

(2) "County committee" means the persons elected within a county, pursuant to regulations governing the Production and Marketing Administration county and community committees published in the FEDERAL REGISTER of September 29, 1949 (14 F. R. 5916), who are generally responsible for carrying out in the county the agricultural programs administered through the Production and Marketing Administration.

(3) "State committee" means the persons designated as the State committee of the Production and Marketing Administration charged with the responsibility of administering Production and Marketing Administration programs within the State.

(e) "Director" means the Director, or the Acting Director, of the Fats and Oils Branch of the Production and Marketing Administration of the United States Department of Agriculture.

(f) "Excess acreage" means the acreage by which the farm peanut acreage exceeds the farm allotment, but there will be no excess acreage if the farm peanut acreage is one acre or less.

(g) "Excess peanuts" means peanuts in excess of the farm marketing quota determined pursuant to § 729.346 of these regulations.

(h) "Farm" means all adjacent or nearby farmland under the same ownership which is operated by one person, including also;

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

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

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

(i) "Farm allotment" means the farm peanut acreage allotment for the 1952 crop of peanuts, established pursuant to §§ 729.310 to 729.331 of the marketing quota regulations for the 1952 crop of peanuts (16 F. R. 11946).

(j) "Farm peanut acreage" means the acreage on the farm planted to peanuts in 1952 as determined by the county committee, less any such acreage with respect to which it is established by the operator or otherwise to the satisfaction of the county committee that the entire production therefrom has not and will not be picked or threshed either before or after marketing from the farm: *Provided however*, That

(1) The farm peanut acreage shall be considered equal to the farm allotment on a farm for which such allotment equals or exceeds one acre, if the acreage in excess of the farm allotment from which peanuts are picked or threshed is not greater than one-tenth acre or three percent of the farm allotment, whichever is larger;

(2) The farm peanut acreage shall be considered equal to one acre on a farm for which the farm allotment is equal to or less than one acre, and the acreage from which peanuts are picked or threshed does not exceed 1.1 acres; but the provisions of subparagraphs (1) and (2) of this paragraph shall not apply unless the operator

(i) Submits evidence satisfactory to the county committee that the picking or threshing of peanuts was completed before he received notice of the acreage planted to peanuts, or that peanuts were picked or threshed from an acreage in excess of the larger of the farm allotment, or one acre, notwithstanding an honest effort on the part of the operator to dispose of the excess by means other than by picking or threshing, and

(ii) A quantity of peanuts equal to the county committee's estimate of the production from the acreage in excess of the larger of the farm allotment, or one acre, is disposed of on the farm in such manner that the peanuts cannot thereafter be used or marketed as peanuts: *Provided further*, That the maximum acreage limits prescribed in subparagraphs (1) and (2) of this paragraph shall not be applicable if the State committee concurs in the findings and recommendations of the county committee that the unusual circumstances from which the excess resulted are such that the maximum limitation should not apply.

(k) "Farmers stock peanuts" means picked or threshed peanuts produced in the continental United States during the calendar year 1952, which have not been shelled, crushed, cleaned (except for removal of foreign material) or otherwise changed from the state in which picked or threshed peanuts are customarily marketed by producers.

(l) "Market" means to dispose of peanuts, including farmers stock peanuts, shelled peanuts, cleaned peanuts, or peanuts in processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos. The terms "marketed," "marketing," and "for market" shall have corresponding meanings to the term "market" in the connection in which they are used.

The terms "barter" and "exchange" shall include the payment by the producer of any quantity of peanuts for the harvesting, picking, threshing, cleaning, crushing, or shelling of peanuts, or for any other service rendered to him by anyone.

(m) "Marketing card": (1) "Excess penalty card" means MQ-77—Peanuts (1952), 1952 Peanut Excess Penalty Marketing Card. This card is issued for farms for which it is determined that the farm peanut acreage is in excess of the larger of the farm allotment or one acre. A portion of each lot of peanuts identified by this card is subject to the marketing penalty prescribed in § 729.355 at the time the peanuts are marketed.

(2) "Within quota card" means MQ-76—Peanuts (1952), Peanut Within Quota Marketing Card. This card is issued for farms for which it is determined that the farm peanut acreage is not in excess of the larger of the farm allotment or one acre. This card authorizes the marketing of all peanuts produced on the farm without payment of the penalty prescribed in § 729.355.

(n) "Marketing year" means the 1952–53 marketing year beginning August 1, 1952, and ending July 31, 1953.

(o) "Operator" means the person who is in charge of the supervision and conduct of the farming operations on the entire farm.

(p) "Peanuts" means all peanuts produced, excluding any peanuts which were not picked or threshed either before or after marketing from the farm.

(q) "Person" means an individual, partnership, association, corporation, firm, joint-stock company, estate, or trust, or other business enterprise or other legal entity, and whenever applicable, a State, a political subdivision of a State, or any agency thereof.

(r) "Pound" means that quantity of farmers stock peanuts equal to one pound standard weight. If peanuts have been graded at the time of marketing, the poundage shall be the weight thereof excluding foreign material and excess moisture. If shelled peanuts are marketed, the poundage thereof shall be converted to the weight of farmers stock peanuts by multiplying the number of pounds of shelled peanuts by 1.5, and the result shall be the number of pounds considered as marketed under these regulations.

(s) "Producer" means a person who, as owner, landlord, tenant, or sharecropper, is entitled to share in the peanuts produced on the farm or in the proceeds thereof.

(t) "Quota peanuts" means peanuts which are within the amount of the farm marketing quota determined pursuant to § 729.346 of these regulations.

(u) "Memorandum of sale" means Form MQ-93—Peanuts (1952), used (1) to record and report data with respect to all purchases of peanuts by buyers who are not purchasing the peanuts under the price support program and (2) to record and report data with respect to peanuts shelled for or by producers.

(v) "Record of purchase" means Form MQ-94—Peanuts (1952), used to report and record data with respect to the inspecting and marketing of quota peanuts purchased by buyers for price support purposes.

(w) "Secretary" means the Secretary, or the Acting Secretary, of Agriculture of the United States.

(x) "Yields": (1) "Normal yield" means the normal yield per acre for the farm as determined under § 729.329 or § 729.331, whichever is applicable, of the marketing quota regulations for the 1952 crop of peanuts (16 F. R. 11946).

(2) "Actual yield" means the actual yield per acre for the farm obtained by dividing the farm peanut acreage into the total production of peanuts for the farm.

§ 729.342 *Instructions and forms.* The Director shall cause to be prepared and issued such forms as are necessary, and shall cause to be prepared such instructions as are necessary, for carrying out these regulations. The forms and instructions shall be approved by, and the instructions shall be issued by, the Assistant Administrator.

§ 729.343 *Extent of calculations and rule of fractions.* (a) The farm peanut acreage shall be expressed in tenths of an acre, and fractions of less than one-tenth of an acre shall be dropped.

(b) The percentage of excess peanuts for a farm, hereinafter referred to as the "percent excess", shall be expressed in tenths of a percent and fractions of less than one-tenth of a percent shall be dropped, except that that minimum percent excess for a farm having any excess acreage shall be one-tenth of one percent.

(c) The converted penalty rate shall be expressed in tenths of a cent and fractions of less than a tenth of a cent shall be dropped, except that the minimum converted penalty rate for a farm having any excess acreage shall be one-tenth of a cent.

(d) The amount of penalty or the amount of damages due Commodity Credit Corporation with respect to any lot of peanuts shall be expressed as dollars and in whole cents. Fractions of less than a cent shall be dropped.

(e) The quantity of peanuts marketed, the farm marketing quota, and the normal and actual yield per acre, shall be expressed in whole pounds. Fractions of less than a pound shall be dropped.

IDENTIFICATION AND MEASUREMENT OF FIRMS

§ 729.344 *Identification of farms.* Each farm as operated for the 1952 crop of peanuts shall be identified by a farm serial number assigned by the county committee; and all records pertaining to marketing quotas for the 1952 crop of peanuts shall be identified by the farm serial number.

§ 729.345 *Measurement of farms.* The county committee shall provide for measuring peanut farms in the county to determine compliance with the farm allotment in accordance with instructions issued by the Assistant Administrator.

FARM MARKETING QUOTAS AND MARKETING CARDS

§ 729.346 *Amount of farm marketing quota.* (a) The farm marketing quota for a farm having no excess acreage shall be the actual production of peanuts on the farm peanut acreage.

(b) The farm marketing quota for a farm having excess acreage shall be a quantity of peanuts equal to the actual average yield per acre (determined by dividing the total production of peanuts on the farm peanut acreage by the farm peanut acreage) multiplied by the farm allotment.

§ 729.347 *Marketing quotas not transferable.* Farm marketing quotas are not transferable in whole or in part from one farm to another farm; and peanuts produced on one farm shall not be marketed on a marketing card issued with respect to another farm.

§ 729.348 *Issuance of marketing cards.* (a) A marketing card shall be issued by the county committee to the operator of each farm having 1952 crop peanuts, for use by any producer for marketing his share of the peanuts produced on the farm. If the county committee finds that it will serve a useful purpose, additional marketing cards may be issued in the name of the operator and delivered to other producers on the farm, or the marketing card may be issued in the name of the operator and one or more producers on the farm.

(b) If the county committee determines that such action is necessary to enforce the provisions of §§ 729.340 to 729.369, it may withhold issuing marketing cards for farms in which a multiple farm producer has an interest, if one or more of such farms are eligible for an excess penalty marketing card, until the peanut production on each farm in which the multiple farm producer has an interest is estimated for the county committee. The estimated production on each such farm will be used in determining, after all peanuts produced on such farms have been marketed or otherwise disposed of, whether the marketing card issued for each farm was properly used. The term "multiple farm producer" means a person who has an interest in the 1952 crop of peanuts on more than one farm.

(c) All entries on each marketing card shall be made in accordance with the instructions for issuing marketing cards. Upon return to the office of the county committee of any marketing card where all spaces for recording sales have been used and before the marketing of peanuts from the farm has been completed, a new marketing card of the same kind, bearing the same name, information, and identification as the used card shall be issued. A new marketing card of the same kind shall also be issued to replace a card which has been determined by the county committee to have been lost, destroyed, mutilated, or stolen.

(d) Within quota card: A farm is eligible for a within quota card under any one of the following conditions:

(1) The farm has no excess acreage.

(2) An agreement on Form MQ-92—Peanuts (1952) is executed by the operator in accordance with § 729.359 (a) and such agreement is approved by the county committee.

(3) The peanuts were grown only for experimental purposes on land owned or leased by a publicly owned agricultural experiment station and are produced at public expense by employees of the experiment station, or the peanuts were produced by farmers pursuant to an agreement with a publicly owned experiment station whereby the experiment station bears the cost and risks incident to the production of the peanuts and the proceeds from the crop inure to the benefit of the experiment station: *Provided*, That such agreement is approved by the State committee prior to the issuance of a marketing card for the farm.

(e) Excess penalty card: An excess penalty card shall be issued for a farm if the farm peanut acreage exceeds the larger of the farm allotment or one acre.

§ 729.349 *Person authorized to issue cards.* The county committee shall designate one person to sign marketing cards for farms in the county as issuing officer. The issuing officer may, subject to the approval of the county committee, designate not more than three persons to sign his name in issuing marketing cards: *Provided*, That each such person shall place his initials immediately beneath the name of the issuing officer as written by him or stamped on the card.

§ 729.350 *Successors-in-interest.* Any person who succeeds in whole or in part to the share of a producer in the peanuts to be marketed from a farm shall, to the extent of such succession, have the same rights as the producer to the use of any marketing card issued for the farm.

§ 729.351 *Invalid marketing cards.* A marketing card shall be invalid if:

(a) It is not issued or delivered in the form and manner prescribed;

(b) Entries are omitted, incorrect, contradictory, or illegible;

(c) It is lost, destroyed, or stolen;

(d) Any erasure or alteration has been made and not properly initialed;

(e) The converted penalty rate on an excess penalty card has been altered.

(1) If any marketing card becomes invalid (other than by loss, destruction, or theft) the operator, or the person having the card in his possession, shall return it to the county office from which it was issued. If any marketing card is lost, destroyed, or stolen, the producer to whom the card was issued shall give written notice of such fact to the county office from which the card was issued.

(2) If a marketing card becomes invalid because an entry is not made as required either through omission or incorrect entry, and the proper entry is later made and initialed as provided in the instructions for issuing marketing cards, then such card shall become valid; or if the invalid card is not made valid in this manner, it shall be cancelled and a new card issued in its place.

§ 729.352 *Report of misuse of marketing card.* Any information which causes a member of a State, county, or community committee, or an employee of a State or county committee, to believe that any peanuts have been or are being marketed on a marketing card issued for another farm or to another producer shall be reported immediately by such committeeman or employee to the county committee or State committee.

MARKETING OR OTHER DISPOSITION OF PEANUTS AND PENALTIES

§ 729.353 *Extent to which marketings from a farm are subject to penalty.* The penalty for a farm having excess acreage shall be determined as follows:

(a) If the peanuts produced on the farm are not properly marketed with an excess penalty card issued for the farm but the disposition of the peanuts produced on the farm is accounted for to the satisfaction of the State committee, the total amount of penalty for the farm shall be determined by multiplying the total quantity of peanuts marketed from the farm by the converted penalty rate for the farm.

(b) If the peanuts produced on the farm are properly marketed with an excess penalty card issued for the farm, the penalty shall be paid on each lot of peanuts marketed from the farm in an amount determined by multiplying the converted penalty rate for the farm by the number of pounds in the lot.

(c) If the disposition of peanuts produced on the farm is not accounted for to the satisfaction of the State committee or if any amount of peanuts produced on one farm is falsely identified by a representation that such peanuts were produced on another farm, the total amount of penalty for the farm shall be determined by multiplying the normal yield by the excess acreage by the basic penalty rate.

(d) If the county committee is prevented by the operator from determining the farm peanut acreage, the farm will be deemed to have excess acreage and the penalty for the farm shall be determined by multiplying the quantity marketed from the farm by the basic penalty rate. If, however, the operator furnishes a complete and correct report containing the information specified in § 729.361 (b), the penalty for the farm shall be determined in accordance with paragraph (a) of this section.

(e) Notwithstanding the foregoing provisions of this section, the penalty will not be applicable to the shriveled, damaged, split, and broken peanut kernels which are obtained in the process of shelling farmers stock peanuts of the 1952 crop for use by the producer as seed in 1953 if the county committee determines that the quantity of peanuts shelled by the producer is in line with the seed requirements on his farm in 1953.

§ 729.354 *Identification of marketings.* (a) Each marketing of peanuts from a farm shall be recorded by the buyer or his representative on a marketing card issued for the farm on which the peanuts were produced, if such marketing card is presented to the buyer by the producer at the time the peanuts are marketed. Each marketing of peanuts without a marketing card shall be subject to the penalty, unless the marketing consists of shriveled, damaged, split, and broken peanut kernels which were produced in shelling not in excess of that quantity of farmers stock peanuts for a producer which the county committee determined is reasonable for seed purposes on the producer's farm for the 1953 crop. The marketing of such shriveled, damaged, split, and broken peanut kernels will be identified by a Form MQ-93—Peanuts (1952), Memorandum of Sale, partially executed by a member of the county committee to show the quantity of peanuts that is reasonable for seed purposes on the producer's farm for the 1953 crop. Buyers who are not purchasing peanuts under the peanut price support program will record and report data with respect to all peanuts purchased on Form MQ-93—Peanuts (1952), Memorandum of Sale. Form MQ-94—Peanuts (1952), Record of Purchase, will be used by buyers to report and record data with respect to the inspection and purchase of quota peanuts purchased for price support purposes: *Provided, however,* That a person who is not engaged in the business of buying peanuts for movement into the regular channels of trade shall not be required to execute Form MQ-93—Peanuts (1952) or Form MQ-94—Peanuts (1952), identifying purchases of peanuts from producers, if the county committee has determined that it would be administratively impracticable to require such buyer to execute forms, keep the records, and make the buyer's reports required in §§ 729.340 to 729.369, in which case the producer marketing the peanuts shall be responsible for reporting each marketing to the county committee as provided in § 729.356.

(b) A buyer who resells any farmers stock peanuts of the 1952 crop shall keep, as part of or in addition to the records maintained by him in the conduct of his business, such records as he determines are necessary to enable him to certify, in connection with any such resale of farmers stock peanuts, that such peanuts were identified to him by valid marketing cards when purchased from farmers and that any penalty due was collected and remitted. The records maintained by the buyer with respect to such peanuts shall be available for examination in accordance with § 729.366 of this regulation.

§ 729.355 *Rate of penalty.* (a) The basic penalty rate shall be equal to 50 percent of the basic rate of the loan or support price for peanuts for the marketing year. NOTE: The penalty rate for peanuts of the 1952 crop will be issued as an amendment to this section as soon as the basic rate of the loan or support price for 1952 is announced.

(b) The converted penalty rate for a farm shall be determined as follows:

(1) Compute the percent excess for a farm by dividing the farm peanut acreage into the excess acreage.

(2) Multiply the percent excess for the farm by the basic penalty rate.

§ 729.356 *Persons to pay penalty.* (a) The penalty due on peanuts purchased directly from a producer shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer; except that the penalty due on marketings by a producer directly to any person outside the United States shall be paid by the producer. The buyer shall not be relieved of any liability with respect to the amount of penalty due because of any error which may occur in executing Form MQ-93-Peanuts (1952). If the buyer fails to collect or to pay the penalty due on any marketing of peanuts from a farm, he and all producers on the farm shall be jointly and severally liable for the amount of the penalty.

(b) Notwithstanding any other provisions of §§ 729.340 to 729.369, if the county committee finds that peanuts produced on a farm on which there is excess acreage have been or probably will be sold to persons who are not engaged in the business of buying peanuts for movement into the regular channels of trade and determines that it would be administratively impracticable to effect the collection of the marketing penalty from such persons, the county committee may, on the basis of county office records or other available information, estimate the actual yield per acre and the production for the farm, and determine the amount of penalty due on the quantity of peanuts marketed to such persons. The amount of penalty shall be determined by multiplying the converted penalty rate by the total production for the farm. The amount of penalty may be collected from the operator or producer before the marketing card is issued if he agrees to payment of the penalty in this manner. If the county committee determines that satisfactory information is not available for estimating the 1952 actual yield per acre, the county committee shall establish a normal yield and it shall be considered to be the estimated actual yield per acre for the purpose of determining the amount of penalty. The county committee shall issue an excess penalty card for the farm. If the penalty is paid before the excess penalty card is issued, the penalty rate on the card shall be shown as "zero". If the county committee determines, after marketing of the 1952 crop for the farm has been completed, that the actual yield per acre for the farm was less than the estimated yield per acre, any penalty paid in excess of the amount actually due shall be refunded upon presentation of a request therefor as provided in § 729.360.

§ 729.357 *Marketings subject to penalty.* In addition to marketings subject to penalty that are identified by excess penalty cards, the marketing of peanuts under any of the following conditions shall be deemed to be a marketing subject to penalty at the rate prescribed in § 729.355:

(a) *Producer marketings.* Any marketing of peanuts by a producer which is not identfied by a valid marketing card shall be deemed to be a marketing subject to penalty, unless the peanuts marketed consist of shriveled, damaged, split, and broken peanut kernels as described in § 729.354 (a) or unless the marketing is within the terms of the proviso contained in § 729.354 (a). The penalty due under the provisions of this paragraph shall be determined by multiplying the pounds marketed by the basic penalty rate, and such amount of penalty shall be paid by the buyer who may deduct an amount equivalent to the penalty from the amount due the producer.

Notwithstanding the provisions of § 729.353, if any producer falsely identifies or fails to account for the disposition of any peanuts produced on a farm, an amount of peanuts equal to the normal

yield of the excess acreage for the farm shall be deemed to have been a marketing subject to penalty from such farm. The penalty for the farm shall be determined by multiplying the normal yield by the excess acreage by the basic penalty rate, and such amount of penalty shall be paid by the producer.

(b) *Buyer's marketings.* The part or all of any marketing of peanuts by a buyer which such buyer represents to be a resale, but which when added to prior resales by such buyer, is in excess of the total amount of his prior purchases, shall be deemed to be a marketing subject to penalty unless and until such buyer furnishes proof acceptable to the Director showing that such marketing is not a marketing subject to penalty. Any penalty due under this paragraph shall be paid by the buyer making the resale.

(c) *Marketings not reported.* Any marketing of peanuts which, under the regulations in §§ 729.340 to 729.369, a buyer is required to report, but which is not so reported within the time and in the manner therein required, shall be deemed to be a marketing subject to penalty unless and until such buyer furnishes a report of such marketing which is acceptable to the Director. The penalty shall be determined by multiplying the pounds marketed by the basic penalty rate, and such amount of penalty shall be paid by the buyer who fails to make the report as required.

§ 729.358 *Payment of penalty.* Penalties shall become due at the time the peanuts are marketed and shall be paid by remitting the amount thereof to the State committee not later than the end of two calendar weeks following the week in which the peanuts became subject to penalty. A draft, money order, or check drawn payable to the Treasurer of the United States may be used to pay any penalty, but any such draft or check shall be received subject to collection and payment at par.

§ 729.359 *Use of agreement to permit marketings from overplanted farms—*(a) *Within quota card issued on basis of agreement.* With the approval of the State committee, the county committee may, upon request of the operator of any farm on which the acreage planted to peanuts exceeds the farm allotment, issue a within quota card with respect to the farm in the manner prescribed in § 729.348, if the operator executes an agreement form in which he represents that the farm peanut acreage will not exceed the larger of the farm allotment or one acre.

(b) *Form of agreement.* The agreement referred to in this section shall be on Form MQ–92—Peanuts (1952), executed in accordance with instructions issued by the Assistant Administrator. If the county committee determines that a within quota card issued pursuant to this section would be used as a device to evade the payment of penalty or the terms and conditions of the 1952 crop price support program, the agreement shall not be approved by the county committee and a marketing card shall not be issued for the farm until the farm peanut acreage has been determined.

(c) *Payment of penalty.* If the county committee determines that any penalty is due for a farm for which an agreement has been executed and approved, the amount of the penalty shall be determined in accordance with § 729.353. At the request of the county committee, the operator shall surrender the marketing card issued for the farm showing thereon the required record of all peanuts marketed. The county committee shall cancel the marketing card issued on the basis of the agreement as well as any other marketing card issued for the farm and, after collecting the amount of any penalty due, shall issue the operator an excess penalty card if marketings from the farm have not been completed.

§ 729.360 *Request for return of penalty.* After the marketing of peanuts from the farm has been completed and the disposition of any other peanuts produced on the farm can be shown, the producer or any other person who bore the burden of the payment of any penalty may request the return of the amount of such penalty which is in excess of the amount required under §§ 729.340 to 729.369 to be paid. Such request shall be filed with the county committee within two years after the payment of the penalty. No refund shall be made because of peanuts kept on the farm for seed or for home consumption.

RECORDS AND REPORTS

§ 729.361 *Producer's records and reports—*(a) *Report on marketing card.* Each marketing card issued with respect to a farm on which peanuts are produced in 1952 shall be returned to the office of the county committee whenever marketings from the farm are completed or at such earlier time as the county or State committee may request. Failure to return the marketing card shall constitute failure to account for disposition of peanuts marketed from the farm in the event that a satisfactory account of such disposition is not furnished otherwise, and the allotment next established for such farm shall be reduced by that percentage which the amount of peanuts unaccounted for, as determined by the county committee, is of the farm marketing quota.

(b) *Additional reports by producers.* (1) In addition to any other reports which may be required under §§ 729.340 to 729.369, the operator of each farm or any other producer on the farm (even though the farm has no excess acreage) shall, upon written request from the State committee sent by registered mail to such person at his last known address, furnish the Secretary a written report of the disposition made of all peanuts produced on the farm by sending the same to the State committee within 15 days after the request for such report was deposited in the United States mails. Such written report shall show for the farm:

(i) The farm peanut acreage,

(ii) The total production of peanuts on the farm peanut acreage,

(iii) The amount of peanuts not marketed and their location, and

(iv) For each lot of peanuts marketed, the name and address of the buyer to or through whom such peanuts were marketed, the number of pounds marketed, the date marketed, and in the case of a farm for which an agreement was approved under § 729.359, the gross price received.

(2) Failure to file the report as requested or the filing of a report which is found by the State committee to be incomplete or incorrect shall constitute failure of the producer to account for disposition of peanuts produced on the farm, and the allotment next established for such farm shall be reduced by that percentage which the amount of peanuts unaccounted for, as determined by the county committee, is of the farm marketing quota.

§ 729.362 *Records and reports of buyers and others.* The following paragraphs shall apply to all marketings except marketings within the terms of the proviso contained in § 729.354 (a):

(a) *Record of marketings.* Each buyer shall keep such records as will enable him to furnish the Director the following information with respect to each lot of peanuts marketed to or through him by another buyer:

(1) Serial number of the marketing card presented by the producer to identify each marketing.

(2) Name of seller (if the seller is a producer, the producer's name and either the name of the operator of the farm or the farm serial number).

(3) Date of marketing.

(4) Number of pounds marketed.

(5) Amount of any penalty due and the amount of any deduction for penalty from the price paid the seller.

Records of all resales of farmers stock peanuts by the buyer shall be maintained and the name of each person to whom such resale was made shall be shown on the buyer's record in accordance with § 729.354 (b).

(b) *Form MQ–93—Peanuts (1952) and Form MQ–94—Peanuts (1952).* Buyers who are not purchasing peanuts under the 1952 peanut price support program shall record and report data on Form MQ–93—Peanuts (1952) with respect to all peanuts purchased. Form MQ–94—Peanuts (1952) shall be used to report and record data with respect to the inspection and marketings of quota peanuts by buyers who are purchasing such quota peanuts for price support purposes. The Production and Marketing Administration's copies of all Forms MQ–93—Peanuts (1952) and Forms MQ–94—Peanuts (1952) covering within quota marketings, with remittances covering the penalties due as shown on Forms MQ–93—Peanuts (1952), shall be forwarded to the State committee by means of MQ–79—Peanuts (1952), Buyers Weekly Report and Transmittal to State PMA Office, not later than the end of two calendar weeks following the week in which the peanuts were marketed.

(c) *Additional records and reports.* Each buyer, warehouseman, processor, or common carrier of peanuts, any broker or dealer in peanuts, any agent marketing peanuts for a producer or acquiring peanuts for a buyer or dealer, any peanut growers cooperative association, any person engaged in the business of clean-

ing, shelling, crushing, or salting peanuts, or manufacturing peanut products, or any person owning or operating a peanut picking or peanut threshing machine, shall keep such records and furnish such reports to the State committee, in addition to the foregoing, as the State committee may find necessary to insure the proper identification of the marketings of peanuts and the collection of penalties due thereon as provided in §§ 729.340 to 729.369.

§ 729.363 *Record and report of peanuts shelled for producers.* Any person who shells peanuts for a producer, including any producer who shells peanuts produced by himself, shall make a record of the shelling of each lot of such peanuts by executing Form MQ-93—Peanuts (1952). If any of the shelled peanuts are retained by the seed sheller, Form MQ-93—Peanuts (1952) shall be forwarded to the State committee by means of MQ-79—Peanuts (1952), Buyers Report and Transmittal to State PMA Office, not later than two calendar weeks following the week in which the peanuts are shelled. If the seed sheller returns all of the shelled peanuts to the producer, he shall forward the Form MQ-93—Peanuts (1952) to the State committee by means of a personal letter not later than two calendar weeks following the week in which the peanuts are shelled.

§ 729.364 *Separate records and reports from persons engaged in more than one business.* Any person who is required to keep any record or make any report as a buyer, processor, or other person engaged in the business of shelling or crushing peanuts, and who is engaged in more than one such business, shall keep such records as will enable him to make separate reports for each such business in which he is engaged to the same extent for each such business as if he were engaged in no other business.

§ 729.365 *Failure to keep records or make reports.* Any buyer, warehouseman, processor, or common carrier of peanuts, any broker or dealer in peanuts, any agent marketing peanuts for a producer or acquiring peanuts for a buyer or dealer, any peanut growers cooperative association, any person engaged in the business of cleaning, shelling, crushing, or salting peanuts, or manufacturing peanut products, or any person owning or operating a peanut picking or peanut threshing machine, who fails to make any report or keep any record as required in accordance with §§ 729.340 to 729.369, or who makes any false report or record, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $500.

§ 729.366 *Examination of records and reports.* Any buyer, warehouseman, processor, or common carrier of peanuts, any broker or dealer in peanuts, any agent marketing peanuts for a producer or acquiring peanuts for a buyer or dealer, any peanut growers cooperative association, any person engaged in the business of cleaning, shelling, crushing, or salting peanuts, or manufacturing peanut products, or any person owning or operating a peanut picking or threshing machine, shall make available for examination upon request by a duly authorized representative of the State committee or the Director, such books, papers, records, accounts, correspondence, contracts, documents, and memoranda as the State committee or the Director has reason to believe are relevant to any matter under investigation in connection with enforcement of the program and which are within the control of such person.

§ 729.367 *Length of time records and reports to be kept.* Records required to be kept and copies of reports required to be made by any person in accordance with §§ 729.340 to 729.369 for the 1952-53 marketing year shall be kept by him until July 31, 1955. Records shall be kept for such longer period of time as may be requested in writing by the Director.

MISCELLANEOUS

§ 729.368 *Information confidential.* All data reported to or as acquired by the Secretary pursuant to the provisions of §§ 729.340 to 729.369 shall be kept confidential by all officers and employees of the United States Department of Agriculture and by all members and employees of State or county committees, and only such data so reported or acquired as the Assistant Administrator deems relevant shall be disclosed by them and then only in a suit or administrative hearing under Title III of the Act.

§ 729.369 *Redelegation of authority.* Any authority delegated to the State committee by the regulations in §§ 729.340 to 729.369 may be redelegated by the State committee.

NOTE: The record-keeping and reporting requirements of these regulations have been approved by and subsequent reporting requirements will be subject to the approval of the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Done at Washington, D. C., this 8th day of May 1952. Witness my hand and the seal of the Department of Agriculture.

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

[F. R. Doc. 52-5307; Filed, May 12, 1952; 8:56 a. m.]

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

Subchapter H—Determination of Wage Rates

[Sugar Determination 866.4]

PART 866—SUGARCANE; HAWAII

CALENDAR YEAR 1952

Pursuant to the provisions of section 301 (c) (1) of the Sugar Act of 1948 (herein referred to as "act"), after investigation, and consideration of the evidence obtained at the public hearings held in Honolulu and in Hilo, Territory of Hawaii, on January 23 and 25-26, 1952, respectively, the following determination is hereby issued:

§ 866.4 *Fair and reasonable wage rates for persons employed in the production, cultivation, or harvesting of sugarcane in Hawaii during the calendar year 1952*—(a) *Requirements.* The requirements of section 301 (c) (1) of the act shall be deemed to have been met with respect to the production, cultivation, or harvesting of sugarcane in Hawaii during the calendar year 1952, if the producer complies with the following:

(1) *Wage rates.* All persons employed on the farm shall have been paid in full for production, cultivation, or harvesting work and shall have been paid wages in cash therefor at rates as agreed upon between the producer and laborer.

(b) *Subterfuge.* The producer shall not reduce the wage rates to laborers below those determined herein through any subterfuge or device whatsoever.

(c) *Claim for unpaid wages.* Any person who believes he has not been paid in accordance with this determination may file a wage claim with the Director of the Hawaiian Area Office, Production and Marketing Administration, U. S. Department of Agriculture, Honolulu 13, T. H., against the producer on whose farm the work was performed. Such claim must be filed within two years from the date the work with respect to which the claim is made was performed. Detailed instructions and wage claim forms are available in the Area Office. Upon receipt of a wage claim, the Director of the Hawaiian Area Office shall thereupon notify the producer against whom the claim is made concerning the representation made by the laborer and, after making such investigation as he deems necessary, shall notify the producer and laborer in writing of his recommendation for settlement of the claim. If the recommendation of the Director of the Area Office is not acceptable, either party may file an appeal with the Director of the Sugar Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C. Such appeal shall be filed within 15 days after receipt of the recommended settlement from the Director of the Area Office; otherwise, such recommended settlement will be applied in making payments under the act. If a claim is appealed to the Director of the Sugar Branch, his decision shall be binding on all parties insofar as payments under the Act are concerned.

STATEMENT OF BASES AND CONSIDERATIONS

(a) *General.* The foregoing determination provides fair and reasonable wage rates which a producer must pay, as a minimum, for work performed by persons employed in the production, cultivation, or harvesting of sugarcane in Hawaii during the calendar year 1952, as one of the conditions for payment under the act.

(b) *Requirements of the act and standards employed.* In determining fair and reasonable wage rates, it is required under the act that a public hearing be held, that investigations be made, and that consideration be given to (1) the standards formerly established by the Secretary under the Agricultural Adjustment Act, as amended, and (2) the differences in conditions among the various sugar producing areas.

Public hearings were held in Honolulu and Hilo, Territory of Hawaii, on January 23 and 25–26, 1952, respectively, at which time interested persons presented testimony with respect to fair and reasonable wage rates for the calendar year 1952. In addition, investigations have been made of the conditions affecting such wage rates. In this determination, consideration has been given to testimony presented at the hearings and to information resulting from investigations. The primary factors which have been considered are: (1) Price of sugar and byproducts; (2) income from sugarcane; (3) cost of production; (4) cost of living; and (5) relationship of labor costs to total costs. Other economic influences also have been considered.

(c) *1952 wage determination.* The 1952 wage determination continues the provisions of the 1951 wage determination which required the payment of wage rates as agreed upon between the producer and the laborer.

At the public hearing, a representative of sugarcane plantations recommended approval of the wage scale in collective agreements executed by plantation companies and the sugarcane workers' union, and further recommended that the determination also specify a wage of 75 cents per hour to become effective in the event that the wage provisions of the collective agreements are reopened for negotiation during 1952 and the parties are unable to reach agreement. A representative of the workers' union recommended that a minimum wage of $1.00 per hour be specified in the 1952 wage determination; that those producers who do not enter into collective agreements with the union be required to pay an additional amount per hour to cover vacation pay, holiday pay, sick leave and other employee benefits provided in collective agreements; and that workers employed on a piecework basis be guaranteed earnings of one and one-half times the recommended hourly rate.

Consideration has been given to the recommendations made at the hearing. It is not deemed necessary to establish specific wage rates in this determination since the wage rates set forth in collective agreements cover the vast majority of sugarcane workers in Hawaii. Agreements covering the majority of workers influence the general wage level and thereby provide wage protection to the small group of less than 10 percent of the workers who are not covered by such agreements. It is also anticipated that wages paid by agreement between producers and individual workers would be influenced by the present level of wages in the collective agreements during any period when the wage provisions of the agreements would be suspended. The recommendation that workers employed on piecework be guaranteed earnings of one and one-half times the minimum hourly rate has not been adopted because piecework rates are subject to negotiation under the collective bargaining agreement and producers customarily have extended to each worker so employed a guarantee of earnings equal to the hourly rate of pay for the class of work performed.

In the 1952 wage determination, consideration has been given to the standards customarily considered under the Sugar Act and to data which reflect the returns, costs and profits of sugarcane producers. The level of wages indicated by the standards customarily employed in wage determinations does not exceed the level of wages in collective bargaining agreements negotiated between representatives of producers and workers. Since the act requires that workers shall be paid "in full" for work performed, payment of "agreed upon" wage rates is required to meet this provision of the act.

While it is recognized that the current wage rates of the collective bargaining wage agreements may be altered by agreement of the parties during the period for which this determination is effective, it is expected that any revision of wage rates will conform to significant economic changes.

Accordingly, I hereby find and conclude that the foregoing wage determination will effectuate the wage provisions of the Sugar Act of 1948.

(Sec. 403, 61 Stat. 929; 7 U. S. C. Sup., 1153. Interprets or applies Sec. 301, 61 Stat. 929; 7 U. S. C. Sup., 1131)

Issued this 8th day of May 1952.

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

[F. R. Doc. 52-5306; Filed, May 12, 1952; 8:55 a. m.]

TITLE 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Bureau of Animal Industry, Department of Agriculture

Subchapter D—Exportation and Importation of Animals and Animal Products

PART 97—OVERTIME SERVICES RELATING TO IMPORTS AND EXPORTS

OVERTIME, NIGHT, AND HOLIDAY INSPECTION AND QUARANTINE ACTIVITIES AT BORDER, COASTAL, AND AIRPORTS

Pursuant to the authority vested in the Secretary of Agriculture by Public Law 735, 81st Congress, approved August 28, 1950, to pay employees of the Department performing inspection, certification or quarantine services relating to imports into and exports from the United States for all overtime, night, or holiday work performed by them and to accept reimbursement for such payment from persons for whom such work is performed, Subchapter D of Chapter I of Title 9 of the Code of Federal Regulations is amended to read as follows:

§ 97.1 *Overtime work at border ports, seaports, and airports.* Any person, firm, or corporation having ownership, custody or control of animals, animal byproducts, or other commodities subject to inspection, certification, or quarantine under Subchapters D and F of this chapter, and who requires the services of an employee of the Bureau of Animal Industry on a holiday, or at any other time outside the regular tour of duty of such employee, shall sufficiently in advance of the period of overtime request the Bureau inspector in charge to furnish inspection, quarantine, or certification service during such overtime period and shall pay the Government therefor at the rate of $2.40 per man hour per employee as follows: Each such period of overtime duty shall include the time on duty which shall be considered to be at least 2 hours in duration. In addition, each such period of overtime duty shall include a commuted travel time period, not in excess of 3 hours. The amount of this period shall be prescribed in administrative instructions to be issued by the Chief of the Bureau of Animal Industry for the ports, stations, and areas in which the employees are located, and shall be established as nearly as may be practicable to cover the time necessarily spent in reporting to and returning from the place at which the employee performs such overtime duty if such travel is performed solely on account of such overtime duty. It will be administratively determined from time to time which days constitute holidays.

The purpose of this amendment is to establish a uniform hourly rate of payment for all overtime services furnished in accordance with the act of August 28, 1950 (64 Stat. 561). Determination of the costs of such overtime inspection depends entirely upon facts within the knowledge of the Department of Agriculture. It is to the benefit of the public that this amendment be made effective at the earliest practicable date. Accordingly, pursuant to the provisions of section 4 of the Administrative Procedure Act (60 Stat. 238), it is found upon good cause that notice and public procedure on this amendment are impracticable, unnecessary, and contrary to the public interest, and good cause is found for making this amendment effective less than 30 days after publication.

The foregoing amendment shall be effective upon publication in the FEDERAL REGISTER.

(64 Stat. 561; 5 U. S. C. 576)

Done at Washington, D. C., this 8th day of May 1952.

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

[F. R. Doc. 52-5280; Filed, May 12, 1952; 8:49 a. m.]

TITLE 29—LABOR

Subtitle A—Office of the Secretary of Labor

PART 4—CHILD LABOR REGULATIONS, ORDERS AND STATEMENTS OF INTERPRETATION

OCCUPATIONS PARTICULARLY HAZARDOUS FOR EMPLOYMENT OF MINORS BETWEEN 16 AND 18 YEARS OF AGE OR DETRIMENTAL TO THEIR HEALTH OR WELL-BEING; OCCUPATIONS IN OR ABOUT PLANTS OR ESTABLISHMENTS MANUFACTURING OR STORING EXPLOSIVES OR ARTICLES CONTAINING EXPLOSIVE COMPONENTS (ORDER 1)

On March 20, 1952, notice was published in the FEDERAL REGISTER (17 F. R. 2397) that the Secretary of Labor proposed to amend § 4.51 as hereinafter set forth. The effect of the amendment is

(1) to broaden the scope of the order to include occupations in or about plants or establishments (retail establishments excepted) where explosives or articles containing explosive components (other than small-arms ammunition) are stored, and (2) to permit the employment of 16 and 17 year old minors in occupations now prohibited by the order when the occupation is performed in a "nonexplosives area" as defined. Interested persons were given 30 days within which to submit data, views, or arguments in support of or in opposition to the proposal. The notice period has expired and no objection to the proposed amendment has been filed with the Secretary of Labor.

Accordingly, pursuant to the authority vested in me by section 3 (l) of the Fair Labor Standards Act, as amended (52 Stat. 1061; 29 U. S. C. 203) and Reorganization Plan No. 2 of 1946 adopted pursuant to the Reorganization Act of 1945 (59 Stat. 613) and in accordance with the Procedure Governing Determinations of Hazardous Occupations (29 CFR, Part 4, Subpart D), § 4.51 is amended to read as follows:

§ 4.51 *Occupations in or about plants or establishments manufacturing or storing explosives or articles containing explosive components (Order 1)*—(a) *Finding and declaration of fact.* The following occupations in or about plants or establishments manufacturing or storing explosives or articles containing explosive components are particularly hazardous for minors between 16 and 18 years of age or detrimental to their health or well-being:

(1) All occupations in or about any plant or establishment (other than retail establishments or plants or establishments of the type described in subparagraph 2 of this paragraph) manufacturing or storing explosives or articles containing explosive components except where the occupation is performed in a "nonexplosive area" as defined in subparagraph (3) of paragraph (b) of this section.

(2) The following occupations in or about any plant or establishment manufacturing or storing small-arms ammunition not exceeding .60 caliber in size, shotgun shells, or blasting caps when manufactured or stored in conjunction with the manufacture of small-arms ammunition:

(i) All occupations involved in the manufacturing, mixing, transporting, or handling of explosive compounds in the manufacture of small-arms ammunition and all other occupations requiring the performance of any duties in the explosives area in which explosive compounds are manufactured or mixed.

(ii) All occupations involved in the manufacturing, transporting, or handling of primers and all other occupations requiring the performance of any duties in the same building in which primers are manufactured.

(iii) All occupations involved in the priming of cartridges and all other occupations requiring the performance of any duties in the same workroom in which rim-fire cartridges are primed.

(iv) All occupations involved in the plate loading of cartridges and in the operation of automatic loading machines.

(v) All occupations involved in the loading, inspecting, packing, shipping and storage of blasting caps.

(b) *Definitions.* For the purpose of this section:

(1) The term "plant or establishment manufacturing or storing explosives or articles containing explosive components" means the land with all the buildings and other structures thereon used in connection with the manufacturing or processing or storing of explosives or articles containing explosive components.

(2) The term "explosives" and "articles containing explosive components" mean and include ammunition, black powder, blasting caps, fireworks, high explosives, primers, smokeless powder, and all goods classified and defined as explosives by the Interstate Commerce Commission in regulations for the transportation of explosives and other dangerous substances by common carriers (49 CFR Parts 71 to 78) issued pursuant to the act of June 25, 1948 (62 Stat. 739; 18 U. S. C. 835).

(3) An area meeting all of the criteria in subdivisions (i) through (iv) of this subparagraph shall be deemed a "nonexplosives area":

(i) None of the work performed in the area involves the handling or use of explosives;

(ii) The area is separated from the explosives area by a distance not less than that prescribed in the American Table of Distances for the protection of inhabited buildings;

(iii) The area is separated from the explosives area by a fence or is otherwise located so that it constitutes a definite designated area; and

(iv) Satisfactory controls have been established to prevent employees under 18 years of age within the area from entering any area in or about the plant which does not meet criteria of subdivisions (i) through (iii) of this subparagraph.

(c) *Higher standards.* This section shall not justify noncompliance with any Federal or State law or municipal ordinance establishing a higher standard than the standard established in this section.

(d) The amended order will become effective June 12, 1952.

(Sec. 3, 52 Stat. 1060, as amended; 29 U. S. C. 203)

Signed at Washington, D. C., this 5th day of May 1952.

MAURICE J. TOBIN,
Secretary of Labor.

[F. R. Doc. 52-5235; Filed, May 12, 1952; 8:45 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter V—Department of the Army

Subchapter G—Procurement

ARMY PROCUREMENT PROCEDURE

MISCELLANEOUS AMENDMENTS

The following amendments to Subchapter G are issued.

PART 590—GENERAL PROVISIONS

Part 590 is amended as indicated below:

1. Sections 590.303–590.303–2 are rescinded and the following §§ 590.303–590.303–7 substituted therefor:

§ 590.303 *Fraud, criminal conduct, suspension, administrative debarment and statutory debarment.* Sections 590.303–590.303–7 set forth the procedures to be followed throughout the Army Establishment in connection with:

(a) The suspension due to reports of allegations of fraud or criminal conduct as indicated below in § 590.303–1;

(b) The debarment by administrative action as indicated below in § 390.303–2;

(c) The statutory debarment of contractors, as indicated below in § 590.303–3; and,

(d) Certain other administrative actions, as indicated below in §§ 590.303–4 to 590.303–7, inclusive.

§ 590.303–1 *Suspension due to allegations or suspicions, fraud and criminal conduct*—(a) *General.* The prompt reporting of all matters relating to fraud or criminal conduct in connection with procurement activities, in order that such reports may arrive as expeditiously as possible at the appropriate office of the Department of the Army, as indicated herein, is of extreme importance. All persons concerned with Army contracts will be alert for and report the possibility or evidence of fraud or criminal conduct, at all times. Normally a suspension will be effected on a temporary basis, as indicated in paragraph (d) of this section, pending the development of further evidence which would furnish an adequate basis for debarment as covered in § 590.303–2 below, relating to debarment by administrative action. Upon receipt of such information, it will be immediately reported as indicated in the following paragraph (b) of this section relating to reporting procedure.

(b) *Reporting procedure.* All reports and exhibits, and all supplements thereto, including letters of transmittal and interim correspondence, will be expeditiously transmitted through channels, in quintuplicate, to the Assistant Chief of Staff, G–4, Department of the Army (Attn: Chief, Purchases Branch), which office will forward such reports, in triplicate, to the Office of the Under Secretary of the Army (Assistant Judge Advocate General), and will forward simultaneously an information copy of such reports to The Inspector General. In cases where all the information is not readily available to the reporting agency, preliminary reports will be so forwarded, and will be followed as soon as practicable by complete documented reports as indicated in this paragraph. All reports should contain a full statement of the pertinent facts indicating alleged criminal conduct, fraudulent activity, or suspicion thereof and will be supported by appropriate exhibits. All such reports initiated by disposal, inspection, audit, engineering, and other advisory or technical personnel, under Department of the Army contracts, will be addressed to the Contracting Officer concerned and will be adequately documented by initiating personnel. The Contracting Officer will take whatever action he deems necessary and appropriate consistent with the protection of the interests of the Government. Such reports, accompa-

nied by the remarks, conclusions, and recommendations of the Contracting Officer, will then be forwarded, through channels, for the addition of remarks, conclusions, and recommendations of each successive office.

(c) *Coordination of actions with The Inspector General, the Department of Justice and other agencies.* An Assistant Judge Advocate General has been designated as the representative of the Under Secretary of the Army to handle matters relating to fraudulent acts or criminal conduct by personnel within the Army Establishment or by private commercial concerns or individuals in connection with procurement activities and to coordinate actions concerning such activities with The Inspector General, the Department of Justice, and other agencies, when appropriate.

(d) *Suspensions.* The determination to suspend a suspected contractor, will be the responsibility and within the authority of the Under Secretary of the Army (Assistant Judge Advocate General). Recommendations of the reporting agency, intermediate echelons, and recommendations of the Assistant Chief of Staff, G–4, Department of the Army (Chief, Purchases Branch), concerning suspensions, will be furnished when submitting reports relating to fraud or criminal conduct. Formal suspension directives will be issued by the Assistant Chief of Staff, G–4, Department of the Army (Chief, Purchases Branch) upon receipt of appropriate instructions.

(e) *Responsibility of Heads of Procuring Activities.* The Heads of Procuring Activities will be responsible for taking the appropriate administrative actions indicated in paragraphs (f) through (l) of this section upon receipt of notice of suspension or when reporting suspicion or evidence of fraud or criminal conduct.

(f) *Preliminary report.* As soon as possible after receipt of the notice of suspension, and not later than 30 days, or concurrent with the reporting of suspicion of fraud or criminal conduct, the Heads of Procuring Activities will submit a brief report in quintuplicate to the Assistant Chief of Staff, G–4, Department of the Army (Attn: Chief, Purchases Branch) (Report on Contractual Status of Suspended Contractors, Reports Control Symbol CSGLD–228), indicating the current contractual relationship between the suspended contractor and the agency submitted the report. This report will consist of a brief statement of the status of outstanding contracts, if any, either proposed, current, or terminated but unsettled. Information relating to current contracts will be reported as outlined in paragraph (g) of this section. The extent to which such persons or firms are considered necessary and essential suppliers will be indicated. Negative reports indicating no current or presently proposed contracts are required.

(g) *Procurement* — (1) *Current contracts.* The administration of contracts on which performance is current is within the responsibility and authority vested in the Head of a Procuring Activity.

(2) *Service reporting suspicion of fraud.* It will be the additional responsibility of the Head of a Procuring Activity reporting suspicion or evidence of fraud or criminal conduct, and administering a current contract, to determine whether it will be in the best interests of the Government to (i) continue contract administration in any of its phases (such as acceptance of deliveries, inspection at contractor's plant, issuance of certain instructions), except payment, where specifically required by the provisions of the contract and to avert a technical or actionable breach of contract by the Government: or (ii) to exercise any contract right (such as termination for default or convenience, rejection or recovery due to latent defects). In making such determination, full consideration will be given to the nature of and the circumstances surrounding the suspicion or evidence of fraud or criminal conduct being reported. The facts, circumstances, requirements, and provisions considered in reaching such determination will be included in the preliminary report required by paragraph (f) of this section. In cases where doubt exists as to the effect of continuation of any phase of administration on the investigation and possible prosecution of the suspected contractor, it will be appropriate to refer the matter, together with the recommendations of the Heads of the Procuring Activity thru channels to the Office of the Under Secretary of the Army (Attn: Assistant Judge Advocate General), for determination.

(3) *Services receiving notice of suspension.* In cases where a current contract(s) is (are) being administered by a procuring activity not the initiating agency of the report of suspected fraud or criminal conduct, a statement of the minimum contract administration immediately required by the contract (such as acceptance of deliveries, rejection, price analyses, etc.) will be included in the preliminary report (paragraph (f)).

(4) In both instances mentioned in subparagraphs (2) and (3) of this paragraph, contract administration at the minimum required will be continued in operation, with the exception of payment, until final determination of the matter has been accomplished as indicated in paragraph (d) of this section relating to suspensions.

(5) *Procurement with suspended contractors.* No additional procurement will be made from, nor any commitments of any nature given to, firms or individuals who have been placed in suspension, until the matter has been referred through channels, in the manner set forth in paragraph (d) and written clearance for each individual procurement has been obtained. However, bids submitted by suspended contractors will be received, recorded and retained in accordance with established procedures. In cases where a suspended contractor is the low bidder (or in the case of surplus or salvage sales, the high bidder), information relating to the low (or high) bid and the next higher bid will be reported in the same manner as stated in paragraph (b) of this section relating to reporting procedure, for determination as to the necessity of placement of any awards with the suspended contractor. Bids from suspended contractors will not be automatically rejected by contracting officers solely because of the suspension.

(h) *Terminations.* Negotiation towards settlement of terminated contracts will cease with the suspension of a contractor. Negotiations must likewise cease with respect to terminated subcontracts either let or held by the suspended contractor. All delegations of authority, if any, under JTR 642 (PR 15) or under Part 407 of this title or Part 597 of this subchapter will be immediately revoked without explanation.

(i) *Payments.* (1) No payments of any type will be made to any suspended contractor either under procurement or termination unless the suspension is modified or removed. Upon receipt of notice of suspension, disbursing officers will promptly forward any administratively approved vouchers in or coming into their possession to the Office, Chief of Finance (Attn: Receipts and Disbursements Division). Procuring agencies, holding or in receipt of properly-certified invoices covering amounts properly due the suspended contractor, will prepare and process (administratively approve) the necessary vouchers and will forward the certified vouchers to the aforesaid office, through their assigned Disbursing Officers inviting attention to the fact that the contractor concerned is under suspension. This procedure will be followed whenever any additional or new amounts become due during the period of suspension.

(2) In cases where, in the opinion of the contracting officer, it is believed that circumstances surrounding either the procurement or the suspicion of fraud or criminal conduct are of such a nature as to permit or require complete or partial release of withheld funds due and owing the suspended contractor, a recommendation for such release, including a full statement of the particulars supporting such recommendation, may be made by the contracting officer, through channels, for the addition of the remarks, conclusions and recommendations of each successive office, for determination as indicated in paragraph (d), concerning suspensions.

(j) *Release from suspension.* After a contractor has been placed in suspension, as indicated above, such suspension will not be lifted until such action has been directed in the manner indicated in paragraph (d) relating to the effecting of a suspension.

(k) *Departmental inquiries.* When a firm or individual has been suspended because of suspicion of fraud or criminal conduct, the contracting officer will ordinarily address his own inquiries, in quadruplicate, as to the status and progress of the case in question, through channels, to Assistant Chief of Staff, G–4, Department of the Army (Attn: Chief, Purchases Branch), and will not communicate with the local offices of the Department of Justice, the U. S. Attorney, or the Federal Bureau of Investigation in such connection.

(l) *Communications with suspended contractors.* Reports required by the regulations in this part and all actions accomplished relating thereto are Confidential. In the event a suspended contractor makes inquiry as to reason or cause of any of prohibitions indicated above, or for any other reason, the sup-

plying of any information relating to the suspension, even by referring to the fact that the contractor has been suspended, either by reference or detail, is prohibited. Instead, the contractor will be advised that consideration is being given his contract, or contractual relationship, by the Office of the Under Secretary of the Army (Assistant Judge Advocate General) and that all contractor inquiries regarding such matters should be addressed in writing direct to that office.

§ 590.303–2 *Debarment by administrative action*—(a) *General.* Debarment of a contractor for acts constituting fraud or attempted fraud against the United States or deliberate and gross violation of contract provisions may be effected by the Department of the Army but must be based on adequate evidence rather than on allegation or accusation. The Comptroller General states:

> When the interests of the United States require the debarment of a bidder no question will be raised by this office with respect thereto, provided the length of time of such debarment is definitely stated and not unreasonable, and the reasons for the debarment, with a statement of the specific instances of the bidder's dereliction, are made of record and a copy thereof furnished the bidder and this office.

(b) *Determination of debarment.* The determination to debar a bidder from future bidding on Army Establishment contracts will be the responsibility and within the authority of the Under Secretary of the Army (Assistant Judge Advocate General). Recommendations of the reporting agency, intermediate echelons, and recommendations of the Assistant Chief of Staff, G–4, Department of the Army (Chief, Purchases Branch), concerning debarments, will be furnished with any requests for debarment. Recording of the debarment and furnishing advice of the action to the contractor and the Comptroller General will be a function of the Assistant Chief of Staff, G–4, Department of the Army (Chief, Purchases Branch).

(c) *Request for debarment.* Debarment action may be initiated by any Procuring Activity and forwarded through appropriate channels to the office first named in the preceding paragraph (b) for consideration in accordance with the procedures established herein.

(d) *Adequacy of request for debarment responsibility.* A request for debarment will be submitted in triplicate and contain a complete certified statement of the facts concerning the bidder's dereliction, including affidavits, depositions, records of action, if applicable, and any other relevant data. Names and addresses of all persons having knowledge of the circumstances will be included. The Head of a Procuring Activity will be responsible for the adequacy and propriety of all requests initiated under his command.

(e) *Procedure after debarment.* When it has been determined, pursuant to the provisions of paragraph (b) of this section, that it is in the best interests of the Government to debar a contractor from future bidding on Army contracts and the procuring activities are so notified, the following procedure will become effective:

(1) Debarred contractors will not be carried on any bidders' mailing list and bids will not be invited from them.

(2) No awards will be made to any debarred contractor during the period specified for debarment.

(3) In the event that a bid is tendered by any debarred contractor, it shall be received and recorded with the other bids offered on the purchase. If the bid is low, it will then be rejected, and the reason therefor shall be stated in the certificate to the General Accounting Office as follows:

> In accordance with the decision of the Comptroller General of the United States contained in his letter to the Secretary of War, dated 23 July 1929, the bid of _____ is rejected because of previous unsatisfactory business dealings with the Department of the Army.

(4) All inquiries relating to debarred bidders will be forwarded, in triplicate, in the same manner as stated in paragraph (c) of this section, relating to request for debarment.

§ 590.303–3 *Statutory debarment of contractors.* Contracts shall not be placed with persons or firms who are indicated to be in any of the following categories of disqualified bidders:

(a) Persons and firms listed by the Comptroller General in accordance with section 3 of the Walsh-Healey Public Contracts Act (41 U. S. 37) which have been found by the Secretary of Labor to have violated any of the representations and stipulations required by that act.

(b) Persons and firms listed by the Department of Labor which have been held ineligible to be awarded contracts subject to the Walsh-Healey Public Contracts Act for the reason that they do not qualify as "manufacturers" or "regular dealers" within the meaning of section 1 (a) of said act.

(c) Persons and firms listed by the Comptroller General in accordance with section 3 of the Davis-Bacon Act (40 U. S. 276a–2) found by the Comptroller General to have violated said act.

(d) Persons and firms which have violated any of the provisions of the Buy American Act (41 U. S. C. Sup. 10a–d).

Inquiries from contractors or individuals listed as ineligible or disqualified by the Comptroller General and the Department of Labor under the Walsh-Healey or Davis-Bacon Acts shall be answered by indicating the nature of the prohibition as indicated on the consolidated list and requesting that the inquirer communicate with:

> Wage and Hour and Public Contracts Divisions,
> Department of Labor,
> 14th Street and Constitution Avenue NW.,
> Washington 25, D. C.

§ 590.303–4 *Consolidated listing of suspended and ineligible contractors and disqualified bidders.* In conjunction with the information and actions contained in the preceding paragraphs, a consolidated Confidential list will be issued by the Assistant Chief of Staff, G–4, Department of the Army (Chief, Purchases Branch), for the use and guidance of all interested agencies of the Army Establishment. The comprehensive list will be composed of an alphabetical listing of all firms or persons suspended, ineligible, or disqualified from entering into contractual relationships with the Government. Information will be supplied indicating the reason for and the extent of the suspension or prohibition. Care will be taken by contracting personnel to give full effect to modifications of or releases from suspension. The listing shall comprise the following groups of persons and firms which are subject to the prohibitions indicated:

(a) *Suspensions initiated by the Army and affecting Army contracts.* Contractors who have been placed in suspension or debarred by administrative determination in accordance with the procedures and prohibitions prescribed in §§ 590.303–1—590.303–2 above, or suspended or debarred under like circumstances by the other military departments.

(b) *Disqualifications initiated by agencies other than the military and prohibitions effected.* (1) Persons and firms listed by the Comptroller General in accordance with section 3 of the Walsh-Healey Public Contracts Act which have been found by the Secretary of Labor to have violated any of the representations and stipulations required by that act. No contracts will be awarded to such persons or firms or to any firm, corporation, partnership, or association in which such persons have a controlling interest, for a period of 3 years from the dates on which it was determined such breaches occurred. (See Part 411 of this Title, for specific provisions of Walsh-Healey Act.)

(2) Persons and firms listed by the Department of Labor which have been held ineligible to be awarded contracts subject to the Walsh-Healey Public Contracts Act for the reason that they do not qualify as "manufacturers" or "regular dealers" within the meaning of section 1 (a) of said act. Such persons, corporations, or firms will not be awarded any contract unless a change in status is shown and so determined by the Department of Labor prior to the award of any such contract.

(3) Persons and firms listed by the Comptroller General in accordance with section 3 of the Davis-Bacon Act found by the Comptroller General to have violated said act. No contract is to be awarded to any contractor or any firm, in which the contractor has an interest for a period of 3 years from the publication of the list containing the names of the violators.

§ 590.303–5 *Procurement outside United States.* Sections 590.303 to 590.303–7, inclusive, are applicable to procurement outside the United States, its territories and possessions in principle and policy, but Contracting Officers will be guided by the laws of local foreign government of the country in which procurement is to be effected and by such procedural instructions (based on the procedures contained herein) as may be issued by the Head of a Procuring Activity. Suspensions by major oversea commanders will be coordinated with

local authorities of the other military departments. A report, in triplicate, setting forth the basis for and the action being taken in any case of suspected fraud or criminal conduct will be furnished in the manner set out above in § 590.303–1 (b), for information as the incidents occur. A closing report of completed action will be furnished also.

§ 590.303–6 *Additions to and removals from consolidated list of ineligible or suspended contractors and disqualified bidders.* Interim notices indicating additions to, modifications of, or removals from the Consolidated List will be issued by the Assistant Chief of Staff, G–4, Department of the Army (Chief, Purchases Branch), when appropriate.

§ 590.303–7 *Exchange of lists.* The Assistant Chief of Staff, G–4, Department of the Army (Attn: Chief, Purchases Branch), will supply the Departments of the Navy and the Air Force with copies of the Consolidated List, and any interim changes thereto, for information and guidance and will publish additional information received from those Departments.

2. Section 590.355–3 is amended by changing paragraph (d) (3) and adding paragraph (d) (4) as follows:

§ 590.355–3 *Action by purchasing offices.* * * *

(d) * * *

(3) Administrative Office, U. S. Department of Commerce, 433 W. Van Buren Street, Chicago 7, Illinois.

(4) Office of Public Information, Office Secretary of Defense, The Pentagon, Washington 25, D. C.

3. Paragraphs (d) and (e) of § 590.355–4 are amended to read as follows:

§ 590.355–4 *Contents of synopses of contract awards.* * * *

(d) Statement of dollar amount.

(e) Quantity of items.

* * * * *

4. Section 590.455 is amended to read as follows:

§ 590.455 *Standards of conduct.* In all procurement and related functions, stress shall be placed upon the importance of protection of the interests of the Government and the avoidance of any acts which may tend to compromise both the Department of the Army and the individual member of the Army Establishment thus impairing public confidence in the integrity of business relations between the Department of the Army and industry.

(a) *General policy.* The over-all policy with regard to conflicting private or personal interests of military and civilian personnel assigned to procurement and related duties is as follows: All personnel of the Army, military or civilian, are bound to refrain from all business and professional activities and interests not directly connected with their duties which would tend to interfere with or hamper in any degree their full and proper discharge of such duties or which would normally give rise to a reasonable suspicion that such participation would have that effect. Any departure from this underlying principle would constitute conduct subject to disciplinary action. If such persons find that their duties require them to act as agents of the United States in any manner from which they may derive financial profit or other benefits, they will report the facts immediately to higher authority with a view to their relief from their assignments or such other action as may be deemed appropriate.

(b) *Personnel selection and instruction.* To carry out the policies enunciated herein, personnel engaged in Army Procurement Activities must maintain the highest standards of personal conduct in their relations with commercial firms, organizations, and individuals having business dealings with the Government. Because of the position of trust in which personnel connected with procurement have been placed, they bear the heavy responsibility of absolute integrity and strict impartiality. Consequently, the proper selection and adequate instruction of personnel to be assigned to or employed in procurement activities is a responsibility of, and of major importance to, appointing officials. Officials making such appointments or assignments will insure that personnel engaged in procurement and related activities are not only qualified to perform their duties, but also are fully cognizant at all times of the policies and instructions contained herein.

(c) *Business ethics of personnel.* The business ethics of all persons charged with the expenditure and administration of Government funds must be above reproach and suspicion at all times. The Supreme Court has stated aptly that as a general rule all men have a moral obligation to refrain from placing themselves in relations which excite conflict between self-interest and integrity. To establish the basic framework of the Department of the Army policy in this connection, the following specific guiding policies are stressed. Personnel engaged in procurement and related activities will conduct their activities within the framework of this policy.

(1) *Business relations.* Every member of the Army Establishment, military or civilian, is bound to refrain from all business and professional activities and interests not directly connected with his duties, which would tend to interfere with or hamper in any degree his full and proper discharge of such duties, or which would give rise to a reasonable suspicion that such participation would have that effect. Personnel assigned to duties relating to Army procurement shall inform their immediate superiors of any business affiliations they may have in order to insure that they are not placed in positions which may involve business dealings between the Government and any firm with which they are, or may have been, affiliated. If such person finds his duties require him to act, directly or indirectly, as an agent of the United States in a manner from which he may derive financial profits or other benefits, he will immediately report the facts to higher authority for appropriate remedial action.

(2) *Gifts, gratuities, business courtesies.* Personnel engaged in procurement and related activities will not accept gratuities or gifts from concerns or individuals with whom they have contacts, directly or indirectly, on Government matters. Personal or business favors, such as loans and discounts, also may not be accepted. Furthermore, they shall not accept business or social courtesies, entertainment or hospitality, which might influence or be suspected of influencing their conduct as representatives of the Department of the Army. Individuals should not allow themselves to be placed in situations where unnecessary embarrassment may result from an offer or refusal of the hospitality or business courtesy of a contractor or potential contractor. Gifts or favors offered shall be returned or declined, and the immediate superior of the intended recipient advised of the incident. In appropriate cases, where suspicion arises as to the intent or purpose of the gift or favor, consideration should be given to the filing of a report under the provisions of § 590.303 (b). In cases where time is of the essence, direct contact with the Federal Bureau of Investigation should be made concurrently with the submission of the aforementioned report.

(3) *Unauthorized release of procurement information.* It is the individual responsibility of all Army personnel, both military and civilian, to refrain from releasing to any individual or any individual business concern or its representatives any preknowledge such personnel may possess, or have acquired in any way, concerning proposed procurements or purchases of supplies by any Procuring Activity of the Army Establishment. Such information will be released to all potential contractors as nearly simultaneously as possible and only through duly designated agencies, so that one potential source may not be given an advantage over another. All dissemination of such information will be in accordance with existing authorized procedures and only in connection with the necessary and proper discharge of official duties.

(d) *Responsibility of all personnel.* Although hard and fast rules applicable to every incident or situation cannot be laid down covering all contacts with business firms and individuals, all personnel engaged in functions related to procurement must conform to the highest dictates of common sense and good judgment and must consistently take the course that is beyond criticism. Failure to comply with the policies and instructions contained herein constitutes conduct subject to disciplinary action.

(e) *Pertinent criminal code sections.* There are certain statutes which make it a criminal offense for an officer or an agent of the Government to engage in practices or activities which are at variance with the full measure of duty which he owes to the United States as such officer or agent. Applicable criminal statutes which should be thoroughly understood by procurement personnel are as follows:

(1) *Interested persons acting as Government agents.* 18 U. S. C. Sup., 434.

(2) *Officers or employees interested in claims against the Government.* 18 U. S. C. Sup., 283.

(3) *Procurement of contract by officer or Member of Congress.* 18 U. S. C. Sup., 216.

(4) *Compensation to Members of Congress, officers and others in matters affecting the Government.* 18 U. S. C. Sup., 281.

(5) *Acceptance of solicitation by officer or other persons.* 18 U. S. C. Sup., 202.

(6) *Disqualification of former officers and employees in matters connected with former duties.* 18 U. S. C. Sup., 284.

(7) *Taking or using papers relating to claims.* 18 U. S. C. Sup. 285.

(8) *Conspiracy to defraud the Government with respect to claims.* 18 U. S. C. Sup., 286.

(9) *False statements or entries generally.* 18 U. S. C. Sup., 1001.

(10) *Official certificates or writings.* 18 U. S. C. Sup., 1018.

(11) *Records and reports. Concealment, removal, or mutilation generally.* 18 U. S. C. Sup., 2071.

(12) *Salary of Government officials and employees payable only by the United States.* 18 U. S. C. Sup., 1941.

5. Paragraph (a) (3) (iii) of § 590.603–4 is amended by adding at the end thereof the following agency and symbol:

United States Army Group, Turkey---- ATK

6. Section 590.607–2 is amended to read as follows:

§ 590.607–2 *Fixed price contracts—*(a) *When audits will be performed.* (1) Audits of cost data submitted by contractors in connection with the negotiation of or revision of prices (or settlements) under fixed-price contracts will be performed:

(i) When requested by the contracting officer. As a matter of policy, contracting officers should request audits in those cases where in their judgment an audit is desirable to protect the interest of the Government after giving full consideration to the amount involved, the nature and acceptability of the cost data furnished by the contractor, unusual circumstances that might adversely affect the Government's interest, or any other available information that would be of value in arriving at the decision.

(ii) Whenever the Regional Auditor deems it advisable (provided the Government has the right of audit) after giving full consideration to the amount involved, the nature and acceptability of the cost data furnished by the contractor, knowledge (or lack thereof) of the contractor's accounting policies and procedures, the adequacy of the contractor's cost system, unusual circumstances that might adversely affect the Government's interest, or any other available information that would be of value in arriving at the decision.

(2) It is not considered sound policy to arbitrarily exempt from the requirement of audit any contract or group of contracts in which pricing or payment is based on cost information furnished by the contractor. However, in the application of subparagraph (1) (i) and (ii) of this paragraph in those cases where there is adequate knowledge of the contractor's accounting policies and cost system, and previous favorable experience, both the contracting officer and the Regional Auditor should consider the propriety of accepting the contractor's cost information after a satisfactory review and analysis by qualified personnel in either or both offices. This procedure is particularly adaptable to contracts of limited amounts.

(3) As promptly as possible but not later than 10 days after receipt of the financial data set forth in § 590.606–8 (b), the contracting officer will be advised of the decision by the Regional Auditor under subparagraph (1) (ii) of this paragraph, or of any recommendation in connection with subparagraph (2) of this paragraph which might warrant reconsideration of the request for an audit.

(b) *Action required upon receipt of request for or the initiation of an audit.* Promptly upon receipt of the audit request set forth in paragraph (a) (1) (i) of this section or when initiating an audit under paragraph (a) (1) (ii), but no later than 10 days after receipt of the data set forth in § 590.606–8 (b), the Army Audit Agency will advise the contracting officer of the approximate date the audit will be started, and within 5 days after the actual starting date, the Auditor will further advise the contracting officer of the estimated date of submission of the audit report. In the event that conditions which arise during the performance of the audit indicate the audit report cannot be completed within the estimated period and in order not to delay unduly any needed payment of acceptable items of cost to the contractor, the Auditor will promptly advise the contracting officer of the cause of the extension of the estimated date of completion and will furnish a brief interim report indicating the amount which, in the Auditor's opinion, and subject to the contracting officer's approval may be provisionally paid at that time; in the case of pending precontract negotiations, the contracting officer may, in his discretion, proceed with negotiations without delay until completion of the audit report, should the situation so warrant.

(c) *Scope of audits.* The scope of each audit requested by a contracting officer will be the minimum required in the opinion of the Auditor under the circumstances to justify him in giving an opinion regarding the reasonableness and fairness of the contractor's claims regarding costs actually incurred or estimated to be incurred, either as a basis for actual contract settlement or for price negotiation, as the case may be. The scope of the audit will depend upon the Auditor's judgment regarding the contractor's financial and accounting policies and procedures, including the reliability of his cost system and internal controls; in no case will a detailed audit of transactions or price estimates be made beyond the extent necessary under the circumstances. Whenever the Auditor determines to expand the scope of auditing to include extensive detailed work, an explanation of the reasons therefor will be furnished in the audit report.

(d) *Disclosure of audit results to contractors.* In order to facilitate negotiations and to insure that the audit findings are in keeping with the facts after full consideration has been given to the contractor's accounting policies and procedures, the Auditor may discuss his audit findings with the contractor in respect to the costs questioned and the accounting basis therefor. The Auditor will, in each case where the audit results are discussed with the contractor, inform the contractor that the audit findings as approved by the Regional Auditor are advisory only and do not restrict the contracting officer in his negotiation with the contractor. Upon completion of the audit report and review thereof, the Regional Auditor should normally furnish the contractor with copies of the pertinent schedules relating to the costs questioned, at the same time as the audit report is submitted to the contracting officer.

(e) *Action of contracting officer upon receipt of audit report.* Contracting officers are primarily responsible for determination of prices negotiated under fixed-price contracts, including those containing price redetermination clauses. Audit reports on negotiated fixed-price contracts, while advisory only, are necessary and important in that they furnish contracting officers adequate information with which to negotiate fairly with the contractor's representatives, and must be fully considered. In accordance with the requirements of § 590.606–8 (a) copies of contractual documents reflecting the determination of prices or settlements must be furnished promptly by the contracting officer to appropriate regional officers of the Army Audit Agency.

(f) *Action of Army Audit Agency upon receipt of contractual documents indicating settlement of price redeterminations, etc.* Upon receipt of the contractual documents indicating revision of prices (or final settlements), the Army Audit Agency will evaluate the new prices in the light of the advisory audit report and other available information for overall reasonableness. A reaudit or reexamination of the contractor's accounts will not be performed. In those cases where the new prices appear largely disproportionate to the information available, a report will be submitted through the Comptroller of the Army to the Assistant Chief of Staff, G–4, Department of the Army (Attn: Chief, Purchases Branch), for information and investigation, which office will take necessary corrective action, if deemed appropriate. The Comptroller of the Army will be furnished with information indicating disposition of the report.

7. Section 590.804 (d) is added as follows:

§ 590.804 *Number of copies and routing.* * * *

(d) An additional copy of DD Form 350 will be submitted to the Assistant Chief of Staff, G–4, Department of the Army (Attn: Chief, Purchases Branch), in the case of each action involving Mutual Security Assistance funds.

8. Section 590.805 (c) is amended to read as follows:

§ 590.805 *Frequency and due dates.* * * *

(c) Oversea purchasing offices will prepare DD Form 350 for each reportable procurement action and forward this form within four working days after the date an individual action as described in § 590.807 is transacted. DA AGO Form 377 will be forwarded not later than the 10th day of the following month. (See § 590.809 (a).)

* * * * *

9. Section 590.807 is amended by changing paragraph (c) and adding paragraph (d) as follows:

§ 590.807 *Procurement actions to be reported.* * * *

(c) DD Form 350 will be submitted for individual procurement actions only where the dollar value is $10,000 or more, except as indicated in paragraph (d) of this section. DD Form 350 will be submitted for each modification (amendment, change order, or supplemental agreement) increasing or decreasing the value of a contract by $10,000 or more, regardless of value of basic contract and regardless of whether basic contract was executed prior to effective date of Public Law 413, 80th Congress (May 19, 1948). As an exception to the above instructions, every procurement action negotiated under sections 2 (c) (11) and 2 (c) (16) of Public Law 413 will be reported on DD Form 350 without regard to any dollar value limitation. No modifying actions having a dollar value of less than $10,000 will be reported on either DD Form 350 or DA AGO Form 377 except those modifying contracts negotiated under authority of section 2 (c) (11) and 2 (c) (16) of Public Law 413.

(d) Oversea purchasing offices will submit DD Form 350 for each procurement action involving MSA funds regardless of dollar value.

10. Section 590.808 (aa) (1) is amended to read as follows:

§ 590.808 *Instructions for preparation of DD Form 350 (Individual Procurement Action Report.)* * * *

(aa) *Item 24—Remarks.* (1) When procurement action is effected under Mutual Security Assistance Program, the following information will be entered under this item.

(i) MSAP Procurement.

(ii) Date schedule of first delivery and partial deliveries thereafter through contract completion.

(iii) The dollar value of the MSAP procurement when the total value of the contract being reported (item 10) includes procurement for requirements other than MSAP.

* * * * *

11. Section 590.908–3 is amended to read as follows:

§ 590.908–3 *Forms*—(a) *Contractor's application.* (1) Application shall be made on a form substantially similar to that set forth in § 590.906–3 (a), except that:

(i) Subject will be referred to as follows:

Subject: Request for Correction of Mistakes Under Title II, First War Powers Act, 1941, as amended.

(ii) Heads of Procuring Activities may authorize omission of replies to items 3j and 3p of the form.

(2) The applicant will submit satisfactory evidence of the alleged mistake, including, but not limited to, original work sheets.

(b) *Denial of application.* Form set forth in § 590.906–3 (b) may be adapted.

(c) *Contracting officer's indorsement recommending approval of application.* Form suggested in § 590.906–3 (c) may be used and/or adapted.

12. Section 590.918–1 is amended to read as follows:

§ 590.918–1 *Amendments without consideration, correction of mistakes and formalization of informal commitments.* (a) A report will be rendered monthly by each Head of a Procuring Activity relative to claims received and actions taken pursuant to authority contained in §§ 590.906–590.909–3.

(b) Heads of Procuring Activities will consolidate information obtained from all purchasing offices (as defined in § 590.253–1); and forward such report to Assistant Chief of Staff, G–4, Department of the Army, Washington 25, D. C., Attn: Chief, Purchases Branch, in time to reach that office by the 20th day of the month following the month covered by the report.

(c) The following information will be included:

(1) Type of claim involved (e. g., correction of mistake, etc.).

(2) Purchasing office concerned.

(3) Date claim was received.

(4) Name and address of contractor.

(5) Contract number or numbers involved.

(6) Type of contract (formally advertised or negotiated.) (This item is not required when the claim is made pursuant to §§ 590.909–590.909–3.)

(7) Type of product or service involved.

(8) Dollar amount involved.

(9) Changes in conditions or Government action which affected contractor's costs. (This item is not required when the claim is made pursuant to §§ 590.907–590.909–3.)

(10) Disposition or status of claim.

(i) Finally approved by the Head of Procuring Activity.

(ii) Finally denied by Head of Procuring Activity (or any intermediate office, including contracting officer).

(iii) Principal reasons for approval or denial.

(iv) Pending.

(*a*) In purchasing office.

(*b*) In office of Head of Procuring Activity.

(*c*) In Contract Adjustment Board.

(*d*) After a claim has once been reported as finally approved or denied, or forwarded to the Army Contract Adjustment Board, it need not be reported on succeeding monthly reports.

(*e*) A numerical summary will be attached to each quarterly report indicating the following information in substantially the following format:

	Type of claim					
	Amendment without consideration		Correction of mistakes		Formalization of informal commitments	
	Number	Total dollar value involved	Number	Total dollar value involved	Number	Total dollar value involved
On hand at beginning of month						
Received during month						
Disposed of during month (total)						
Finally approved by Procuring Activity						
Finally denied by Procuring Activity						
Pending as of end of month (total)						
In purchasing offices						
In Office of Head of Procuring Activity						
In Contract Adjustment Board						

(f) Forms will not be supplied for this report. Reports Control Symbol CSGLD–376 (R1) has been assigned to this report.

Part 591—Procurement by Formal Advertising

Part 591 is amended as indicated below:

1. Section 591.102 (a) (1) is amended to read as follows:

§ 591.102 *Use of formal advertising.* (a) * * *

(1) In the procurement of commercial supplies or services, except for items approved for standardization as technical equipment under the provisions of AR 15–440.

* * * * *

2. Section 591.404 is amended to read as follows:

§ 591.404 *Minor informalities or irregularities in bids.* (a) The contracting officer shall give to the bidder an opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid, or in the alternative, when it is not to the disadvantage of the Government, may waive any such deficiency when time does not permit the curing thereof.

(b) Illustrative examples of minor informalities or irregularities are the following:

(1) Failure to furnish required catalogs, cuts, or descriptive data.

(2) Failure to furnish information required by the invitation for bids con-

cerning such matters as number of employees and place of manufacture.

(3) Suppliers frequently submit with their bids additional information on letterheads or other forms which incorporate printed terms and conditions used by the supplier in his commercial business. These printed terms and conditions are very often in conflict with the general provisions or may contain language affecting bid prices. Unless it clearly appears on the face of the bid that such terms and conditions are intended to be a part of the bid, the bidder shall be given an opportunity to state whether or not they are so intended. If the bidder submits a written statement that such terms and conditions were not intended to form a part of the bid, they may be disregarded considering the bid.

(4) A bidder failing to furnish, (i) information regarding his aggregate number of employees, (ii) his status as a source of supply as defined in § 400.201–9 of this title and § 590.201–9 of this subchapter, or (iii) the place of manufacture of the supplies being purchased, will be permitted to make such representations after the bid opening but prior to award.

(5) Under certain circumstances the failure to furnish a bid bond may be treated as a minor informality or irregularity in the bid. Such a deficiency may be cured or waived where it did not result from the inability of the bidder to obtain a bid bond because of its financial status or some similar reason, but was due to inadvertence or other excusable cause. The correction or waiver of such deficiency should be permitted only after a thorough investigation has been made of the facts pertinent to such deficiency and an excusable cause has been clearly established.

PART 592—PROCUREMENT BY NEGOTIATION

Part 592 is amended as indicated below:

1. Section 592.101 (b) is amended as follows:

§ 592.101 *Negotiation as distinguished from formal advertising.* * * *

(b) *Conduct of negotiations.* * * *

(3) During the negotiation of contracts, simultaneous coordination, to the greatest practical extent, shall take place among the contracting, technical, cost analyzing, legal, and industrial planning personnel. Instructions to be followed by negotiating teams will be prepared with full coordination of traffic analysts in procuring offices, and such teams will be directed to seek traffic management advice upon the appearance of new traffic elements (such as change in shipping points, specifications, etc.) in the negotiations.

(4) Approval signatures on contracts or purchase authorizations (e. g., procurement directives, requisitions, etc.) shall be minimized to the greatest practical extent and, in the event that multiple approval signatures are required, they shall, where possible, be obtained concurrently.

(5) Although all matters of substance should be resolved in the contract resulting from a completed negotiation, it may be appropriate, in the course of a protracted negotiation, if production is urgent, to issue a preliminary Letter Contract in accordance with §§ 592.408–592.408–6, the ultimate complete agreement being incorporated in the resulting definitive contract.

(6) An informal record indicating the firms or persons invited to submit proposals and the quotations offered by those submitting proposals will be retained in the files of the contracting officer.

* * * * *

2. Section 592.204–2 (c) (1) (ii) is amended to read as follows:

§ 592.204–2 *Application.* * * *

(c) *Specific statutory authorizations.* (1) * * *

(ii) Section 601, Department of Defense Appropriation Act, 1952 (P. L. 179, 82d Cong.), approved October 18, 1951 which provides:

During the current fiscal year, the Secretary of Defense and the Secretaries of the Air Force, Army, and Navy, respectively, if they should deem it advantageous to the national defense, and if in their opinions the existing facilities of the Department of Defense are inadequate, are authorized to procure services in accordance with section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at rates for individuals not in excess of $50 per day, and to pay in connection therewith travel expenses of individuals, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty station and return as may be authorized by law: *Provided*, That such contracts may be renewed annually.

* * * * *

PART 596—CONTRACT CLAUSES AND FORMS

Part 596 is amended as indicated below:

1. Section 596.103–11 (g) and (i) are amended as follows:

§ 596.103–11 *Default.* * * *

(g) *Report of termination of contract (Report Control Symbol FIN–51).* Within 30 days after such termination, a letter report, "Subject: Report of Termination of Contract for Default (Reports Control Symbol FIN–51)," will be furnished to the Disbursing Officer, in duplicate, setting forth the following information:

* * * * *

(10) Attach 2 copies of the following:

* * * * *

(11) Attach original and 1 copy of correspondence from delinquent contractor to contracting officer relative to indebtedness.

(12) Attach 2 copies of any other papers or documents deemed to be required as evidence for prosecution of claim or litigation against defaulting contractor.

* * * * *

(i) *Action by disbursing officer.* (1) Upon receipt of the Report of Termination of Contract, the disbursing officer will proceed, when necessary, to effect collection of excess costs and actual or liquidated damages by deduction of the amount thereof from any funds payable to the defaulting contractor.

(2) If the entire amount is collected by set-off, such action will be indicated by indorsement to the Report of Termination of Contract, together with applicable voucher citations, and a statement of the name of the disbursing officer and D. O. Symbol No. The report and indorsement will be disposed of as follows:

(i) The original will be transmitted to the Chief of Finance, for forwarding to the General Accounting Office.

(ii) The duplicate copy will be filed in the Office of the Disbursing Officer.

(3) In the event that collection of excess cost and/or damages is effected by means of contractor's check, money order, cash, or any means other than set-off against another account due to the contractor, the disbursing officer will, in addition to taking action required by subparagraph (2) of this paragraph, submit together with the report, the required number of copies of Standard Form No. 1044 (Schedule of Collections), properly completed in accordance with AR 35–3510, dated May 2, 1951.

(4) If the disbursing officer finds it impracticable to collect the entire amount due, or if no repurchase, excess costs or damages are involved, he will indicate his action and recommendation by indorsement to the Report of Termination of Contract, and distribute the report and indorsement as follows:

(i) The original to the Chief of Finance, for forwarding to the General Accounting Office.

(ii) The duplicate copy will be filed in the Office of the Disbursing Officer.

(iii) The contracting officer will be advised in writing of action taken and, where applicable, that the excess costs and/or damages could not be collected and that the matter has been reported to the Chief of Finance, for reference to the General Accounting Office.

2. Section 596.104–12 (a) is amended by adding paragraphs (e) and (f) to the Military Security Requirements Clause contained therein, as follows:

§ 596.104–12 *Military security requirements.* * * *

MILITARY SECURITY REQUIREMENTS

* * * * *

(e) Any disagreement concerning a question of fact arising under this clause shall be considered a dispute within the meaning of the clause of this contract entitled "Disputes."

(f) The Contractor agrees to insert in all subcontracts hereunder which involve access to classified matter, provisions which shall conform substantially to the language of this clause, including this paragraph (f).

* * * * *

3. Section 596.150–5 is rescinded and the following substituted therefor:

§ 596.150–5 *Liability for Government property furnished for repair.* Insert the clause set forth below in contracts for the repair of Government property, possession of which is turned over to the Contractor for that purpose.

LIABILITY FOR GOVERNMENT PROPERTY

(a) The Contractor will be liable for any loss, destruction of or damage to the Government property to be repaired caused by the Contractor's failure to exercise such care and diligence as a reasonably prudent owner of similar property would exercise under similar circumstances.

(b) In addition to such insurance as is normally carried by the Contractor in the course of business the Contractor agrees to maintain such additional insurance (including self-insurance funds or reserves) covering loss or destruction of or damage to Government property, as may, from time to time, be required by the Contracting Officer.

(c) The Contractor shall not be liable for loss or destruction of or damage to the Government property furnished for repair (i) caused by any peril while the property is in transit off the Contractor's premises, or (ii) caused by any of the following perils while the property is on the Contractor's or subcontractor's premises, or on any other premises where such property may properly be located, or by removal therefrom because of any of the following perils:

(1) Fire; lightning; windstorm; cyclone, tornado, hail; explosion; riot, riot attending a strike, civil commotion; vandalism and malicious mischief; sabotage; aircraft or objects falling therefrom; vehicles running on land or tracks, excluding vehicles owned or operated by the Contractor or any agent or employee of the Contractor; smoke; sprinkler leakage; earthquake or volcanic eruption; flood, meaning thereby rising of a body of water; hostile or warlike action, including action in hindering, combating, or defending against an actual, impending or expected attack by any government or sovereign power (de jure or de facto), or by any authority using military, naval or air forces, or by an agent of any such government, power, authority, or forces; or

(2) Other peril, of a type not listed above, if such other peril is customarily covered by insurance (or by a reserve for self-insurance) in accordance with the normal practice of the Contractor, or the prevailing practice in the industry in which the Contractor is engaged with respect to similar property in the same general locality.

(d) The Contractor shall hold the Government harmless and shall indemnify the Government against claims for injury to persons or damage to property of the Contractor or others arising from the Contractor's possession, or use of the Government property furnished for repair, or arising from the presence of said property on the premises or property of the Contractor.

4. Section 596.150–6 is rescinded.

PART 599—BONDS AND INSURANCE

Section 599.102 is added as follows:

§ 599.102 *Bid bonds.* Bid bonds may be required when, and only when, the solicitation of bids for a contract to be entered into as a result of formal advertising specifies that the contract is to be supported by a performance bond or by performance and payment bonds. Whenever a bid is required, the penal sum thereof shall be in an amount deemed adequate by the contracting officer for the protection of the Government.

PART 601—LABOR

Part 601 is amended as indicated below:

1. Section 601.101 is amended by striking out the designation "Chief, Purchases Branch" appearing in paragraph (b) (4) and inserting in lieu thereof "Chief, Production Branch".

2. Section 601.103 is amended to read as follows:

§ 601.103 *Federal and State labor requirements*—(a) *Application.* This section is applicable to all Government contractors within the continental United States, its territories and possessions, including contractors of Government-owned facilities, irrespective of whether such facilities are located on private or Government property.

(b) *Definition.* The term "State" as used in this section includes the District of Columbia, territories, and all political subdivisions of States.

(c) *Requests for relaxation of labor legislation.* It is the policy of the Department of the Army that the State labor standards governing such matters as maximum daily and weekly hours of employment, meals and rest periods, night work and other conditions of employment, as set forth in State labor laws, regulations, and administrative orders, be observed to the maximum extent possible. In furtherance of this policy, Procuring Activities will not initiate applications to State agencies or officials for suspension, or relaxation of labor standards. In addition, Procuring Activities will not, formally or informally, support such applications by contractors or suppliers, unless approval of such action has been obtained from The Judge Advocate General. Requests for approval will not be forwarded unless the following circumstances and conditions exist:

(1) The interested contractor or supplier has filed his application for relaxation of the laws, orders, or regulations involved with the appropriate State official charged with the enforcement of such labor standards in the State where the plant of the manufacturer involved is located; and

(2) The products or services involved are in short supply and unless the application is granted there will be a failure to meet production schedules for critically needed military items; and

(3) There are no alternative sources of supply for such products or services reasonably available to furnish the military items contracted for within the period of time delivery is required; and

(4) Available information indicates no practicable possibility of taking remedial action (such as recruiting, training and more effective utilization of manpower) as an alternative to relaxation of applicable State labor standards; and

(5) The apparent supply of labor and, in particular, of critical skills is limited and it is not practicable to set up new production lines or to use additional facilities as an alternative to the relief requested; and

(6) The granting of the application will not result in an excessive increase in hours of work, an unreasonable curtailment of rest and lunch periods, an undesirable impairment of working conditions, or, otherwise, will not affect adversely the productivity of the facility involved.

(d) *Requests for approval to support contractors' application.* Requests for approval of The Judge Advocate General for authority to support an application on behalf of a contractor will be forwarded through the Head of a Procuring Activity to The Judge Advocate General (Attn: Chief, Industrial Relations Branch) and will contain the following information:

(1) The facilities and services involved and affected.

(2) Provision or provisions of law the relaxation of which is required.

(3) Criticalness or relative scarcity of the material.

(4) Circumstances necessitating the relaxation (such as, for example, a shortage in the local supply of skilled labor).

(5) Remedial action being taken by the manufacturer (for example, training, recruiting, and more effective utilization of manpower).

(6) Efforts previously made to obtain the relaxation.

(7) The most limited relaxation of State labor standards necessary for completion of the specific work in conformity with military procurement schedules and programs.

(8) The approximate period of time required for the completion of the work.

(e) *Furnishing information to State officials.* Heads of Procuring Activities may, consistent with limitations of security, furnish information to the appropriate State official, upon his request, as to the fact that an application for relaxation of State labor standards filed with him relates to the execution of a contract with such agency in pursuance of a military procurement program. Such information should not extend to support of such application unless proper authorization has been obtained from The Judge Advocate General.

(f) *Monthly reports.* Heads of Procuring Activities will submit, on the 15th day of each month, a letter report, Subject: Support of Applications for Rerelaxation of State Labor Standards (Reports Control Symbol JAG–13), to The Judge Advocate General, Washington 25, D. C. (Attn: Chief, Industrial Relations Branch) as to action taken under this section during the preceding calendar month. Negative reports are not desired. The reports will cover but need not be limited to the following:

(1) Name and address of facility involved and military item being supplied by that facility.

(2) Official to whom representations in support of contractor's supplier's application for relaxation of labor standards was made.

(3) Justification or reason given for support of the application.

(4) Labor standards requested to be relaxed, period of time requested therefor, and action taken on the request by the appropriate State official.

PART 602—GOVERNMENT PROPERTY

Part 602 is amended as indicated below:

1. Sections 602.602–602.602–3 are rescinded and the following §§ 602.602–602.602–7 substituted therefor:

§ 602.602 *Exchange or sale of personal property and application of proceeds to purchase of similar items.* Sections 602.602–602.602–7 prescribe rules under which the Army Establishment may exchange or sell similar items and apply the exchange allowance or proceeds of sale in whole or in part payment for the property acquired.

§ 602.602–1 *Scope.* Exchange of personal property by the Army Establishment and the application of the exchange allowance or proceeds of sale of personal property in the acquisition of personal property by the Army Establishment under section 201 (c), Federal Property and Administrative Services Act of 1949 (63 Stat. 378; 41 U. S. C. 231 (c)), shall be made only in accordance with the provisions of §§ 602.602–602.602–7.

§ 602.602–2 *General authorization.* Subject to the provisions of §§ 602.602–602.602–7, heads of procuring activities are hereby authorized, in acquiring personal property within the United States or elsewhere, to exchange or sell similar items and apply the exchange allowance or the proceeds of sale in such cases, in whole or in part payment for the property acquired. Any transactions carried out under this authorization shall be evidenced in writing.

§ 602.602–3 *Restrictions and limitations.* (a) Sections 602.602–602.602–7 authorize the application of exchange allowances or proceeds of sale in whole or in part payment for personal property acquired only when:

(1) The items sold or exchanged are similar to the items acquired (see paragraph (b) of this section for clarification of the word "similar");

(2) The items acquired are to be used (whether or not intended for additional uses) in the performance of all or substantially all of the tasks or operations in which the items exchanged or sold would otherwise be used, but the items acquired need not be the same in number nor used in the same location as the items sold or exchanged: *Provided,* That the limitation prescribed in this section shall not apply with respect to parts or containers: *And provided further,* That detailed cross-identification between old and new items will not be required in the absence of specific requirements of law, but in the absence of such cross-identification, there shall be furnished to the General Accounting Office sufficient accounting data to establish that the items acquired were similar to the items exchanged or sold, that any exchange allowances or proceeds of sale applied in whole or part payment of property acquired were in fact available for such application, and that the transaction was otherwise in accordance with the provisions of this regulation; and

(3) There has been at the time of transfer or sale an administrative determination to apply the exchange allowance or proceeds of sale in acquiring property in accordance with §§ 602.602–602.602–7, which determination shall support each schedule of collections covering such proceeds of sale.

(4) The items to be sold or exchanged, unless exempted under the provisions of § 602.602–4 (a) (1) and (2), have been screened for utilization by other Government Agencies through the Surplus Materials Division, Bureau of Supplies and Accounts, Department of the Navy, in accordance with § 602.602–5.

(b) Items shall be deemed "similar" for the purpose of §§ 602.602–602.602–7 when:

(1) They are substantially alike in all material aspects and characteristics, excluding, however, condition, year model, size or capacity, and manufacturer; or

(2) The Head of a Procuring Activity or his representative duly authorized for the purpose, finds in writing that they resemble each other in most material aspects and characteristics and are adaptable to the same or comparable uses, which finding shall support each purchase document covering property acquired pursuant thereto; or

(3) They constitute parts of or for assembled items, or containers for items, which items are similar within the meaning of subparagraphs (1) or (2) of this paragraph.

(c) Sections 602.602–602.602–7 shall not be construed to authorize:

(1) The acquisition of personal property by a procuring activity when such acquisition is not otherwise authorized by law;

(2) The acquisition of personal property by a procuring activity in contravention of (i) any restriction upon the procurement of a commodity or commodities, or (ii) any replacement policy or standard, prescribed by the President or by the Administrator of General Services pursuant to the Federal Property and Administrative Services Act of 1949 (Pub. Law 152, 81st Cong.) (63 Stat. 378, 41 U. S. C. 231).

(3) The purchase or acquisition of personal property otherwise than under a consolidated purchasing or stores program or Federal Supply Schedule contract where procurement under such program or contract is required by regulations or other directives prescribed by the Administrator: *Provided,* That a procuring activity acquiring an item or items under and in accordance with such program or contract may sell or exchange similar items and apply the exchange allowance or proceeds of sale as provided in §§ 602.602–602.602–7; or

(4) The sale, transfer, or exchange of excess or surplus property in connection with the purchase or acquisition of personal property: *Provided,* That a procuring activity obtaining items of excess or surplus property as authorized by law may thereafter exchange or sell such items and apply the exchange allowance or proceeds of sales in accordance with §§ 602.602–602.602–7.

§ 602.602–4 *Reporting for screening.* (a) All personal property to be sold or exchanged under the provisions of §§ 602.602–602.602–7 will be reported for screening on Standard Form 120, to the Surplus Materials Division, Bureau of Supplies and Accounts, Department of the Navy, unless:

(1) Exchange is proper without solicitation of bids and the need for action will not permit the waiting period required for screening prior to direct exchange.

(2) Items concerned fall within the scope of exemptions listed in paragraph 36 and 39, SR 755–5–1, as changed, or are salvage items. Where a need for an exempted item is known to exist within the Department of Defense it will be offered for transfer with reimbursement, under the Department of Defense Fair Value Code as set forth in this regulation (see § 602.602–5), or competent appraisal of the cash market value direct to the requiring service where practical.

(b) Reporting will be in the same manner as is required for Technical Service Excess Property in section III, SR 755–5–1, with the exception of the instructions pertaining to spaces 17 (i) and (j) of the reporting form. The reporting activity is authorized to submit a competent appraisal of the cash market value of an item or items reported and in such cases this appraised value will be shown in space 17 (j) and the heading "fair value" changed to read "appraised value."

(c) Each reporting form used for the listing of items to be screened will be clearly marked with the notation, "This material for sale or exchange under provisions of General Services Administration Personal Property Management Regulation No. 6, Revised, September 7, 1951."

§ 602.602–5 *Screening of personal property in the interest of utilization prior to sale or exchange.* This section sets forth the rules and procedures under which personal property will be screened prior to the application of the authority granted in § 602.602–2.

(a) Items reported for sale or exchange in accordance with § 602.602–4 will be screened by the Surplus Materials Division, Bureau of Supplies and Accounts, Department of the Navy, for utilization by the other two Military Departments and will be offered concurrently to the General Services Administration to provide possible utilization by other Government Agencies. Military requests for any property reported will be given first priority. A fair exchange price will be determined either by:

(1) The reporting activity, by competent appraisal of the cash market value, or

(2) The Department of Defense fair value code as set forth below.

SALE OF PROPERTY

FAIR VALUE CODE

Condition code	Maximum percent of acquisition cost	Condition code	Maximum percent of acquisition cost
N1	70	N4–E3–R1	30
N2	55	O3	25
E1	50	E4–R2	20
O1	45	O4	15
N3–E2	40	R3	10
O2	35	R4	5

(b) Screening by the Surplus Materials Division, Bureau of Supplies and Accounts, Department of the Navy, and the General Services Administration will be limited to a period of sixty days from the date the report is forwarded to the Surplus Materials Division, at the expiration of which time the material not utilized will be released to the reporting activity for sale or exchange.

§ 602.602–6 *Sale.* (a) Heads of Procuring Activities are encouraged to utilize the services of property disposal officers with respect to the sale of property

as authorized in paragraph 36, AR 755–5.

(b) Disposition of proceeds of sales will be in accordance with paragraph 52b, SR 755–5–2.

§ 602.602–7 *Books and periodicals.* Notwithstanding any other provisions of § 602.602–602.602–6 procuring activities may exchange, without monetary appraisal or detailed listing or reporting, books and periodicals in their libraries not needed for permanent use for other books and periodicals.

2. Section 602.603 is rescinded and the following substituted therefor:

§ 602.603 *Sales, gifts and loan of drawings and certain other property.* (a) The Heads of Procuring Activities are authorized to sell, give, or lend drawings, manufacturing and other information, and samples of supplies and equipment to be manufactured or furnished, to contractors and private firms which are or may likely be manufacturers or furnishers of supplies and equipment for the use of the Army, Navy, or Air Force under approved production plans, whenever they determine that such action is necessary in the interest of national defense: *Provided, however,* That no sale or gift of such items shall be made if the item is to be the subject of recurring procurement, and would be suitable for the purpose for which purchased by the Government, and not obsolete, after serving as a sample, pattern or guide to a manufacturer or supplier.

(b) Such drawings, manufacturing and other information, and samples of supplies and equipment to be manufactured or furnished shall be sold, given, or loaned by appropriate written agreement, reciting the above determination, pursuant to the act of July 27, 1937, as amended (50 Stat. 535; 10 U. S. C. 1192a).

(R. S. 161; 5 U. S. C. 22. Interpret or apply 62 Stat. 21; 41 U. S. C. Sup., 151–161) [C 3, Dec. 1, 1951, C 4, Jan. 15, 1952 and C 5, Feb. 15, 1952]

[SEAL] WM. E. BERGIN,
Major General, USA,
The Adjutant General.

[F. R. Doc. 52–5256; Filed, May 12, 1952; 8:45 a. m.]

Chapter VII—Department of the Air Force

Subchapter J—Procurement Procedures

PART 1010—FEDERAL, STATE, AND LOCAL TAXES

Part 1010 is added to Subchapter J as follows:

Sec.
1010.001 Scope of part.
1010.002 Overseas.

SUBPART A—FEDERAL EXCISE TAXES

1010.101 Manufacturers' excise taxes (basis and application).
1010.102 Tax on transportation of property (basis and application).

SUBPART B—EXEMPTIONS FROM FEDERAL EXCISE TAXES

1010.201 Supplies for exportation.
1010.202 Supplies for ships and aircraft.
1010.203 Supplies under certain prior contracts.
1010.204 Other exemptions.
1010.205 Tax-exemption forms.
1010.206 Preparation and execution of U. S. Government Tax-Exemption Certificate (SF 1094).

SUBPART C—STATE AND LOCAL TAXES

1010.301 Tax-exemption forms.

SUBPART D—CONTRACT CLAUSES

1010.401 Special provisions in contracts.

SUBPART E—COLLECTION AND PAYMENT OF FEDERAL EXCISE TAXES BY THE GOVERNMENT WHERE UNITED STATES IS VENDOR

1010.501 Collection from purchaser or user.
1010.502 Disposition of funds received.
1010.503 Transfers of Government-owned property.
1010.504 Sale of property to a lump-sum contractor.

AUTHORITY: §§ 1010.001 to 1010.504 issued under R. S. 161, sec. 202, 61 Stat. 500, as amended, 62 Stat. 21; 5 U. S. C. 22, 171a, 41 U. S. C. 151–161. Statutory provisions interpreted or applied are cited to text in parentheses.

DERIVATION: Sec. XI, AFM 70–6.

§ 1010.001 *Scope of part.* Supplementary to but consistent with part 410 of this title (Armed Services Procurement Regulation), this part sets forth policies and procedures in connection with Federal excise taxes, and State and local taxes. References in this part are to part 410 of this title (Armed Services Procurement Regulation), to the Internal Revenue Code, and to Bureau of Internal Revenue Regulations. Examples: § 410.101–5 of this title; sec. 3797 (a), IRC (53 Stat. 469, as amended; 26 U. S. C. 3797 (a); and sec. 316.9, Regulations 46; 26 CFR 316.9.

§ 1010.002 *Overseas.* This part and part 410 of this title are applicable in effecting procurement outside the United States, its territories and possessions, where the articles, materials, and supplies so procured were mined, produced, or manufactured in the United States, its territories, and possessions, and where the cost of such articles, materials, and supplies may include Federal, State, and local taxes. Every effort will be made to take advantage of all authorized tax exemptions, credits, and refunds, including such exemptions, credits, and refunds as may be authorized by the laws of the foreign country in which procurement is effected.

SUBPART A—FEDERAL EXCISE TAXES

§ 1010.101 *Manufacturers' excise taxes (basis and application)*—(a) *General.* In general, the manufacturers' excise taxes are based on the sales price. Charges for coverings, containers, and the like, are included in the sales price for purposes of computing the tax. If the amount of the sales price is adjusted upon return of coverings or containers to the seller, the tax should also be adjusted (sec. 316.10, Regulations 46; 26 CFR 316.10). The tax imposed, however, is not part of the taxable price of the article (sec. 316.11, Regulations 46; 26 CFR 316.11). Charges for transportation, delivery, insurance, installation, and similar charges also are excluded in computing the tax (sec. 316.12, Regulations 46; 26 CFR 316.12).

(b) *Lease or installment sales.* The lease of an article is considered a sale thereof. In the case of leases or installment sales, the tax is paid proportionately upon each payment sec. 314.4, Regulations 44; sec. 316.9, Regulations 46; 26 CFR 314.4 and 316.9).

(c) *Credit or refund.* The tax in general attaches when title passes from the manufacturer (sec. 314.4, Regulations 44; sec. 316.5, Regulations 46; 26 CFR 314.4 and 316.5). If subsequent reduction is made in the sales price, credit or refund may be obtained by the manufacturer (sec. 316.13, Regulations 46; 26 CFR 316.13). Claim by a manufacturer for credit or refund must show, among other things, that the tax has not been collected from the purchaser or has been repaid to him or that his written consent to the allowance of the credit or refund has been obtained (sec. 314.64, Regulations 44; sec. 316.204, Regulations 46; 26 CFR 314.64 and 316.204).

(d) *When manufacturers' excise tax not imposed.* No manufacturers' excise tax is imposed under section 3406, IRC (55 Stat. 716, as amended; 26 U. S. C. 3406) (see §§ 410.101–5 to 410.101–9 of this title), with respect to any article subject to the retailers' excise tax on sale of jewelry and other items referred to in § 410.102–1 of this title (sec. 3406, IRC; 55 Stat. 716, as amended; 26 U. S. C. 3406).

CROSS REFERENCE: For section of Armed Services Procurement Regulation which this section implements see § 410.101 of this title.

§ 1010.102 *Tax on transportation of property (basis and application)*—(a) *Transportation.* The term "transportation" means the movement of property by a person engaged in the business of transporting property for hire, including interstate, intrastate, and intracity or other local movements, as well as towing, ferrying, switching, and the like. In general, it includes accessorial service furnished in connection with a transportation movement, such as loading, unloading, blocking and staking, elevation, transfer in transit, ventilation, refrigeration, icing, storage, demurrage, lighterage, trimming of cargo in vessels, wharfage, handling, feeding and watering of livestock, and similar services and facilities (sec. 143.1 (d), Regulations 113, 26 CFR 143.1 (d)).

(b) *Coal.* The term "coal" includes anthracite, bituminous, semibituminous, and lignite coal, coal dust, and coke and briquettes made from coal (sec. 143.1 (f), Regulations 113, 26 CFR 143.1 (f)).

(c) *Baggage.* An amount paid, in connection with the transportation of persons, for the transportation of baggage, including incidental charges on amount of excess weight, excess value, storage, transfer, special delivery, and the like, or an amount so paid for a special baggage or express car or other conveyance, is subject to the tax on the transportation of property if separable from the payment for the transportation of persons and separately shown on the records of the carrier. Otherwise, the tax on the transportation of persons applies. (See

§ 410.104 of this title; sec. 143.14 (c), Regulations 113, 26 CFR 143.14 (c)).

CROSS REFERENCE: For section of Armed Services Procurement Regulation which this section implements see § 410.105 of this title.

SUBPART B—EXEMPTIONS FROM FEDERAL EXCISE TAXES

§ 1010.201 *Supplies for exportation—*(a) *Exemption based upon exportation.* Exemption is available from the manufacturers' excise taxes (see §§ 410.101, 410.101–1 to 410.101–14 of this title) and the retailers' excise taxes (see §§ 410.102, 410.102–1 to 410.102–4 of this title) with respect to sales for export and from the tax on the transportation of property (see § 1010.102) with respect to property in course of exportation (secs. 2406, 2705, 3449, IRC (53 Stat. 289, 419, 55 Stat. 719, as amended; 26 U. S. C. 2705, 3449, 2406); sec. 314.25–314.27, Regulations 44; secs. 316.25–316.27, Regulations 46; secs. 320.21–320.22, Regulations 51; secs. 143.30–143.35, Regulations 113; 26 CFR 314.25–314.27; 316.25–316.27; 320.21–320.22; 143.30–143.35). These exemptions may be claimed under the circumstances set forth in § 410.202 of this title.

(b) *How to claim export exemptions.* (Sec. 316.25–316.27, Regulations 46, 26 CFR 316.25–316.27.)

(1) *Sales for exports.* (i) To exempt from tax a sale for export two conditions must be met, namely:

(*a*) That the article be identified as having been sold by the manufacturer for export and

(*b*) That it be exported in due course.

(ii) An article will be regarded as having been sold by the manufacturer for export if the manufacturer has in his possession at the time title passes or at the time of shipment, whichever is prior:

(*a*) A written order or contract showing that the manufacturer is to ship the article to a foreign destination; or

(*b*) Where delivery by the manufacturer is to be made within the United States, a statement from the purchaser showing:

(*1*) That the article is purchased to fill existing or future orders for delivery to a foreign destination; or that the article is purchased for resale to another person engaged in the business of exporting, who will export the article, and

(*2*) That such article will be transported to its foreign destination in due course prior to use or further manufacture and prior to any resale except for export.

(iii) The written order or contract of sale or the statement referred to in subdivision (ii) (*a*) and (*b*) of this subparagraph suspends liability for the payment of the tax by the manufacturer on such sales for export for a period of six months from the date when title passes or the date of shipment, whichever is prior. If within this period the manufacturer has not received and attached to the order, contract, or statement, proper "proof of exportation" (see subparagraph (2) of this paragraph), the temporary suspension of the liability for the payment of the tax ceases and the manufacturer will include the tax on the sale of such article in his return for the month in which the six-month period expires.

(iv) The exemption provided in this paragraph is limited to sales by the manufacturer for export and is not applicable when sales of taxable articles are made from a dealer's stock for export even though actually exported.

(2) *Proof of exportation.* (i) Exportation may be evidenced by:

(*a*) A copy of the export bill of lading issued by the delivering carrier, or

(*b*) A certificate by the agent or representative of the export carrier showing actual exportation of the article, or

(*c*) A certificate of landing signed by a customs officer of the foreign consignee showing receipt of the article.

(ii) In any case where the manufacturer is not the exporter, such manufacturer must have in his possession a statement from the person to whom he sold the article stating that the article was in fact exported in due course by him or was sold to another person who in due course exported the article. This statement must indicate what evidence is available to show that the article was in fact exported in due course prior to use or further manufacture and prior to resale in the United States other than for export. Such evidence must be that described in subdivision (i) of this subparagraph, and the statement must show where such evidence is readily available for inspection by Government officers.

(iii) In all cases the sales records together with the evidence of exportation must be preserved by the manufacturer for a period of at least four years from the last day of the month following the sale and must be readily accessible for inspection by internal revenue officers.

(iv) In any case where the manufacturer does not have in his possession within the six-month period proof of exportation as outlined in this subparagraph, the manufacturer must pay the tax involved. If proof of exportation later becomes available, a claim for refund of any tax paid may be filed on Treasury Department-Internal Revenue Form 843, or a credit may be taken upon any subsequent monthly return, but such action must be taken within the four-year period of limitation prescribed by section 3313, IRC (53 Stat. 400; 26 U. S. C. 3313).

(c) *Shipments to possessions of the United States.* (1) Sections 2705 and 3449, IRC (53 Stat. 289, 419; 26 U. S. C. 2705, 3449) and applicable Treasury Regulations authorize an exemption from manufacturers' excise taxes with respect to sales for export or for shipment to a possession of the United States, provided such exportation or shipment is effected within six months after title passes to the purchaser. (Secs. 314.25–314.27, Regulations 44; secs. 316.25–316.27, Regulations 46; 26 CFR 314.25–314.27, 316.25–316.27.)

(i) The policy of the Department of the Air Force is to purchase from manufacturers, producers, and importers on a tax-exclusive basis, as authorized by sections 2705 and 3449, IRC (53 Stat. 289, 419; 26 U. S. C. 2705, 3449) when both the following conditions are present:

(*a*) The purchase is a substantial one;

(*b*) Exportation or shipment to a possession is intended at the time of purchase and exportation or shipment will follow immediately after delivery from the manufacturer.

(ii) To exempt from tax a sale for export or shipment to a possession of the United States, two conditions must be met:

(*a*) That the article be identified as having been sold by the manufacturer for export or shipment to a possession;

(*b*) That it be exported or shipped to a possession of the United States in due course. (Secs. 314.25, 314.27, Regulations 44; 26 CFR 314.25, 314.27.)

(iii) With respect to the condition in subdivision (ii) (*a*) of this subparagraph, the words "for export or shipment to a possession" stamped on the contract or written purchase order have been approved by the Bureau of Internal Revenue as satisfactory evidence that the manufacturer's sale of the article has been made for export or shipment to a possession of the United States. With respect to condition in subdivision (ii) (*b*) of this subparagraph, the proof of exportation or shipment to a possession of the United States required under section 314.26, Regulations 44; 26 CFR 314.26, shall be furnished the manufacturer by the contracting officer. Such proof shall be in the form of a statement that the articles have in fact been exported or shipped to a possession of the United States. The statement shall also indicate where a copy of the export bill of lading is available for inspection. The port of embarkation shall be required to furnish certification of export to the contracting officer with a statement describing where the applicable export bill of lading or loading manifest is being retained.

(2) The term "possession of the United States" as used in this paragraph includes the Panama Canal Zone, Virgin Islands, Guam, Puerto Rico, American Samoa, Wake, and the Midway Islands. (Sec. 314.1, Regulations 44; sec. 316.1, Regulations 46; 26 CFR 314.1, 316.1.) The exemption does not apply with respect to sales of articles for shipment to territories of Alaska and Hawaii for the reason that these territories are by statutory definition included in the term "United States." (Sec. 314.27, Regulations 44; sec. 316.27, Regulations 46; 26 CFR 314.27, 316.27.)

(3) The following is the form of certificate to be used as proof of exportation or shipment to a possession and will be reproduced by typewriter:

(Date)

(Contractor)

The undersigned does hereby certify that

(Quantity and description of articles)

which were purchased for export under ---------- were in fact exported to a
(Contract No.)

foreign country or possession of the United States (other than Alaska or Hawaii) and a copy of export bill of lading No. -------- or loading manifest No. -------- pursuant to which the articles were shipped, is being retained in the files of----------

(Indicate office)

(Contracting officer)

This certificate is not intended for use as proof in claiming drawback or import taxes.

CROSS REFERENCE: For section of Armed Services Procurement Regulation which this section implements, see § 410.202 of this title.

§ 1010.202 *Supplies for ships and aircraft.*—(a) *Exemption.* This exemption shall be used only when:

(1) The purchase is directly from a manufacturer, producer, or importer, as distinguished from retailers or others who resell to the department supplies upon which the manufacturers' excise tax is imposed;

(2) The supplies constitute "fuel supplies," "ships' stores," or "legitimate equipment," which terms include all articles, materials, supplies, and equipment necessary for the navigation, propulsion, and upkeep of vessels or aircraft, or "sea stores," which term includes all articles purchased for use or consumption by the passengers or crew, or both, of a ship or an aircraft while on its voyage; and

(3) At the time of purchase determination is made that the supplies will be used in "vesssels of war" of the United States, which term includes every description of water craft or other contrivance used or capable of being used as a means of transportation on water and constituting a part of the Armed Forces of the United States and aircraft (including pilotless aircraft and guided missiles) owned by the United States and constituting a part of the Armed Forces thereof.

(b) *Proof.* See § 1010.205 (c) with respect to the proof necessary to make purchases on a tax-exclusive basis pursuant to this exemption and the format for an exemption certificate for this purpose.

(c) *Purchases on tax-inclusive basis.* Purchases which qualify for such exemption may, however, be made on a tax-inclusive basis if the contracting officer determines that the administrative burden incident to obtaining the exemption outweighs the corresponding benefits accruing to the Government.

CROSS REFERENCE: For section of Armed Services Procurement Regulation which this section implements see § 410.203 of this title.

§ 1010.203 *Supplies under certain prior contracts*—(a) *Contracts prior to June 1, 1944.* Amendments and change orders supplemental to such contracts will exclude the taxes and claim the exemption described in § 410.205–1 of this title, only if such contracts excluded such taxes and if such amendments and change orders do not constitute new procurement.

(b) *Contracts prior to July 1, 1947.* Amendments and change orders supplemental to such contracts will exclude the taxes and claim the exemption described in § 410.205–2 of this title, only if such contracts excluded such taxes and if such amendments and change orders do not constitute new procurement.

CROSS REFERENCE: For section of Armed Services Procurement Regulation which this section implements see § 410.205 of this title.

§ 1010.204 *Other exemptions*—(a) *Liquid fuel.* The tax described in § 410.101–13 of this title does not apply to:

(1) Products commonly or commercially known or sold as kerosene, gas, oil, or fuel oil, 10 percent of which has not been recovered when the thermometer reads 347 degrees F. (175 degrees C.) and 95 percent of which has not been recovered when the thermometer reads 464 degrees F. (240 degrees C.), when subjected to distillation in accordance with the "Standard Method of Test for Distillation of Gasoline, Naphtha, Kerosene, and Similar Petroleum Products" (A. S. T. M. designation: D86) of the American Society for Testing Materials; and

(2) Benzol, benzene, naphtha, or any other liquid (except gasoline but including kerosene, gas oil, and fuel oil which do not meet the tests for exemption described in subparagraph (1) of this paragraph) of a kind prepared, advertised, offered for sale, sold for use, or used, as a fuel for the propulsion of motor vehicles, motorboats, or airplanes: *Provided*, That it is sold under an exemption certificate, obtained prior to or at the time of sale by the importer or producer, certifying that such a product is purchased for use otherwise than as fuel for the propulsion of motor vehicles, motorboats, or airplanes or in the manufacture or production of such a fuel.

This exemption shall be used by the department in any case in which such use appears advantageous. The format of an exemption certificate for this purpose is set forth in § 1010.205 (b).

(b) *Lubricating oils.* The tax described in § 410.101–14 of this title does not apply when lubricating oils are sold by the manufacturer direct for nonlubricating purposes: *Provided*, That:

(1) The manufacturers have definite knowledge, prior to or at the time of sale, that the product is purchased for such purposes, and

(2) An appropriate certificate is furnished the manufacturer.

This exemption shall be used by the department in any case in which such use appears advantageous. The format of an exemption certificate for this purpose is set forth in § 1010.205 (e).

(c) *Radio sets sold to the United States.* The Revenue Act of 1951 (sec. 482, Pub. Law 183, 82d Cong.) amended section 3404 of the Internal Revenue Code (53 Stat. 411, as amended; 26 U. S. C. 3404) to provide that the tax imposed under section 3404 (a) (§ 410.101–3 of this title) is inapplicable with respect to the sale to the United States for its exclusive use of a communication, detection, or navigation receiver of the type used in commercial, military, or marine installations and under regulations prescribed by the Secretary of the Treasury, no tax shall be imposed with respect to the sale of any article for use by the vendee as material in the manufacture or production of, or as a component part of, communication, detection, or navigation receivers of the type used in commercial, military, or marine installations. The advantages of this exclusion from taxation should be obtained. Until regulations prescribing procedures for claiming the exemption can be issued, the contract for the sale to the United States for its exclusive use of a communication, detection, or navigation receiver, or the sale of any article for use by the vendee as a material in the manufacture or production of, or as a component part of, communication, detection, or navigation receivers will be sufficient proof of exemption, both in the case of end products and components. These interim procedures have been cleared with the Bureau of Internal Revenue.

(d) *Miscellaneous exemptions.* In addition to the exemptions discussed herein, certain miscellaneous exemptions from Federal excise taxes, applying to private as well as Government procurement, are available. Any exemption for which no policy is otherwise provided need not be claimed, in which event contract prices will not exclude taxes on the basis of such an exemption and proof of such an exemption will not be furnished to contractors.

CROSS REFERENCE: For section of Armed Services Procurement Regulation which this section implements see § 410.206 of this title.

§ 1010.205 *Tax-exemption forms*—(a) *Standard tax-exemption forms.* The following standard tax-exemption forms have been prescribed:

	Standard Form No.
U. S. Government Tax-Exemption Certificate	1094
Cover of U. S. Government Tax-Exemption Certificate Book	1094–A
Tabulation Insert Sheet	1094–B
U. S. Government Tax-Exemption Identification Card	1094–C

(b) *Who may execute.* (1) Tax-exemption certificates will be executed only by those officers and Federal employees who have been supplied with SF 1094–C, "U. S. Government Tax Exemption Identification Card."

(2) The identification card of authorized officers and employees of Air Force installations responsible for procurement or contract administration will be signed by the commanding officer. Identification cards supplied to other officers and Federal employees will be signed by the officer charged with furnishing such officer or employee with tax-exemption certificates.

(c) *Aircraft and vessels of war supplies and equipment tax-exemption certificates.* The tax-exemption certificate to be used by purchasers of articles for use as fuel supplies, ships' stores, sea stores, or legitimate equipment on certain vessels, including aircraft, will be as prescribed in Treasury Regulations or as shown in subparagraph (1) of this paragraph and will be reproduced by typewriter.

(1) Exemption certificate:

EXEMPTION CERTIFICATE

For use by purchasers of articles for use as fuel supplies, ships' stores, sea stores, or legitimate equipment on certain vessels (sec. 3451 of the Internal Revenue Code.)

(Date)

The undersigned purchaser hereby certifies that he is an authorized agent of the United States Air Force and that the article or articles specified in the accompanying order, or as specified below or on the reverse side hereof, will be used only for fuel supplies, ships' stores, sea stores, or legitimate equipment on a vessel belonging to the fol-

lowing class which is among those enumerated in section 3451 of the Internal Revenue Code: Vessels of war of the United States or a foreign nation (aircraft owned by the United States or a foreign nation and constituting a part of the armed forces thereof).

It is understood that if the article is used for any purpose other than as stated in this certificate, or is resold or otherwise disposed of, this fact must be reported to the manufacturer. It is understood that this certificate may not be used in purchasing articles tax-free for use as fuel supplies, and so forth, on pleasure vessels, or on any type of aircraft except civil aircraft employed in foreign trade or trade between the United States and any of its possessions, and otherwise entitled to exemption, and aircraft owned by the United States or any foreign country and constituting a part of the armed forces thereof. It is also understood that the fraudulent use of this certificate to secure exemption will subject the undersigned and all guilty parties to a penalty equivalent to the amount of tax due on the sale of the article and upon conviction, to a fine of not more than $10,000, or to imprisonment for not more than five years, or both, together with costs of prosecution. The undersigned also understands that he must be prepared to establish by satisfactory evidence the purpose for which the article was used.

UNITED STATES AIR FORCE,
By _____
Name _____
Grade _____
Title _____
Address _____

Contract No. _____
Period of contract _____
Type of supplies _____

(2) Under an informal ruling of the Bureau of Internal Revenue on July 10, 1944, CPFF (cost-plus-a-fixed-fee) prime contractors are entitled under section 3451 of the Internal Revenue Code (53 Stat. 419; 26 U. S. C. 3451) to purchase tax-free direct from the manufacturers thereof those articles which the Government is entitled to purchase tax-free under section 3451 of the Internal Revenue Code (SPJGT/7570, July 12, 1944). However, Air Force CPFF contractors are subject to the same restrictions as to policy of claiming such exemptions set out in § 1010.202 and cannot be compelled to claim any such exemptions. Where the exemptions are claimed, the exemption certificate should be in the special form illustrated in subparagraph (1) of this paragraph or as prescribed in Sec. 314.28, Regulations 44; Sec. 316.28, Regulations 46; 26 CFR 314.28, 316.28.

(d) *Liquid-fuel exemption certificate.* The exemption certificate to be used is as follows and will be reproduced by typewriter:

EXEMPTION CERTIFICATE

Certificate Serial No. _____

For use by purchasers of benzol, benzene, naphtha, or other taxable liquid, for purposes other than as a fuel for the propulsion of motor vehicles, motor boats, or airplanes, and otherwise than in the manufacture or production of such fuel under section 3412, Internal Revenue Code.

_____
(Date)

Contract _____
Contractor _____
Product _____
End use _____

The undersigned hereby certifies that he is officially authorized to issue tax-exemption certificates for the Department of the Air Force under the above-described contract, and that the product indicated above, being purchased under said contract, will not be used as a fuel for the propulsion of motor vehicles, motor boats, or airplanes, and will not be used in the manufacture or production of such fuel, but will be used for the purpose shown.

The undersigned understands that if the benzol, benzene, naphtha, or other taxable liquid is used, sold, or otherwise disposed of except as above stated, the Department of the Air Force will be liable for the tax upon such use, sale, or other disposition of such product. It is understood that the fraudulent use of this certificate to secure exemption will subject all guilty parties to a fine of not more than $10,000 or to imprisonment for not more than five years, or both, together with costs of prosecution. The undersigned also understands that the Government must be prepared to establish by competent evidence that the product was actually used for the purpose or purposes for which purchased as stated in this certificate.

UNITED STATES AIR FORCE,
By _____
Name _____
Grade _____
Title _____
Address _____

Contract period _____

(e) *Lubricating-oils exemption certificate.* The exemption certificate to be used is as follows and will be reproduced by typewriter:

EXEMPTION CERTIFICATE

Certificate Serial No. _____

(For use by purchasers of lubricating oil for nonlubricating purposes)

_____
(Date)

Contract _____
Contractor _____
Product _____
End use _____

The undersigned hereby certifies that he is officially authorized to issue tax-exemption certificates for the Department of the Air Force under the above-described contract, and that the product indicated above, being purchased under said contract, will not be used or resold for lubrication, but will be used for the purpose shown.

The undersigned understands that if the nonlubricating oil is used, sold, or otherwise disposed of except as above stated, the Department of the Air Force will be liable for the tax upon such use, sale, or other disposition of such product. It is understood that the fraudulent use of this certificate to secure exemption will subject all guilty parties to a fine of not more than $10,000.00 or to imprisonment for not more than five years, or both, together with costs of prosecution. The undersigned also understands that the Government must be prepared to establish by competent evidence that the product was actually used for the purpose or purposes for which purchased as stated in this certificate.

UNITED STATES AIR FORCE,
By _____
Name _____
Grade _____
Title _____
Address _____

Contract period _____

CROSS REFERENCE: For section of Armed Services Procurement Regulation which this section implements see § 410.207 of this title.

§ 1010.206 *Preparation and execution of U. S. Government Tax-Exemption Certificate (SF 1094)*—(a) *Methods.* In the preparation and execution of SF 1094 the following methods will be followed:

(1) The typewriter will be used when practicable; otherwise ink or indelible pencil will be used. The use of ordinary lead pencil is prohibited. All blank spaces must be properly filled in or lined out, and no exemption certificate will be delivered to a contractor unless fully and properly executed, except that the Bureau of Internal Revenue has advised that a statement on the exemption certificate of the amount of Federal tax is not necessary. The amount of tax should be stated, however, if readily available. When Federal excise taxes have been excluded from the contract price of articles or supplies purchased, but the exact amount of the tax cannot be determined at that time, a blanket tax-exemption certificate may be issued to cover all sales under the contract. The certificate will cover all articles purchased under such contract, including delivery orders placed thereunder by other officers. For information regarding blanket tax-exemption certificates covering purchases under contracts of the Federal Supply Schedule, see paragraph (c) of this section.

(2) A separate SF 1094 for each kind of tax (Federal, State, or local) involved will be prepared. In the issuance of these certificates the blank spaces will be filled in, showing on each certificate the separate amounts of the taxes involved (if known), so that the certificates may be used only for the purpose intended.

(3) Where the supplies or work covered by the contract is not taxable as such and the certificate is to be used for the purpose of obtaining exemption on the articles to be incorporated in the supplies or work covered by the contract, the amount of the tax to be shown on the certificate will be stated as "None". No tax should be shown on the certificate except the tax imposed directly upon the supplies or work covered by the contract.

(4) SF 1094 may be modified as necessary with respect to contracts for construction, alterations, improvements, and repairs. The person issuing a tax-exemption certificate will insert on the lines provided therefor his identification-card number, signature, and title.

(b) *When exemption certificates are issued to contractors.* At any time after the execution of the contract, SF 1094 will be executed and delivered to the contractor, upon request, covering Federal excise taxes where the contract so provides and the supplies are taxable as indicated in this part and are purchased by the Government at a price which is exclusive of such tax. In such a case the description of the supplies furnished tax free will be inserted on the tax-exemption certificate.

(c) *Blanket tax-exemption certificates; contracts under Federal Supply Schedule.* (1) Nothing contained in this part will be construed as authorizing the issuance of blanket tax-exemption certificates by heads of procuring activities or contracting officers covering purchases under contracts of the Federal Supply Schedule. Upon application of the contractor, blanket tax-exemption certificates which may be necessary to cover

all purchases made by the department and in the field under term contracts of the Federal Supply Schedule will be prepared and issued pursuant to regulations of the Commanding General, Air Matériel Command.

(2) Contractors are required to indicate the number of the applicable blanket tax-exemption certificate on their invoices.

(3) The purchase order need not contain the number of the applicable tax-exemption certificate. A reference to the Federal Supply Schedule contract number will be sufficient.

SUBPART C—STATE AND LOCAL TAXES

§ 1010.301 *Tax-exemption forms.* (a) Tax-exemption certificates are also used for establishing exemptions from State and local taxes. For this purpose certificates should be prepared in accordance with the requirements of the particular State or local tax authority concerned. In most cases, SF 1094 will be the appropriate form of tax-exemption certificate. Except as provided in paragraph (b) of this section, no tax-exemption certificate should be issued with respect to a State or local tax unless the contract shows that the price paid by the Government is exclusive of the tax to which the certificate pertains or unless the contractor consents to the deduction of such tax from the contract price and the acceptance of the tax-exemption certificate in lieu thereof.

(b) When impossible for any reason to effect purchases excluding the amount of any State or local tax which is deemed to be locally applicable to Government purchases, SF 1094 will be executed and delivered to the disbursing officer to whose accounts the vouchers in the transaction pertain, together with a written statement to the effect that the vendor refused such certificate. These tax-exemption certificates are for the use of the Comptroller in securing a refund of the amount of taxes involved. The serial number of the tax-exemption certificate will be shown on the payment voucher.

(c) When SF 1094 (or other appropriate certificate), executed under the conditions stated in paragraph (b) of this section, is received in the disbursing office, the bureau or office number of the payment voucher will be noted on the certificate and the disbursing office will bill the State or local taxing agency for refund of the taxes paid. The amount collected will be credited by the disbursing officer to the appropriation(s) from which the vouchers were paid or to miscellaneous receipts account, "575594—Refund, State and Local Taxes," if the appropriation cannot be readily identified. In the event the disbursing office fails to secure refund of the amount of taxes paid, it will promptly transmit the tax-exemption certificates, if available, together with all correspondence with the taxing agency relating thereto, and information as to the disbursing officer's voucher number on which payment for the merchandise was made, to the Director of Finance, Headquarters United States Air Force, Washington 25, D. C., in accordance with the provisions of current directives, for processing for settlement by the General Accounting Office under section 236, Revised Statutes, as amended by the Budget and Accounting Act, 1921 (42 Stat. 20, as amended; 31 U. S. C. 1, 2, 11, 13–24, 41–43, 44–47, 49, 52–55, 71, 471, 581).

CROSS REFERENCE: For section of Armed Services Procurement Regulation which this section implements see § 410.302 of this title.

SUBPART D—CONTRACT CLAUSES

§ 1010.401 *Special provisions in contracts.* (a) Special provisions may be included in any contract with respect to any State or local excise tax regarding which a doubt exists concerning applicability of exemption to the transaction covered by the contract. Any such special provisions should clearly specify whether such tax is to be included in or excluded from the price and whether the Government must pay or reimburse the contractor for the tax if no exemption is applicable. Contracting officers, when practicable, will take precautions to see that contractors do not include in the bid or price any amount for any State or local sales or use taxes which do not apply to sales to the Federal Government or to the use of property by the Federal Government, or any other State or local taxes exemption from which is available in the case of transactions to which the Federal Government is a party.

(b) The standard tax article states that unless otherwise indicated in the contract the prices set forth include applicable Federal taxes. As outlined in this part and part 410 of this title, several exemptions from Federal excise taxes are available to the United States and certain of these are to be claimed. When the exemption is claimed, the tax must be excluded from the contract price. Where a contract containing the standard tax article provides for the procurement of an item for which such an exemption is available, the Federal tax so excluded must be shown expressly in the contract. Invitations to bid should require bidders to indicate in their bids the taxes to be excluded from the contract price. The tax provisions of each contract must be in conformity with the invitation to bid and bid forms.

CROSS REFERENCE: For section of Armed Services Procurement Regulation which this section implements see § 410.402 of this title.

SUBPART E—COLLECTION AND PAYMENT OF FEDERAL EXCISE TAXES BY THE GOVERNMENT WHERE UNITED STATES IS VENDOR

§ 1010.501 *Collection from purchaser or user.* Except as provided in § 1010.503, the amount of the Federal excise tax will be collected from the purchaser when articles subject to tax under Chapter 25, IRC (53 Stat. 288, as amended; 26 U. S. C. ch. 25) (tax on pistols and revolvers, see § 410.103 of this title) or Chapter 29, IRC (53 Stat. 409, as amended; 26 U. S. C. ch. 29) (manufacturers' excise taxes, see §§ 410.101, 410.101–1 to 410.101–14 of this title) purchased free of tax, are sold to individuals or used for other than the use of the United States. Funds so collected will be deposited with the local disbursing officer, who will also be informed of the name of the contractor from whom the articles were purchased and the number of the contract under which purchase was made. When the contractor's name and the amount of the contract involved are not known to the sales officer, he will ascertain this information from the shipping contracting officer or from the head of the procuring activity if necessary.

§ 1010.502 *Disposition of funds received.* Funds received by a disbursing officer as payment for taxes imposed by Chapter 25 or 29 (53 Stat. 288, 409, as amended; 26 U. S. C. ch. 25, 29) of the Internal Revenue Code will be placed in a special deposit account and remitted to the contractor monthly, or at the time the officer closes his accounts when he ceases to disburse, in order that return may be made therefor to the appropriate collector of internal revenue. A copy of the report of such remittance will be forwarded to the Bureau of Internal Revenue. However, if it is impossible for the disbursing officer to determine the contractor from whom the articles subject to tax were purchased, such remittance will be forwarded to the collector of internal revenue for the district in which the disbursing officer is located with a statement that the name of the contractor is unknown.

§ 1010.503 *Transfers of Government-owned property.* In connection with the following types of transfers of Government-owned property purchased by the Government free of tax, the amount of the Federal tax need not be collected from the purchaser and accordingly the provisions of § 1010.501 and § 1010.502 are inapplicable:

(a) All sales of surplus property and Government-owned contractor inventory (excepting gasoline), as defined in the Federal Property and Administrative Services Act of 1949 (63 Stat. 378; 41 U. S. C. 201–274).

(b) All sales of scrap or of used property.

(c) Transfers to a cost-plus-a-fixed-fee contractor of Government-owned property for use in connection with the performance of the contract.

(d) Sales to a lump-sum contractor of Government-owned property for use in connection with the performance of the contract.

(e) Transfers to other agencies of the Government, including transfer for disposition to the Federal Supply Service.

(f) Transfers to any State, Territory of the United States or political subdivision thereof, or the District of Columbia, when original sales to such agencies or instrumentalities are tax exempt.

§ 1010.504 *Sale of property to a lump-sum contractor.* As indicated in paragraph (d) of § 1010.503, where the sale of property to a lump-sum contractor is involved, the amount of the Federal tax, as such, need not be collected from the contractor. The contractor, however, should not derive the benefit arising from the fact that the Government originally acquired the property free of tax. Accordingly, in fixing the sales price to be paid to the Government by the lump-sum contractor one of the elements included in the price will be the amount of the Federal excise tax which would ordinarily be payable upon a sale

of similar property by a vendor other than the Government.

[SEAL] K. E. THIEBAUD,
Colonel, U. S. Air Force,
Air Adjutant General.

[F. R. Doc. 52-5266; Filed, May 12, 1952; 8:46 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 17, Supplementary Regulation 7]

CPR 17—GASOLINES, NAPHTHAS, FUEL OILS AND LIQUEFIED PETROLEUM GASES, NATURAL GAS, PETROLEUM GAS, CASINGHEAD GAS AND REFINERY GAS

SR 7—RESELLERS OF LIQUEFIED PETROLEUM GAS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Supplementary Regulation to Ceiling Price Regulation 17 is hereby issued.

STATEMENT OF CONSIDERATIONS

Propane, Butane, and Propane/Butane mixtures, usually referred to as Liquefied Petroleum Gas by industrial users, and as "bottled gas" by residential consumers, are manufactured from vapors extracted from natural gas and refinery gas. Production, storage, and distribution of liquefied petroleum gas constitutes a relatively new and rapidly growing industry, consumption having increased from approximately 313 million gallons in 1940 to over 4 billion gallons in 1951.

Prior to and during the base period of December 19, 1950–January 25, 1951 prices for this product were rising under an increasing demand usual to the winter months, accentuated by the general increasing demand for this product. Ceiling prices of resellers of this product were first established by the General Ceiling Price Regulation, effective January 26, 1951 which froze prices generally at the level of the highest prices charged during the base period. With minor modifications Ceiling Price Regulation 17 has carried over the same pricing method. Because of the time lag involved in distributing liquefied petroleum gas, the prices charged by many resellers during the base period did not reflect the higher prices charged by their suppliers and by producers during the base period.

In addition to the higher product cost from usual supply sources, increased demand has made it necessary for many resellers to buy substantial amounts of their supply from more distant sources at higher cost; also transportation costs, which are particularly important for resellers of these products have increased because of the general increases in rail freight rates.

While margins of profit among resellers vary, these margins are generally narrow, and any substantial increase in costs of obtaining the product results in hardships for the reseller. Because of this, numerous applications have been received from distributors of liquefied petroleum gas for adjustments in ceiling prices to avoid the reduction in their gross and net margins which they have experienced.

For these reasons, and as an interim step in the formulation of a tailored regulation for the liquefied petroleum gas industry, the original freeze technique is being modified to permit resellers to adjust their ceiling prices to reflect these increased product and transportation costs.

This regulation contains two adjustment provisions. The first provision permits the addition to ceiling prices of the increase in cost of product and transportation that has occurred during the first year of price control. This adjustment may be taken immediately. The second provision permits resellers a one-time, interim adjustment to reflect increases in product and transportation costs that have occurred since January 31, 1952. In order to prevent this adjustment on the basis of isolated high cost spot purchases, the reseller may adjust his ceiling prices only to the extent that the average of these costs for the three-month period immediately prior to his selected date of adjustment has increased above costs at the end of the first year of price control.

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

In the judgment of the Director of Price Stabilization, the provisions of this supplementary regulation are generally fair and equitable and are necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950, as amended.

REGULATORY PROVISIONS

Sec.
1. What this supplementary regulation does.
2. Cost increases to retail distributors through January 31, 1952.
3. Cost increases to resellers at wholesale through January 31, 1952.
4. Cost increases to retail distributors and wholesalers after January 31, 1952.
5. Relation to Ceiling Price Regulation 17.
6. Customary discounts.
7. Records.
8. Definitions.

AUTHORITY: Sections 1 to 8 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 CPR 1950 Supp.

SECTION 1. *What this supplementary regulation does.* If you resell liquefied petroleum gas at any level of distribution other than at a retail establishment (as covered by Ceiling Price Regulation 13) you may redetermine your ceiling prices under the provisions of this supplementary regulation. If you do determine your ceiling prices under this regulation and put these new ceiling prices into effect, you may not again determine your ceiling prices under this supplementary regulation unless there is an increase in the ceiling price of your supplier as a result of the operation of this regulation or of another official act of the Office of Price Stabilization.

SEC. 2. *Cost increases to retail distributors through January 31, 1952.* (a) If you are a retail distributor of liquefied petroleum gas you may increase your original Ceiling Price Regulation 17 ceiling prices in each pricing area to each class of purchaser and for each quantity bracket by the amount of increase in laid-down cost per unit you have incurred at each of your distribution points. This increase shall be either (1) the difference between your average laid-down cost per unit during the three-month period ending January 31, 1951, and your average laid-down cost per unit during the three-month period ending January 31, 1952; or (2) the difference between your average laid-down cost per unit during the calendar year of 1950 and your average laid-down cost per unit during the three-month period ending January 31, 1952.

(b) If you determine ceiling prices in accordance with this section for any one customer or for any quantity bracket, you must determine ceiling prices by the same method for all customers and quantity brackets in the same pricing area.

(c) This section shall not be applicable to sales of liquefied petroleum gas where all or part of the product sold in such area has been produced or manufactured by you.

SEC. 3. *Cost increases to resellers at wholesale through January 31, 1952.* (a) If you are a reseller of liquefied petroleum gas at the wholesale level, your ceiling prices for each shipping or delivery point to each class of purchaser may be increased by the amount of increase in your laid-down cost per unit at that shipping or delivery point since January 31, 1951. This increase is the difference between your average laid-down cost per unit at each shipping or delivery point during the three-month period ending January 31, 1951, and your average laid-down cost per unit during the three-month period ending January 31, 1952.

(b) If you determine your ceiling prices for one class of customer at any shipping or delivery point by the method set forth in this section, you must determine your ceiling prices for all classes of purchasers at the same point by the same method.

(c) If you resell liquefied petroleum gas at the retail distributor level and also at the wholesale level, you must make separate computations of ceiling prices at each level when adjusting your ceiling prices under this supplementary regulation.

(d) This section shall not be applicable to sales of liquefied petroleum gas when all or part of the product sold at such shipping or delivery point has been produced or manufactured by you.

SEC. 4. *Cost increases to retail distributors and wholesalers after January 31, 1952.* If your laid-down cost is increased after January 31, 1952, as a result of an increase in the ceiling prices of your supplier or suppliers because of the operation of this regulation, or other official act of the Office of Price Stabi-

lization, or as a result of an increase in transportation costs incurred in obtaining your product, you may increase your ceiling price under this regulation by the dollars and cents amount of such increase. This increase is the difference between your average laid-down cost during the three-month period ending January 31, 1952, and your average laid-down cost during the three calendar month period prior to the month during which such increase in ceiling price is placed in effect. This adjustment may be made at any time selected by the seller but may not be made more than once.

SEC. 5. *Relation to Ceiling Price Regulation 17.* (a) If you are a reseller of liquefied petroleum gas and have ceiling prices determined under the provisions of Ceiling Price Regulation 17 you may continue to use those ceiling prices.

(b) Sellers subject to this supplementary regulation shall be subject to all provisions of Ceiling Price Regulation 17 not inconsistent with the provisions of this supplementary regulation.

SEC. 6. *Customary discounts.* If you determine your ceiling prices under this supplementary regulation you must continue to maintain your customary discounts and allowances based upon the terms and conditions of sale.

SEC. 7. *Records.* In addition to such other records as are required by section 14 of Ceiling Price Regulation 17, you must, if you use this supplementary regulation to adjust your ceiling prices, keep records clearly showing how you determined your adjusted ceiling prices, and those records which you used as a basis for such determination.

SEC. 8. *Definitions.* (a) "Liquefied petroleum gas" means butane, propane and butane/propane mixtures.

(b) "Laid-down cost" means the amount per unit paid to your supplier or suppliers for the product plus the unit cost of transportation incurred by you in moving the product to the shipping or delivery point or in the case of a retail distributor to place of storage or its equivalent. Where you use your own transportation or transportation you control in lieu of transportation for which rates are set or controlled by Federal or State regulatory bodies, the cost of transportation referred to in this definition shall be the rate charged by such controlled carrier.

(c) "Original Ceiling Price Regulation 17 ceiling prices" means the first ceiling prices determined under the provisions of Ceiling Price Regulation 17, excluding any increases thereafter permitted by that regulation or by any other official act of the Office of Price Stabilization.

(d) "Pricing area" means that geograhical area in which you maintain a single pricing schedule for all customers of the same class and for each quantity bracket.

(e) "Retail distributor" means a reseller whose ceiling prices of liquefied petroleum gas are determined by Ceiling Price Regulation 17 and whose sales are primarily to consumers at the retail level.

Effective date. This supplementary regulation shall become effective May 12, 1952.

NOTE: The record-keeping requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

ELLIS ARNALL,
Director of Price Stabilization.

MAY 12, 1952.

[F. R. Doc. 52-5371; Filed, May 12, 1952; 11:21 a. m.]

[Ceiling Price Regulation 30, Supplementary Regulation 7]

CPR 30—MACHINERY AND RELATED MANUFACTURED GOODS

SR 7—DIAMOND GRINDING WHEELS, DIAMOND POWDER, AND DIAMOND GRINDING COMPOUND

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Supplementary Regulation 7 to Ceiling Price Regulation 30 is hereby issued.

STATEMENT OF CONSIDERATIONS

This supplementary regulation permits manufacturers of diamond grinding wheels, diamond powder and diamond grinding compound to reflect part of the increases in cost to them of crushing boart (small pieces of diamonds) and diamond powder occurring on or before July 1, 1952. This action is based upon information submitted by several producers and designed to show what part of the recent increases in the price of crushing boart and diamond powder should be passed on as a price increase in order to meet the requirements of the industry earnings standard prescribed by the Economic Stabilization Administrator on April 21, 1951. The products covered by this regulation are highly essential to modern high speed production of precision products.

Some manufacturers import their diamonds while others buy from dealers in this country. In either event the prices paid for crushing boart and other industrial diamonds reflect the prices established in the foreign markets. The price of crushing boart in London was increased by 23 percent on January 1, 1952.

Ceiling prices of diamond grinding wheels, diamond powder and diamond grinding compound may be adjusted under this supplementary regulation by the dollar and cents amounts of the increase, up to July 1, 1952, in the cost of the boart or diamond powder going into the product, less two percent of the Ceiling Price Regulation 30 ceiling price. The cut-off date of July 1, 1952, provides time for the increased prices of crushing boart and powder to become fully effective at all levels, and permits all manufacturers to file reports reflecting these increased prices.

Manufacturers of these products have informally advised the Office of Price Stabilization that the recent price increases of crushing boart and diamond powder have been so large in relation to the selling prices of the items produced that serious hardship is now general throughout the industry. Since the increase in the cost of boart, some manufacturers' production costs for certain sizes of grinding wheels have risen above their ceiling prices.

Data were obtained from a segment of the industry which indicated that its earnings (prior to the recent increase in crushing boart prices) exceeded the industry earnings standard level by roughly two and one-half percent. These data are neither as comprehensive nor as conclusive as are usually required for an application of the industry earnings standard. However, the seriousness of the hardship, the essentiality of the products to the defense effort, and the relative insignificance of the industry, in terms of its volume of sales, are deemed to justify acting on the basis of the information currently available without the expenditure of further time and manpower in the collection of additional data. It is anticipated that the adjustment authorized by this regulation will restore the industry to the level of earnings required by the industry earnings standard. If it fails to do so, the Office of Price Stabilization will, upon request by the industry, attempt to determine more precisely the amount of adjustment required by the standard.

Similar action is not being taken at this time for other products in which crushing boart is used because those items are not well defined and their producers do not appear to constitute an industry. If the producers of these items believe that they may be entitled to a price increase under the industry earnings or product standards, the Office of Price Stabilization will make appropriate studies of their costs and earnings.

Ceiling Price Regulation 30 has permitted manufacturers to reflect in their ceiling prices those increases in their costs of industrial diamonds which occurred between the end of the manufacturer's base period and August 1, 1951. This supplementary regulation sets forth the procedure to be followed in reflecting in ceiling prices for diamond grinding wheels, powder and compound those cost increases in crushing boart and diamond powder which occurred after that date and up to July 1, 1952.

To establish ceiling prices under this supplementary regulation, a manufacturer must complete and file a report showing how he computed his new ceiling prices. Manufacturers who previously exercised an option to remain under the General Ceiling Price Regulation, must file both the report required by this supplementary regulation and OPS Public Form 8 prepared in accordance with the provisions of Ceiling Price Regulation 30 if they decide to use Ceiling Price Regulation 30 and this supplementary regulation. For the purposes of filing an OPS Public Form 8, a cut-off date not later than August 1, 1951 must be used for industrial diamonds and powder.

Manufacturers may establish ceiling prices for products covered by this regulation under either Supplementary

Regulation 4 or this supplementary regulation, but not under both. If ceiling prices for diamond grinding wheels, powder, and compound are established under this supplementary regulation, however, Supplementary Regulation 4 may be used for the other commodities made by the manufacturer.

In the opinion of the Director of Price Stabilization, the provisions of this supplementary regulation are generally fair and equitable and are necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950, as amended.

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

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

REGULATORY PROVISIONS

Sec.
1. What this supplementary regulation does.
2. Applicability; persons and prices.
3. How to adjust CPR 30 ceiling prices.
4. Individual commodity method.
5. Product line method.
6. Reports.
7. Records.
8. Applicability of CPR 30 and supplementary regulations to CPR 30.
9. Definitions.

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

SECTION 1. *What this supplementary regulation does.* This supplementary regulation permits you to add to your ceiling prices for diamond grinding wheels, diamond powder and diamond compound established by Ceiling Price Regulation 30 a portion of your cost increases for crushing boart and diamond powder occurring up to July 1, 1952.

This section is intended only as a general description to aid in understanding this supplementary regulation; the following sections are controlling.

SEC. 2. *Applicability; persons and prices*—(a) *Manufacturers covered.* This supplementary regulation applies to you only if you are a manufacturer of diamond grinding wheels, diamond powder or diamond grinding compound and use, in the manufacture of these commodities, crushing boart or diamond powder.

(b) *CPR 30 ceiling prices affected.* This supplementary regulation applies only to ceiling prices determined under Ceiling Price Regulation 30. If you have previously exercised an election to determine your ceiling prices for commodities covered by this supplementary regulation under the General Ceiling Price Regulation in lieu of Ceiling Price Regulation 30, and now wish to use the provisions of this supplementary regulation, you may do so by filing an OPS Public Form 8 pursuant to Ceiling Price Regulation 30 together with the report required by section 6 of this supplementary regulation. For the purposes of computing the materials cost adjustment factors on OPS Public Form 8, you must calculate the net change in cost to you of crushing boart and diamond powder as of a date not later than the date prescribed in Appendix D of Ceiling Price Regulation 30.

SEC. 3. *How to adjust your CPR 30 ceiling prices.* You adjust your Ceiling Price Regulation 30 ceiling prices to your largest buying class of purchasers by the methods provided in sections 4 or 5 of this regulation. You then determine your ceiling prices to your other classes of purchasers in accordance with section 3 (c) of Ceiling Price Regulation 30. Section 4 tells you how to determine your adjusted ceiling price for an individual commodity; section 5 tells you how to determine your adjusted ceiling prices on the basis of a product line. Section 6 tells you when you may put the adjusted ceiling price into effect.

SEC. 4. *Individual commodity method.* You do the following to adjust your ceiling price for an individual commodity:

(a) Find the quantity of crushing boart or diamond powder which enters into one unit of the commodity to be priced.

(b) Determine the dollars and cents amount by which that quantity of the material has increased in cost to you from August 1, 1951 to July 1, 1952.

(c) Multiply the Ceiling Price Regulation 30 ceiling price, for the sale of that commodity to your largest buying class of purchaser by .02 (two percent).

(d) Subtract the amount you found in paragraph (c) from the amount determined under paragraph (b). The result is your "dollars and cents adjustment".

(e) Add the amount determined under paragraph (d) to your Ceiling Price Regulation 30 ceiling price for the sale of that commodity to your largest buying class of purchaser. The result is your adjusted ceiling price for the sale of the commodity to your largest buying class of purchaser.

SEC. 5. *Product line method.* You do the following to adjust your ceiling prices for a product line:

(a) Select and identify the product line for which you wish to make the calculations. The term "product line" is defined in section 19 (a) (1) of Ceiling Price Regulation 30. You may use this method only where every commodity in the product line contains crushing boart or diamond powder.

(b) Using the best selling commodity in the product line, find the Ceiling Price Regulation 30 ceiling price to your largest buying class of purchaser and calculate the dollars and cents ceiling price adjustment in accordance with section 4 of this supplementary regulation. The term "best selling commodity" is defined in section 19 (a) (2) of Ceiling Price Regulation 30.

(c) Divide the dollars and cents ceiling price adjustment for this commodity by its ceiling price. This will give you the "ceiling price adjustment factor".

(d) Apply this adjustment factor to the ceiling price of each commodity in the product line. The resulting figure is the dollars and cents ceiling price adjustment to be added to the ceiling price of that commodity.

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

(f) If you believe that you cannot practicably use the method for calculating a "ceiling price adjustment factor" set forth in paragraphs (a) through (e), you may propose a substitute method in accordance with the provisions of section 20A of Ceiling Price Regulation 30.

SEC. 6. *Reports.* Before you can put into effect an adjusted ceiling price determined under this supplementary regulation, you must file a report, by registered mail, return receipt requested, with the Industrial Materials and Manufactured Goods Division, Office of Price Stabilization, Washington 25, D. C. Immediately upon the filing of this report, as evidenced by your return postal receipt, you may put into effect your adjusted ceiling price determined under this supplementary regulation. However, the Director of Price Stabilization may, at any time, by written order, disapprove or modify your adjusted ceiling price determined under this supplementary regulation. Such disapproval or modification will not apply to deliveries made prior to the effective date of the order. If you use the individual commodity method to determine your adjusted ceiling price, the report must contain the information required by paragraph (a). If you use the product line method to determine your adjusted ceiling prices, the report must contain the information required by paragraph (b).

(a) *Report for individual commodity method.* Where you determine your adjusted ceiling price by use of the individual commodity method, your report must contain the following information:

(1) Your business name and address, and the date of the report.

(2) The commodity for which you are determining your adjusted ceiling price.

(3) The nature of the diamond material you use in the commodity, and the amount of that material used in one unit of the commodity.

(4) Your CPR 30 ceiling price for the commodity.

(5) The dollars and cents adjustment for the commodity determined under this supplementary regulation.

(6) Your adjusted ceiling price for the commodity.

(b) *Report for product line method.* If you use the product line method, your report must contain the following information:

(1) Your business name and address, and the date of the report.

(2) The product line covered by your report.

(3) The nature of the diamond material which you use in the manufacture of the product line.

(4) Your CPR 30 ceiling price for the best selling item in the line.

(5) The dollars and cents adjustment for that commodity.

(6) Your ceiling price adjustment factor determined under this supplementary regulation for that product line.

SEC. 7. *Records.* Section 44 (a) (2) of Ceiling Price Regulation 30 requires that the records to be preserved must include appropriate worksheets. In addition to the worksheets referred to therein, you must also preserve the additional worksheets required for your calculations under this supplementary regulation. The worksheets to be preserved may be in any convenient form so long as they include all dates and calculations required to determine your ceiling price adjustments under this supplementary regulation.

SEC. 8. *Applicability of CPR 30 and supplementary regulations to CPR 30—* (a) *CPR 30.* Except to the extent expressly modified or supplemented by this supplementary regulation, all provisions of Ceiling Price Regulation 30 which are not inconsistent with this supplementary regulation remain applicable to you.

(b) *Supplementary regulations to CPR 30.* Supplementary Regulation 1 to Ceiling Price Regulation 30 applies to you. However, no other supplementary regulation to Ceiling Price Regulation 30 (including Supplementary Regulation 4 or Supplementary Regulation 5) is applicable to your calculations or to your ceiling prices determined under this supplementary regulation.

You may, however, use SR 4 or SR 5 to adjust the ceiling prices of other commodities you manufacture.

SEC. 9. *Definitions.* Unless the context otherwise requires or a different definition is given, all terms used in this supplementary regulation have the same meaning as in Ceiling Price Regulation 30.

Effective date. This supplementary regulation is effective May 17, 1952.

NOTE: The record keeping and reporting provisions of this supplementary regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

ELLIS ARNALL,
Director of Price Stabilization.

MAY 12, 1952.

[F. R. Doc. 52-5372; Filed, May 12, 1952; 11:22 a. m.]

Chapter VI—National Production Authority, Department of Commerce

[NPA Order M-89, Amdt. 1 of May 9, 1952]

M-89—DISTRIBUTION OF CONTROLLED MATERIALS TO RETAILERS

This amendment to NPA Order M-89 is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950 as amended. In the formulation of this amendment, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations. However, consultation with representatives of all trades and industries affected has been rendered impracticable by the fact that this amendment affects a large number of different trades and industries.

NPA Order M-89 is hereby amended in the following respects:

1. Paragraph (d) of section 4 is amended to read as follows:

(d) Except as otherwise provided in this paragraph, a retailer may not use the allotment symbol W-5 on purchase orders calling for delivery of any item listed in Schedule I of this order, if he did not purchase substantially the same item during the base period. However, a retailer who during the base period purchased copper wire or cable listed in Schedule I, but did not, during that period, purchase insulated or covered aluminum electric wire or cable listed in Schedule I, may use the allotment symbol W-5 on purchase orders for such aluminum wire or cable in an amount (for delivery in any one calendar quarter) not exceeding the dollar amount stated for that item in column 1 of Schedule I: *Provided, however,* That such retailer may not accept delivery of such aluminum wire or cable if his total inventory (in dollar value) of aluminum wire and cable and copper wire and cable exceeds the maximum inventory of copper wire and cable permitted under section 9 of this order.

2. Schedule I is amended to read as follows:

SCHEDULE I OF NPA ORDER M-89

LIST OF CONTROLLED MATERIALS AND AMOUNTS THAT MAY BE PURCHASED ON ORDERS

[This order does not authorize every retailer to purchase by order bearing the allotment symbol W-5, the amounts stated in column 1. Each retailer's purchases are limited in accordance with the inventory limitations in section 9 of this order; and if he did not purchase a particular controlled material in the base period, he is not authorized to use the W-5 allotment symbol to purchase it now, except as provided in section 4 (d).]

Maximum amount that may be purchased on order bearing the allotment symbol W-5 in a calendar quarter without determining a quota Column 1	Controlled materials Column 2	Percentage of quarterly base-period purchases Column 3
	A. *Carbon, stainless, and alloy steel (including wrought iron)*	
$25	(a) Bars, including tool steel and bar shapes such as angles	100
	(b) Sheets and strips:	
$75	Galvanized sheets and strip	100
$25	Bright tin sheets	100
$75	Tin valley rolls, painted one or two sides	100
$25	Roofing ternes	100
$125	Roofing, galvanized, corrugated, v-crimped channel drains	100
$25	(c) Structural shapes, such as standard lintels and beams	100
$175	(d) Standard and line pipe, water well tubular products and couplings (includes steel and wrought iron pipe but only threaded couplings of the type customarily supplied on threaded pipe by pipe producers.)	100
$25	(e) Seamless and welded tubing, such as may be used for fuel lines of automobiles and stoves.	100
	(f) Wire and wire products:	
$150	Nails, spikes and brads, including box, common, cut, finishing, lath, plaster board, roofing, cement-coated and painted nails, and steel wire, galvanized, and cement-coated spikes and brads.	100
$25	Staples for fencing and netting	100
$25	Twisted wire, such as used for clothes line	100
$50	Drawn wire, such as used for guy lines and bracing, and including galvanized used for clothes line.	100
$25	Wire strand, such as used for overhead garage doors	100
$50	Barbed wire	100
$75	Poultry and rabbit fence wire netting	100
$125	Farm and lawn wire fencing, woven and welded, but not including ornamental or chain link fence, or fence gates or fence posts.	100
$25	Wire bale ties, including coiled wire for automatic balers	100
	B. *Copper and copper-base alloy brass mill products*	
	Copper (unalloyed):	
$25	(a) Bars and rods	60
$50	(b) Sheet, strip, and rolls, such as may be used for roof patching or flashing.	60
$60	(c) Pipe and tubing, such as may be used for repairing water lines and fuel lines.	60
	Copper-base alloy:	
$45	(a) Bars and rods	60
$35	(b) Sheet, strip, and rolls	60
$60	(c) Pipe and tubing	60
	Copper wire mill products:	
$50	(a) Copper wire and cable, bare or insulated, for electrical conduction, including automotive. Does not include cord sets or automotive harnesses.	60
$45	(b) Copper-clad steel wire containing over 20 percent copper by weight, regardless of end use but which is frequently used for electrically charged stock fencing.	100
	C. *Aluminum*	
$25	(a) Bars and rods, rolled or extruded	60
$25	(b) Extruded shapes	60
$35	(c) Sheets	60
$25	(d) Foil in mill form, but not including foil sold for packaging or general household use.	60
$50	(e) Tubing	60
$25	(f) Drawn wire, such as used for guy wire or clothes line	60
$25	(g) Insulated or covered wire or cable for electrical conduction	60
$25	(h) Powder (atomized or flake, including paste)	60

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong., 50 U. S. C. App. Sup. 2154)

This amendment shall take effect May 9, 1952.

NATIONAL PRODUCTION AUTHORITY,
By JOHN B. OLVERSON,
Recording Secretary.

[F. R. Doc. 52-5345; Filed, May 9, 1952; 4:32 p. m.]

[NPA Order M-56; Revocation]

M-56—WATERFOWL FEATHERS

REVOCATION

NPA Order M-56 (16 F. R. 8271) is hereby revoked.

This revocation does not relieve any person of any obligation or liability incurred under NPA Order M-56 as originally issued or as thereafter amended, nor deprive any person of any rights received or accrued under said order prior to the effective date of this revocation.

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This revocation is effective May 12, 1952.

NATIONAL PRODUCTION AUTHORITY,
By JOHN B. OLVERSON,
Recording Secretary.

[F. R. Doc. 52-5374; Filed, May 12, 1952; 11:54 a. m.]

[NPA Reg. 2, Direction 3 as Amended May 12, 1952]

REG. 2—BASIC RULES OF THE PRIORITIES SYSTEM

DIR. 3—RESTRICTIONS UPON USE OF RATINGS

This amended direction to NPA Reg. 2 is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by the Defense Production Act of 1950, as amended. In the formulation of this direction as amended, consultation with industry representatives, including trade association representatives, has been rendered impracticable by the fact that this direction applies to all trades and industries.

As amended, NPA Reg. 2, Direction 3 reads as follows:

SECTION 1. (a) No rating shall be applied or extended to obtain any of the materials or products listed in any numbered item of Appendix A of this direction on or after the date set forth opposite such numbered item, unless the rating bears a program identification consisting of the letter A, B, C, or E, and one digit, or the program identification Z-1 or Z-2.

(b) These restrictions shall not affect the status of ratings applied or extended to obtain any item listed in Appendix A of this direction prior to the date set forth opposite each such numbered item.

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This direction as amended, shall, except as otherwise provided herein, take effect May 12, 1952.

NATIONAL PRODUCTION AUTHORITY,
By JOHN B. OLVERSON,
Recording Secretary.

APPENDIX A OF DIRECTION 3 TO NPA REG. 2

Material or product and effective date

1. Any basic, organic, or inorganic chemicals, their intermediates and derivatives, other than compounded end products not customarily sold as chemicals. Sept. 25, 1951.
2. Any primary paper or paperboard (this does not include paper or paperboard processed beyond the primary or base stock stage). Jan. 15, 1952.
3. Waterfowl feathers (goose or duck feathers and down, separated from the fowl, domestic and imported, new and used, regardless of length; except flight feathers having no natural curl). May 12, 1952.

[F. R. Doc. 52-5375; Filed, May 12, 1952; 11:54 a. m.]

Chapter IX—Petroleum Administration for Defense, Department of the Interior

[PAD Order No. 5, Direction 1 of May 8, 1952]

PAD 5—LIMITATION OF INVENTORIES OF CERTAIN PETROLEUM PRODUCTS

DIR. 1—SPECIAL RULES AS TO CERTAIN PRODUCTS

This direction is found necessary and appropriate to promote the national defense in that possible shortages of certain petroleum products in various areas throughout the United States threaten to impair the operation of the defense program by adversely affecting defense industries and the functioning of essential civilian activities. Consultation with industry representatives has been rendered impracticable due to the need for immediate action.

Sec.
1. What this direction does.
2. Definitions.
3. The direction.
4. Effective date.

AUTHORITY: Sections 1 to 4 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply sec. 101, 64 Stat. 799, as amended; 50 U. S. C. App. Sup. 2071; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

SECTION 1. *What this direction does.* The purpose of this direction is to eliminate certain products covered by PAD Order No. 5 from the provisions of that order in areas of the United States where their continued retention under the order at the present time is not warranted in view of the existing supply situation. In some instances, retention of the enumerated products has threatened to slow down, and in some areas, to shut down certain refineries that are currently in operation with a possible loss in availability of other products in short supply. Because of the nature of the problem, it is not feasible to handle equitably and speedily all situations on an individual adjustment basis, and this direction of general applicability has been issued to provide a convenient means for meeting equitably and appropriately the necessary adjustments in products and areas.

SEC. 2. *Definitions.* (a) "Enumerated products," means the following itemized products:

(1) Distillates (including Diesel fuel),
(2) Residual fuel oil.

(b) "Area of applicability" means those areas itemized on Schedule I.

(c) The definitions contained in section 2 of PAD Order No. 5 shall be applicable to this direction to the extent that they may be pertinent hereto.

SEC. 3. *The direction.* Notwithstanding the provisions of PAD Order No. 5, any person may deliver or otherwise supply, from a source located in any area of applicability itemized in Schedule I, and any reseller or consumer may accept delivery of, any enumerated product at any storage facility located in any such area of applicability.

SEC. 4. *Effective date.* This direction is issued this 8th day of May, 1952, and shall take effect at 3:01 a. m., e. s. t., May 9, 1952.

BRUCE K. BROWN,
Deputy Administrator.

SCHEDULE I

The following areas only in District No. I:

New York: The counties of Orleans, Genesee, Wyoming, and Allegany and all territory west thereof.

Pennsylvania: The counties of McKean, Cameron, Clearfield, Cambria, and Somerset and all territory west thereof.

Maryland: Garrett County.

West Virginia: The counties of Preston, Tucker, Randolph, Pocahontas, Greenbrier and Monroe and all territory west thereof.

District No. II, which includes: North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Indiana, Michigan, Ohio, Kentucky, and Tennessee.

District No. III, which includes: New Mexico, Texas, Arkansas, Louisiana, Mississippi, and Alabama.

District No. IV, which includes: Idaho, Utah, Montana, Wyoming, and Colorado.

[F. R. Doc. 52-5312; Filed, May 9, 1952; 4:34 p. m.]

[PAD Order No. 5, Direction 2 of May 9, 1952]

PAD 5—LIMITATION ON INVENTORIES OF CERTAIN PETROLEUM PRODUCTS

DIR. 2—RESERVATION OF SUPPLY

This direction is found necessary and appropriate to promote the national defense in that possible shortages of certain petroleum products in various areas throughout the United States threaten to impair the operation of the defense program by adversely affecting defense industries and the functioning of essential civilian activities. Consultation with industry representatives has been rendered impracticable due to the need for immediate action.

Sec.
1. What this direction does.
2. Definitions.
3. The direction.
4. Areas to which the direction is applicable.
5. Effective date.

AUTHORITY: Sections 1 to 5 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply sec. 101, 64 Stat. 799, as amended; 50 U. S. C. App. Sup. 2071; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

SECTION 1. *What this direction does.* The purpose of this direction is to ensure, at all times, minimum quantities of motor fuel for use by fire, police, ambulance, civil defense, transportation and other vehicles, essential to the safety and welfare of local communities, during periods of emergency.

Such minimum quantities of motor fuel as are hereby required to be continuously maintained shall be held subject to direction by PAD or its duly authorized local agency to deliver all or any portion thereof to designated persons.

SEC. 2. *Definitions.* (a) "Motor fuel" means liquid fuel, except diesel fuel, used for the propulsion of motor vehicles or motor boats and shall include any liquid fuel to which Federal gasoline taxes apply except liquid fuel used for the propulsion of aircraft.

(b) "Retail outlet" means a service station or any place of business or part thereof, where motor fuel is sold and delivered into the fuel supply tanks of motor vehicles or motor boats.

(c) "Storage facility" means (1) a retail outlet having a storage capacity for motor fuel of 3,000 gallons or more, or (2) any place of business, other than a refinery, natural gasoline plant, or retail outlet, at which motor fuel is stored for distribution or redistribution, including a bulk plant or terminal.

(d) The definitions contained in section 2 of PAD Order No. 5 shall be applicable to this direction to the extent they may be pertinent hereto.

SEC. 3. *The direction.* (a) It is the intent of this direction to require each operator of certain storage facilities, as defined in paragraph (c) of section 2, to continuously maintain in each such storage facility the minimum quantity of motor fuel specified in paragraph (b) of this section in order to ensure a constantly available supply of such motor fuel for services essential to the safety and welfare of local communities. Such minimum quantity may not be drawn upon or depleted, in whole or in part, except upon express direction, written or oral, from PAD or its duly authorized local agencies, designating the person or persons to whom specified deliveries shall be made.

(b) Every operator of a storage facility shall at all times maintain in each storage facility owned, leased or used by him for storage of motor fuel a quantity of such fuel equivalent to not less than five percent (5%) of the storage capacity of each such facility or 3,000 barrels, whichever is the lesser.

(c) No operator of a storage facility shall use, or deplete or deliver any portion of the quantity of motor fuel required to be maintained at all times pursuant to the provisions of paragraph (b) of this section to any person except upon express direction, written or oral, of PAD or its duly authorized local agencies, designating the person or persons to whom specified deliveries shall be made.

SEC. 4. *Areas to which the direction is applicable.* The direction may be made applicable, as necessary, to any area of the United States, its territories or possessions.

The direction shall apply only in those areas of the continental United States, its territories, and possessions designated in Schedule 1.

SEC. 5. *Effective date.* This direction is issued this 9th day of May 1952 and shall take effect at 3:01 a. m., e. s. t., May 10, 1952.

BRUCE K. BROWN,
Deputy Administrator.

SCHEDULE I

Areas in which Direction 2 shall apply are:

District No. 1, which includes: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, District of Columbia;

District No. 2, which includes: North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Indiana, Michigan, Ohio, Kentucky, and Tennessee.

[F. R. Doc. 52-5356; Filed, May 12, 1952; 9:30 a. m.]

[PAD Order No. 5, Amdt. 2]

PAD 5—LIMITATION ON INVENTORIES OF CERTAIN PETROLEUM PRODUCTS

This amendment to PAD Order No. 5 is found necessary and appropriate to promote the national defense in that possible shortages of certain petroleum products in various areas throughout the United States threaten to impair the operation of the defense program by adversely affecting defense industries and the functioning of essential civilian activities. Consultation with industry representatives has been rendered impracticable due to the need for immediate action.

1. This amendment grants the same privilege to railroads as is granted to gas, water, and electric power plants in that the prohibition of section 3 of PAD Order No. 5 applied only when a railroad's inventories exceed 15 days instead of 10 days as heretofore.

2. Section 3 of PAD Order No. 5 is amended to read as follows:

SEC. 3. No person may deliver or otherwise supply, and no reseller or consumer may accept delivery of, any petroleum product at any storage facility located in any area listed in Schedule B where the inventory at that facility of such reseller or consumer of such product exceeds ten days (fifteen days in the case of gas, water, electric power plants, and railroads) requirements: *Provided*, That (a) any person may deliver or otherwise supply and any reseller or consumer may receive or accept delivery of any such product in his customary quantities when the inventory of such reseller or consumer is less than ten days (fifteen days in the case of gas, water, electric power plants, and railroads) requirements, and (b) the provisions of this paragraph shall not apply to persons or facilities listed in Schedule C.

Effective date. This amendment shall take effect at 3:01 a. m., e. s. t., May 9, 1952.

BRUCE K. BROWN,
Deputy Administrator.

[F. R. Doc. 52-5313; Filed, May 9, 1952; 4:35 p. m.]

[PAD Order No. 6, Direction 1 of May 8, 1952]

PAD 6—LIMITATIONS ON AVIATION GASOLINE

DIR. 1—LIMITATION OF INVENTORIES OF AVIATION GASOLINE

This direction is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. Consultation with industry representatives has been rendered impracticable due to the need for immediate action.

Sec.
1. What this direction does.
2. Definitions.
3. Limitation on inventory.
4. Deliveries of aviation gasoline.
5. Certification.
6. Limitations on acquisition of storage facilities.
7. Effective date.

AUTHORITY: Sections 1 to 7 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply secs. 101 and 102, 64 Stat. 799, as amended; 50 U. S. C. App. Sup. 2071; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

SECTION 1. *What this direction does.* This direction establishes a limitation on acceptance of deliveries of aviation gasoline by consumers and resellers.

SEC. 2. *Definitions.* (a) "Consumer" means any carrier, non-carrier, or foreign carrier as defined in section 2 of PAD Order No. 6.

(b) "Reseller" means any person who receives or purchases aviation gasoline for resale at airfield or airport storage facilities.

(c) "Storage facility" means any tank or other container, singly or connected, including tanks forming an integral part of aircraft, used for storing liquid products on, at, adjacent to or used in connection with any single airport or airfield.

(d) The definitions contained in section 2 of PAD Order No. 6 shall be applicable to this direction to the extent that they may be pertinent hereto.

SEC. 3. *Limitation on inventories.* (a) No person shall deliver or otherwise supply and no consumer or reseller shall accept delivery of aviation gasoline at any storage facility unless his inventory at such storage facility amounts to not more than a minimum practicable inventory of such gasoline.

(b) "Minimum practicable inventory" means (1) as to a consumer, his requirements of aviation gasoline during a 72-hour period, based upon his projected flight operations, utilizing gasoline stored at a given storage facility; and

(2) as to a reseller, his requirements of aviation gasoline during a 72-hour period, based upon projected flight operations, utilizing gasoline stored at a given storage facility.

(c) In determining their respective minimum practicable inventories at each storage facility, consumers and resellers shall base such determination on an average demand not in excess of a quantity equal to sixty-five (65) per centum of the average demand for aviation gasoline from such storage facility during an average 72-hour period in the month of March 1952.

(d) An average 72-hour period in the month of March 1952 shall be determined by dividing the total number of gallons of aviation gasoline consumed from a given storage facility in the case of a consumer, or received for storage in a given storage facility in the case of a reseller, during the month of March 1952 by 31 and by multiplying the result by 3.

SEC. 4. *Deliveries of aviation gasoline.* Any person may deliver or otherwise supply and any consumer or reseller may receive or accept delivery of aviation gasoline in his customary quantities at any storage facility when his inventory at such storage facility amounts to not more than a minimum practicable inventory of such gasoline. For example, this will permit a consumer or reseller who customarily received delivery by tank car, or a consumer who customarily accepted full aircraft tank loads, to continue to accept delivery in such quantities, even though the delivery made that way would exceed his minimum practicable inventory. Of course, no such delivery could be made or accepted until the inventory at the storage facility or the aircraft tank is not more than a minimum practicable inventory.

SEC. 5. *Certification.* The provisions of section 6 of PAD Order No. 6 requiring certification by a carrier, non-carrier, or foreign carrier, to any person effecting delivery of aviation gasoline shall be applicable to and binding upon any reseller obtaining delivery of such gasoline at any storage facility and upon any person delivering or otherwise supplying such gasoline to any reseller at any storage facility, from and after the effective date of this direction. Any certification provided pursuant to section 6 of PAD Order No. 6 shall be deemed to permit delivery under the provisions of this direction either to a reseller or consumer and such certification shall constitute a representation to the supplier and PAD that the consumer or reseller, as the case may be, accepting delivery of aviation gasoline will accept and use such delivery only in conformity with the provisions and limitations of PAD Order No. 6 and of this direction.

SEC. 6. *Limitations on acquisition of storage facilities.* No person shall construct, erect, purchase, lease, loan or otherwise permit the use by another, or accept from another, the use of any storage facility for the purpose or with the effect of circumventing or evading this direction or of increasing inventories of aviation gasoline in excess of the quantity he may accept or deliver under the provisions of this direction.

SEC. 7. *Effective date.* This direction is issued this 8th day of May, 1952, and shall become effective at 3:01 a. m., e. s. t., May 9, 1952.

OSCAR L. CHAPMAN,
Secretary of the Interior and
Petroleum Administrator.

MAY 8, 1952.

[F. R. Doc. 52-5314; Filed, May 9, 1952; 4:35 p. m.]

Chapter XV—Federal Reserve System

[Regulation X, Interpretations 43-46]

REG. X—REAL ESTATE CREDIT

INT. 43—TRUST COMPANY REGISTRANT ACTING UNDER A WILL

A Federal Reserve Bank requested the Board's view concerning real estate construction credit to be extended by a trust company which is a Registrant under Regulation X in conjunction with a sale by it in a fiduciary capacity of a parcel of real estate that is "new construction." The sale would be made by the trust company acting either under the powers of sale under the will or by court order on behalf of an estate which is not a Registrant.

In its reply to the Federal Reserve Bank, the Board stated that it concurred in the Bank's view that a trust company which is a Registrant must comply with Regulation X in selling "new construction" as an executor under powers of sale in a will or by court order even though the estate itself is not a Registrant.

INT. 44—NONCONFORMING LEASE AS ADDITIONAL COLLATERAL

Under the provisions of footnote 18a and paragraph (a) (5) of section 4 of Regulation X, a Registrant cannot accept as collateral an assignment of a lease which is "credit" as that term is defined in paragraph (c) of section 2 of the regulation unless the lease conforms with the regulation at the time it is entered into or conforms at the time of its assignment as collateral. Questions have arisen as to whether this limitation applies when there is a loan that complies with Regulation X, and the lender, out of an abundance of caution, desires the assignment of a nonconforming lease as additional collateral for the conforming loan.

In issuing Amendment No. 8 to Regulation X (17 F. R. 158), one of the Board's primary concerns was that the total credit extended with respect to leased property might exceed the maximum loan value if, in addition to making a conforming mortgage loan, a Registrant permissively could also extend further credit secured by an assignment of a nonconforming lease. This intention would not be defeated, however, by permitting Registrants to accept an assignment of a nonconforming lease as additional collateral in making a conforming mortgage loan, and, accordingly, the Board will interpose no objection to such use of nonconforming paper. However, any such case should be subject to especially careful analysis and scrutiny to make certain that the basic loan does in fact comply, and that the nonconforming paper is not being used in an effort to circumvent the requirements of the regulation.

INT. 45—MAJOR ADDITIONS OR IMPROVEMENTS

The Board of Governors has received inquiries from several Federal Reserve Banks concerning the maximum amount of credit that may be extended to finance major additions or improvements under Regulation X, and the subsequent refinancing of such extensions of credit. There are three general principles in this regard that should be of assistance in determining the amount of credit that may be extended. These principles are as follows:

1. The maximum loan value of a major addition or improvement should be computed on the basis of the cost or estimated cost of such addition or improvement, regardless of whether credit that may previously have been extended with respect to the "property" on which such addition or improvement is to take place is conforming or nonconforming. In other words, the initial financing of the cost of a major addition or improvement is wholly divorced from other credit that may have been previously extended with respect to the "property."

2. In the event a borrower intends to purchase "property" and also to finance a major addition or improvement thereto, the applicable maximum loan values should be computed in two distinct steps. The proposed credit should be treated as being for mixed purposes, and, therefore, the maximum loan value should be computed on the basis of the sale price of the "property" and the cost or estimated cost of the major addition or improvement, each being viewed separately although the financing constitutes a single package. That portion of the mixed-purpose loan which is subject to the regulation also must comply with the maturity and amortization requirements of the regulation.

3. Whenever any major addition or improvement has been made to "property," the maximum loan value in any subsequent refinancing of the total credit that has been extended with respect to such property (which is "new construction" as a result of such major addition or improvement) must be determined according to the applicable provision of paragraph (i) (2) of section 2 of the regulation even though this determination may limit the maximum extension of refinanced credit to an amount less than was previously outstanding.

As illustrations of the types of questions that may arise with regard to the above-stated principles, following are several factual situations:

1. A person finances, through a non-Registrant, the purchase of a residence built in October 1951, and the credit extended does not conform with the terms of the regulation. He desires at a later date to finance a $5,000 major addition to his home through a Registrant. The Registrant need not consider the nonconforming credit previously extended on the property and, if he desires, may extend $4,500 in credit (the maximum loan value of the major addition) to the owner to finance the major addition.

2. (a) A person desires to finance the purchase of a nonresidential structure built in 1935, the sale price being $30,000. At the same time, he desires to make additions and improvements to the property which will cost $20,000. He approaches a Registrant with a question regarding the maximum amount of credit that may be extended to finance the total operation.

The Registrant may extend the maximum loan value of such additions and improvements, which is $10,000. Because the property on which the major additions and improvements is to take place is not "new construction," the Registrant is not limited in the amount of credit he may extend to finance the purchase of the nonresidential structure, and may, if he desires, extend a total of $40,000 credit, $10,000 of which must also comply with the maturity and amortization provisions of the regulation. If the $20,000 major addition had been made before the sale, however, it would be a sale of "new construction" and the maximum loan value would be $25,000, or 50 percent of the sale price of $50,000.

(b) A person desires to finance the purchase of a one-family unit residential structure which was built in August 1951, the sale price being $25,000. At the same time, he desires to add a major addition to the property which will cost $5,000. He approaches a Registrant with the same question as above.

The Registrant may extend the maximum loan value of the cost of such addition which, according to the Supplement to the regulation, is $4,500. Because the property on which the major addition is to be attached is "new construction," a Registrant may extend the maximum loan value of the bona fide sale price of such property, which would be $12,500. Therefore, a Registrant in this given illustration could extend a maximum loan value of $17,000 credit for the total operation. However, the Registrant in this instance should be clearly satisfied that it is a bona fide major addition, and not merely an effort to divide a single construction job into what will appear to be two parts. In order to qualify for separate loan values, there must be two separate and distinct projects. In this regard, attention is especially called to clause (5) of paragraph (j) of section 2 of the regulation, which requires that the cost of "any alteration or other modification made or to be made to the property as an incident to the sale thereof" be included within the sale price.

3. A person finances the purchase of a $30,000 home in July 1951, under the terms of the regulation, and is extended $15,000 credit. In October 1951 he finances the cost of a $6,000 major improvement to his home and $5,400 credit is extended in compliance with the regulation. He now contemplates consolidating the two outstanding loans on a more favorable interest basis with a new Registrant, the consolidated credit to be secured by the property.

The new Registrant should compute the maximum loan value of the property according to the applicable provision of paragraph (i) (2) of section 2. Because the entire cost of the residential property has been incurred within twelve months, the new Registrant should compute the maximum loan value on the basis of the bona fide cost of the property to the borrower in accordance with paragraph (i) (2) (B) (i) of section 2. Therefore, in this illustration, the "value" would be $36,000 and he could consolidate and refinance only to the extent of $18,000.

INT. 46—PUBLICLY SPONSORED PARKING FACILITIES

A State legislature has granted to a city of the State certain powers with respect to the establishment of public off-street parking facilities to be exercised through the city Board of Real Estate Commissioners.

These powers include the right to acquire property by eminent domain and to lease such property, or any property now, or hereafter in the custody of the Board, which may be used by the lessee for parking purposes only. The lease may have a term not exceeding 40 years. The lessee would build additional parking facilities on the land at his own expense, the new facilities to accommodate at least twice as many parked vehicles as before their construction. The law requires that each such lease shall contain a Schedule of Maximum Rates as well as such regulations with respect to the use, operation, and occupancy of such property as the Board may prescribe. Plans and specifications for any structures and facilities are to be prepared under the supervision of the Board of Real Estate Commissioners.

Pursuant to the authority contained in the statute, the city, through its Board of Real Estate Commissioners, has prepared specifications and a form of lease and now proposes to lease certain property presently held by the city and used as a public parking facility, and to have the lessee build suitable parking facilities on the premises. The more important provisions of the form of lease are as follows:

1. A term of 40 years.

2. Lessee is to construct, without cost to the city, structures and facilities for public parking in accordance with plans and specifications prepared under the supervision of the Board of Real Estate Commissioners, the construction to be under supervision of the architect-engineer who prepared the plans and specifications.

3. A Schedule of Maximum Rates which are tied to the "Cost of Living—Consumers Price Index for Moderate Income Families in Large Cities—All Items," which Schedule is to be reexamined after the expiration of three years at which time increases may be affected in proportion to any increase in the price index.

4. Lessee is required to keep the facility open for business during certain specified hours.

5. A sign is required to be maintained stating the name of the lessor as well as that of the lessee and also bearing the words "public parking facility."

6. The leased premises may not be used for any business incidental to the parking of motor vehicles or affecting parked motor vehicles.

7. The facility is required to be available to all persons without discrimination.

The fundamental reason for the above-described action of the State legislature and that proposed to be taken by the city is to alleviate to the extent possible a traffic situation which is recognized as a major municipal problem and one which has a serious adverse effect on virtually every phase of municipal life. The problem is one which has not been solved by ordinary means.

The Board of Governors has been asked whether or not Regulation X would apply to the financing of the parking facility to be built pursuant to the plan.

Paragraph (r) (4) (i) of section 2 of Regulation X excludes from the definition of "Nonresidential structure," and thus from the provisions of the regulation applicable to such properties, any structure exclusively designed for use by a "public utility."* In that respect paragraph (s) of section 2 of Regulation X provides as follows:

(s) "Public utility" means any transportation company, electric light or power company, gas company, water company, pipe line company, telephone company, telegraph company, or other similar business which is operated for the convenience, service or accommodation of the public if (1) the operations of such company are supervised by a Federal or State agency, or (2) the members of the public as such are entitled as of right to demand and use its facilities or services.

The Board does not consider an ordinary parking lot or garage, sponsored and operated by a private individual, to be a "public utility" within the meaning of that term as used in paragraph (s) of section 2 of the regulation. However, in view of the circumstances described above, including the special public need and sponsorship for this particular facility, the control exercised with respect to maximum rates and other features of operations, and the requirement that the parking facility shall be available to all without discrimination, the Board is of the opinion that the proposed parking facility should be considered to be embraced within paragraph (s) of section 2 and that, accordingly, the structure should be considered to be excluded from the definition of "Nonresidential structure" under the provisions of paragraph (r) (4) (i) of section 2 of Regulation X.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interprets or applies sec. 602, 64 Stat. 813, as amended; 50 U. S. C. App. Sup. 2132; E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR 1950 Supp.)

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
[SEAL] S. R. CARPENTER,
Secretary.

[F. R. Doc. 52-5272; Filed, May 12, 1952; 8:48 a. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 206—FISHING AND HUNTING REGULATIONS

CHESAPEAKE BAY, MARYLAND AND VIRGINIA

Pursuant to the provisions of section 10 of the River and Harbor Act of March 3, 1899 (30 Stat. 1151; 33 U. S. C. 403), § 206.50 governing the construction and maintenance of fishing structures in Chesapeake Bay, Maryland and Virginia, and its navigable tributaries, is amended by revising the fishing structure limits at the entrance to York River to conform to the new entrance channel dredged by the Corps of Engineers for the Department of the Navy, as follows:

§ 206.50 *Chesapeake Bay, Md. and Va., and its navigable tributaries; fishing structures.* * * *

(g) *Norfolk District.* * * *

(3) *West side of Chesapeake Bay north from Old Point Comfort to York River, including Back River.*

	Latitude			Longitude		
	°	′	″	°	′	″
* * *						
S "88N"	37	12	20.6	76	17	26.5
* * *						

(5) *West side of Chesapeake Bay north from York River to Wolf Trap Light, including Mobjack Bay.*

	Latitude			Longitude		
	°	′	″	°	′	″
Unmarked Point 17	37	15	07.0	76	22	42.0
S "80N"	37	14	35.4	76	20	56.6
S "81N"	37	14	03.9	76	19	11.2
S "89AN"	37	13	04.0	76	17	22.3
S "90N"						
* * *						

(7) *Fishing area east of mouth of Back River.*

	Latitude			Longitude		
	°	′	″	°	′	″
* * *						
S "70N"	37	12	06.5	76	17	05.4
S "71N"	37	11	01.9	76	15	27.7
S "72N"	37	09	57.2	76	13	50.1
S "73N"	37	08	52.5	76	12	12.5
* * *						

(8) *Fishing area southeast of mouth of York River.*

	Latitude			Longitude		
	°	′	″	°	′	″
S "86N"	37	09	42.3	76	12	17.9
S "87N"	37	10	47.0	76	13	55.5
S "88N"	37	11	51.7	76	15	33.1
S "89N"	37	12	56.4	76	17	10.8
* * *						
Thence to S "86N"						
* * *						

[Regs., April 25, 1952, 800.217-ENGWO] (30 Stat. 1151; 33 U. S. C. 403)

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

[F. R. Doc. 52-5288; Filed, May 12, 1952; 8:49 a. m.]

PART 207—NAVIGATION REGULATIONS

YORK RIVER NEAR YORKTOWN, VA.

Pursuant to the provisions of Chapter XIX of the Army Appropriations Act of July 9, 1918 (40 Stat. 892; 33 U. S. C. 3), § 207.128 restricting navigation within a naval mine service testing area in York River at the Naval Mine Depot near Yorktown, Virginia, is amended by establishing an additional restricted area, as follows:

§ 207.128 *York River, Va.; mine service testing area at Naval Mine Depot near Yorktown*—(a) *The restricted areas.* (1) A square area having 300-foot sides with its westerly corner coinciding with the easterly offshore corner of Pier 1, Naval Mine Depot, at approximately latitude 37°15′06″, longitude 76°31′38″, and its northwesterly side being an extension of the southeasterly side of the pier.

(2) An area off Stony Point, partially overlapping the area described in subparagraph (1) of this paragraph, bounded as follows: Beginning at latitude 37°15′16″, longitude 76°31′47″; thence to latitude 37°15′36″, longitude 76°31′18″; thence to latitude 37°15′14″, longitude 76°30′54″; thence to latitude 37°14′56″, longitude 76°31′22″; and thence to the point of beginning.

(b) *The regulations.* (1) All vessels other than naval craft are forbidden to enter the restricted area described in paragraph (a) (1) of this section.

(2) Anchoring, trawling, dragging, and net fishing are prohibited in the restricted area described in paragraph (a) (2) of this section.

(3) The regulations in this section shall be enforced by the Commandant, Fifth Naval District, and such agencies as he may designate.

[Regs., April 23, 1952, 800.2121-ENGWO] (40 Stat. 892; 33 U. S. C. 3)

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

[F. R. Doc. 52-5290; Filed, May 12, 1952; 8:50 a. m.]

PART 207—NAVIGATION REGULATIONS

PACIFIC OCEAN OFF POINT LOMA, CALIF.

Pursuant to the provisions of Chapter XIX of the Army Appropriations Act of July 9, 1918 (40 Stat. 892; 33 U. S. C. 3), § 207.612a is prescribed to govern the use and navigation of waters of the Pacific Ocean off Point Loma, California, comprising a naval restricted area, as follows:

§ 207.612a *Pacific Ocean off Point Loma, Calif.; naval restricted area*—(a) *The area.* The waters of the Pacific Ocean within an area extending southerly from Point Loma, California, described as follows: Beginning at latitude 32°39′54″, longitude 117°13′18″; thence southeasterly to latitude 32°34′31″, longitude 117°09′41″; thence 270° true to longitude 117°16′40″; thence due north to latitude 32°39′54″; and thence 90° true to the point of beginning.

(b) *The regulations.* (1) No vessel shall anchor within the restricted area at any time without specific permission of the enforcing agency.

(2) Dredging, dragging, seining, and other similar operations within the restricted area are prohibited.

(3) The regulations in this section shall be enforced by the Commandant, Eleventh Naval District, San Diego, California, and such agencies as he may designate.

[Regs., April 22, 1952, 800.2121-ENGWO] (40 Stat. 892; 33 U. S. C. 3)

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

[F. R. Doc. 52-5289; Filed, May 12, 1952; 8:50 a. m.]

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans' Administration

PART 17—MEDICAL

OUTPATIENT TREATMENT

In § 17.60 (a), subparagraphs (3) and (5) are amended to read as follows:

§ 17.60 *Outpatient treatment.* (a)
* * *

(3) Retired persons who have elected, under Public Law 314, 78th Congress, to receive disability compensation from the Veterans' Administration and who are in need of treatment for any disease or injury adjudicated by the Veterans' Administration as incurred or aggravated in line of duty in active service; except that if such persons did not serve during a period of war or on or after June 27, 1950, and prior to such date as shall thereafter be determined by the President or the Congress pursuant to Public Law 28, 82d Congress, treatment may not be furnished until an award of compensation has been made pursuant to their election. Further, such persons who served during the Spanish-American War, Philippine Insurrection, or Boxer Rebellion may be furnished treatment when in need thereof not only for any service-connected condition but for any disease or injury under the provisions of subparagraph (8) of this paragraph.

* * * * *

(5) Persons pursuing a course of vocational training authorized under Public Law 16, 78th Congress, as amended, or Public Law 894, 81st Congress, as amended, who are in need of treatment to avoid interruption of such training.

* * * * *

(Sec. 5, 43 Stat. 608, as amended, sec. 2, 46 Stat. 1016, sec. 7, 48 Stat. 9; 38 U. S. C. 11a, 426, 707. Interprets or applies 45 Stat. 735, as amended, sec. 1, 6, 48 Stat. 301, 302, as amended, 9, as amended, 53 Stat. 652, 57 Stat. 21, 60 Stat. 526, Pub. Law 894, 81st Cong., Pub. Laws 28, 239, 82d Cong.; 38 U. S. C. 488 note, 706, 706a, 488a, 581, 582, ch. 12 note)

This regulation effective May 13, 1952.

[SEAL] O. W. CLARK,
Deputy Administrator.

[F. R. Doc. 52-5208; Filed, May 12, 1952; 8:45 a. m.]

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

Subchapter F—Alaska Commercial Fisheries

CHANGES IN REGULATIONS TO PERMIT MAXIMUM UTILIZATION OF RESOURCES CONSISTENT WITH SOUND CONSERVATION PRINCIPLES

Basis and purposes. On the basis of facts obtained by field representatives of the Fish and Wildlife Service and briefs submitted by members of the fishery industries, the following changes in regulations have been determined to be necessary to permit maximum utilization of the resources consistent with sound conservation principles.

Therefore, and in conformance with the notice of intention to adopt amendments issued by the Secretary of the Interior on July 27, 1951 (F. R. 50-7573), the following amendment is adopted, in its several parts, to become effective 30 days after publication in the FEDERAL REGISTER.

PART 102—GENERAL PROVISIONS

1. Section 102.29 is amended to read as follows:

§ 102.29 *Traps to be inoperative within 24 hours after close of season.* Within 24 hours after the close of the last seasonal fishing period in which traps may be operated in any calendar year, the wire on the entire long wall of the small heart from the pot tunnel to the first corner of both sides shall be cut down and any lead within 50 feet of the small heart gap shall be cut down. Within 48 hours after any such season (a) the tunnels from pots to spillers of all traps shall be entirely disconnected, and (b) the spillers of all driven traps shall be raised to within 4 feet of the capping and the spillers of floating traps to within 4 feet of the surface. With respect to traps not provided with spillers, the requirement with regard to spillers shall apply to the pots. This requirement shall not apply to traps, the operation of which has been suspended by announcement under § 102.3a if such announcement expressly so provides.

2. Section 102.51 is amended to read as follows:

§ 102.51 *Prohibited with commercial gear; exception.* Within any regulatory area, district or section, all fishing for personal use with gillnet, seine or trap shall be subject to the laws and regulations governing commercial fishing during the period starting 48 hours before the opening of a commercial season for such gear and continuing until 48 hours after its close: *Provided*, That bona fide personal use fishing will be permitted at all times on the Yukon River and at any place which is at a distance greater than 25 miles by most direct measurement from waters legally open to commercial fishing.

PART 104—BRISTOL BAY AREA

Section 104.5 is amended to read as follows:

§ 104.5 *Weekly closed period.* In the period from June 25 to July 31, inclusive, the 36-hour statutory weekly closed period is extended to include the period from 6 o'clock antemeridian Tuesday to 6 o'clock antemeridian Wednesday and from 6 o'clock antemeridian Thursday to 6 o'clock antemeridian Friday, making a total weekly closure of 84 hours.

PART 105—ALASKA PENINSULA AREA

Section 105.5 is amended to read as follows:

§ 105.5 *Weekly closed period.* Throughout the season in the Port Moller district and prior to July 5 in all other waters of the area, the 36-hour statutory weekly closed period is extended to include the period from 6 o'clock postmeridian Wednesday to 6 o'clock postmeridian Thursday, making a total weekly closure of 60 hours. On and after July 5 in all waters of the area, except the Port Moller district, the 36-hour statutory weekly closed period is extended to include the period from 6 o'clock postmeridian Friday to 6 o'clock antemeridian Monday, making a total weekly closure of 60 hours.

PART 109—COOK INLET AREA

Section 109.51 is amended in paragraph (d) to read as follows:

(d) All streams and lakes of the Kenai Peninsula tributary to Cook Inlet: *Provided*, That this shall not apply to fishing with hand rod, hook and line for personal use.

PART 110.—RESURRECTION BAY AREA

Section 110.3 is amended to read as follows:

§ 110.3 *Open season.* Fishing is prohibited prior to 6 o'clock antemeridian July 1 and after 6 o'clock postmeridian September 15.

PART 111—PRINCE WILLIAM SOUND AREA

Section 111.20 is amended to read as follows:

§ 111.20 *Closed season, Dungeness crabs.* Fishing for Dungeness crabs is prohibited north of 60 degrees 22 minutes north latitude and east of 146 degrees 40 minutes west longitude from June 1 to August 31, inclusive: *Provided*, That in the waters of Orca Inlet north of a line drawn at right angles across the Inlet from the Cordova Ocean dock such fishing is prohibited from June 1 to October 31, inclusive.

PART 112—COPPER RIVER AREA

Section 112.15 is amended to read as follows:

§ 112.15 *Closed season, Dungeness crabs.* Fishing for Dungeness crabs is prohibited north of 60 degrees 22 minutes north latitude from June 1 to August 31, inclusive.

PART 116—SOUTHEASTERN ALASKA AREA, FISHERIES OTHER THAN SALMON

Section 116.12 is amended in text by substituting a period for the comma after the words, "Sumner Strait and Stikine districts" and deleting the remainder of the sentence.

PART 119—SOUTHEASTERN ALASKA AREA, EASTERN DISTRICT, SALMON FISHERIES

1. A new center heading designated "Personal Use Fishery" is created and a new section designated § 119.11 is added thereunder to read as follows:

§ 119.11 *Closed waters.* Fishing for personal use, except with hand rod, hook and line is prohibited as follows:

(a) Auke Creek.

(b) Salmon Creek, tributary to Gastineau Channel.

(c) Steep Creek.

PART 117—SOUTHEASTERN ALASKA AREA, ICY STRAIT DISTRICT, SALMON FISHERIES

PART 118—SOUTHEASTERN ALASKA AREA, WESTERN DISTRICT, SALMON FISHERIES

PART 119—SOUTHEASTERN ALASKA AREA, EASTERN DISTRICT, SALMON FISHERIES

PART 121—SOUTHEASTERN ALASKA AREA, SUMMER STRAIT DISTRICT, SALMON FISHERIES

PART 122—SOUTHEASTERN ALASKA AREA, CLARENCE STRAIT DISTRICT, SALMON FISHERIES

PART 123—SOUTHEASTERN ALASKA AREA, SOUTH PRINCE OF WALES ISLAND DISTRICT, SALMON FISHERIES

PART 124—SOUTHEASTERN ALASKA AREA, SOUTHERN DISTRICT, SALMON FISERIES

Under their respective parts, §§ 117.3, 117.4, 118.5, 118.6, 119.3, 121.3, 121.4, 122.4, 122.5, 123.3 and 124.3 are amended in text by deleting the words "From 6 o'clock antemeridian June 23, to 6 o'clock postmeridian July 5."

(Sec. 1, 43 Stat. 164, as amended; 48 U. S. C. 221)

OSCAR L. CHAPMAAN,
Secretary of the Interior.

MAY 7, 1952.

[F. R. Doc. 52-5267; Filed, May 12, 1952; 8:46 a. m.]

Chapter III—International Regulatory Agencies (Fishing and Whaling)

Subchapter A—International Fisheries Commission

PART 301—PACIFIC HALIBUT FISHERIES

Sec.

AUTHORITY: §§ 301.1 to 301.15 issued under Art. III, 50 Stat. Part 2, 1353.

§ 301.1 *Regulatory areas.* (a) Convention waters which include the territorial waters and the high seas off the western coasts of Canada and the United States of America including the southern as well as the western coasts of Alaska shall be divided into the following areas, all directions given being magnetic unless otherwise stated.

(b) Area 1A shall include all convention waters southeast of a line running northeast and southwest through Cape Blanco Light, as shown on Chart 5952, published in February 1935, by the United States Coast and Geodetic Survey, which light is approximately latitude 42°50'14" N., longitude 124°33'45" W.

(c) Area 1B shall include all convention waters between Area 1A and a line running northeast and southwest through Willapa Bay Light on Cape Shoalwater, as shown on Chart 6185, published in July 1939, by the United States Coast and Geodetic Survey, which light is approximately in latitude 46°43'17" N., longitude 124°04'15" W.

(d) Area 2A shall include all convention waters off the coasts of the United States of America and of Alaska and of the Dominion of Canada between Area 1B and a line running through the most westerly point of Glacier Bay, Alaska, to Cape Spencer Light as shown on Chart 8304, published in June 1940, by the United States Coast and Geodetic Survey, which light is approximately latitude 58°11'57" N., longitude 136°38'18" W., thence south one-quarter east and is exclusive of Area 2B and Area 2C and of the nursery areas closed to all halibut fishing in § 301.9.

(e) Area 2B shall include all convention waters in the southern part of Hecate Straits off the coast of British Columbia within the following boundary: From the eastern extremity of Cumshewa Head on Moresby Island, approximately latitude 53°02'00" N., longitude 131°36'20" W., to the northern extremity of the second largest island of the Moore Islands group, approximately latitude 52°40'05" N., longitude 129°25'32" W.; thence to the northern extremity of Conroy Island, approximately latitude 52°32'05" N., longitude 129°24'15" W.; thence to McInnes Island Light on McInnes Island, approximately latitude 52°15'45" N., longitude 128°43'22" W.; thence southwest by south approximately 99 miles to a point approximately latitude 51°28'55" N., longitude 131°00'56" W.; thence true north through Cape St. James Light to a point on the southern end of Kunghit Island, approximately latitude 51°56'42" N., longitude 131°00'54" W.; thence along the eastern shore of Kunghit Island to Moore Head, approximately latitude 52°09'02" N., longitude 131°03'00" W.; thence to Point Langford, approximately latitude 52°09'48" N., longitude 131°02'36" W., on Moresby Island; thence along the eastern shore of Moresby Island to the point of origin on Cumshewa Head. The point on Cumshewa Head shall be determined from Chart 394, as published May 1941 by the Department of Mines and Resources, Ottawa; the points on Moore Islands and McInnes Island shall be determined from Chart 3726, as published August 1942 by the Department of Mines and Resources, Ottawa; and the points on St. James Island, Kunghit Island and Moresby Island shall be determined from Chart 3853, as published June 1949 by the Department of Mines and Resources, Ottawa: *Provided*, That the duly authorized officers of the Dominion of Canada may at any time place a plainly visible mark or marks at any point or points as nearly as practicable on the boundary line defined in this paragraph, and such marks shall thereafter be considered as correctly defining said boundary.

(f) Area 2C shall include all convention waters off the coast of southeastern Alaska within the following boundary: From southern extremity of Cape Addington, Noyes Island, latitude 55°26'11" N., longitude 133°49'12" W., to the southern extremity of Granite Point, approximately latitude 55°18'57" N., longitude 133°41'25" W., on Baker Island; thence along the southern shore of Baker Island to Cape Bartolome, approximately latitude 55°14'13" N., longitude 133°36'42" W.; thence to Cape Augustine, approximately latitude 54°56'56" N., longitude 133°09'58" W., on Dall Island; thence along the shore of Dall Island to Point Cornwallis, approximately latitude 54°42'03" N., longitude 132°52'30" W.; thence southwest fifty miles to a point approximately latitude 54°27'20" N., longitude 134°14'10" W.; thence northwest fifty-three miles to a point approximately latitude 55°17'43" N., longitude 134°40'00" W.; thence northeast to the point of origin on Cape Addington. The boundary lines herein indicated shall be determined from Chart 8152 as published March 1933 by the United States Coast and Geodetic Survey, Washington, D. C., except that the points on Cape Addington, Granite Point and Cape Bartolome shall be determined from Chart 8158, as published September 1941 by the United States Coast and Geodetic Survey, Washington, D. C., and the point on Cape Augustine shall be determined from Chart 8148, as published June 1925 by the United States Coast and Geodetic Survey, Washington, D. C., and the point on Point Cornwallis shall be determined from Chart 8146 as published February 1925 by the United States Coast and Geodetic Survey, Washington, D. C.: *Provided*, That the duly authorized officers of the United States of America may at any time place a plainly visibly mark or marks at any point or points as nearly as practicable on the boundary line defined in this paragraph, and such mark or marks shall thereafter be considered as correctly defining said boundary.

(g) Area 3A shall include all the convention waters off the coast of Alaska that are between Area 2A and a straight line running approximately south three-quarters east from the Alaska Peninsula, near Bold Cape approximately latitude 55°01'15" N., longitude 162°15'45" W., through the highest point on Deer Island approximately latitude 54°57'45" N., longitude 162°16'45" W., and through the highest point on Caton Island approximately latitude 54°24'00" N., longitude 162°26'00" W. The points on the Alaska Peninsula, on Deer and Caton Islands shall be determined from Chart 8860 as published December, 1942, by the United States Coast and Geodetic Survey, Washington, D. C.

(h) Area 3B shall include all the convention waters off the coast of Alaska that are between Area 3A and a straight line running from the light on Cape Kabuch at the head of Ikatan Bay as shown on Chart 8701 published in February 1943, by the United States Coast and Geodetic Survey which light is approximately latitude 54°49'03" N., longitude 163°21'42" W., thence to Cape Sarichef Light at the western end of Unimak Island as shown on Chart 8860 published in December 1942 (12th edition) by the United States Coast and Geodetic Survey which light is approximately latitude 54°36'00" N., longitude 164°55'45" W., thence true west.

(i) Area 4 shall include all convention waters in Bering Sea which are not included in Area 3B.

§ 301.2 *Limit of catch in each area.* (a) The catch of halibut to be taken during the halibut fishing season of the year 1952 from Area 2A shall be limited to approximately 25,500,000 pounds of salable halibut, and from Area 3A to approximately 28,000,000 pounds of salable halibut, the weights in each or any such limit to be computed as with heads off and entrails removed.

(b) The catch of halibut to be taken from all areas during the halibut fishing season of the year 1952 shall also be limited to halibut which with head on are 26 inches or more in length as measured from the tip of the lower jaw to the extreme end of the middle of the tail or to halibut which with the head off and entrails removed are 5 pounds or more in weight, and the possession of any halibut of less than the above length or the above weight, according to whether the head is on or off, by any vessel or by any master or operator of any vessel or by any person, firm or corporation, is prohibited.

(c) The International Fisheries Commission shall as early in the said year as is practicable determine the date on which it deems each limit of catch defined in paragraph (a) of this section will be attained, and the limit of each such catch shall then be that which shall be taken prior to said date, and fishing for or catching of halibut in the area or areas to which such limit applies shall at that date be prohibited until after the end of the closed season as defined and modified in § 301.3, except as provided in § 301.5 and in Article I of the Convention, and provided that if it shall at any time become evident to the International Fisheries Commission that the limit will not be reached by such date, it may substitute another date.

§ 301.3 *Length of closed season.* (a) Under the authority of Article I of the aforesaid Convention the closed season as therein defined shall be modified in Areas 1A, 1B, 2A, and 3A so as to end at 12:01 a. m. of the 14th day of May of the year 1952 and to begin at 12:01 a. m. of the 1st day of December of the

year 1952 unless an earlier date is determined upon for any area under the provisions of paragraph (b) of this section, and shall be modified in Areas 2B and 2C so as to end at 12:01 a. m. of the 26th day of July of the year 1952 and to begin at 12:01 a. m. of the 5th day of August of the year 1952, and shall be modified in Areas 3B and 4 so as to end at 12:01 a. m. of the 2d day of August of the year 1952 and to begin at 12:01 a. m. of the 19th day of August of the year 1952.

(b) Under authority of Article I of the Convention, the closed season as therein defined shall begin in Areas 2A and 3A on the dates on which their limits are reached as provided in paragraph (c) of § 301.2 and the closing of such area or areas shall be taken to have been duly approved unless before the said date either the President of the United States of America or the Governor General of Canada shall have signified his disapproval, (the burden of proving any such signification being upon the person alleging it) and provided that the closing date of Area 2A or of Area 3A, whichever shall be later, shall apply to Area 1A, and that the closing date of Area 2A shall apply to Area 1B.

(c) Nothing contained in this part shall prohibit the fishing for species of fish other than halibut or prohibit the International Fisheries Commission from conducting fishing operations as provided for in Article I of the Convention.

§ 301.4 *Issuance of licenses and conditions limiting their validity.* (a) All vessels of any tonnage which shall fish for halibut in any manner or hold halibut in possession in any area, or which shall transport halibut otherwise than as a common carrier documented by the Government of the United States or of Canada for the carriage of freight, must be licensed by the International Fisheries Commission, provided that vessels of less than five net tons or vessels which do not use set lines need not be licensed unless they shall require a permit as provided in § 301.5.

(b) Each vessel licensed by the International Fisheries Commission shall carry on board at all times while at sea the halibut license thus secured whether it is validated for halibut fishing or endorsed with a permit as provided in § 301.6 and this license shall at all times be subject to inspection by authorized officers of either of said Governments or by representatives of the International Fisheries Commission.

(c) The halibut license shall be issued without fee by the customs officers of either of said Governments or by representatives of the International Fisheries Commission or by fishery officers of either of said Governments at places where there are neither customs officers nor representatives of the International Fisheries Commission. A new license may be issued by the officer accepting statistical return at any time to vessels which have furnished proof of loss of the license form previously issued, or when there shall be no further space for record thereon, providing the receipt of statistical return shall be shown on the new form for any halibut or other species taken during or after the voyage upon which loss occurred. The old license form shall be forwarded in each case to the International Fisheries Commission.

(d) The halibut license of any vessel shall be validated before departure from port for each halibut fishing operation for which statistical return is required. This validation of a license shall be by customs officers or by fishery officers of either of said Governments when available at places where there are no customs officers and shall not be made unless the area in which the vessel will fish is entered on the license form and unless the provisions of §301.7 have been complied with for all landings and all fishing operations since issue of the license, provided that if the master or operator of any vessel shall fail to comply with the provisions of § 301.7, the halibut license of such vessel may be validated by customs officers or by fishery officers upon evidence either that there has been a judicial determination of the offense or that the laws prescribing penalties therefor have been complied with, or that the said master or operator is no longer responsible for, nor sharing in, the operations of said vessel.

(e) The halibut license of any vessel fishing for halibut in Area 1A as defined in § 301.1 after the closure of Areas 1B and 2A must be validated at a port or place within Area 1A prior to each such fishing operation.

(f) The halibut license of any vessel fishing for halibut in Area 3B and/or Area 4 must be validated at a port or place within Area 3B prior to such fishing and again before said vessel departs from Area 3B subsequent to such fishing if said vessel has any halibut on board.

(g) No halibut license shall be validated for departure for halibut fishing in Areas 1A or 1B or 2A before 12:01 a. m. of the 12th day of May of the year 1952; or for departure for halibut fishing in Areas 2B or 2C before 12:01 a. m. of the 24th day of July of the year 1952, or for departure for halibut fishing in Area 3A from any port or place outside Area 3A before 12:01 a. m. on the 9th day of May of the year 1952 or from any port or place within Area 3A before 12:01 a. m. of the 12th day of May of the year 1952; or for departure for halibut fishing in Area 3B and/or Area 4 before 12:01 a. m. of the 31st day of July of the year 1952 from any port or place within Areas 3B or 4.

(h) No halibut license shall be valid for halibut fishing in more than one of Areas 1A, 1B, 2A, 2B, 2C, or 3A, as defined in § 301.1, during any one trip nor shall it be revalidated for halibut fishing in another of said areas while the vessel has any halibut on board.

(i) The halibut license shall not be valid for halibut fishing in any area closed to halibut fishing or for the possession of halibut in any area closed to halibut fishing except while in actual transit to or within a port of sale and as provided in paragraph (k) of this section.

(j) The halibut license shall not be valid for halibut fishing in any area while a permit endorsed thereon is in effect, nor shall it be validated while halibut taken under such permit is on board.

(k) The halibut license of any vessel when validated for halibut fishing in Area 3A shall not be valid for the possession of any halibut in Areas 2A, 2B, or 2C if said vessel is in possession of baited gear more than 25 miles from Cape Spencer Light, Alaska; and the halibut license of any vessel when validated for halibut fishing in Area 2B or Area 2C shall not be valid for the possession of any halibut in Area 2A if said vessel is in possession of baited gear more than 20 miles by navigable water route from the boundaries of the respective areas.

(l) No person on any vessel which is required to have a halibut license under paragraph (a) of this section shall fish for halibut or have halibut in his possession, unless said vessel has a valid license issued and in force in conformity with the provisions of this section.

§ 301.5 *Retention of halibut taken with other fish under permit.* (a) There may be retained for sale on any vessel which shall have a permit as provided in § 301.6 such halibut as is caught incidentally to fishing by that vessel in any area after it has been closed to halibut fishing under § 301.2 or § 301.3 with set lines (of the type commonly used in the Pacific Coast halibut fishery) for other species, not to exceed at any time one pound of halibut for each seven pounds of salable fish, actually utilized, of other species not including salmon or tuna, and such halibut may be sold as the catch of said vessel, the weight of all fish to be computed as with heads off and entrails removed, provided that it shall not be a violation of this regulation for any such vessel to have in possession halibut in addition to the amount herein allowed to be sold if such additional halibut shall not exceed thirty per cent of such amount and shall be forfeited and surrendered at the time of landing as provided in paragraph (f) of this section.

(b) There may be retained for sale on any vessel which shall have a permit as provided in § 301.6 such halibut as is caught incidentally to fishing for species of crab by that vessel in Area 4 after 12:01 a. m. of the 19th day of August of the year 1952 with bottom trawl nets (of the type commonly used in the Bering Sea king crab fishery) whose cod ends or fish bags shall consist of webbing whose dry-stretched mesh shall measure not less than 12 inches between knots or hog rings, not to exceed at any time one pound of halibut for each five pounds drained weight of salable picked crab meat or the equivalent drained weight of crab meat in the shell or in vacuum-packed heat processed containers. The equivalent weight of meat in the shell shall be computed on the basis of 15 pounds of meat in the shell being equal to 6 pounds of drained picked crab meat and the equivalent weight of processed meat shall be computed on the basis of 6½ ounces of drained weight of processed crab being equal to 8 ounces of picked crab meat.

(c) The catch of halibut taken and retained under such permit shall be limited to halibut which with the head on are

26 inches or more in length as measured from the tip of the lower jaw to the extreme end of the middle of the tail or to halibut which with the head off and entrails removed are 5 pounds or more in weight, and the possession of any halibut of less than the above length or the above weight, according to whether the head is on or off, by any vessel or by any master or operator of any vessel or by any person, firm or corporation, is prohibited.

(d) Halibut retained under such permit shall not be filleted, fletched, steaked or butchered beyond the removal of the head and entrails while on the catching vessel.

(e) Halibut retained under such permit shall not be landed or otherwise removed or be received by any person, firm or corporation from the catching vessel until all halibut on board shall have been reported to a customs, fishery or other authorized enforcement officer of either of said Governments by the captain or operator of said vessel and also by the person, firm or corporation receiving the halibut, and no halibut or other fish or crabs shall be landed or removed or be received from the catching vessel except with the permission of said officer and under such supervision as the said officer may deem advisable.

(f) Halibut retained under such permit shall not be purchased or held in possession by any person other than the master, operator or crew of the catching vessel in excess of the proportion allowed in paragraph (a) of this section until such excess whatever its origin shall have been forfeited and surrendered to the customs, fishery or other authorized officers of either of said Governments. In forfeiting such excess, the vessel shall be permitted to surrender any part of its catch of halibut, provided that the amount retained shall not exceed the proportion herein allowed.

(g) Permits for the retention and landing of halibut caught in Areas 1A, 1B, 2A, 2B, 2C, 3A, or 3B in the year 1952 shall become invalid at 12:01 a. m. of the 16th day of November of said year or at such earlier date as the International Fisheries Commission shall determine.

(h) Permits shall become invalid for the retention of halibut caught in Area 4 after 12:01 a. m. of the 14th day of November in the year 1952 and shall become invalid for the landing of halibut caught under permit in Area 4 after 12:01 a. m. of the 14th day of December of the year 1952 or at such earlier dates as the International Fisheries Commission shall determine.

§ 301.6 *Issuance of permits and conditions limiting their validity.* (a) Any vessel which shall be used in fishing for other species than halibut in any area after it has been closed to halibut fishing under § 301.2 or § 301.3 must have a halibut license and a permit if it shall retain, land or sell any halibut caught incidentally to such fishing or possess any halibut of any origin during such fishing, as provided in § 301.5.

(b) The permit shall be shown by endorsement of the issuing officer on the face of the halibut license form held by said vessel and shall show the area or areas for which the permit is issued.

(c) The permit shall terminate at the time of first landing thereafter of fish or crabs of any species and a new permit shall be secured before any subsequent fishing operation for which a permit is required.

(d) A permit shall not be issued to any vessel which shall have halibut on board taken while said vessel was licensed to fish in an open area unless such halibut shall be considered as taken under the issued permit and is thereby subject to forfeiture when landed if in excess of the proportion permitted in paragraph (a) or (b) of § 301.5.

(e) A permit shall not be issued to, or be valid if held by, any vessel which shall fish with other than set lines of the type commonly used in the Pacific Coast halibut fishery except in Area 4 as provided in paragraph (b) of § 301.5.

(f) The permit of any vessel shall not be valid unless the permit is granted before departure from port for each fishing operation for which statistical returns are required. This granting of a permit shall be by customs officers or by fishery officers of either of said Governments when available at places where there are no customs officers and shall not be made unless the area or areas in which the vessel will fish is entered on the halibut license form and unless the provisions of § 301.7 have been complied with for all landings and all fishing operations since issue of the license or permit: *Provided*, That if the master or operator of any vessel shall fail to comply with the provisions of § 301.7, the permit of such vessel may be granted by customs or fishery officers upon evidence either that there has been a judicial determination of the offense or that the laws prescribing penalties therefor have been complied with, or that the said master or operator is no longer responsible for, nor sharing in, the operations of said vessel.

(g) A permit shall not be valid for the landing of halibut caught incidentally to fishing for crabs in Area 4 unless the vessel shall show documentary evidence of date of departure from some port or place within said regulatory area, or from Akutan, Alaska, subsequent to such fishing. Such documentary evidence may consist of a certified written statement of a properly identified and responsible resident within Area 4 or at Akutan.

(h) The permit of any vessel shall not be valid if said vessel shall have in its possession at any time halibut in excess of the amount allowed under paragraph (a) or (b) of § 301.5.

(i) No person shall retain, land or sell any halibut caught incidentally to fishing for other species in any area closed to halibut fishing under § 301.2 or § 301.3, or shall have halibut of any origin in his possession during such fishing, unless such person is a member of the crew of and is upon a vessel with a halibut license and with a valid permit issued and in force in conformity with the provisions of §§ 301.5 and 301.6.

§ 301.7 *Statistical return by vessels.* (a) Statistical return as to the amount of halibut taken during fishing operations must be made by the master or operator of any vessel licensed under these regulations and as to the amount of halibut and other species by the master or operator of any vessel operating under permit as provided for in §§ 301.5 and 301.6, within 96 hours of landing, sale or transfer of halibut or of first entry thereafter into a port where there is an officer authorized to receive such return.

(b) The statistical return must state the port of landing and the amount of each species taken within the area defined in this part, for which the vessel's license is validated for halibut fishing or within the area or areas for which the vessel's license is endorsed as a permit.

(c) The statistical return must include all halibut landed or transferred to other vessels and all halibut held in possession on board and must be full, true and correct in all respects herein required. A copy of such return must be forwarded to the International Fisheries Commission at such times as the latter shall require.

(d) The master or operator and/or any person engaged on shares in the operation of any vessel licensed or holding a permit under this part may be required by the International Fisheries Commission or by any officer of either of said Governments authorized to receive such return to certify to its correctness to the best of his information and belief and to support the certificate by a sworn statement. Validation of a halibut license or issuance of a permit after such sworn return is made shall be provisional and shall not render the license or permit valid in case the return shall later be shown to be false or fraudulently made.

(e) The master or operator of any vessel holding a license or permit under these regulations shall keep an accurate log of all fishing operations including therein date, locality, amount of gear used, and amount of halibut taken daily in each such locality. This log record shall be open to inspection by representatives of the International Fisheries Commission authorized for this purpose.

(f) The master, operator and/or any other person engaged on shares in the operation of any vessel licensed under these regulations may be required by the International Fisheries Commission or by any officer of either of said Governments to certify to the correctness of such log record to the best of his information and belief and to support the certificate by a sworn statement.

§ 301.8 *Statistical return by dealers.* (a) All persons, firms or corporations that shall buy halibut or receive halibut for any purpose from fishing or transporting vessels or other carrier shall keep and on request furnish to customs officers or to any enforcing officer of either of said Governments or to representatives of the International Fisheries Commission, records of each purchase or receipt of halibut, showing date, locality, name of vessel, person, firm or corporation purchased or received from and the amount in pounds according to trade categories of the halibut and other species landed with the halibut.

(b) All persons, firms or corporations receiving fish from a vessel fishing under permit as provided in § 301.5 shall within

48 hours make to an authorized enforcing officer of either of said Governments a signed statistical return showing the date, locality, name of vessel received from and the amount of halibut and of other species landed with the halibut and certifying that permission to receive such fish was secured in accordance with paragraph (e) of § 301.5. Such persons, firms or corporations may be required by any officer of either of said Governments to support the accuracy of the above signed statistical return with a sworn statement.

(c) All records of all persons, firms or corporations concerning the landing, purchase, receipt and sale of halibut and other species landed therewith shall be open at all times to inspection by any enforcement officer of either of said Governments or of any authorized representative of the International Fisheries Commission. Such persons, firms or corporations may be required to certify to the correctness of such records and to support the certificate by a sworn statement.

(d) The possession by any person, firm or corporation of halibut which such person, firm or corporation knows to have been taken by a vessel without a valid halibut license or a vessel without a permit when such license or permit is required, is prohibited.

(e) No person, firm or corporation shall unload any halibut from any vessel that has fished for halibut in Area 3B and/or Area 4 unless the license of said vessel has been validated at a port or place in Area 3B as required in paragraph (f) of § 301.4 or unless permission to unload such halibut has been secured from an enforcement officer of either of said Governments.

§ 301.9 *Closed small halibut grounds.* (a) The following areas have been found to be populated by small, immature halibut and are closed to halibut fishing, and no person shall fish for halibut in either of such areas, or shall have halibut in his possession while fishing for other species therein, or shall have halibut of any origin in his possession therein excepting in the course of a continuous transit across such area.

(b) First, that area in the waters off the coast of Alaska within the following boundary as stated in terms of the magnetic compass unless otherwise indicated: From the north extremity of Cape Ulitka, Noyes Island, approximately latitude 55°33'48" N., longitude 133°43'35" W., to the south extremity of Wood Island, approximately latitude 55°39'44" N., longitude 133°42'29" W.; thence to the east extremity of Timbered Islet, approximately latitude 55°41'47" N., longitude 133°47'42" W.; thence to the true west extremity of Timbered Islet, approximately latitude 55°41'46" N., longitude 133°48'01" W.; thence southwest three-quarters south sixteen and five-eighths mile to a point approximately latitude 55°34'46" N., longitude 134°14'40" W.; thence southeast by south twelve and one-half miles to a point approximately latitude 55°22'23" N., longitude 134°12'48" W.; thence northeast thirteen and seven-eighths miles to the southern extremity of Cape Addington, Noyes Island, latitude 55°26'11" N., longitude 133°49'12" W.; and to the point of origin on Cape Ulitka. The boundary lines herein indicated shall be determined from Chart 8157, as published by the United States Coast and Geodetic Survey at Washington, D. C., in June, 1929, and Chart 8152, as published by the United States Coast and Geodetic Survey at Washington, D. C., in March, 1933, and reissued March, 1939, except for the point of Cape Addington which shall be determined from Chart 8158, as published by the United States Coast and Geodetic Survey in December, 1923: *Provided*, That the duly authorized officers of the United States of America may at any time place a plainly visible mark or marks at any point or points as nearly as practicable on the boundary line defined in this paragraph, and such mark or marks shall thereafter be considered as correctly defining said boundary.

(c) Second, that area lying in the waters off the northern coast of Graham Island, British Columbia, within the following boundary, and including the waters of Sturgess Bay, Masset Sound, Masset Inlet, and bays and inlets thereof: From the northwest extremity of Wiah Point, latitude 54°06'50" N., longitude 132°19'18" W., true north five and one-half miles to a point approximately latitude 54°12'20" N., longitude 132°19'18" W.; thence true east approximately sixteen and three-tenths miles to a point which shall lie northwest (according to magnetic compass at any time) of the highest point of Tow Hill, Graham Island, latitude 54°04'24" N., longitude 131°48'00" W.; thence southeast to the said highest point of Tow Hill. The points on the shoreline of the above-mentioned island shall be determined from Chart 3754, published at the Admiralty, London, April 11, 1911: *Provided*, That the duly authorized officers of the Dominion of Canada may at any time place a plainly visible mark or marks at any point or points as nearly as practicable on the boundary line defined in this part, and such marks shall thereafter be considered as correctly defining said boundary.

§ 301.10 *Dory gear prohibited.* The use of any hand gurdy or other appliance in hauling halibut gear by hand power in any dory or small boat operated from a vessel licensed under the provisions of these regulations is prohibited in all convention waters.

§ 301.11 *Nets prohibited.* (a) It is prohibited to retain halibut taken in Areas 1A, 1B, 2A, 2B, 2C, 3A, and 3B with a net of any kind or to have in possession any halibut in said areas while using any net or nets other than bait nets for the capture of other species of fish, nor shall any license or permit validated for said areas under these regulations be valid during the use or possession on board of any net or nets other than bait nets: *Provided*, That the character and the use of said bait nets conform to the laws and regulations of the country where they may be utilized and that said bait nets are utilized for no other purpose than the capture of bait for said vessel.

(b) It is prohibited to retain halibut taken in Area 4 with any net which does not have a cod end or fish bag of webbing whose dry stretched mesh measures 12 inches or more between knots or hog rings, nor shall any license or permit held by any vessel fishing for crabs in Area 4 be valid for the possession of halibut during the use or possession on board of any net which does not have a cod end or fish bag of webbing whose dry stretched mesh measures 12 inches or more between knots or hog rings.

§ 301.12 *Retention of tagged halibut.* Nothing contained in this part shall prohibit any vessel at any time from retaining and landing any halibut which bears an International Fisheries Commission tag at the time of capture, provided that such halibut with the tag still attached is reported at the time of landing to representatives of the International Fisheries Commission or to enforcement officers of either of said Governments and is made available to them for examination.

§ 301.13 *Responsibility of master.* Wherever in this part any duty is laid upon any vessel, it shall be the personal responsibility of the master or operator of said vessel to see that said duty is performed and he shall personally be responsible for the performance of said duty. This provision shall not be construed to relieve any member of the crew of any responsibility with which he would otherwise be chargeable.

§ 301.14 *Supervision of unloading and weighing.* The unloading and weighing of the halibut of any vessel licensed under this part and the unloading and weighing of halibut and other species of any vessel holding a permit under this part shall be under such supervision as the customs or other authorized officer may deem advisable in order to assure the fulfilment of the provisions of this part.

§ 301.15 *Previous regulations superseded.* The regulations in this part shall supersede all previous regulations adopted pursuant to the Convention between the United States of America and the Dominion of Canada for the preservation of the halibut fishery of the northern Pacific Ocean and Bering Sea, signed January 29, 1937, except as to offenses occurring prior to the approval of this part. This part shall be effective as to each succeeding year, with the dates herein specified changed accordingly, until superseded by subsequently approved regulations. Any determination made by the International Fisheries Commission pursuant to this part shall become effective immediately.

G. W. NICKERSON,
Chairman.
MILTON C. JAMES,
G. R. CLARK,
EDWARD W. ALLEN,
Secretary.

Approved: April 18, 1952.

HARRY S. TRUMAN,
The White House.

[F. R. Doc. 52-5279; Filed, May 12, 1952; 8:49 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[P. & S. Docket No. 435]

MARKET AGENCIES AT UNION STOCK YARDS, DENVER, COLORADO, RESPONDENTS

NOTICE OF PETITION FOR MODIFICATION OF RATE ORDER

Pursuant to the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181 et seq.), an order was issued on August 23, 1951 (10 A. D. 1074), and amended by an order issued on September 19, 1951 (10 A. D. 1214), authorizing respondents to put into effect the current schedule of rates and charges (Tariff No. 14). These orders provide that they shall remain in effect to and including September 1, 1952, unless changed by further order before that date.

On April 29, 1952, respondents filed a petition requesting authority to put into effect beginning on July 1, 1952, a new schedule of rates and charges, designated as Tariff No. 15 and filed with the petition, which contains certain modifications of the currently authorized schedule.

Those portions of the proposed new schedule which contain modifications of the current schedule are set forth below.

ARTICLE 1—DEFINITIONS

Cattle are animals of the bovine species weighed in drafts, the average weight of the animals in which is over 400 pounds.

Calves are animals of the bovine species weighed in drafts, the average weight of the animals in which is 400 pounds or under.

Bulls are uncastrated male animals of the bovine species (except purebred or registered), weighed in drafts, the average weight of the animals in which is 600 pounds or over.

Hogs are all swine, irrespective of weight.

Sheep are all animals of the bovine species and, for purposes of assessing charges in this tariff, include goats.

Consignment for the purposes of assessing selling charges is all the livestock of one species (cattle, calves and bulls to be considered as separate species) belonging to one owner and delivered to one market agency to be offered for sale at one time and sold by it.

Purchase order for the purpose of assessing buying charges is all the livestock of one specie (cattle, calves and bulls to be considered as separate species) bought at any time but shipped to or delivered to one person on one market day.

Draft is all the animals in one consignment weighed as a single sales classification.

Additional weight draft is all the animals of one specie (cattle, calves and bulls to be considered as of different species) sold for the account of one owner to one buyer at one price.

If necessary or requested to weigh for the purposes of identification, classes, brand or any other particular condition or circumstance, though at the same price to the same buyer, then for the purpose of this tariff such draft shall be considered an additional weight draft.

Person is an individual, a partnership, a corporation and/or an association of any such acting as a unit.

NOTE: When single-deck cars are furnished in lieu of double-deck car or cars ordered, each two single-deck cars shall be considered to be a double-deck car.

ARTICLE 2—SELLING, RESELLING AND BUYING CHARGES

SECTION A

Cattle:	Per head
Consignments of 1 head and 1 head only	$1.50
Consignments of more than 1 head:	
First 5 head in each consignment	1.15
Next 10 head in each consignment	1.10
Each head over 15 in each consignment	1.05

NOTE: Maximum buying charges on a consignment of cattle departing by rail shall not exceed an amount equal to $35 multiplied by the number of cars in which the consignment departs from the market.

SECTION B

Calves:	Per head
Consignments of 1 head and 1 head only	$0.80
Consignments of more than 1 head:	
First 5 head in each consignment	.70
Next 10 head in each consignment	.60
Each head over 15 in each consignment	.50

NOTE: Maximum buying charges on a consignment of calves departing by rail shall not exceed an amount equal to $35 multiplied by the number of single-deck cars in which the consignment departs plus $45 multiplied by the number of double-deck cars in which the consignment departs from the market.

SECTION C

	Per head
Bulls: Sold for slaughter or as feeders, irrespective of the mode of arrival or departure	$2.00

SECTION D

Hogs—irrespective of the mode of arrival or departure:	Per head
Consignments of 1 head and 1 head only	$0.75
Consignments of more than 1 head:	
First 10 head in each consignment	.45
Next 15 head in each consignment	.40
Each head over 25 in each consignment	.30

SECTION E

Sheep:	Per head
Consignments of 1 head and 1 head only	$0.75
Consignments of more than 1 head:	
First 10 head in each 250 head in each consignment	.40
Next 50 head in each 250 head in each consignment	.22
Next 60 head in each 250 head in each consignment	.14
Next 130 head in each 250 head in each consignment	.10

NOTE: Maximum buying charges on any consignment of sheep departing by rail shall not exceed an amount equal to $25.00 multiplied by the number of single-deck cars plus $35.00 multiplied by the number of double-deck cars in which the consignment departs from the market.

SECTION F

Dairy and breeding animals:	Per head
Purebred or registered bulls	$10.00
Purebred or registered cows or heifers	6.00
Milk cows with or without calf at side	2.00
Rams for breeding purposes	1.50

If authorized, the proposed rates and charges will produce additional revenue for the respondent market agencies and increase the cost of marketing livestock. Accordingly, it appears that this public notice should be given of the petition and its contents in order that all interested persons may have an opportunity to be heard in the matter.

All interested persons who desire to be heard in the matter shall notify the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., within 15 days from the date of publication of this notice.

Done at Washington, D. C., this 8th day of May 1952.

[SEAL] AGNES B. CLARKE,
Hearing Clerk.

[F. R. Doc. 52-5305; Filed, May 12, 1952; 8:55 a. m.]

[7 CFR Part 51]

UNITED STATES STANDARDS FOR TABLE GRAPES (EUROPEAN OR VINIFERA TYPE)

EXTENSION OF TIME

Notice is hereby given of the extension until June 2, 1952, of the period of time within which written data, views, and arguments should be submitted by interested parties for consideration prior to the issuance of United States Standards for Table Grapes (European or Vinifera type).

The proposed standards are set forth in the notice (F. R. Doc. 52-3764; 17 F. R. 2888) which was published in the FEDERAL REGISTER on April 3, 1952.

Done at Washington, D. C., this 7th day of May 1952.

[SEAL] GEORGE A. DICE,
Deputy Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 52-5302; Filed, May 12, 1952; 8:54 a. m.]

[7 CFR Part 51]

UNITED STATES STANDARDS FOR WINTER PEARS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the issuance of amendments to the United States Standards for Winter Pears (14 F. R. 7415) under the authority contained in the Agricultural Marketing 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).

These amendments are proposed in order to classify the Howell and Flemish Beauty Pears as winter varieties instead of summer and fall varieties for the purpose of certification as to grade quality,

and condition. The proposed changes in the classification are based on the recommendation of interested parties, who state that these varieties logically should be considered as belonging to the winter group of varieties because they may be held in cold storage for considerable lengths of time after harvesting.

Shifting of these two varieties to the winter group involves the U. S. Standards for Winter Pears only in the definitions pertaining to russeting. No mention of the Howell variety is necessary in this connection as the russeting requirements for it are handled in the definitions the same as for the "Anjou and other smooth skinned varieties." The Howell will be classed as one of the "other smooth skinned varieties."

All persons who desire to submit written data, views or arguments for consideration in connection with the proposed amendments should file the same with M. W. Baker, Deputy Director, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, South Building, Washington 25, D. C., not later than 5:30 p. m., e. s. t., on the thirtieth (30) day after the date of publication of this notice in the FEDERAL REGISTER.

The proposed amendments are as follows:

1. In § 51.332 (d) (8) (i) (*d*) insert variety name "Flemish Beauty" after "Easter Beurre."

2. In § 51.332 (d) (10) (iv) (*d*) insert the name "Flemish Beauty" after "Easter Beurre."

3. Add a sentence to the end of the paragraph under subdivision (*c*) of § 51.332 (d) (12) (i), (*c*), to read as follows: "On Flemish Beauty smooth russeting shall be permitted on the entire surface."

Done at Washington, D. C., this 7th day of May 1952.

[SEAL] GEORGE A. DICE,
Deputy Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 52-5303; Filed, May 12, 1952; 8:54 a. m.]

[7 CFR Part 907]

[Docket No. AO 212-A4]

HANDLING OF MILK IN MILWAUKEE, WISCONSIN, MARKETING AREA

NOTICE OF HEARING ON PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT AND TO ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held at the Hotel Wisconsin, Milwaukee, Wisconsin, at 1:00 p. m. c. s. t., on May 19, 1952.

The hearing is for the purpose of receiving evidence with respect to economic and marketing conditions which relate to the handling of milk for the Milwaukee, Wisconsin, marketing area and to the proposed amendments to the tentative marketing agreement as heretofore approved by the Secretary of Agriculture and to the order, as amended, regulating the handling of milk in the said marketing area (7 CFR 907.0 et seq.) set forth herein below, or modifications thereof. Consideration will be given also to the question of whether such conditions require emergency action with respect to any or all amendments deemed necessary as the result of the hearing. The proposed amendments have not received the approval of the Secretary of Agriculture.

Proposed amendments submitted by the Milwaukee Cooperative Milk Producers Association:

1. Amend § 907.51 (a) so that the same shall read:

(a) *Class I milk.* The price for Class I milk shall be the basic formula price plus the following amounts as indicated: May and June $0.70; July through December, inclusive, $1.30; and all other months $0.90. The preceding prices, however, shall be subject to the supply and demand adjustment as provided in (e) of this section.

2. Amend § 907.51 (b) so that the same shall read:

(b) *Class II milk.* The price for Class II milk shall be the basic formula price plus the following amounts as indicated: May and June, $0.40; July through December, inclusive, $0.70; all other months, $0.60. The preceding prices, however, shall be subject to the supply and demand adjustment as provided in paragraph (e) of this section.

3. Amend § 907.51 (e) so that the same shall read:

(e) *Supply-demand adjustment.* The Class I and Class II prices shall be further adjusted by an amount each month as determined according to the following formula and computations:

(1) Determine the percentage to the nearest tenth of a percent for each month currently and for each of 12 months preceding the effective date of this provision that demand is of supply, which shall be known as the supply-demand percentage figure; the demand shall consist of Class I and II milk of handlers purchasing milk from producers, exclusive of bulk sales to nonhandlers; the supply shall consist of milk delivered by producers to handlers, including handler's own production.

(2) Determine the plus or minus difference between the supply-demand percentage figure for a given month and 85, which difference shall be known as the surplus variation from base.

(3) Each point of surplus variation from base shall be assigned a value of one cent, and the total plus or minus adjustment to be made to the Class I and Class II prices for each month shall be determined accordingly, and shall be announced by the Market Administrator to be effective for the corresponding month of the following year.

4. Review the provisions of § 907.50 (b).

Proposed amendments submitted by Pure Milk Products Cooperative:

5. Amend the applicable provisions of the order, including § 907.51 (a) and (b) (relating to the fixed differentials over the basic formula price) by adding 60¢ more for all months to the fixed differentials for Class I and II milk.

6. Amend the applicable provisions of the order relating to the supply-demand adjustment factor.

7. Amend the applicable provisions of the order, including § 907.50 (relating to the basic formula price) so as to include in the determination of the basic formula price the higher of the present formulae and a new formula for cheese prices, which formula shall be 2.75 times the simple average, as published by the U. S. Department of Agriculture for prices per pound for cheddars on the Wisconsin Cheese Exchange at Plymouth, Wisconsin, for the trading days that fall within the month, multiplied by 3.5.

8. Amend the applicable provisions of the order, including § 907.51 so that cheese will be priced according to the present provisions of the order or the new cheese formula, whichever is higher. Such new cheese formula is 2.75 times the simple average that is published by the U. S. Department of Agriculture for prices per pound for cheddars on the Wisconsin Cheese Exchange at Plymouth, Wisconsin, for the trading days that fall within the month, multiplied by 3.5.

9. Amend the applicable provisions of the order, including § 907.91, to read as follows:

§ 907.91 *Milk subject to pricing under other federal orders.* (a) Any person who is a handler under this order and is also a handler as defined in any other federal milk marketing agreement(s) or order(s) may be exempt from the provisions of this order upon determination of the Secretary, except for such reports as the Market Administrator may request, under the following conditions:

(1) If such handler disposes of 50 percent or more of his Class I sales to another marketing area as defined by another agreement or order, and such other agreement or order is effective as to class prices and producer payment provisions of such handler;

(2) If paragraph (1) of this section does not apply, then the handler shall be subject to that agreement or order having a marketing area in which the largest percentage of Class I sales are made: *Provided*, That in lieu thereof, such handler may exercise the option of coming under the agreement or order of his choice upon giving notice to the Secretary or his agent, but in no case can he elect an order having a marketing area in which the handler disposes of less than 5 percent of his Class I sales in perference to electing an order having a marketing area in which he disposes of 5 percent or more of such Class I sales;

(3) In making a determination concerning the application of subparagraphs (1) and (2) of this paragraph, the Secretary may rely on disposition of Class I milk in different marketing areas for the three consecutive months preceding the date of application for a determination, and his determination may be subject to

review at not less than six months intervals at the request of the affected handler or any of his producers, or of the Market Administrator of the agreement or order affected thereby; the Secretary may make any other single order or agreement applicable to any handler who is subject to the provisions of two or more agreements or orders to the exclusion of this order during the interim period required for a determination pursuant to subparagraphs (1) and (2) of this paragraph.

(b) Any handler under this order who has Class I or Class II disposition in another marketing area as defined by another agreement or order shall be charged for the applicable class price(s) for sales made in the marketing area(s) of the agreement(s) or order(s) which is not effective as to price and payment provisions whenever such prices are higher than the Class I price of this order.

Proposed amendments submitted by the Blochowiak Dairy et al.:

10. Add a provision to the order which will be comparable to § 941.68 (a) in the order regulating the handling of milk in the Chicago, Illinois, marketing area, and which will relate only to milk, priced under said order, from Zones 4 and over.

11. Make such amendments to this order as are necessary to effectuate the purpose of the preceding proposal and will provide for the receipt and disbursement of moneys by the market administrator in order to effectuate the purpose of said proposal.

12. Amend § 907.51 (a) to provide a bracket schedule for Class I prices which shall establish computed value ranges of 12¢ each, which shall center on the base period milk price referred to in Section 11 of General Ceiling Price Regulation 1, or referred to in an Area Milk Price Regulation promulgated for the Milwaukee Milk Marketing Area under Supplementary Regulation 63 (OPS), whichever shall be effective in said marketing area. The Class I prices shall be established at prices which are in steps of 12 cents up and down from said base period milk price and said prices shall apply to a computed value price which is within a range of 6 cents up and down from said price steps. This provision shall be effective during the existence of Price Control Regulations.

13. Amend § 907.51 (a) to provide a bracket schedule for Class II prices which shall establish computed value ranges of 14 cents each, which shall center on the base period milk price referred to in Section 11 of General Ceiling Price Regulation 1, or referred to in an Area Milk Price Regulation promulgated for the Milwaukee Milk Marketing Area under Supplementary Regulation 63 (OPS), whichever shall be effective in said marketing area. The Class II prices shall be established at prices which are in steps of 14 cents up and down from said base period milk price and said prices shall apply to a computed value price which is within a range of 7 cents up and down from said price steps. This provision shall be effective during the existence of Price Control Regulations.

Proposed amendments submitted by Wern Farms:

14. Amend § 907.45 (c) to except from the provisions of this section the classification of milk or skim milk as Class I milk and to except from the provisions of this section the classification of cream as Class II milk when such milk, skim milk or cream is disposed of to a fluid milk plant of a producer-handler for use as Class III or IV milk; and to provide for classification of such milk, skim milk or cream according to its usage by such producer-handler or pursuant to agreement between the transferring handler and the producer-handler.

15. Amend §§ 907.60, 907.61, 907.72, 907.73, and 907.80 to provide that a handler shall have the option to pay for producer milk during the months of April through June in the same manner and fashion as he makes payments for said producer milk for the months of July through March.

Proposed amendments submitted by the Dairy Branch, Production and Marketing Administration:

16. Insert the following phrase in § 907.14 after the words "milk products": ", except packaged butter, packaged cottage cheese, and other products already packaged or processed,".

17. Amend § 907.41 (d) (3) to expand the meaning of "shrinkage" so as to include both actual shrinkage and shrinkage prorated according to § 907.42 (b).

18. Insert the following in § 907.42 (b) after the words "and receipts": "excluding milk or milk products in packaged form."

19. Clarify § 907.46 (c) (1) to specify that the weight of concentrated milk is computed, for the purposes of such section, on a production record or 3.5 percent milk equivalent basis.

20. Review § 907.60 (b) for the purpose of developing a clearer statement as to the type of producer covered thereby and to give more specific meaning to the phrase "the first April–June period."

21. Review § 907.61 (e) as to the necessity for the market administrator to "provide for notice" to the producer by the handler (or cooperative association) of such producer's computed base.

22. Review the provisions of § 907.91 in their entirety in light of the proposals of Blochowiak Dairy et al. set forth above with respect to the incorporation of a provision similar to § 941.68 (a) of the order regulating the handling of milk in the Chicago, Illinois, marketing area.

23. Make such other changes as may be required to make the entire marketing agreement and order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and of the said order, as amended, may be procured from the Market Administrator, 956 North Twelfth Street, Milwaukee 3, Wisconsin, or from the Hearing Clerk, Room 1353, South Building, Washington 25, D. C., or may be there inspected.

Dated: May 8, 1952, at Washington, D. C.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator.

[F. R. Doc. 52-5285; Filed, May 12, 1952; 8:49 a. m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 302]

[Procedural Draft Release No. 2]

RULES OF PRACTICE WITH RESPECT TO TEMPORARY MAIL RATE PROCEEDINGS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Civil Aeronautics Board has under consideration a revision of § 302.310 of the Procedural Regulations, Rules of Practice (14 CFR Part 302). This revision relates to the procedure to be followed by the Board in the fixing of temporary mail rates.

The Board recently adopted a complete revision of Part 302, effective April 28, 1952. During the consideration of this revision of the Rules of Practice it became apparent that substantial changes should be made in the rule relating to temporary mail rate procedure from that previously circulated for comment. It was thought that such further revision should be circulated for comment. Rather than delay the issuance of the new Rules of Practice, it was deemed preferable to adopt and make effective those rules and then proceed to a separate consideration of changes in the rule relating to temporary mail rate procedure.

The principal effects of the proposed rule are (1) to cut the time for filing objections and answers to the Board's show cause order from 10 and 20 days, respectively, to 5 and 10 days; (2) to provide for certification of the record to the Board in all cases and a tentative Board decision in all cases, which will become final unless exceptions and supporting reasons are filed within 10 days; (3) the elimination of proposed findings and conclusions, supporting briefs and oral argument, except at Board request; (4) to provide for limiting of cross-examination to essential issues.

This action is proposed because of the unusual need for speed in the fixing of temporary mail rates and the fact that all of the usual procedural steps are not necessary since the rate may be adjusted up or down on the determination of a final mail rate.

Interested persons may participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate and addressed to the Secretary, Civil Aeronautics Board, Washington 25, D. C. All communications received by June 9, 1952, will be considered by the Board before taking further action upon the proposed rule. Copies of such communications will be available after June 11, 1952, for examination by interested persons in the Docket Section of the Board, Room 5412, Commerce Building, Washington, D. C.

This rule is proposed under the authority of sections 205 (a), 52 Stat. 984, 49 U. S. A. 425; interpret or apply section 1001, 52 Stat. 1017, 49 U. S. C. 641.

Dated May 5, 1952, at Washington, D. C.

[SEAL] M. C. MULLIGAN,
Secretary.

§ 302.310 *Procedure for fixing temporary mail rates.* (a) At any time during the pendency of a proceeding for the determination of final mail rates, the Board, upon its own initiative, or on petition by the carrier whose rates are in issue or the Postmaster General, may fix temporary rates of compensation for the transportation of mail subject to downward or upward adjustment upon the determination of final mail rates.

(b) The procedure for determining temporary mail rates shall be the same as for the determination of final mail rates, except that:

(i) Notice of objections to the Board's show cause order proposing temporary mail rates must be filed by any party or petitioner for intervention within 5 days, and an answer within 10 days, of the time such order is served;

(ii) Failure to file notice of objections within the 5-day period shall be deemed to be a waiver of all further procedural steps before final decision, including hearing and a tentative decision, and the proceeding will stand submitted to the Board for final decision;

(iii) Upon the conclusion of the hearing after objections and answer have been filed, the examiner shall immediately certify the entire record to the Board for a tentative decision;

(iv) Neither proposed findings and conclusions and supporting briefs nor oral argument will be permitted, except upon the Board's request;

(v) After the issuance by the Board of a tentative decision, the parties shall have 10 days in which to file exceptions and supporting reasons. If no exceptions are filed within the prescribed time, the tentative decision shall without further proceedings become the final decision of the Board. If exceptions are duly filed, the proceeding will stand submitted to the Board for final decision as of the time of such filing.

(c) In absence of a convincing showing that it will result in substantial prejudice to any party or delay the proceeding, the examiner shall require the parties to submit all their testimony in writing and shall closely limit cross-examination to the essential issues (bearing in mind the purpose and urgency of fixing temporary mail rates together with the fact that such temporary rates are subject to downward or upward adjustment upon the fixing of final rates), and shall in all other respects urgently expedite the proceeding.

[F. R. Doc. 52-5257; Filed, May 12, 1952; 8:45 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

CALIFORNIA

CLASSIFICATION ORDER

APRIL 11, 1952.

1. Pursuant to the authority delegated to me by the Director, Bureau of Land Management, by Order No. 427 dated August 16, 1950, I hereby classify under the Small Tract Act of June 1, 1938 (52 Stat. 609), as amended July 14, 1945 (59 Stat. 467, 43 U. S. C. 682a), as hereinafter indicated, the following described lands in the Los Angeles land district, embracing approximately 1,740 acres.

CALIFORNIA SMALL TRACT CLASSIFICATION NO. 332

For lease and sale for homesites only:

T. 2 N., R. 5 E., S. B. M.

Sec. 10, tracts numbered 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 103, 104, 105, 106, 107, 108, 109 and 110.

Sec. 15, tracts numbered 1 to 30, both inclusive.

Sec. 22, tracts numbered 6, 7, 8, 9, 10, 11, 12, 13, 22, 23, 24, 25, 26, 27, 28, 29, 39, 40, 41, 42, 43, 44, 45, 46, 54, 55, 56, 57, 58, 59, 60, 61, 71, 72, 73, 74, 75, 76, 77, 78, 87, 88, 89, 90, 91, 92, 93, 94, 103, 104, 105, 106, 107, 108, 109, 110, 119, 120, 121, 122, 123, 124, 125 and 126.

Sec. 27, tracts numbered 1 to 96, both inclusive.

Sec. 34, tracts numbered 1 to 104, both inclusive.

The lands are situated in San Bernardino County, California, and can be reached over the Twentynine Palms Highway and a connecting road running northward from Yucca Village to Lucerne Valley, California. The lands are within approximately 10 miles of Yucca Village, where there are various stores and an elementary school. The lands are desert in character and are in an area that is considered ideal for health and recreational purposes.

2. As to applications regularly filed prior to 9:00 a. m., April 4, 1952, and are for the type of site for which the land is classified, this order shall become effective upon the date it is signed.

3. This order shall not otherwise become effective to change the status of such lands until 10:00 a. m. on the 35th day after the date of this order. At that time the said lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to applications under the Small Tract Act as follows:

(a) *Ninety-one day period for preference-right filings.* For a period of 91 days, commencing at the hour and on the day specified above, the public lands affected by this order shall be subject only to application under the Small Tract Act of June 1, 1938, 52 Stat. 609 (43 U. S. C. 682a), as amended, by qualified veterans of World War II, subject to the requirements of applicable law. All applications filed under this paragraph either at or before 10:00 a. m. on the 35th day after the date of this order shall be treated as though filed simultaneously at that time. All applications filed under this paragraph after 10:00 a. m. on the said 35th day shall be considered in the order of filing.

(b) *Date for non-preference-right filings.* Commencing at 10:00 a. m. on the 126th day after the date of this order, any lands remaining unappropriated shall become subject to disposal under the Small Tract Act only. All such applications filed either at or before 10:00 a. m. on the 126th day after the date of this order, shall be treated as though filed simultaneously at the hour specified on such 126th day. All applications filed thereafter shall be considered in the order of filing.

4. A veteran shall accompany his application with a complete photostatic, or other copy (both sides), of his certificate of honorable discharge, or of an official document of his branch of the service which shows clearly his honorable discharge as defined in § 181.36 of Title 43 of the Code of Federal Regulations, or constitutes evidence of other facts upon which the claim for preference is based and which shows clearly the period of service. Other persons claiming credit for service of veterans must furnish like proof in support of their claims. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their application by duly corroborated statements in support thereof, setting forth in detail all facts relevant to their claims.

5. All of the lands will be leased in tracts of approximately 5 acres, each being approximately 330 by 660 feet. Applications must be filed to conform with the layout of the tracts as shown on the supplemental plat of survey approved February 27, 1951.

6. Preference right leases referred to in paragraph 2 will be issued for the land described in the application irrespective of the direction of the tract, provided the tract conforms to or is made to conform to the area and the dimension specified in paragraph 5.

7. Where only one 5-acre tract in a 10-acre subdivision is embraced in a preference right application, an application for the remaining 5-acre tract extending in the same direction will be accepted in order to fill out the subdivision notwithstanding the direction specified in paragraph 5.

8. Leases will be for a period of 3 years at an annual rental of $5.00 payable for the entire lease period in advance of the issuance of the lease. Leases will contain an option to purchase clause at the appraised value of $50.00 per tract. Application to purchase may be filed during the term of the lease but not more than 30 days prior to the expiration of 1 year from the date of the lease issuance.

9. Tracts will be subject to all existing rights-of-way and to rights-of-way not exceeding 33 feet in width along or near the edges thereof for road purposes and

public utilities. Such rights-of-way may be utilized by the Federal Government, or the State, County or municipality in which the tract is situated, or by any agency thereof. The rights-of-way may, in the discretion of the authorized officer of the Bureau of Land Management, be definitely located prior to the issuance of the patent. If not so located, they may be subject to location after patent is issued.

10. All inquiries relating to these lands should be addressed to the Manager, Los Angeles Land Office, Los Angeles, California.

J. H. FAVORITE,
Acting Regional Administrator.

[F. R. Doc. 52-5269; Filed, May 12, 1952; 8:47 a. m.]

CALIFORNIA

CLASSIFICATION ORDER

APRIL 11, 1952.

1. Pursuant to the authority delegated to me by the Director, Bureau of Land Management, by Order No. 427 dated August 16, 1950, I hereby classify under the Small Tract Act of June 1, 1938 (52 Stat. 609), as amended July 14, 1945 (59 Stat. 467, 43 U. S. C. 682a), as hereinafter indicated, the following described lands in the Sacramento land district, embracing approximately 135 acres,

CALIFORNIA SMALL TRACT CLASSIFICATION NO. 333

For lease and sale for homesites only:

T. 31 N., R. 5 W., M. D. M.,
Sec. 15, N½S½SW¼, SW¼SW¼SW¼, N½SW¼SE¼SW¼, S½SE¼.

The lands are situated approximately 20 miles southwest of Redding, Shasta County, California. They can be reached over U. S. Highway 99 and thence by gravel roads known as the Canyon Creek, Oregon Creek and Olney Creek roads. The town of Redding has available all of the usual community services. The area is one that is in demand for homesite purposes.

2. As to applications regularly filed prior to 9:00 a. m., November 7, 1950, and are for the type of site for which the land is classified, this order shall become effective upon the date it is signed.

3. This order shall not otherwise become effective to change the status of such lands until 10:00 a. m. on the 35th day after the date of this order. At that time the said lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to applications under the Small Tract Act as follows:

(a) *Ninety-one day period for preference-right filings.* For a period of 91 days, commencing at the hour and on the day specified above, the public lands affected by this order shall be subject only to application under the Small Tract Act of June 1, 1938, 52 Stat. 609 (43 U. S. C. 682a), as amended, by qualified veterans of World War II, subject to the requirements of applicable law. All applications filed under this paragraph either at or before 10:00 a. m. on the 35th day after the date of this order shall be treated as though filed simultaneously at that time. All applications filed under this paragraph after 10:00 a. m. on the said 35th day shall be considered in the order of filing.

(b) *Date for non-preference-right filings.* Commencing at 10:00 a. m. on the 126th day after the date of this order, any lands remaining unappropriated shall become subject to disposal under the Small Tract Act only. All such applications filed either at or before 10:00 a. m. on the 126th day after the date of this order, shall be treated as though filed simultaneously at the hour specified on such 126th day. All applications filed thereafter shall be considered in the order of filing.

4. A veteran shall accompany his application with a complete photostatic, or other copy (both sides), of his certificate of honorable discharge, or of an official document of his branch of the service which shows clearly his honorable discharge as defined in § 181.36 of Title 43 of the Code of Federal Regulations, or constitutes evidence of other facts upon which the claim for preference is based and which shows clearly the period of service. Other persons claiming credit for service of veterans must furnish like proof in support of their claims. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their application by duly corroborated statements in support thereof, setting forth in detail all facts relevant to their claims.

5. All of the lands will be leased in tracts of approximately 5 acres, each being approximately 330 by 660 feet, the longer dimension to extend east and west.

6. Preference right leases referred to in paragraph 2 will be issued for the land described in the application irrespective of the direction of the tract, provided the tract conforms to or is made to conform to the area and the dimension specified in paragraph 5.

7. Where only one 5-acre tract in a 10-acre subdivision is embraced in a preference right application, an application for the remaining 5-acre tract extending in the same direction will be accepted in order to fill out the subdivision notwithstanding the direction specified in paragraph 5.

8. Leases will be for a period of 3 years at an annual rental of $5.00 payable for the entire lease period in advance of the issuance of the lease. Leases will contain an option to purchase clause at the appraised value of $30.00 per acre. Application to purchase may be filed during the term of the lease but not more than 30 days prior to the expiration of 1 year from the date of the lease issuance.

9. Tracts will be subject to all existing rights-of-way and to rights-of-way not exceeding 33 feet in width along or near the edges thereof for road purposes and public utilities. Such rights-of-way may be utilized by the Federal Government, or the State, county or municipality in which the tract is situated, or by any agency thereof. The rights-of-way may, in the discretion of the authorized officer of the Bureau of Land Management, be definitely located prior to the issuance of the patent. If not so located, they may be subject to location after patent is issued.

10. All inquiries relating to these lands should be addressed to the Manager, Sacramento Land Office, Sacramento, California.

J. H. FAVORITE,
Acting Regional Administrator.

[F. R. Doc. 52-5268; Filed, May 12, 1952; 8:47 a. m.]

DEPARTMENT OF COMMERCE

National Production Authority

[Suspension Order 10; Docket No. 13]

PHEOLL MANUFACTURING COMPANY

SUSPENSION ORDER

A hearing having been held in the above-entitled matter on the 21st day of April 1952, before Palmer D. Edmunds, a Hearing Commissioner of the National Production Authority on a statement of charges made by the National Production Authority General Administrative Order 16-06 (16 F. R. 8628), dated July 21, 1951, and Implementation 1 to National Production Authority General Administrative Order 16-06 (16 F. R. 8799); and

The respondent Pheoll Manufacturing Company, having been duly apprised of the specific violations charged, and having been fully informed of the rules and procedures which govern these proceedings and the administrative action which may be taken; and

Pheoll Manufacturing Company having appeared herein by its attorney, John Byrne Chamberlin, 111 West Monroe Street, Chicago, Ill.; and

Pheoll Manufacturing Company having stipulated on the 8th day of April 1952 to a statement of facts to be filed in these proceedings in lieu of the presentation of other evidence in support of and in opposition to the statement of charges, it is hereby determined:

Findings of Fact. 1. During the period from July 1, 1951, and ending April 1, 1952, the Pheoll Manufacturing Company accepted deliveries of items of carbon steel, alloy steel, and copper brass mill materials, upon receipt of which its inventories of such items were in excess of the quantities of such items necessary to meet its deliveries, supply its services, and perform its operations on the basis of its then currently scheduled method and rate of operation. The receipt of these items resulted in excess inventories of these items amounting to 2000 tons of carbon steel, 100 tons of alloy steel, and 100,000 pounds of copper brass mill products.

Conclusion. During the period beginning July 1, 1951, and ending April 1, 1952, the Pheoll Manufacturing Company committed acts prohibited by sections 3 (a) and 3 (b) of CMP Regulation No. 2 dated May 10, 1951, and as amended October 12, 1951 (16 F. R. 4370; 16 F. R. 10489), in that it accepted deliveries of items of carbon steel, alloy steel, and copper brass mill materials upon receipt of which its inventories of such items were in excess of the quanti-

ties of such items necessary to meet its deliveries, supply its services, and perform its operations on the basis of its then currently scheduled method and rate of operation. The receipt of these items was in violation of the said provisions of CMP Regulation No. 2, and resulted in excess inventories of these items amounting to 2,000 tons of carbon steel, 100 tons of alloy steel, and 100,000 pounds of copper brass mill products.

In order to correct excess inventories of items of carbon steel, alloy steel, and copper brass mill material occasioned by the unauthorized receipt of such items,

It is accordingly ordered:

1. That all allocations and allotments of carbon steel which may be granted to the Pheoll Manufacturing Company, its successors and assigns, for use during the third quarter 1952 and fourth quarter 1952 be reduced as follows:

(a) By 1,000 tons during the period beginning July 1, 1952, and ending September 30, 1952;

(b) By 1,000 tons during the period beginning October 1, 1952, and ending December 31, 1952, and

The Pheoll Manufacturing Company, its successors and assigns, are prohibited, during each of such periods, from acquiring any items of carbon steel in excess of their carbon steel allocations and allotments as so reduced.

2. That all allocations and allotments of alloy steel which may be granted to the Pheoll Manufacturing Company, its successors and assigns, for use during the third quarter 1952 are reduced by 100 tons during the period beginning July 1, 1952, and ending September 30, 1952, and Pheoll Manufacturing Company, its successors and assigns, are prohibited from acquiring any items of alloy steel during said period in excess of their allocations and allotments as so reduced.

3. That all allocations and allotments of copper brass mill products which may be granted to the Pheoll Manufacturing Company, its successors and assigns, for use during the third quarter 1952 are reduced by 100,000 pounds during the period beginning July 1, 1952, and ending September 30, 1952, and Pheoll Manufacturing Company, its successors and assigns, are prohibited from acquiring any items of copper brass mill products during said period in excess of their allocations and allotments as so reduced.

4. That Pheoll Manufacturing Company, its successors and assigns, are prohibited, so long as the Defense Production Act of 1950, as amended, or as it may hereafter be amended or extended, remains in effect, from accepting any items of steel or items of copper if its inventory of any of said items is, or by such receipt would be, in violation of the provisions of CMP Regulation No. 2, as amended October 12, 1951, or as it may be hereafter amended.

Issued this 21st day of April 1952 at Chicago, Ill.

THE NATIONAL PRODUCTION AUTHORITY,
By PALMER D. EDMUNDS,
Hearing Commissioner.

[F. R. Doc. 52-5376; Filed, May 12, 1952; 11:55 a. m.]

DEPARTMENT OF LABOR

Wage and Hour Division

[Administrative Order 421]

PUERTO RICO; SPECIAL INDUSTRY COMMITTEE No. 12

APPOINTMENT TO INVESTIGATE CONDITIONS AND RECOMMEND MINIMUM WAGES

1. Pursuant to authority under the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U. S. C., and Sup., 201 et seq.), I, Wm. R. McComb, Administrator of the Wage and Hour Division, United States Department of Labor, do hereby appoint and convene a special industry committee for Puerto Rico composed of the following representatives:

For the public: A. Cecil Snyder, San Juan, P. R., *Chairman;* Candido Oliveras, San Juan, P. R. (third public member to be appointed).

For the employers: Jaime Vick, San Juan, P. R.; Fernando A. Villamil, San Juan, P. R., James G. Steger, Toledo, Ohio.

For the employees: Prudencio Rivera-Martinez, San Juan, P. R.; David Sternback, San Juan, P. R. (third employee member to be appointed).

2. The special industry herein created, in accordance with the provisions of the Fair Labor Standards Act, as amended, and regulations promulgated thereunder (Title 29, Chapter V, Code of Federal Regulations, Part 511), shall meet beginning on June 10, 1952, at 10:00 a. m. in Room 412, New York Department Store Building, Stop 16½ Ponce de Leon Avenue, Santurce, San Juan, Puerto Rico, and shall proceed to investigate conditions in the industries in Puerto Rico hereinafter enumerated and recommend to the Administrator minimum wage rates for all employees in said industries in Puerto Rico, who within the meaning of said act are "engaged in commerce or in the production of goods for commerce" excepting employees exempted by virtue of the provisions of section 13 (a) and employees coming under the provisions of section 14. Minimum wage rates recommended by the committee shall be the highest rates (not in excess of 75 cents per hour) which it determines will not substantially curtail employment in such industries and will not give any industry in Puerto Rico a competitive advantage over any industry in the United States outside of Puerto Rico.

Said special industry committee shall investigate conditions respecting, and recommend minimum wage rates for, the employees in the following industries in Puerto Rico: beer division of the alcoholic beverage and industrial alcohol industry; button, buckle, and jewelry industry; railroad, railway express, and property motor transport industry; stone, glass, and related products industry; and sugar manufacturing industry.

3. For the purpose of this order these industries are defined as follows:

Beer division of the alcoholic beverage and industrial alcohol industry. This division consists of the manufacture of beer, ale, and similar malt beverages containing alcohol.

Button, buckle, and jewelry industry. The manufacture from any material of buttons, buckles, jewelry (including rosaries), and jewelry findings (including beads): *Provided, however,* That the definition shall not include any activities covered by the definition of the jewel cutting and polishing industry in Puerto Rico.

Railroad, railway express, and property motor transport industry. (1) The industry carried on in Puerto Rico by any railroad carrier under public franchise which holds itself out to the general public to engage in the transportation of passengers or property for compensation.

(2) The industry carried on in Puerto Rico by any railway express or other express company which holds itself out to the general public to engage in the transportation of property for compensation.

(3) The industry carried on in Puerto Rico consisting of the transportation of property by motor vehicle for compensation.

Provided, however, That this definition shall not include railroad transportation activities carried on by a producer of raw sugar, canejuice, molasses or refined sugar, and incidental by-products (or by any firm owned or controlled by, or owning and controlling such producer, or by any firm owned or controlled by the parent company of such producer), where the railroad transportation activities are in whole or in part used for the production or shipment of these products.

Stone, glass, and related products industry. The mining, quarrying, or other extraction and the further processing of all minerals (other than clay, metal ores, coal, petroleum, or natural gases) and the manufacture of products from such minerals, including, but without limitation, glass and glass products; dimension and cut stones; crushed stone, sand and gravel; abrasives; lime, concrete, gypsum, mica, plaster, and asbestos products; and the manufacture of products from bone, horn, ivory, shell, and other similar natural materials.

Provided, however, That the definition shall not include the manufacture of chemicals, or the extraction of minerals used for such manufacture, or any product or activity included in the button, buckle, and jewelry industry; the cement industry; the clay and clay products industry; the construction, business service, motion picture, and miscellaneous industries; the jewel cutting and polishing industry; or the metal, plastics, machinery, instrument, transportation equipment and allied industries (as defined in the wage orders for these industries in Puerto Rico).

Sugar manufacturing industry. The production of raw sugar, cane juice, molasses and refined sugar, and incidental by-products and all railroad transportation activities carried on by a producer of any of these products (or by any firm owned or controlled by, or owning and controlling such producer, or by any firm owned or controlled by the parent company of such producer), where the railroad transportation activities are in whole or in part used for the production or shipment of the products of the industry, and any transportation activities

by truck or other vehicle performed by a producer of the products of the industry in connection with the production or shipment of such products by such producer: *Provided, however,* That the industry shall not include any activity covered by the wage orders for the shipping industry or the railroad, railway express, and property motor transport industry.

Signed at Washington, D. C., this 8th day of May 1952.

WM. R. McCOMB,
Administrator,
Wage and Hour Division.

[F. R. Doc. 52-5297; Filed, May 12, 1952; 8:52 a. m.]

FEDERAL POWER COMMISSION

[Docket Nos. G-1693, G-1473, G-1647, G-1727, G-1737]

TEXAS EASTERN TRANSMISSION CORP. ET AL.

ORDER FIXING DATE OF ORAL ARGUMENT

MAY 6, 1952.

In the matters of Texas Eastern Transmission Corporation, Docket No. G-1693; Alabama-Tennessee Natural Gas Company, Docket No. G-1473; Tennessee Gas Company, Docket No. G-1647; Shippensburg Gas Company, Docket No. G-1727; Consumers Gas Company, Docket No. G-1737.

On March 12, 1952, the intermediate decision of the Presiding Examiner in the above-entitled matters was issued. In said decision, the Presiding Examiner allocated in the manner therein set forth the unallocated volumes of gas available from the additional pipeline facilities authorized to be constructed by Texas Eastern Transmission Corporation by the Commission's Opinion No. 206 and accompanying order in Docket No. G-1012, issued February 27, 1951.

Various parties to these proceedings have filed exceptions to said intermediate decision and have requested oral argument on the matters involved and issues presented by said exceptions.

The Commission finds: It is appropriate to carrying out the provisions of the Natural Gas Act that oral argument be had before the Commission concerning the matters involved and the issues presented by the aforesaid exceptions.

The Commission orders:

(A) Oral argument be had before the Commission on May 22, 1952, at 10:00 a. m., e. d. s. t., 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 said exceptions to the intermediate decision of the Presiding Examiner.

(B) Each party desiring to be heard shall notify the Secretary of the Commission on or before May 12, 1952, with respect to the time it deems necessary for argument.

Date of issuance: May 7, 1952.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52-5271; Filed, May 12, 1952; 8:48 a. m.]

[Docket No. G-1947]

TEXAS EASTERN TRANSMISSION CORP.

NOTICE OF APPLICATION

MAY 6, 1952.

Take notice that Texas Eastern Transmission Corporation (Applicant), a Delaware Corporation, having its principal place of business at Shreveport, Louisiana, filed on April 24, 1952, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing the construction and operation of certain natural gas facilities, to wit: approximately 315 miles of 24-inch pipeline extending from a point near Provident City in Lavaca County, Texas, in a northeastern direction to connect with applicant's present 20-inch transmission line at or near its Station E at Castor, Bienville Parish, Louisiana; and a compressor station to be located on the proposed pipeline in Shelby County, Texas, having an installed horsepower of 5,500.

Applicant proposes to transport up to 200,000 Mcf of natural gas per day into its existing system by means of the facilities for which authorization is herein sought. The proposed facilities will be operated as a part of Applicant's present natural gas pipeline system and no new services are proposed to be rendered directly from such facilities or by reason of such facilities.

Applicant estimates that the total capital cost of the facilities to be constructed as herein proposed will be approximately $25,943,079.

The application is on file with the Commission for public inspection. 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 1.8 or 1.10) on or before the 26th day of May 1952.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52-5270; Filed, May 12, 1952; 8:47 a. m.]

[Project No. 400]

WESTERN COLORADO POWER CO.

NOTICE OF APPLICATION FOR AMENDMENT OF LICENSE

MAY 8, 1952.

Public notice is hereby given that The Western Colorado Power Company, of Montrose, Colorado, has applied for amendment of its license pursuant to the provisions of the Federal Power Act (16 U. S. C. 791-825r) for major Project No. 400 to authorize replacement of certain wooden portions of the Cascade Flume with steel pipe having the same carrying capacity. Parts of the flume are within the San Juan National Forest, Colorado.

Any protest against the approval of the applications or request for any action thereon, with the reason for such protest or request, and the name and address of the party or parties so protesting or requesting should be submitted on or before June 30, 1952, to the Federal Power Commission at Washington 25, D. C.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52-5292; Filed, May 12, 1952; 8:51 a. m.]

[Project No. 1910]

ANDREW BOOGARD

NOTICE OF ORDER TERMINATING LICENSE (MINOR)

MAY 8, 1952.

Notice is hereby given that on May 8, 1952, the Federal Power Commission issued its order entered May 8, 1952, terminating license (Minor) in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52-5316; Filed, May 12, 1952; 8:56 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 27036]

SIZING, EMULSIFIED PETROLEUM FROM KALAMAZOO, MICH., TO POINTS IN SOUTHERN TERRITORY

APPLICATION FOR RELIEF

MAY 8, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. C. Schuldt, Agent, for carriers parties to his tariff I. C. C. No. 4300, pursuant to fourth-section order No. 9800.

Commodities involved: Sizing, emulsified petroleum, carloads.

From: Kalamazoo, Mich.

To: Points in southern territory.

Grounds for relief: Competition with rail carriers and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 52-5293; Filed, May 12, 1952; 8:51 a. m.]

[4th Sec. Application 27037]

ACETIC ACID AND ANHYDRIDE FROM POINTS IN WEST VIRGINIA TO MARIETTA, S. C.

APPLICATION FOR RELIEF

MAY 8, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. C. Schuldt, Agent, for carriers parties to his tariff I. C. C. No. 4300, pursuant to fourth-section order No. 9800.

Commodities involved: Acid, acetic, glacial or liquid, and acetic anhydride, carloads.

From: Charleston, Elk, Institute, Owens, South Charleston, and South Ruffner, W. Va.

To: Marietta, S. C.

Grounds for relief: Competition with rail carriers and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-5294; Filed, May 12, 1952; 8:51 a. m.]

[4th Sec. Application 27038]

CRUDE RUBBER FROM INSTITUTE, W. VA. TO HAZELWOOD, N. C.

APPLICATION FOR RELIEF

MAY 8, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. C. Schuldt, Agent, for carriers parties to his tariff I. C. C. No. 4300, pursuant to fourth-section order No. 9800.

Commodities involved: Rubber, artificial, guayule, natural, neoprene or synthetic, crude, carloads.

From: Institute, W. Va.

To: Hazelwood, N. C.

Grounds for relief: Competition with rail carriers and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-5295; Filed, May 12, 1952; 8:51 a. m.]

[4th Sec. Application 27039]

LUMBER FROM CAROLINA TERRITORY TO WESTERN TRUNK-LINE TERRITORY

APPLICATION FOR RELIEF

MAY 8, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: J. G. Kerr, Agent, for carriers parties to Agent C. A. Spaninger's tariff I. C. C. No. 1101.

Commodities involved: Lumber and related articles, carloads.

From: Points in North Carolina and South Carolina.

To: Points in western trunk-line territory.

Grounds for relief: Competition with rail carriers, circuitous routes, and to maintain grouping.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. No. 1101, Supp. 58.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-5296; Filed, May 12, 1952; 8:52 a. m.]

OFFICE OF DEFENSE MOBILIZATION

[Defense Manpower Policy No. 4, Notification 34]

PLACEMENT OF PROCUREMENT IN THE PORTSMOUTH, OHIO, AREA

NOTIFICATION TO DEPARTMENT OF DEFENSE AND GENERAL SERVICES ADMINISTRATION

The Surplus Manpower Committee, appointed under Defense Manpower Policy No. 4, has reported to the Director of Defense Mobilization its findings and recommendation in the matter of placement of procurement in the Portsmouth area. The recommendation has been reviewed within the Office of Defense Mobilization to determine its relationship to other policies affecting procurement for which this Office has responsibility, and no conflicts exist.

The Department of Defense and the General Services Administration are hereby notified that upon full consideration, the Director of Defense Mobilization has concluded that it is in the public interest to give preference to the Portsmouth area, with the exception of the textile, apparel, and shoe industries located in that area, in the placement of Government contracts, in accordance with the attached findings of the Committee and the provisions of Defense Manpower Policy No. 4. The Department of Defense and the General Services Administration are hereby requested to take the actions specified in paragraph 6 of section III of Defense Manpower Policy No. 4.

Public hearings have been held on the textile and shoe industries. Following the reports of the Hearing Panels, consideration will be given to certifying these industries under the provisions of the Policy. Hearings on the apparel industry will be held shortly.

The Department of Defense and the General Services Administration are requested to submit the first written report of the actions taken under this notification on June 15, 1952, and thereafter each 30 days until further notice.

OFFICE OF DEFENSE MOBILIZATION,
JOHN R. STEELMAN,
Acting Director.

FINDINGS AND RECOMMENDATION OF THE SURPLUS MANPOWER COMMITTEE CONCERNING THE PORTSMOUTH, OHIO, AREA UNDER DEFENSE MANPOWER POLICY NO. 4

Under date of April 21, 1952, the Defense Manpower Administration of the Department of Labor certified to this Committee, under Defense Manpower Policy No. 4, the existence of the Portsmouth area as a surplus labor area under standards established by the Secretary of Labor. The Portsmouth area is composed of Sciota County.

On the basis of information contained in the files of the Committee and furnished by the Department of Labor relative to the manpower situation in the Portsmouth area, and by the Department of Defense, the National Production Authority, and the Department of Labor relative to facilities in the Portsmouth area, the Committee makes the following findings and recommendation:

FINDINGS

The Committee finds:

1. That the Portsmouth area, as defined by the Defense Manpower Administration, is an area of current labor surplus, including a surplus of manpower possession skills necessary to the fulfillment of Government contracts;

2. That there exists in the Portsmouth area a comparatively small number of suitable facilities for the performance of additional Government contracts;

3. That in order to accomplish the objectives of Defense Manpower Policy No. 4, the public interest dictates the need for the negotiation of available Government contracts at reasonable prices in the Portsmouth area, provided that a substantial portion of the work involved in the execution of the contracts will be performed in the Portsmouth area, and provided further that contractors in the said area will be afforded the opportunity to meet prices obtainable elsewhere;

4. That no price differential for the Portsmouth area is considered necessary in order to effectuate the objectives of Defense Manpower Policy No. 4, provided that the operations under the notification recommended herein will be reviewed within a reasonable period of time to determine whether the establishment of an appropriate maximum price differential is required in order to effectuate Defense Manpower Policy No. 4 for the Portsmouth area;

5. That the textile, apparel, and shoe industries, to the extent that they exist in the Portsmouth area, should not be included in the application of Defense Manpower Policy No. 4 in the Portsmouth area; after notice to and hearing of interested parties, consideration will be given to separate recommendations applying to the entire textile, apparel, and shoe industries.

RECOMMENDATION

The Committee recommends that the Director of Defense Mobilization conclude that it is in the public interest to give preference to the Portsmouth area in the placement of contracts in accordance with the Committee's findings, and that the Director so notify the Secretary of Defense and the Administrator of the General Services Administration.

OFFICE OF DEFENSE MOBILIZATION,
ARTHUR S. FLEMMING,
Chairman,
Surplus Manpower Committee.

Approved:

JOHN R. STEELMAN,
Acting Director,
Office of Defense Mobilization.

[F. R. Doc. 52-5339; Filed, May 9, 1952; 4:00 p. m.]

[Defense Manpower Policy No. 4, Notification 35]

PLACEMENT OF PROCUREMENT IN THE DANVILLE, ILLINOIS, AREA

NOTIFICATION TO DEPARTMENT OF DEFENSE AND GENERAL SERVICES ADMINISTRATION

The Surplus Manpower Committee, appointed under Defense Manpower Policy No. 4, has reported to the Director of Defense Mobilization its findings and recommendation in the matter of placement of procurement in the Danville area. The recommendation has been reviewed within the Office of Defense Mobilization to determine its relationship to other policies affecting procurement for which this Office has responsibility, and no conflicts exist.

The Department of Defense and the General Services Administration are hereby notified that upon full consideration, the Director of Defense Mobilization has concluded that it is in the public interest to give preference to the Danville area, with the exception of the textile, apparel, and shoe industries located in that area, in the placement of Government contracts, in accordance with the attached findings of the Committee and the provisions of Defense Manpower Policy No. 4. The Department of Defense and the General Services Administration are hereby requested to take the actions specified in paragraph 6 of section III of Defense Manpower Policy No. 4.

Public hearings have been held on the textile and shoe industries. Following the reports of the Hearing Panels, consideration will be given to certifying these industries under the provisions of the Policy. Hearings on the apparel industry will be held shortly.

The Department of Defense and the General Services Administration are requested to submit the first written report of the actions taken under this notification on June 15, 1952, and thereafter each 30 days until further notice.

OFFICE OF DEFENSE MOBILIZATION,
JOHN R. STEELMAN,
Acting Director.

FINDINGS AND RECOMMENDATION OF THE SURPLUS MANPOWER COMMITTEE CONCERNING THE DANVILLE, ILLINOIS, AREA UNDER DEFENSE MANPOWER POLICY NO. 4

Under date of May 1, 1952, the Defense Manpower Administration of the Department of Labor certified to this Committee, under Defense Manpower Policy No. 4, the existence of the Danville area as a surplus labor area under standards established by the Secretary of Labor. The Danville area is composed of Vermilion County.

On the basis of information contained in the files of the Committee and furnished by the Department of Labor relative to the manpower situation in the Danville area, and by the Department of Defense, the National Production Authority, and the Department of Labor relative to facilities in the Danville area, the Committee makes the following findings and recommendation:

FINDINGS

The Committee finds:

1. That the Danville area, as defined by the Defense Manpower Administration, is an area of current labor surplus, including a surplus of manpower possessing skills necessary to the fulfillment of Government contracts;

2. That there exists in the Danville area a comparatively small number of suitable facilities for the performance of additional Government contracts;

3. That in order to accomplish the objectives of Defense Manpower Policy No. 4, the public interest dictates the need for the negotiation of available Government contracts at reasonable prices in the Danville area, provided that a substantial portion of the work involved in the execution of the contracts will be performed in the Danville area, and provided further that contractors in the said area will be afforded the opportunity to meet prices obtainable elsewhere;

4. That no price differential for the Danville area is considered necessary in order to effectuate the objectives of Defense Manpower Policy No. 4, provided that the operations under the notification recommended herein will be reviewed within a reasonable period of time to determine whether the establishment of an appropriate maximum price differential is required in order to effectuate Defense Manpower Policy No. 4 for the Danville area;

5. That the textile, apparel, and shoe industries, to the extent that they exist in the Danville area, should not be included in the application of Defense Manpower Policy No. 4 in the Danville area; after notice to and hearing of interested parties, consideration will be given to separate recommendations applying to the entire textile, apparel, and shoe industries.

RECOMMENDATION

The Committee recommends that the Director of Defense Mobilization conclude that it is in the public interest to give preference to the Danville area in the placement of contracts in accordance with the Committee's findings, and that the Director so notify the Secretary of Defense and the Administrator of the General Services Administration.

OFFICE OF DEFENSE MOBILIZATION,
ARTHUR S. FLEMMING,
Chairman,
Surplus Manpower Committee.

Approved:

JOHN R. STEELMAN,
Acting Director,
Office of Defense Mobilization.

[F. R. Doc. 52-5340; Filed, May 9, 1952; 4:00 p. m.]

[Defense Manpower Policy No. 4, Notification 36]

PLACEMENT OF PROCUREMENT IN THE ATLANTIC CITY, NEW JERSEY AREA

NOTIFICATION TO DEPARTMENT OF DEFENSE AND GENERAL SERVICES ADMINISTRATION

The Surplus Manpower Committee, appointed under Defense Manpower Policy No. 4, has reported to the Director of Defense Mobilization its findings and recommendation in the matter of placement of procurement in the Atlantic City area. The recommendation has been reviewed within the Office of Defense Mobilization to determine its relationship to other policies affecting procurement for which this Office has responsibility, and no conflicts exist.

The Department of Defense and the General Services Administration are hereby notified that upon full consideration, the Director of Defense Mobilization has concluded that it is in the public interest to give preference to the Atlantic City area, with the exception of the textile, apparel, and shoe industries located in that area, in the placement of Government contracts, in accordance with the attached findings of the Committee and the provisions of Defense Manpower Policy No. 4. The Department of Defense and the General Services Administration are hereby requested to take the actions specified in paragraph 6 of section III of Defense Manpower Policy No. 4.

Public hearings have been held on the textile and shoe industries. Following the reports of the Hearing Panels, con-

sideration will be given to certifying these industries under the provisions of the Policy. Hearings on the apparel industry will be held shortly.

The Department of Defense and the General Services Administration are requested to submit the first written report of the actions taken under this notification on June 15, 1952, and thereafter each 30 days until further notice.

OFFICE OF DEFENSE MOBILIZATION,
JOHN R. STEELMAN,
Acting Director.

FINDINGS AND RECOMMENDATION OF THE SURPLUS MANPOWER COMMITTEE CONCERNING THE ATLANTIC CITY, NEW JERSEY, AREA UNDER DEFENSE MANPOWER POLICY NO. 4

Under date of February 21, 1952, the Defense Manpower Administration of the Department of Labor certified to this Committee, under Defense Manpower Policy No. 4, the existence of the Atlantic City area as a surplus labor area under standards established by the Secretary of Labor. The Atlantic City area is composed of all of Atlantic County except the town of Landisville and Minotola and Buena Vista Township (in part); city of Ocean City and township of Upper, Cape May County.

On the basis of information contained in the files of the Committee and furnished by the Department of Labor relative to the manpower situation in the Atlantic City area, and by the Department of Defense, the National Production Authority, and the Department of Labor relative to facilities in the Atlantic City area, the Committee makes the following findings and recommendation:

FINDINGS

The Committee finds:

1. That the Atlantic City area, as defined by the Defense Manpower Administration, is an area of current labor surplus, including a surplus of manpower possessing skills necessary to the fulfillment of Government contracts;

2. That there exists in the Atlantic City area a comparatively small number of suitable facilities for the performance of additional Government contracts;

3. That in order to accomplish the objectives of Defense Manpower Policy No. 4, the public interest dictates the need for the negotiation of available Government contracts at reasonable prices in the Atlantic City area, provided that a substantial portion of the work involved in the execution of the contracts will be performed in the Atlantic City area, and provided further that contractors in the said area will be afforded the opportunity to meet prices obtainable elsewhere;

4. That no price differential for the Atlantic City area is considered necessary in order to effectuate the objectives of Defense Manpower Policy No. 4, provided that the operations under the notification recommended herein will be reviewed within a reasonable period of time to determine whether the establishment of an appropriate maximum price differential is required in order to effectuate Defense Manpower Policy No. 4 for the Atlantic City area;

5. That the textile, apparel, and shoe industries, to the extent that they exist in the Atlantic City area, should not be included in the application of Defense Manpower Policy No. 4 in the Atlantic City area; after notice to and hearing of interested parties, consideration will be given to separate recommendations applying to the entire textile, apparel, and shoe industries.

RECOMMENDATION

The Committee recommends that the Director of Defense Mobilization conclude that it is in the public interest to give preference to the Atlantic City area in the placement of contracts in accordance with the Committee's findings, and that the Director so notify the Secretary of Defense and the Administrator of the General Services Administration.

OFFICE OF DEFENSE,
MOBILIZATION,
ARTHUR S. FLEMMING,
Chairman,
Surplus Manpower Committee.

Approved:

JOHN R. STEELMAN,
Acting Director,
Office of Defense Mobilization.

[F. R. Doc. 52-5341; Filed, May 9, 1952; 4:01 p. m.]

[Defense Manpower Policy No. 4, Notification 37]

PLACEMENT OF PROCUREMENT IN THE READING, PENNSYLVANIA, AREA

NOTIFICATION TO DEPARTMENT OF DEFENSE AND GENERAL SERVICES ADMINISTRATION

The Surplus Manpower Committee, appointed under Defense Manpower Policy No. 4, has reported to the Director of Defense Mobilization its findings and recommendation in the matter of placement of procurement in the Reading area. The recommendation has been reviewed within the Office of Defense Mobilization to determine its relationship to other policies affecting procurement for which this Office has responsibility, and no conflicts exist.

The Department of Defense and the General Services Administration are hereby notified that upon full consideration, the Director of Defense Mobilization has concluded that it is in the public interest to give preference to the Reading area, with the exception of the textile, apparel, and shoe industries located in that area, in the placement of Government contracts, in accordance with the attached findings of the Committee and the provisions of Defense Manpower Policy No. 4. The Department of Defense and the General Services Administration are hereby requested to take the actions specified in paragraph 6 of section III of Defense Manpower Policy No. 4.

Public hearings have been held on the textile and shoe industries. Following the reports of the Hearing Panels, consideration will be given to certifying these industries under the provisions of the Policy. Hearings on the apparel industry will be held shortly.

The Department of Defense and the General Services Administration are requested to submit the first written report of the actions taken under this notification on June 15, 1952, and thereafter each 30 days until further notice.

OFFICE OF DEFENSE MOBILIZATION,
JOHN R. STEELMAN,
Acting Director.

FINDINGS AND RECOMMENDATION OF THE SURPLUS MANPOWER COMMITTEE CONCERNING THE READING, PENNSYLVANIA, AREA UNDER DEFENSE MANPOWER POLICY NO. 4

Under date of March 25, 1952, the Defense Manpower Administration of the Department of Labor certified to this Committee, under Defense Manpower Policy No. 4, the existence of the Reading area as a surplus labor area under standards established by the Secretary of Labor. The Reading area is composed of Berks County.

On the basis of information contained in the files of the Committee and furnished by the Department of Labor relative to the manpower situation in the Reading area, and by the Department of Defense, the National Production Authority, and the Department of Labor relative to facilities in the Reading area, the Committee makes the following findings and recommendation:

FINDINGS

The Committee finds:

1. That the Reading area, as defined by the Defense Manpower Administration, is an area of current labor surplus, including a surplus of manpower possessing skills necessary to the fulfillment of Government contracts;

2. That there exist in the Reading area suitable facilities for the performance of additional Government contracts;

3. That in order to accomplish the objectives of Defense Manpower Policy No. 4, the public interest dictates the need for the negotiation of available Government contracts at reasonable prices in the Reading area, provided that a substantial portion of the work involved in the execution of the contracts will be performed in the Reading area, and provided further that contractors in the said area will be afforded the opportunity to meet prices obtainable elsewhere;

4. That no price differential for the Reading area is considered necessary in order to effectuate the objectives of Defense Manpower Policy No. 4, provided that the operations under the notification recommended herein will be reviewed within a reasonable period of time to determine whether the establishment of an appropriate maximum price differential is required in order to effectuate Defense Manpower Policy No. 4 for the Reading area;

5. That the textile, apparel, and shoe industries, to the extent that they exist in the Reading area, should not be included in the application of Defense Manpower Policy No. 4 in the Reading area; after notice to and hearing of interested parties, consideration will be given to separate recommendations applying to the entire textile, apparel, and shoe industries.

RECOMMENDATION

The Committee recommends that the Director of Defense Mobilization conclude that it is in the public interest to give preference to the Reading area in the placement of contracts in accordance with the Committee's findings, and that the Director so notify the Secretary of Defense and the Administrator of the General Services Administration.

OFFICE OF DEFENSE MOBILIZATION,
ARTHUR S. FLEMMING,
Chairman,
Surplus Manpower Committee.

Approved:

JOHN R. STEELMAN,
Acting Director,
Office of Defense Mobilization.

[F. R. Doc. 52-5342; Filed, May 9, 1952; 4:01 p. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-596]

PUEBLO GAS AND FUEL CO. ET AL.

SUPPLEMENTAL ORDER PERMITTING TRANSFER OF CAPITAL SURPLUS TO CAPITAL STOCK ACCOUNT

MAY 7, 1952.

The Commission, on December 19, 1942 having entered its Order herein authorizing, among other things, a recapitalization of Pueblo Gas and Fuel Company ("Pueblo") which order was subject to the following condition, among others:

No charge to the capital surplus of Pueblo to be created by the proposed transactions shall be made, except for proper adjustments inherent in its plant account at June 30, 1942, or for transfer to depreciation reserve, without further order of this Commission.

Pueblo having now requested that the Commission issue its order permitting Pueblo to transfer the balance now remaining in its capital-surplus account in the amount of $346,284.63 to capital-stock account;

The Commission finding that such transfer would be appropriate and may be permitted consistently with the public interest and the interest of investors and consumers:

It is so ordered.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-5274; Filed, May 12, 1952; 8:49 a. m.]

[File No. 70-2476]

OHIO EDISON CO.

SUPPLEMENTAL ORDER RELEASING JURISDICTION WITH RESPECT TO ACCOUNTING TREATMENT OF COMPENSATION PAID TO UNDERWRITERS ON SALE OF COMMON STOCK

MAY 7, 1952.

Ohio Edison Company ("Ohio"), a registered holding company and a public utility company, filed an application-declaration and amendments thereto relating to, among other things, the offer to holders of its common stock of the right to subscribe for the purchase of 396,571 shares of its common stock on the basis of one share for each ten shares held with the further right to subscribe, subject to allotment, for shares covered by outstanding unexercised warrants and the offer of such shares as were not subscribed for by the stockholders to underwriters who were publicly invited to submit bids for the purchase of such shares at the subscription price which was to be fixed by Ohio, such bids to include the compensation to be paid them for their services. Ohio proposed to charge such compensation to be paid the underwriters to its account entitled "Premium on Common Stock" but agreed to charge such compensation to "Capital Stock Expense" pending the Commission's decision regarding the proposed accounting treatment thereof.

The Commission granted said application, as amended, and permitted said declaration, as amended, to become effective by its orders dated October 4, 1950, and October 12, 1950 (Holding Company Act Release Nos. 10133 and 10151) but reserved jurisdiction with respect to the accounting entries proposed by Ohio in connection with the compensation to be paid the underwriters. On March 26, 1952, Ohio filed a post-effective amendment stating that it charged the compensation paid to underwriters, in the amount of $78,997, to "Capital Stock Expense," that it withdraws its request for approval of the accounting entries in the manner initially proposed, and that it requests the Commission to release the jurisdiction heretofore reserved with respect to such accounting entries.

The Commission having considered the record as so supplemented and finding that it is appropriate to grant Ohio's request:

It is ordered, That the jurisdiction heretofore reserved with respect to the accounting entries by Ohio to reflect the compensation paid the underwriters, be, and hereby is, released.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-5272; Filed, May 12, 1952; 8:49 a. m.]

[File No. 70-2827]

CONSOLIDATED NATURAL GAS CO.

ORDER PERMITTING DECLARATION TO BECOME EFFECTIVE WITH RESPECT TO PROPOSED AMENDMENT TO CHARTER TO INCREASE NUMBER OF AUTHORIZED SHARES OF CAPITAL STOCK

MAY 7, 1952.

Consolidated Natural Gas Company ("Consolidated"), a registered holding company, having filed a declaration pursuant to section 7 of the Public Utility Holding Company Act of 1935 ("act") with respect to, among other things, the following proposed transaction:

Consolidated proposes at the forthcoming annual meeting of its stockholders to be held on May 20, 1952, to submit to the stockholders, among other things, a proposal to amend the charter of Consolidated so as to increase the number of authorized shares of capital stock from 3,274,031 shares to 3,683,285 shares, an increase of 409,254 shares.

Due notice having been given of the filing of the declaration with respect to the proposed charter amendment, 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 rules promulgated thereunder are satisfied and that no adverse findings are necessary, and deeming it appropriate in the public interest and the interest of investors and consumers that said declaration with respect to the proposed charter amendment be permitted to become effective:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of said act, that said declaration with respect to the proposed charter amendment be, and hereby is, permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24 of the general rules and regulations promulgated under the act.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-5276; Filed, May 12, 1952; 8:49 a. m.]

[File No. 70-2845]

WISCONSIN ELECTRIC POWER CO.

SUPPLEMENTAL ORDER RELEASING JURISDICTION OVER RESULTS OF BIDDING IN SALE OF FIRST MORTGAGE BONDS, TERMS AND CONDITIONS RELATING TO SALE OF COMMON STOCK AND CERTAIN RELATED FEES AND EXPENSES

MAY 6, 1952.

Wisconsin Electric Power Company ("Wisconsin Electric"), a registered holding company and a public utility company, having filed a declaration, and amendments thereto, with this Commission, pursuant to the provisions of sections 6 and 7 of the act and Rule U-50, promulgated thereunder, with respect to, (a) the issuance and sale, pursuant to the competitive bidding requirements of Rule U-50, of $12,500,000 principal amount of its First Mortgage Bonds, 3¼ Percent Series, due 1982 and (b) the issuance and sale to its Common Stockholders, of a maximum of 702,486 shares of its Common Stock, on the basis of one share for each five shares held; and

The Commission, by order dated April 28, 1952, having permitted to become effective said declaration, as amended, subject, however, to the condition that the proposed issuance and sale of bonds and Common Stock should not be consummated until the results of competitive bidding, pursuant to Rule U-50, the proposed subscription price for such Common Stock, the record date to determine the holders of Wisconsin Common Stock entitled to receive subscription warrants, and the duration of the subscription period, should have been made a matter of record in these proceedings and a further order or orders should have been entered by the Commission in the light of the record so completed; jurisdiction being reserved, inter alia, to impose such further terms and conditions, if any, as might then be deemed appropriate; and jurisdiction further having been reserved with respect to the fees and expenses incurred or to be incurred in connection with the proposed transactions; and

Wisconsin Electric having, on May 6, 1952, filed a further amendment to said declaration, as amended, in which it is stated that the proposed record date to determine the holders of the Wisconsin Electric Common Stock entitled to receive subscription warrants is to be May 6, 1952; that the subscription price per share for the shares of Common Stock is to be $20.00 per share; that the subscription period will expire at 3:00 p. m.,

New York time on May 29, 1952, and that Wisconsin Electric has offered the bonds for sale pursuant to the competitive bidding requirements of Rule U-50 and has received the following bids:

	Annual interest rate (per cent)	Price to company [1] (percent of principal)	Annual cost to company (percent)
Glore, Forgan & Co.	3¼	101.1599	3.189647
Kuhn, Loeb & Co.	3¼	101.159	3.189094
Lehman Bros. and Salomon Bros. & Hutzler.	3¼	100.92533	3.201780
Union Securities Corp. and Harriman Ripley & Co., Inc.	3¼	100.836	3.206411
The First Boston Corp.	3¼	100.7199	3.212435
Equitable Securities Corp.	3¼	100.687	3.214145
Halsey, Stuart & Co., Inc.	3¼	100.55	3.221268
Merrill Lynch, Pierce, Fenner & Beane.	3¼	100.5499	3.221273

[1] Exclusive of accrued interest from May 1, 1952.

Wisconsin Electric having further stated in said amendment that it has accepted the bid of Glore, Forgan & Co. for the bonds and that the bonds will be offered for sale to the public at a price of 101.736 percent of the principal amount thereof, resulting in an underwriters 'spread of 0.5761 percent; aggregating $72,021.50; and

The Commission having examined said amendment and having considered the record herein and finding with respect to the proposed issuance and sale of a maximum of 702,486 shares of Common Stock of Wisconsin Electric, that the applicable requirements of the act and the rules thereunder are satisfied, and finding no basis for imposing terms and conditions with respect to the price to be received for the bonds, the redemption prices thereof, the interest rate thereon, the underwriters' spread and its allocation, and deeming it appropriate in the public interest and in the interest of investors and consumers that the declaration, as further amended, be permitted to become effective forthwith; and

It appearing that Wisconsin Electric requested various financial institutions to submit proposals with respect to their charges for acting as warrant agent in connection with the proposed issuance and sale of Common Stock, that four bids were received, and that Wisconsin Electric accepted the bid of The Hanover Bank in the amount of $52,805; and

The record having been completed with respect to certain other fees and expenses and the Commission deeming it in the public interest and in the interest of investors and consumers to release jurisdiction as to all fees and expenses, other than those for accounting and legal services, provided such fees and expenses, paid or to be paid, as to which jurisdiction is being released, do not exceed the estimated amounts, or rates of charge upon which such estimated amounts are based, stated in the declaration, as amended:

It is ordered, That jurisdiction heretofore reserved in connection with the issuance and sale of $12,500,000 principal amount of bonds and 702,486 shares of Common Stock of Wisconsin Electric be, and the same hereby is, released and that said declaration, 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.

It is further ordered, That jurisdiction be, and hereby is, released with respect to the following fees and expenses, not to exceed the amounts herein stated or rates of charge upon which such amounts are based:

	Bonds	Common Stock
Filing fee for registration statement	$1,297	$1,616
Fee payable to Public Service Commission of Wisconsin	12,500	7,025
Federal tax on original issue	13,750	9,500
Printing of registration statement, prospectus, exhibits, bidding and other papers, printing and engraving of stock certificates, bonds and warrants	33,200	26,300
Charges of trustee for authentication of bonds	5,125	----------
Charges of registrar and transfer agent	----------	10,500
Charges of warrant agent	----------	52,805
Miscellaneous expenses, including payroll expense, postage, telephone and telegraph charges, traveling expense and other miscellaneous expenses	7,128	13,559

It is further ordered, That jurisdiction, heretofore reserved, over fees and expenses for accounting and legal services in connection with the proposed transactions be, and the same hereby is, continued.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-5273; Filed, May 12, 1952; 8:48 a. m.]

[File No. 70-2860]

NORTHERN STATES POWER CO.

NOTICE OF FILING RELATING TO ISSUANCE AND SALE OF COMMON STOCK AND PRINCIPAL AMOUNT OF BONDS

MAY 7, 1952.

Notice is hereby given that Northern States Power Company ("Northern States"), a Minnesota corporation and a registered holding company, has filed a declaration pursuant to the Public Utility Holding Company Act of 1935 ("the act") and has designated sections 6 (a) and 7 thereof and Rules U-23, U-24, and U-50 thereunder as applicable to the proposed transactions, which are summarized as follows:

Northern States proposes to issue and sell 1,108,966 shares of its common stock, par value $5 per share, by offering said shares to the holders of its common stock on the basis of 1 share for each 10 shares of common stock held, at a price to be determined by the Company, with the privilege of subscribing for additional shares not to exceed the number of shares subscribed for under the primary subscription, subject to allotment, by mailing to each such holder a transferable subscription warrant. No fractional shares will be issued. Warrants in excess of those necessary to subscribe for full shares may be sold or additional warrants may be purchased in order to enable the holder of warrants to subscribe to full shares of the new common stock.

Northern States further proposes, pursuant to the competitive bidding requirement of Rule U-50 under the act to sell at the subscription price such of the shares of common stock as are not subscribed for pursuant to the offer to shareholders plus any of the outstanding shares of common stock acquired by the company in the stabilization transactions hereinafter described. Each bid will specify the aggregate amount to be paid by the company to the bidder or bidders as compensation for their commitments and obligations in connection with the purchase of the unsubscribed shares and those acquired in the stabilization transactions.

Northern States further proposes, during the two business days preceding and on the day when bids are opened up to the time of opening of bids, to make purchases of the presently outstanding shares of its common stock if in the judgment of its officers such purchases are necessary or advisable to facilitate the proposed offering and sale or to stabilize the market price therefor. Northern States expects that any purchases for stabilization purposes will be effected on the New York Stock Exchange, although some transactions may be on the over-the-counter market or otherwise, but in no event will such purchases in the aggregate exceed 55,448 shares.

Northern States further proposes to sell at competitive bidding pursuant to Rule U-50 (but not prior to making the offer to shareholders described above), $21,500,000 principal amount of its First Mortgage Bonds, Series due June 1, 1982. The bonds will be issued under the provisions of the Company's existing Indenture dated February 1, 1937, as heretofore supplemented and as further supplemented by a new Supplemental Trust Indenture to be dated as of June 1, 1952. Each bid shall specify the coupon rate (to be a mutiple of ⅛ of 1 percent) and the price exclusive of accrued interest to be paid to the company for the bonds (to be not less than 100 percent nor more than 102¾ percent of the principal amount thereof).

The declaration states that the proceeds from the sale of the common stock and the bonds will be added to the general funds of the company and used to provide part of the new capital required for its construction program. Northern States estimates that the expenditures of it and its subsidiaries for construction during 1952 will aggregate approximately $34,800,000 and expects that the company's general funds, including those arising from earnings and reserves, after adding the proceeds of the sale of the common stock and the bonds, will provide the cash required by it (a) to prepay, without premium, its bank loans in the aggregate principal amount of $15,000,000 which are due on September 24, 1952, and which were made in September and December, 1951 to supply current needs of its construction program; and (b) for its expenditures under the construction program during the year 1952 and the early part of 1953.

Northern States requests that the 10-day notice period provided by Rule U-50 (b) be reduced to not less than 6

days for the purpose of the proposed sale of the unsubscribed stock and also for the purpose of the proposed sale of the bonds.

The company estimates that its expenses in connection with the sale of the additional common stock will be $189,000 and that its expenses in connection with the sale of the bonds will be $124,000.

Counsel to the company states that no state commission other than the Public Service Commission of the State of North Dakota has jurisdiction over the proposed transactions or any part thereof.

The Company requests that the Commission's order herein become effective upon issuance.

Notice is further given that any interested person may, not later than May 22, 1952, at 5:30 p. m., e. d. s. t., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law, if any, raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after said date said declaration, as filed or as amended, may be permitted to become effective as provided by Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rule U-20 (a) and Rule U-100 thereof.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-5275; Filed, May 12, 1952; 8:49 a. m.]

[File No. 71-16]

MISSISSIPPI GAS CO.

SUPPLEMENTAL ORDER APPROVING DISPOSITION OF ADJUSTMENTS RELATING TO GAS PLANT

MAY 7, 1952.

The Commission, by order dated December 5, 1951, having approved certain accounting entries proposed by Mississippi Gas Company ("Mississippi"), a gas utility subsidiary of Southern Natural Gas Company, a registered holding company, to effect disposition of the amounts reclassified to Account 100.5—Gas Plant Acquisition Adjustments, and Account 107—Gas Plant Adjustments, recorded in connection with original cost studies prepared pursuant to sections 15 and 20 (b) of the Public Utility Holding Company Act of 1935 ("act") and Rule U-27 promulgated thereunder; and

Mississippi having notified the Commission that it has recorded the accounting entries pursuant to said order; and

Mississippi having advised the Commission that a further study has been made regarding accruals to the Reserve for Depreciation applicable to items classified in the adjustment accounts, and that such study indicates that depreciation accruals in the aggregate amount of $93,800.98 relate to items in the adjustment accounts which were disposed of by the accounting entries recorded pursuant to the order of December 5, 1951; and

Mississippi having requested the Commission to enter a supplemental order authorizing Mississippi to reverse the accounting entries recorded pursuant to the order of December 5, 1951, and to record revised accounting entries which, in effect, would utilize the $93,800.98 in the Reserve for Depreciation in connection with the elimination of the balances in Account 100.5 and Account 107 as of December 31, 1949; and

The Commission, on the basis of its consideration of the entire record, as supplemented by the additional data submitted by Mississippi, finding it appropriate under the provisions of Rule U-27 promulgated under the act to grant Mississippi's request to reverse the accounting entries required by the said order of December 5, 1951, and to permit the recording of the revised accounting entries proposed by Mississippi, provided that nothing herein shall be construed as a determination by the Commission as to the adequacy of the balance in the Reserve for Depreciation upon consummation of the proposed accounting entries:

It is ordered, That:

(A) Mississippi reverse the accounting entries which were directed in the Commission's order of December 5, 1951;

(B) Mississippi record the revised accounting entries on its books in order to eliminate the balances in Accounts 100.5 and 107 remaining on its books at December 31, 1949;

(C) Mississippi submit certified copies of the entries required by paragraphs (A) and (B) within 60 days from the date of this order.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-5277; Filed, May 12, 1952; 8:49 a. m.]

UNITED STATES TARIFF COMMISSION

[Investigation 15]

WHITING

NOTICE OF HEARING

A public hearing has been ordered by the United States Tariff Commission in the Hearing Room, Tariff Commission Building, Eighth and E Streets NW., Washington, D. C., beginning at 10 a. m. on July 8, 1952, in the investigation with respect to chalk or whiting or paris white, dry, ground, or bolted instituted on April 16, 1952, under section 7 of the Trade Agreements Extension Act of 1951 (17 F. R. 3568).

Request to appear: Parties desiring to appear, to produce evidence, and to be heard at the public hearing should file request in writing with the Secretary, United States Tariff Commission, Washington 25, D. C., in advance of the date of the hearing.

I certify that the above public hearing was ordered by the Tariff Commission on the 7th day of May 1952.

[SEAL] DONN N. BENT, *Secretary.*

[F. R. Doc. 52-5286; Filed, May 12, 1952; 8:49 a. m.]

[Investigation 16]

WOOD-WIND MUSICAL INSTRUMENTS AND PARTS

NOTICE OF HEARING

Upon application made April 29, 1952, by Penzel, Mueller & Co., Inc., Long Island City, New York and others, the United States Tariff Commission on the 6th day of May 1952, under the authority of section 7 of the Trade Agreements Extension Act of 1951, approved June 16, 1951, and section 332 of the Tariff Act of 1930, instituted an investigation to determine whether the products described below are, as a result, in whole or in part, of the duty or other customs treatment reflecting the concessions granted on such product under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

Tariff Act of 1930:	*Description of products*
Par. 1541 (a)	Musical instruments and parts thereof, not specially provided for: Wood-winds and parts thereof.

Inspection of application: The application is available for public inspection at the office of the Secretary, United State Tariff Commission, Eighth and E Streets, NW., Washington, D. C., and in the New York Office of the Tariff Commission, located in Room 437 of the Custom House, where it may be read and copied by persons interested.

I certify that the above investigation was instituted by the Tariff Commission on the 6th day of May 1952.

[SEAL] DONN N. BENT, *Secretary.*

[F. R. Doc. 52-5287; Filed, May 12, 1952; 8:49 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

[Vesting Order 18805]

CERTAIN GERMAN NATIONALS AND KALIO, INC.

In re: Rights and interests of German nationals in property of and agreements with Kalio, Inc.

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 Cong., 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 8

CPR, 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.); Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That the domiciliary personal representatives, heirs-at-law, next of kin, legatees and distributees, names unknown, of Karl Richard Lieberknecht, deceased, who there is reasonable cause to believe were on or since December 11, 1941, and prior to January 1, 1947, residents of Germany, are, and prior to January 1, 1947, were, nationals of a designated enemy country (Germany);

2. That Karl Lieberknecht G. m. b. H., the last known address of which is Oberlungwitz, 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);

3. That the property described as follows:

(a) All right, title and interest of whatsoever kind or nature (not heretofore vested in the Attorney General), including without limitation any reversionary interest, under the statutory and common law of the United States and of the several States thereof (i) of the domiciliary personal representatives, heirs-at-law, next of kin, legatees and distributees, names unknown, of Karl Richard Lieberknecht, deceased, (ii) of Karl Lieberknecht G. m. b. H., and (iii) also of all other persons (including individuals, partnerships, associations, corporations, or other business organizations) whether or not named in this order, who were on or since December 11, 1941, and prior to January 1, 1947 residents of Germany or organized under the laws of or had their principal places of business in Germany and are, and prior to January 1, 1947 were nationals of such designated enemy country (Germany), in and to (i) any and all of the good will of the business in the United States of Kalio, Inc., 120 Broadway, New York, N. Y., its successors or assigns, and (ii) any and all United States patents or patent rights owned by Kalio, Inc. and (iii) any and all registered and unregistered trade-marks and trade name appurtenant to said business of Kalio, Inc., and (iv) in and to any copyrights, prints, or labels appurtenant to said business, and (v) any and every other agreement, license, privilege, power and writing or understanding of whatsoever kind or nature arising under or with respect to said business, patents, patent rights, trade-marks, trade name, copyrights, prints or labels of Kalio, Inc., its successors or assigns, and

(b) All interests and rights, if any (including any and all damages for breach of the purported agreement hereinafter described, together with the right to sue therefor) created in Karl Lieberknecht G. m. b. H. and/or Karl Richard Lieberknecht by virtue of a purported agreement (including all modifications thereof and supplements thereto, if any) the terms of which are stated in a letter, dated July 7, 1936, in the German language, from Kalio, Inc., to Karl Lieberknecht G. m. b. H., Oberlungwitz Sa., Germany, which agreement relates, among other things, to the exploitation of patents for hemming apparatus,

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 the persons referred to in sub-paragraphs 1, 2 and 3 (a) hereof, other than Kalio, Inc., its successors or assigns, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

4. That the national interest of the United States requires that the persons named in subparagraphs 1 and 2 hereof 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 March 20, 1952.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52-5243; Filed, May 9, 1952; 8:51 a. m.]

[Vesting Order 18871]

MARGARETE SAALFELDT

In re: Securities owned by Margarete Saalfeldt. F-28-31593.

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 Cong., 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 Margarete Saalfeldt, whose last known address is Hackeboe, bei Wilster, Schule/Holsbein, Germany, on or since December 11, 1941, and prior to January 1, 1947, was a resident of 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. One (1) unit Armitage-Hamlin Corporation, evidenced by a certificate numbered 652, and presently in the custody of Greenebaum Investment Company, 209 South La Salle Street, Chicago 4, Illinois, together with any and all rights thereunder and thereto, and any and all rights to exchange under plan of reorganization, effective 1936,

b. Five (5) shares of no par value common stock of Shore Crest Hotel Company, 1961 North Summit Avenue, Milwaukee, Wisconsin, a corporation organized under the laws of the State of Wisconsin, evidenced by a certificate numbered 522, and presently in the custody of Greenebaum Investment Company, 209 South La Salle Street, Chicago 4, Illinois, together with any and all declared and unpaid dividends thereon, and any and all rights to exchange under plan effective June 1936,

c. Five (5) shares of $10.00 par value common capital stock of Knickerbocker Hotel Company, 163 East Walton Place, Chicago, Illinois, a corporation organized under the laws of the State of Illinois, evidenced by a certificate numbered 1905, and presently in the custody of Greenebaum Investment Company, 209 South La Salle Street, Chicago 4, Illinois, together with any and all declared and unpaid dividends thereon, and any and all rights to exchange under plan effective March 2, 1937,

d. Five (5) shares of no par value common capital stock of Fifty Eight Forty Seven Division Street Building Corporation, 5847 Division Street, Chicago, Illinois, a corporation organized under the laws of the State of Illinois, evidenced by a certificate numbered 273, and presently in the custody of Greenebaum Investment Company, 209 South La Salle Street, Chicago 4, Illinois, together with any and all declared and unpaid dividends thereon, and any and all rights to exchange under plan effective March 1939, and

e. One (1) Certificate of Deposit, for an Andrews Block bond of $500.00 face value and numbered 629, said certificate of deposit bearing the number 562 and presently in the custody of Greenebaum Investment Company, 209 South La Salle Street, Chicago 4, Illinois, together with all rights therein and thereto, and any and all rights to exchange under plan effective April 1, 1941,

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, Margarete Saalfeldt, 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 the person identified in subparagraph 1 hereof 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 May 7, 1952.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52-5298; Filed, May 12, 1952; 8:52 a. m.]

[Vesting Order P-845, Amdt.]

MARIE CLASEN

In re: Rights of Marie Clasen and others under Insurance Contract.

Vesting Order P-845, executed April 23, 1951, is hereby amended to read as follows:

Under the authority of the Trading With the Enemy Act, as amended (50 U. S. C. App. and Sup. 1-40); the Philippine Property Act of 1946, as amended (22 U. S. C. Sup. 1382); Public Law 181, 82d Cong., 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.); Executive Order 9818 (3 CFR 1947 Supp.); Executive Order 10254 (16 F. R. 5829, June 19, 1951), and pursuant to law, after investigation, it is hereby found:

1. That Marie Clasen, Anne Clasen and Clara Clasen, who there is reasonable cause to believe, on or since December 11, 1941, and prior to January 1, 1947, were residents of Germany, are, and prior to January 1, 1947, were, nationals of a designated enemy country (Germany);

2. That the domiciliary personal representatives, heirs-at-law, next of kin, legatees and distributees, names unknown, of Marie Clasen, and of Conrad Clasen, who there is reasonable cause to believe, on or since December 11, 1941, and prior to January 1, 1947, were residents of Germany, are, and prior to January 1, 1947, were, nationals of a designated enemy country (Germany);

3. That the net proceeds due or to become due under a contract of insurance evidenced by Policy No. 3051642 issued by the Sun Life Assurance Company of Canada (Philippines Branch), Wilson Building, Juan Luna, Manila, to Conrad Clasen, together with the right to demand, receive and collect said net proceeds, is property which is and prior to January 1, 1947, was within the Philippines, owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

4. That the national interest of the United States requires that the persons named in subparagraph 1 hereof and referred to in subparagraph 2 hereof be treated as persons who are and prior to January 1, 1947, were nationals of a designated enemy country (Germany).

All determinations and all actions 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, in accordance with the provisions of said Trading With the Enemy Act, as amended, and said Philippine Property Act of 1946, as amended.

The terms "nationals" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 7, 1952.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52-5300; Filed, May 12, 1952; 8:53 a. m.]

KLAAS FREDERIK TROMP

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property

Klaas Frederik Tromp, Kerkrade, The Netherlands, Claim No. 41844; property described in Vesting Order No. 671 (8 F. R. 5004, April 17, 1943 relating to United States Letters Patent Nos. 2,139,047 and 2,228,739.

Executed at Washington, D. C., on May 7, 1952.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52-5245; Filed, May 9, 1952; 8:52 a. m.]

[Vesting Order 18872]

DR. O. SIEFERT ET AL.

In re: Securities owned by Dr. O. Siefert and others.

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 Cong., 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 the individuals whose names are set forth as owners in Exhibit A and B, attached hereto and by reference made a part hereof, 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 enterprises whose names are set forth as owners in Exhibits A and B, attached hereto and by reference made a part hereof, are corporations, partnerships, associations or other business organizations which on or since December 11, 1941, and prior to January 1, 1947, were organized under the laws of and had their principal places of business in Germany and are, and prior to January 1, 1947, were, nationals of a designated enemy country (Germany);

3. That the persons who own the property described in subpararaph 6 (c) hereof, who if individuals, there is reasonable cause to believe on or since December 11, 1941, and prior to January 1, 1947, were residents of Germany and, which, if partnerships, corporations, associations or other business organizations, there is reasonable cause to believe on or since December 11, 1941, and prior to January 1, 1947, were organized under the laws of and had their principal places of business in Germany, are, and prior to January 1, 1947, were nationals of a designated enemy country (Germany);

4. That the enterprises whose names and last known addresses are listed below:

Solmitz & Company, Hamburg, Germany;
Huch & Schlueter, Braunschweig, Kattrepeln 21, Germany;

are corporations, partnerships, associations or other business organizations which on or since December 11, 1941, and prior to January 1, 1947, were organized under the laws of and had their principal places of business in Germany and are, and prior to January 1, 1947, were, nationals of a designated enemy country (Germany);

5. That Frl. Bertha Luebbert, whose last known address is Ahndorf, b/Dahlenburg, Krs. Luenebg., Germany, and Heinrich Juergens, whose last known address is Hamburg-Wandsbek, Fliederweg 7, 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);

6. That the property described as follows:

a. Those certain shares of stock described in Exhibit A, owned by the persons identified therein as owners, together with all declared and unpaid dividends thereon,

b. Those certain debts or other obligations, matured or unmatured, evidenced by the bonds described in Exhibit B, said bonds owned by the persons identified therein as owners, 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,

c. One thousand (1,000) shares of $1.00 par value capital stock of The Goldfield Consolidated Mines Company, evidenced by a certificate numbered S1569, and owned by the persons referred to in subparagraph 3 hereof, together with all declared and unpaid dividends thereon,

d. Any and all rights in and under Two (2) Confederate States of America Loan Certificates of $500 face value each numbered 358 and 359, owned by Solmitz & Co.,

e. All rights and interests in and under a Certificate of the Guayaquil and Quito Railway Company, numbered 2881 for interest on mortgage gold bonds of $100.00 face value, owned by Frl. Bertha Luebbert,

f. All rights and interests in and under a Certificate of the Guayaquil and Quito Railway Company, numbered 0245, for interest on mortgage gold bonds, of $100 face value, owned by Huch & Schlueter, and

g. All rights and interests in and under two (2) Certificates of Deposit for $1.00 par value common stock of Magdalena Syndicate, said certificates numbered C90 and C91 for 100 shares each, owned by Heinrich Juergens, including but not limited to 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, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

7. That the national interest of the United States requires that the persons referred to in subparagraphs 1, 2, and 3 and named in subparagraphs 4 and 5 hereof 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 May 7, 1952.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

Name of issuing corporation	Type	Number of shares	Certificate No.	Owner
Raymond-Whitcomb, Inc.	No par, prior preferred	1	FP316	Atlantic Hotel.
The Baltimore & Ohio R. R.	$100.00	10	A23894	Dr. O. Siefert.
Cities Service Co.	$10.00	1	LA44962	Mecklenburger Bank.
Cottonwood Creek Copper Co.	$5.00	20	277	Prinz Heinrich XXXII, Reuss j.L.
El Capitan Mining & Milling Co.	$1.00	20	3, 35	Sparkasse des Kreises, Soltau.
The Fisk Rubber Co.	$100.00 first preferred	100	FP/NY5695	Ludwig Ruberts.
Franklin Plan Corp.	$50.00 preferred	10	PO3692	Martha Pruefer.
Huron Holding Corp.	$1.00	10	21828	Paul Hilprecht.
Manufacturers Trust Co.	$20.00	10	F12527	Do.

EXHIBIT B

Description of bond	Bond No.	Face value	Owner
Cities Service Co. 5 percent convertible gold debenture	M106090	$1,000.00	Dorothea Bichler
Cottonwood Creek Copper Co., first mortgage 5-year, 5 percent gold bonds.	2108/11	[1] 25.00	Prinz Heinrich XXXII, Reuss j. L.
The Denver & Rio Grande Western R. R. Co. general mortgage sinking fund gold bonds.	C6736/8	[1] 100.00	Cuxhavener Bank Harms & Co.
The Guayaquil & Quito Ry. Co. first mortgage 6 percent gold bond.	05593	1,000.00	Wilhelm Findorff
Magdalena Syndicate, Serial 6 percent bonds	946 947	[1] 100.00	Heinrich Juergens

[1] Each.

[F. R. Doc. 52-5299; Filed, May 12, 1952; 8:53 a. m.]