



FEDERAL REGISTER

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Done at Washington, D. C., this 13th day of January 1954. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,
Acting Secretary of Agriculture.

[F. R. Doc. 54-316; Filed, Jan. 14, 1954; 8:53 a. m.]

PART 729—PEANUTS

PROCLAMATION OF RESULTS OF REFERENDUM ON MARKETING QUOTAS FOR PEANUTS FOR THE YEARS 1954, 1955 AND 1956

§ 729.504 *Basis and purpose.* This document is issued to announce the re-

sults of the referendum held December 15, 1953, pursuant to section 358 (b) of the Agricultural Adjustment Act of 1938, as amended, to determine whether farmers favor or oppose marketing quotas for peanuts produced in the three calendar years beginning with 1954. The act requires the results of any peanut marketing quota referendum to be proclaimed within thirty days after the date on which it is held. Since the only purpose of this proclamation is to announce the results of the referendum, it is hereby found and determined that, with respect to this proclamation, application of the notice and public procedure provisions of the Administrative Procedure Act (5 U. S. C. 1003) is impracticable and unnecessary.

§ 729.505 *Proclamation of the results of the marketing quota referendum for peanuts for the crops produced in the three calendar years beginning with the calendar year 1954.* In a referendum of farmers engaged in the production of the 1953 crop of peanuts held on December 15, 1953, 66,433 farmers voted. Of those voting 62,637 farmers, or 94.3 percent, favored quotas for peanuts produced in the three calendar years beginning with 1954, and 3,796 farmers, or 5.7 percent, were opposed to having quotas in effect for the crops produced in the three calendar years beginning with the calendar year 1954. Since more than two-thirds of the farmers voting favored quotas, the national marketing quota proclaimed by the Secretary of Agriculture for peanuts produced in the calendar year 1954 (18 F. R. 6352) shall be in effect, and national marketing quotas hereafter proclaimed for peanuts for the calendar years 1955 and 1956 shall be effective.

(Sec. 375, 52 Stat. 66; 7 U. S. C. 1375. Interpret or apply sec. 358, 55 Stat. 83; 7 U. S. C. 1358.)

Done at Washington, D. C., this 13th day of January 1954. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,
Acting Secretary of Agriculture.

[F. R. Doc. 54-308; Filed, Jan. 14, 1954; 8:53 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter I—Home Loan Bank Board, Housing and Home Finance Agency

Subchapter C—Federal Savings and Loan System [No. 6704]

PART 144—CHARTER AND BYLAWS

Correction

In Federal Register Document 53-10722, appearing at page 8727 of the issue for Friday, December 25, 1953, the third paragraph of paragraph 6 of Charter K (Rev.) (§ 144.1 (b)) is changed by correcting the word "and" in the fifth line to read "the".

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 52]

FROZEN MIXED VEGETABLES¹

U. S. STANDARDS FOR GRADES

Notice is hereby given that the United States Department of Agriculture is considering the revision, as herein proposed, of the current United States Standards for Grades of Frozen Mixed Vegetables (7 CFR Part 52, 18 F. R. 8070) pursuant to 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, 1954 (Pub. Law 156, 83d Cong., approved July 28, 1953). This revision, if made effective, will be the second issue by the Department of grade standards for this product.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed revision should file the same, in duplicate, with the Chief, Processed Products Standardization and Inspection Branch, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D. C., not later than 30 days after publication hereof in the FEDERAL REGISTER.

The proposed revision is as follows:

PRODUCT DESCRIPTION, KINDS, STYLES, PROPORTIONS, AND GRADES	
Sec.	
52.2131	Product description.
52.2132	Kinds and styles of basic vegetables.
52.2133	Proportion of ingredients.
52.2134	Grades of frozen mixed vegetables.
FACTORS OF QUALITY	
52.2135	Ascertaining the grade.
52.2136	Ascertaining the rating for the factors which are scored.
52.2137	Color.
52.2138	Absence of defects.
52.2139	Character.
EXPLANATIONS AND METHODS OF ANALYSES	
52.2140	Explanation of terms and analyses.
LOT CERTIFICATION TOLERANCES	
52.2141	Tolerances for certification of officially drawn samples.
SCORE SHEET	
52.2142	Score sheet for frozen mixed vegetables.

Authority: §§ 52.2131 to 52.2142 issued under sec. 205, 60 Stat. 1090; 7 U. S. C. 1624; Pub. Law 156, 83rd Cong.

PRODUCT DESCRIPTION, KINDS, STYLES,
PROPORTIONS, AND GRADES

§ 52.2131 *Product description.* Frozen mixed vegetables consist of three or more succulent vegetables, properly prepared and properly blanched; may contain vegetables (such as, small pieces of sweet red peppers or sweet green pep-

pers) added as garnish; and are frozen and maintained at temperatures necessary for the preservation of the product.

§ 52.2132 *Kinds and styles of basic vegetables.* It is recommended that frozen mixed vegetables, other than small pieces of vegetables added as garnish, consist of the following kinds and styles of vegetables as basic vegetables:

- (a) Beans, green or wax: Cut styles, predominantly of $\frac{1}{2}$ inch to $1\frac{1}{2}$ inch cuts;
- (b) Beans, lima: Any single varietal type;
- (c) Carrots: Diced style, predominantly of $\frac{3}{8}$ inch to $\frac{1}{2}$ inch cubes;
- (d) Corn, sweet: Golden (or Yellow) in whole kernel style;
- (e) Peas: Early type or sweet type.

§ 52.2133 *Recommended proportions of ingredients.* It is recommended that frozen mixed vegetables consist of three, four, or five basic vegetables in the following proportions:

- (a) *Three vegetables.* A mixture of three basic vegetables in which any one vegetable is not more than 40 percent by weight of all the frozen mixed vegetables.
- (b) *Four vegetables.* A mixture of four basic vegetables in which none of the vegetables is less than 8 percent by weight nor more than 35 percent by weight of all the frozen mixed vegetables.
- (c) *Five vegetables.* A mixture of five basic vegetables in which none of the vegetables is less than 8 percent by weight nor more than 30 percent by weight of all the frozen mixed vegetables.

§ 52.2134 *Grades of frozen mixed vegetables.* (a) "U. S. Grade A" or "U. S. Fancy" is the quality of frozen mixed vegetables in which each basic vegetable possesses similar varietal characteristics; in which all vegetables possess a good color, are practically free from defects, possess a good character, possess a good flavor and odor; and that score not less than 90 points when scored in accordance with the scoring system outlined in this subpart.

(b) "U. S. Grade B" or "U. S. Extra Standard" is the quality of frozen mixed vegetables in which each basic vegetable possesses similar varietal characteristics; in which all vegetables possess a reasonably good color, are reasonably free from defects, possess a reasonably good character; possess a good flavor and odor; and that score not less than 80 points when scored in accordance with the scoring system outlined in this subpart.

(c) "U. S. Grade C" or "U. S. Standard" is the quality of frozen mixed vegetables in which each basic vegetable possesses similar varietal characteristics; in which all vegetables possess a fairly good color, are fairly free from defects, possess a fairly good character, possess a fairly good flavor and odor; and that score not less than 70 points when scored in accordance with the scoring system outlined in this subpart.

(d) "Substandard" is the quality of frozen mixed vegetables that fail to meet

the requirements of U. S. Grade C or U. S. Standard.

FACTORS OF QUALITY

§ 52.2135 *Ascertaining the grade.* (a) The grade of frozen mixed vegetables is ascertained by considering the factors of similar varietal characteristics and flavor and odor which are not scored and the respective ratings for the factors of color, absence of defects, and character which are scored.

(b) The relative importance of each factor which is scored is expressed numerically on the scale of 100. The maximum number of points that may be given such factors are:

Factors:	Points
Color.....	20
Absence of defects.....	40
Character.....	40
Total score.....	100

(c) The scores for the factors of color, absence of defects, and character (with respect to each individual vegetable prior to cooking) are determined immediately after thawing so that the product is sufficiently free from ice crystals to permit proper handling as individual units, and representative samples of the product are cooked to ascertain tenderness of the frozen mixed vegetables, collectively, before final evaluation of the score for character. Flavor and odor are also ascertained on the cooked product.

(d) "Good flavor and odor" means that the product and each basic vegetable after cooking has a good, characteristic normal flavor and odor, free from objectionable flavors and objectionable odors of any kind.

(e) "Fairly 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.

§ 52.2136 *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).

§ 52.2137 *Color*—(a) *General.* The factor of color refers to the general brightness of all the combined vegetables and to the colors of lima beans, if a component in the mixture, as follows:

(1) "Green" with respect to thin-seeded types (with skins removed), such as Henderson Bush and Thorogreen varieties, and with respect to thick-seeded types (with skins on), such as Fordhook variety, means that the color of not less than 50 percent of the surface area of the individual lima bean possesses as much or more green color as Plate 18, K-5, illustrated in the First Edition of Maerz and Paul's Dictionary of Color.

(2) "Green" with respect to thick-seeded Baby Potato type (with skins on), such as Baby Potato, Baby Fordhook,

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

and Evergreen varieties, means that the color of not less than 50 percent of the surface area of the individual lima bean possesses as much or more green color as Plate 18, J-3, illustrated in the First Edition of Maerz and Paul's Dictionary of Color.

(3) "White" for the respective varietal types (with skins removed or with skins on, as the case may be) means that more than 50 percent of the surface area of the individual lima bean possesses less green color than Plate 18, E-1, as illustrated in the First Edition of Maerz and Paul's Dictionary of Color.

(b) (A) classification. Frozen mixed vegetables which possess a good color may be given a score of 18 to 20 points. "Good color" means that the combined basic vegetables as a mass and the individual basic vegetables are bright and characteristic of young or tender vegetables that have been properly prepared and properly processed; that any pieces of vegetable material used for garnish are reasonably bright; and that lima beans, if present, possess a bright typical color for the varietal type and meet the following additional color requirements for the respective types:

(1) *Thin-seeded type (with skins removed): Thick-seeded Baby Potato type (with skins on)*. 90 percent or more, by count, of all the lima beans are "green"; and the balance may be lighter in color or may be white or combinations thereof.

(2) *Thick-seeded type (with skins on)*. 85 percent or more, by count, of all the lima beans are "green"; and the balance may be lighter in color but not more than 5 percent, by count, of all the lima beans may be white.

(c) (B) classification. If the frozen mixed vegetables possess a reasonably good color, a score of 16 or 17 points may be given. Frozen mixed vegetables 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 combined basic vegetables as a mass and the individual basic vegetables are reasonably bright and characteristic of reasonably young or reasonably tender mixed vegetables that have been properly prepared and properly processed; that any pieces of vegetable material used for garnish may be only fairly bright but are not off color for any reason; and that lima beans, if present, possess a reasonably bright typical color for the varietal type and meet the following additional color requirements for the respective types:

(1) *Thin-seeded type (with skins removed): Thick-seeded Baby Potato type (with skins on)*. 65 percent or more, by count, of all the lima beans are "green"; and the balance may be lighter in color or may be white or combinations thereof.

(2) *Thick-seeded type (with skins on)*. 60 percent or more, by count, of all the lima beans are "green"; and the balance may be lighter in color but not more than 5 percent, by count, of all the lima beans may be white.

(d) (C) classification. If the frozen mixed vegetables possess a fairly good color, a score of 14 or 15 points may be given. Frozen mixed vegetables that fall into this classification shall not be graded above U. S. Grade C or U. S. Standard, regardless of the total score for the product (this is a limiting rule). "Fairly good color" means that the combined basic vegetables as a mass and the individual basic vegetables are fairly bright and characteristic of mixed vegetables that have been properly prepared and properly processed; that any pieces of vegetable material used for garnish may be only fairly bright but are not off color for any reason; and that lima beans, if present, possess a fairly bright typical color for the varietal type and meet the following additional color requirements for the respective types:

(1) *Thin-seeded type (with skins removed): Thick-seeded Baby Potato type (with skins on)*. More than 35 percent, by count, of all the lima beans are lighter than "green" including lima beans that may be white.

(2) *Thick-seeded type (with skins on)*. More than 40 percent, by count, of all the beans are lighter than "green" but no more than 20 percent, by count, of all the lima beans may be white.

(e) (SS1d) classification. If the frozen mixed vegetables fail to meet the requirements of paragraph (d) of this section, a score of 0 to 13 points may be given. Frozen mixed vegetables that fall into this classification shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.2138 *Absence of defects*—(a) *General*. The factor of absence of defects refers to the degree of freedom from harmless extraneous vegetable materials, slightly damaged units, moderately damaged units, seriously damaged units, and any other defects which detract from the appearance or edibility of the product.

(1) "Harmless extraneous vegetable material" means any vegetable substance other than from any of the basic vegetables or garnish and any portions of the basic vegetables which are normally removed in preparation for processing. Such materials include, but are not limited to, "small pieces" and "large pieces" as follows:

(i) A "small piece of harmless extraneous vegetable material" is any piece or unit of such material similar in shape and the equivalent in size or smaller than $\frac{3}{16}$ square inch of leafy material or loose pieces of pods from peas or lima beans, tough or woody stems of any size other than unstemmed units of green or wax beans, $\frac{1}{4}$ -inch cube of corn cob material, $\frac{1}{2}$ square inch of corn husk, and $\frac{3}{8}$ -inch diameter thistle buds;

(ii) A "large piece of harmless extraneous vegetable material" is any piece or unit of such material similar in shape and larger in size than the equivalent of an applicable kind of "small piece of harmless extraneous vegetable material."

(2) "Slightly damaged unit" means any unit of the basic vegetable or garnish that is affected by slight blemishes, slight discoloration, or similar injury that are noticeable but do not materially affect the appearance or edibility of the unit, and includes, but is not limited to, light discoloration of the hilum of lima beans or other light discoloration of the skin which does not penetrate into the cotyledon of lima beans.

(3) "Moderately damaged unit" means any unit of a basic vegetable or garnish that is affected by blemishes, discoloration, or any other similar injury that materially affects the appearance or edibility of the unit and has the following specific meanings for the respective vegetables:

(i) *Beans, green or wax*. Any unit blemished by scars, by pathological injury, by insect injury, or by other means which in the aggregate exceeds the area of a circle $\frac{1}{8}$ inch in diameter.

(ii) *Beans, lima*. A bean or portion thereof that is spotted or otherwise definitely discolored or that is blemished by pathological injury, by insect injury, or by other means other than light discoloration.

(iii) *Carrots*. Any unit possessing an unpeeled area greater than the area of a circle $\frac{1}{8}$ inch in diameter; and any unit blemished by internal or external discoloration, by sunburn or green color, by pathological injury, by insect injury, or by other means.

(iv) *Corn*. Any kernel or portion thereof that possesses serious brown or black discoloration.

(v) *Peas*. Any spotted pea or any off-colored pea (such as brown, gray, cream, or yellow-white) that is abnormally defective and that definitely lacks any tinge of green color.

(vi) *Garnish*. Any piece blemished by discoloration, by pathological injury, by insect injury, or by other means which in the aggregate exceeds the area of a circle $\frac{1}{8}$ inch in diameter.

(4) "Seriously damaged unit" means any unit of the basic vegetable or garnish, other than damaged corn kernels, that is damaged to the extent that the appearance and edibility of the unit is seriously affected and includes, but is not limited to, "shriveled" lima beans that are materially wrinkled and not of normal plumpness; "sprouted" lima beans that show an external shoot protruding beyond the cotyledon or skin; and any unit with brown or very black or very dark spots and serious insect injury regardless of the area affected.

(5) "Other defects" means any defects not specifically mentioned that affect the appearance or edibility of the product, and include, but are not limited to the following:

(i) *Beans, green or wax*. Loose seeds and portions thereof; and pod sections with very ragged edges that are partially cut or split into two parts, or that are markedly shorter or longer than the predominant lengths of the cut units;

(ii) *Beans, lima*. Mashed beans, broken beans, loose cotyledons, loose skins, and any portions thereof;

(iii) *Carrots*. Crushed, broken, cracked, or irregularly shaped units; units with excessively frayed edges and surfaces; and units markedly smaller than one-half the volume of, or markedly larger than, the predominating size of cubes;

(iv) *Corn*. Crushed kernels, ragged kernels, loose skins, and dark and objectionable pieces of silk more than $\frac{1}{2}$ inch in length; and

(v) *Peas*. Mashed peas, broken peas, loose cotyledons, loose skins, and any portions thereof.

(b) (A) *classification*. Frozen mixed vegetables that are practically free from defects may be given a score of 36 to 40 points. "Practically free from defects" means that there may be present no more than the following defects within the limits stated:

(1) No large pieces of harmless extraneous vegetable material, but 1 small piece of harmless extraneous vegetable material for each 16 ounces net weight, or for each package if the package is less than 16 ounces, of frozen mixed vegetables: *Provided*, That the combined weight of all the harmless extraneous material is not more than $\frac{1}{2}$ of 1 percent, by weight, of the frozen mixed vegetables;

(2) A total of 3 moderately damaged units and seriously damaged units for each 3 ounces of frozen mixed vegetables of which 1 unit for each 4 ounces of frozen mixed vegetables may be seriously damaged: *Provided*, That slightly damaged, moderately damaged, and seriously damaged units, either singly or in combination, do not affect materially the appearance or edibility of the frozen mixed vegetables; and

(3) Other defects, individually or collectively, do not affect more than slightly the appearance of the frozen mixed vegetables.

(c) (B) *classification*. If the frozen mixed vegetables are reasonably free from defects, a score of 32 to 35 points may be given. Frozen mixed vegetables 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 there may be present no more than the following defects within the limits stated:

(1) 1 large piece of harmless extraneous vegetable material and 2 small pieces of harmless extraneous vegetable material for each 16 ounces net weight, or for each package if the package is less than 16 ounces, of frozen mixed vegetables: *Provided*, That the combined weight of all the harmless extraneous material is not more than $\frac{1}{2}$ of 1 percent, by weight, of the frozen mixed vegetables;

(2) A total of 4 moderately damaged units and seriously damaged units for each 3 ounces of frozen mixed vegetables of which 1 unit for each 3 ounces of frozen mixed vegetables may be seriously damaged: *Provided*, That slightly damaged, moderately damaged, and seriously damaged units, either singly or in

combination, do not affect materially the appearance or edibility of the frozen mixed vegetables; and

(3) Other defects, individually or collectively, do not affect materially the appearance of the frozen mixed vegetables.

(d) (C) *classification*. If the frozen mixed vegetables are fairly free from defects, a score of 28 to 31 points may be given. Frozen mixed vegetables that fall into this classification shall not be graded above U. S. Grade C or U. S. Standard, regardless of the total score for the product (this is a limiting rule). "Fairly free from defects" means that there may be present no more than the following defects within the limits stated:

(1) 1 large piece of harmless extraneous vegetable material and 2 small pieces of harmless extraneous vegetable material for each 16 ounces net weight, or for each package if the package is less than 16 ounces, of frozen mixed vegetables: *Provided*, That the combined weight of all the harmless extraneous material is not more than $\frac{1}{2}$ of 1 percent, by weight, of the frozen mixed vegetables;

(2) A total of 5 moderately damaged units and seriously damaged units for each 3 ounces of frozen mixed vegetables of which 1 unit for each 2 ounces of frozen mixed vegetables may be seriously damaged: *Provided*, That slightly damaged, moderately damaged, and seriously damaged units; either singly or in combination, do not seriously affect the appearance or edibility of the frozen mixed vegetables; and

(3) Other defects, individually or collectively, do not seriously affect the appearance of the frozen mixed vegetables.

(e) (SSId) *classification*. If the frozen mixed vegetables fail to meet the requirements of paragraph (d) of this section, a score of 0 to 27 points may be given. Frozen mixed vegetables that fall into this classification shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.2139 *Character*—(a) *General*. The factor of character refers to the texture, the maturity, and the degree of development of the pods and seeds in green beans or wax beans; the tenderness of lima beans; the tenderness and the degree of freedom from stringy or coarse fibers in carrots; the tenderness and maturity or starchiness of the corn; the tenderness or maturity of the peas; and to the tenderness of the combined frozen mixed vegetables after cooking.

(b) *Interpretation of terms*. Unless indicated otherwise, the interpretation of the terms with respect to tenderness, texture, maturity, and development of the individual vegetables prior to cooking are the same as those in the applicable United States Standards for Grades of the frozen product.

(c) (A) *classification*. Frozen mixed vegetables which collectively and individually possess a good character may be given a score of 36 to 40 points. "Good character" means that the combined vegetables after cooking are ten-

der and that the individual vegetables prior to cooking meet the following requirements:

(1) *Beans, green or wax*. The bean pods and seeds possess a good character.

(2) *Beans, lima*. The lima beans, exclusive of white beans, are tender; and any white beans that may be present are tender or reasonably tender.

(3) *Carrots*. The units possess a tender texture.

(4) *Corn*. The kernels are no more advanced than the cream stage of maturity, have a reasonably tender texture, and are the equivalent of frozen whole-grain corn that would score not less than 43 points for the factor of "Tenderness and Maturity" as outlined in the "United States Standards for Grades of Frozen Whole Kernel (or Whole Grain) Corn."

(5) *Peas*. The peas are reasonably tender and are the equivalent of frozen peas that would score not less than 34 points for the factor of "Tenderness and Maturity" as outlined in the "United States Standards for Grades of Frozen Peas."

(d) (B) *classification*. If the frozen mixed vegetables, collectively and individually, possess a reasonably good character, a score of 32 to 35 points may be given. Frozen mixed vegetables 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 combined vegetables after cooking are reasonably tender and practically free from tough fibers and that the individual vegetables prior to cooking meet the following requirements:

(1) *Beans, green or wax*. The bean pods and seeds possess a reasonably good character.

(2) *Beans, lima*. The lima beans, including white beans that may be present, are reasonably tender.

(3) *Carrots*. The units possess a tender texture.

(4) *Corn*. The kernels are reasonably tender and are the equivalent of frozen whole-grain corn that would score not less than 40 points for the factor of "Tenderness and Maturity" as outlined in the "United States Standards for Grades of Frozen Whole Kernel (or Whole Grain) Corn."

(5) *Peas*. The peas are reasonably tender and are the equivalent of frozen peas that would score not less than 33 points for the factor of "Tenderness and Maturity" as outlined in the "United States Standards for Grades of Frozen Peas."

(e) (C) *classification*. If the frozen mixed vegetables, collectively and individually, possess a fairly good character, a score of 28 to 31 points may be given. Frozen mixed vegetables that fall into this classification shall not be graded above U. S. Grade C or U. S. Standard, regardless of the total score for the product (this is a limiting rule). "Fairly good character" means that the combined vegetables after cooking are fairly tender and reasonably free from tough fibers and that the individual

vegetables prior to cooking meet the following requirements:

(1) *Beans, green or wax.* The bean pods and seeds possess a fairly good character.

(2) *Beans, lima.* The lima beans, including white beans that may be present, are fairly tender.

(3) *Carrots.* The units possess a reasonably tender texture.

(4) *Corn.* The kernels are fairly tender.

(5) *Peas.* The peas are fairly tender.

(f) *(SSd) classification.* If the frozen mixed vegetables, collectively or individually, fail to meet the requirements of paragraph (e) of this section, a score of 0 to 27 points may be given. Frozen mixed vegetables that fall into this classification shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

EXPLANATIONS AND METHODS OF ANALYSES

§ 52.2140 *Explanation of terms and analyses.* (a) The "proportion of ingredients" are determined on the thawed vegetables by the following procedure:

(1) Separate and assemble from all the containers in the sample each of the basic vegetables;

(2) Weigh each basic vegetable thus composited to obtain the "aggregate weight" of each basic vegetable from all the containers in the sample;

(3) Add the aggregate weights of all the basic vegetables to obtain the "grand total weight" of all the basic vegetables from all containers in the sample; and then

(4) Calculate the percentage of each basic vegetable in the sample by dividing the "aggregate weight" of each basic vegetable by the "grand total weight" of all the basic vegetables.

LOT CERTIFICATION TOLERANCES

§ 52.2141 *Tolerances for certification of officially drawn samples.* (a) When certifying samples that have been officially drawn and which represent a specific lot of frozen mixed vegetables the grade for such lot will be determined by averaging the total scores of the containers comprising the sample, if, (1) 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; and (2) with respect to those factors which are scored:

(i) Not more than one-sixth of the containers fails to meet the grade indicated by the average of such total scores;

(ii) None of the containers falls more than 4 points below the minimum score for the grade indicated by the average of such total scores;

(iii) None of the containers falls more than one grade below the grade indicated by the average of such total scores; and

(iv) The average score of all containers for any factor subject to a limiting rule is within the score range of that factor for the grade indicated by the average of the total scores of the containers comprising the sample.

SCORE SHEET

§ 52.2142 Score sheet for frozen mixed vegetables.

Size and kind of container.....		
Container mark or identification.....		(Packages.....)
Label (list of ingredients, etc.).....		(Cases.....)
Net weight (ounces).....		
Kinds, styles of ingredients.....		Aggregate weight each ingredient.....
Garnish.....		Proportion of ingredients.....
Beans—Cut: () green; () wax.....		oz. %
C. "In—" () round; () flat.....		oz. %
Lima beans.....		oz. %
Carrots: Diced (approx. " cubes).....		oz. %
Corn: Whole kernel—golden.....		oz. %
Peas: () sweet; () early.....		oz. %
Grand total weight.....		oz. 100 %
() Meets proportions; () fails proportions.		
Factors.....	Score.....	
I. Color.....	20	(A) 18-20 (B) 16-17 (C) 14-15 (SSd) 10-13
II. Absence of defects.....	40	(A) 36-40 (B) 32-35 (C) 28-31 (SSd) 10-27
III. Character.....	40	(A) 36-40 (B) 32-35 (C) 28-31 (SSd) 10-27
All vegetables after cooking: () Tender; () reasonably tender; () fairly tender.		
Flavor and odor (after cooking): () Good; () fairly good; () off.		
Total score.....		
Grade.....		

* Indicates limiting rule.

Done at Washington, D. C., this 11th day of January 1954.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator,
Agricultural Marketing Service.

[F. R. Doc. 54-282; Filed, Jan. 14, 1954;
8:49 a. m.]

[7 CFR Part 903]

[Docket No. AO 10-A18-RO1]

HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

REOPENING OF HEARING ON PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT AND TO ORDER, AS AMENDED

Pursuant to 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 the reopening of the public hearing held at St. Louis, Missouri, October 12, 1953, on proposed amendments, to the tentative marketing agreement heretofore approved by the Secretary of Agriculture and to the order, as amended, regulating the handling of milk in the

St. Louis, Missouri, marketing area. The Assistant Secretary's decision of October 26, 1953 dealt with the material issues of an emergency increase in the Class I price differential through March 1954 and establishment of the supply-demand adjustment on a more current basis. In his decision the Assistant Secretary stated that "Final action on these two issues is reserved pending further study of the hearing record and the receipt of further evidence thereon at a hearing to be convened January 19, 1954, at St. Louis, Missouri."

The reopened hearing will be held at the Chase Hotel, St. Louis, Missouri, beginning at 10:00 a. m., January 19, 1954.

The purpose of the reopened hearing is to afford interested parties opportunity to introduce additional evidence on the two issues mentioned above and to receive evidence concerning the additional proposals for amendment hereinafter set forth, or appropriate modifications thereof. None of the proposals to be considered at the hearing has received the approval of the Secretary of Agriculture.

The following additional amendments have been proposed:

By Sanitary Milk Producers:

1. Insert in § 903.51 (a) the following:

§ 903.51 *Class prices.* * * *

(a) *Class I milk.* The price for Class I milk shall be the basic formula price for the preceding delivery period, plus the following amounts.

(1) Add the following amounts for each delivery period as indicated below:

January	..... \$1.30	July	..... \$1.15
February	..... 1.15	August	..... 1.55
March	..... 1.15	September	..... 1.55
April	..... .75	October	..... 1.55
May	..... .75	November	..... 1.55
June	..... .75	December	..... 1.30

(2) If the utilization percentage calculated pursuant to subparagraph (3) of this paragraph exceeds 120 subtract, or if it is less than the 120 add, an amount calculated by multiplying the difference between such percentage figure and 120 by 3 cents, except that nothing shall be added for the delivery periods of April, May or June.

(3) For each delivery period calculate a utilization percentage by dividing the total pounds of Class I milk (including the Class I milk in pool plants, except sales of non-Grade A milk outside the marketing area allocated to other source milk, plus the Class I milk sold in the marketing area from non-pool plants), for the 12-month period ending with the beginning of the month preceding each delivery period, into the total pounds of producer milk during such 12-month period, multiplying by 100, and rounding the resultant figure to the nearest whole percentage point.

2. Review the factors used in establishing the level of prices for Class II milk in § 903.51 (b).

3. Delete § 903.80 and insert in lieu thereof the following:

§ 903.80 *Payments.* (a) On or before the 20th day of each month each handler shall pay to the Market Administrator a sum of money equal to the

value of milk received by him from producers during the first 15 days of such month at not less than the Class II price for the preceding delivery period.

(b) On or before the 12th day of each month each handler shall pay to the Market Administrator an amount equal to such handler's net obligation for the previous delivery period as determined pursuant to § 903.70 less payments made pursuant to paragraph (a) of this section and less proper deductions authorized in writing by producers from whom such handlers received milk. The Market Administrator shall maintain a producer-settlement fund in which he shall deposit all payments of handlers received pursuant to this section and out of it he shall make payments pursuant to paragraph (c) of this section.

(c) On or before the 15th day after the end of each delivery period the Market Administrator shall make payment to each producer for milk received by a handler from such producer during the delivery period at not less than the uniform price computed pursuant to § 903.71, subject to the following adjustments:

- (1) The butterfat differential pursuant to § 903.81,
- (2) Less marketing service deductions pursuant to § 903.88,
- (3) Less proper deductions authorized in writing by the producer, and
- (4) Adjustment for any error in calculating payment to such individual producer.

Provided, That if the Market Administrator has not received full payment from any handler for such delivery period pursuant to paragraph (a) of this section, he shall reduce uniformly per hundredweight payment to producers delivering to such handler an equal amount of money: *Provided further*, That the Market Administrator shall make such balance of payments to such producer on or before the date for making payments pursuant to this paragraph next following, after such balance of payment is received from such handler.

(d) In making payments to producers pursuant to paragraph (c) of this section the Market Administrator shall pay, on or before the second day prior to the date payments are due to individual producers to cooperative associations authorized to collect payment for milk of members and from which a request for such payment has been received a total amount equal to not less than the sum of the individual payments otherwise payable to such producers pursuant to this section.

4. Add of § 903.22 the following:

(k) On or before the 15th day after the end of each delivery period, report to each cooperative association of producers the percentage in each class of the producer milk caused to be delivered by the cooperative association or by its members to each handler during the delivery period. For the purpose of this report the milk so received shall be allocated in each class for each handler in the same ratio as milk received from all producers by such handler during the delivery period.

5. Amend "Producer" definition (§ 903.7) to include any Grade A producer delivering milk to a pool plant.

6. Add to § 903.43 (a) the following sentence: "Provided if either plant receives other source milk, the milk shall be classified and allocated to result in the maximum utilization of producer milk in Class I."

7. In § 903.41 (b) (3) (ii) eliminate shrinkage on products other than fluid milk received as other source milk.

8. In the proviso of § 903.52 delete the words "0.05 times the producer milk" and substitute therefor "0.05 times the approved milk."

By Producers Creamery Company of Cabool, Missouri:

9. Consider the adjustment of the shipping provisions contained in § 903.10 and the calculation of the reserve supply credits contained in § 903.11 required to qualify a country plant shipping to a city plant as a pool plant.

10. Consider the relationship between the Class I price under the provisions of Federal Order No. 3 and the Class I price under the provisions of Order No. 41, regulating the handling of milk in the Chicago Marketing Area in relationship to the shipping provisions required to qualify a country plant as a pool plant.

By Square Deal Milk Producers Association and Cooperative Milk Producers of Missouri:

11. Eliminate from the order all so-called supply and demand adjustments, both regular and emergency, and have the prices determined by a base formula and seasonal premiums.

12. Reinstate all seasonal premiums as they were prior to March, 1953, hearing except that the premium for April, May and June be raised from 75 cents per hundredweight to 90 cents per hundredweight.

By Edwardsville Creamery Company, Edwardsville, Illinois:

13. Change § 903.10 (a) by striking from said paragraph the phrase "20 percent" and inserting in lieu thereof "30 percent".

14. Add the following subparagraph to § 903.45 (a):

(1a) Subtract from the pounds of skim milk in Class I milk the pounds of skim milk in ungraded milk received as other source milk and disposed of as Class I milk outside the marketing area;

15. Make any other changes, additions or deletions throughout the Order necessitated by the adoption of the above two proposals.

By Dairy Division, Agricultural Marketing Service:

16. Make such changes as may be required to make the entire marketing agreement and order conform with any amendments thereto that may result from this hearing.

One additional proposal received which is not included in this notice of hearing would provide for an individual handler pool. The Acting Secretary's decision of July 10, 1953 (18 F. R. 4123) provided for marketwide pooling of producer payments. There has been no showing by proponents that conditions have changed or that any additional information is now available concerning this subject which

was not fully considered in arriving at the findings of said decision.

Copies of this notice of hearing and of the order now in effect may be procured from the Market Administrator, 4030 Chouteau Avenue, St. Louis 10, Missouri, or from the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., or may be there inspected.

Dated: January 11, 1954, at Washington, D. C.

[SEAL]

ROY W. LENNARTSON,
Deputy Administrator.

[F. R. Doc. 54-270; Filed, Jan. 14, 1954; 8:47 a. m.]

[7 CFR Part 927]

MILK IN THE NEW YORK METROPOLITAN MARKETING AREA

NOTICE OF MEETING FOR CONSIDERATION OF RULES AND REGULATIONS CONCERNING CO-OPERATIVE PAYMENTS

Pursuant to provisions of § 927.76 of the order, as amended (7 CFR, Part 927; 18 F. R. 7224, 7581), regulating the handling of milk in the New York metropolitan milk marketing area, and of the Administrative Procedure Act (5 U. S. C. 1001 et seq.), notice is hereby given of a meeting to be held on January 21, 1954, at 10:00 a. m., e. s. t., at Onondaga County War Memorial Auditorium, Syracuse, New York, for consideration of rules and regulations proposed to be issued pursuant to said § 927.76 of the order. Interested persons will be afforded an opportunity at the meeting to be heard through the submission of data, views, or arguments orally or in writing. All material presented in writing should be in quintuplicate. Copies of the said proposed rules and regulations as hereinafter set forth may be procured from the Market Administrator, 205 East Forty-second Street, New York 17, New York.

The proposed rules and regulations to be considered at said meeting are as follows:

I. Regulations with respect to application.

By the Market Administrator:

Any applicant for cooperative payments pursuant to § 927.76 shall supply the following information to the Market Administrator on forms provided by the Market Administrator:

1. The name and address of the applicant.
2. The type payments applied for.
 - (a) Cooperative or federation.
 - (b) Not less than 4,000 members or not less than 6,000 members.
 - (c) Operating or non-operating.
3. Its organization.
 - (a) When, where, and under what laws it is incorporated.
 - (b) Copy of charter and by-laws.
 - (c) Names and addresses of directors and officers.
4. With respect to a cooperative the following additional information:
 - (a) Specimen copy of contract or other document denoting producer membership.

(b) Percentage of business with non-members.

(c) The number of members.

(d) The names of pool plants to which the members are delivering milk.

(e) Amount per hundredweight received from members and method of collection.

5. With respect to a federation the following additional information:

(a) When, where, and under what law each of its federated cooperatives is incorporated.

(b) The names and addresses of directors and officers of each of the federated cooperatives.

(c) Copy of the charter, by-laws, and specimen of documents denoting producer membership.

(d) A copy of the contract between the federation and each of its federated cooperatives.

(e) The amount per hundredweight each federated cooperative received from members and method of collection.

(f) The percentage of business which each of the federated cooperatives does with nonmembers.

(g) Number of members of each federated cooperative.

(h) The names of the pool plants to which the members of each federated cooperative are delivering milk.

(i) The names and addresses of any affiliated organization which is not a federated cooperative and the nature of such affiliation.

6. Any cooperative or federation which applies for payment on the basis of operating facilities shall report the following:

(a) The location of plants operated by the cooperative or by its federated cooperative.

(b) Percentage of milk handled in plants operated by the cooperative or by its federated cooperatives.

7. Each applicant shall specify its program for the performance of market-wide services with respect to:

(a) Analyzing milk marketing problems and their solution, conducting market research and maintaining current information as to all market developments, preparing and assembling statistical data relative to prices and marketing conditions, and making an economic analysis of all such data;

(b) Determining the need for the formulation of amendments to the order and proposing such amendments or requesting other appropriate action by the Secretary or the market administrator in the light of changing conditions;

(c) Participating in proceedings with respect to amendments to the order, including the preparation and presentation of evidence at public hearings, the submission of appropriate briefs and exceptions, and also participating, by voting or otherwise, in the referenda relative to amendments;

(d) Participating in the meetings called by the market administrator, such as meetings with respect to rules and regulations issued under the order, including activities such as the preparation and presentation of data at such meetings and briefs for submission thereafter; and

(e) Conducting a comprehensive educational program among producers—i. e., members and nonmembers of cooperatives—and keeping such producers well informed for participating in the activities under the regulatory order and, as a part of such program, issuing publications that contain relevant data and information about the order and its operation, and the distribution of such publication to members and, on the same subscription basis, to nonmembers who request it, and holding meetings at which members and nonmembers may attend.

8. With respect to its ability to perform the market-wide services, each cooperative or federation shall supply the following information concerning personnel:

(a) The numbers of hired personnel listed according to the type of jobs performed and showing for each whether employment is full time or part time.

(b) Contemplated changes in personnel.

(c) Training of specialized personnel to qualify them for performing their duties.

By the Metropolitan Cooperative Milk Producers Bargaining Agency, Inc.:

Applications should be in writing and verified. They should also be submitted in a sufficient number of counterparts as will meet administrative needs (number to be specified).

It should be recognized upon initial application that applicants may not have complete staff and office facilities. The creation of financial obligations and the complete staffing of personnel should not be expected without the security of knowledge that the applicant will be approved for payment for market-wide service.

Demonstration of ability to perform market-wide service shall be made by an applicant cooperative or federation of cooperatives in its verified application to the market administrator which application shall state that it has the minimum number of members required by the order, giving the name and plant of such members as of the first of the month next preceding the date of application. In addition the application shall state:

In the case of a cooperative:

(a) The date and place of its incorporation and attach a copy of its by-laws with all amendments to date.

(b) A statement of compliance with § 927.76 (b) (4).

In the case of a federation:

(c) The date and place of its incorporation, and attach a copy of its certificate of incorporation and a copy of its by-laws with all amendments to date. A copy of the certificate of incorporation of each of its federated cooperatives together with a copy of the by-laws of each such cooperative with all amendments to date. A copy of the contract with each federated corporation.

(d) A statement from each federated cooperative as to the manner in which it has complied with § 927.76 (b) (4).

In the case of both a cooperative and a federation:

(e) That it has engaged or will engage the services of each of the follow-

ing personnel whose qualifications meet with the standards set forth in these rules as shown by the experience record tendered with the application:

(i) Economist;

(ii) Field Supervisor;

(iii) Editor;

(iv) Counsel;

(v) Field men.

(f) That it has or will procure an office with sufficient assistants and clerical personnel.

(g) A comprehensive plan for the performance of each of the services set forth in § 927.76 (e) of the order.

By the Eastern Milk Producers Cooperative Association, Inc.:

Procedure to be followed by cooperative to apply for obtaining cooperative payments; an application must be submitted to the market administrator which contains such information that the cooperative meets the following requirements:

1. The applicant submits a bonafide list of the active producer members and such list shall not contain less than the minimum number of active producer members required to qualify the cooperative under § 927.76 (b) (1) of Federal Order No. 27 and State Order No. 126.

2. The applicant submits a budget.

II. *Regulations with respect to qualification.*

By the Metropolitan Cooperative Milk Producers Bargaining Agency, Inc.:

The terms used in the rules and regulations should have the same meaning as defined in the order, and in addition for the purposes of clarification the meanings hereinafter set forth:

1. "Full authority in the sale of its members' milk" shall be deemed to exist, when:

(a) With respect to a cooperative which is also a handler the milk of members is delivered to it at a pool plant operated by the cooperative; and

(b) With respect to a handling cooperative some of whose members deliver milk to another handler, and with respect to a cooperative which does not operate a pool plant, each member so served shall have executed a written contract exclusively authorizing the cooperative to bargain for the sale of his or her milk, and the cooperative has caused the milk to be delivered to such handler.

2. "Federation." In addition to the requirements set forth in § 927.76 with respect to a federation, such federation shall also be incorporated under the Cooperative Corporation Laws of one of the states in the milkshed.

3. "Member." In addition to the specifications in § 927.76 (a) (4) a producer shall be deemed to be a "member" when he delivers milk to a pool plant operated by a cooperative, or when he delivers milk to another handler and has a contract in writing with a cooperative which exclusively authorizes the cooperative to bargain for the sale of his milk to the receiving handler, and such cooperative has caused the milk to be delivered to such handler.

Proper and effective performance of market-wide service will depend in a large measure upon the competence and integrity of key and supervisory person-

nel. Rules on qualification should therefore be written with a view to the performance of market-wide service under the direction of none but highly trained personnel whose education and experience indicate an ability to undertake their tasks uninhibited by a desire for local or political preferences.

Each qualified cooperative or federation should have a minimum technical staff consisting of an economist, field supervisor, editor, and legal counsel. There should also be field men whose number may vary in accordance with the size of the organization. The minimum number should be in the ratio of not less than one to each fifteen hundred members. In addition each qualified organization should have such assistants to the technicians and clerical help as the full performance of their program may require.

The economist should have at least a Master's degree in agricultural economics from an accredited college or university, or education and experience equivalent to the requirements of the United States Civil Service Commission for the position of Senior Agricultural Economist. Academic training short of that level should be considered inadequate supervised training and experience in this field. In addition an economist should have at least five year's professional experience as an economist in the field of marketing milk or dairy products.

The field supervisor should have a minimum academic background and training at least equivalent to a county agent of the Department of Agriculture extension service, and in addition there-to shall have had at least five year's experience as an instructor of agricultural subjects or field work in agricultural matters.

Field men shall have an academic background, at least equivalent to county agents: *Provided however*, That nothing contained in these rules shall prohibit the employment of field men lacking in this academic background on a temporary basis to perform a specified task, nor upon a permanent basis in accordance with a plan, of on-the-job-training, established by one of the land grant colleges in the milkshed.

Legal Counsel shall be a member of the bar in good standing in one of the states of the milkshed. He may be engaged on a full time or retainer basis. If on the latter basis, his retainer should require that he gives priority attention to the affairs of the cooperative or federation.

Supervision and coordination of the technical staff must be provided. This may be accomplished by, but not limited to, the designation of one of the technicians to be in charge of the program of market-wide service, as described in § 927.76 (e) of the order, under the immediate direction of the Board of Directors, Executive Committee, Delegate Body or other producer groups, however named, which directs the affairs of the cooperative or federation.

The location, size and personnel of the head office should be a matter within the sole discretion of the cooperative or federation, except that in the interest of

economy field men should be stationed within areas of concentration of producers.

It is proposed that no rule be made at this time which would require a federated cooperative to pay anything to the federation. If any services are performed by a federation of a non-market-wide nature, the expense of such services shall be promptly billed to the member cooperatives and promptly paid.

An arrangement between a cooperative and its buying dealer or handler under the provisions of which the cooperative may direct its milk to higher utilization upon the demand of the market administrator shall be deemed to be a compliance with § 927.76 (b) (4). Such arrangement may provide for the payment to the original handler of reasonable handling charges.

By B. J. H. Rickert:

Clarify the meaning of "and has full authority in the sale of its members' milk"—particularly as to the following:

1. Length of time of authority in the sale of members' milk.

2. Length of time of contracts committing sales of milk to handlers in classes lower than fluid.

Requirements of the rules and regulations should clarify the following thoughts:

1. Cooperative contracts with its members should grant to the cooperative full authority for the sale of its members' milk for at least a period of twelve consecutive months.

2. The by-laws of both the federation and the federated cooperative should provide for majority rule with the right for minority reports.

3. The by-laws of the federation should give full authority to the Board of Directors, or delegate body of the federation, for the management and operation of the federation. Each federated cooperative shall be entitled to one director or delegate on the governing body of the federation who shall be elected by the federated cooperative. Each federated cooperative should have one vote regardless of size. The governing body of the federation shall employ the manager of the federation and all other employees subject to the employment and dismissal of the manager.

4. The rules and regulations should at least in a general way outline a uniform program, the minimum of facilities, and at least the different departments of work which each federation will be required to maintain.

A specific portion of the one cent to be deducted from the federated cooperative members should be paid to the federation. I suggest not less than 25 percent.

By the Eastern Milk Producers Cooperative Association, Inc.:

1. The term "member" as used herein shall be an individual, partnership, corporation, association, or any other business unit, who has made application for membership and has executed a marketing contract with the cooperative, who is engaged in the production of milk and milk products marketed through the cooperative, and agrees to market through the cooperative all milk produced on all farms owned by him covered by his membership contract.

2. The term "producer member" as used herein shall be a member who delivers milk direct from farm to pool plant.

3. The term "active producer member" as used herein shall be a producer member who has delivered to a pool plant within ninety days.

4. The term "inactive producer member" as used herein shall be a producer member who has not submitted a written cancellation of his membership contract with the cooperative.

5. The term "producer-member marketing contract" as used herein shall be a written instrument between the member and the cooperative which gives the cooperative the authority to market the members' milk and the member agrees to pay the cooperative a minimum of one cent per hundredweight for membership dues, which contract cannot be cancelled less than thirty days after a notice of cancellation is submitted in writing by either party.

6. The term "economist" as used herein shall be an employee of a cooperative who has had equivalent training in milk marketing to that of an extension milk marketing specialist.

7. The term "field representative" as used herein shall be an employee of a cooperative who has knowledge of dairy farming, dairy manufacture, plant operation, and who possesses a milk testing license, and whose activities are principally devoted to the education of producer members.

8. The term "applicant" as used herein shall be a group of producers, either consisting of one cooperative or more than one, who have submitted a form to the market administrator for approval to receive cooperative payments.

9. The term "budget" as used herein shall be all the prospective yearly revenue and expenditures which shall include the following items:

- (a) Directors—salaries and travel;
- (b) Field organizations;
- (c) Publications and membership meetings;
- (d) Legal services;
- (e) Economist and statistical services;
- (f) Administrative;
- (g) Contingency fund;
- (h) Reserve fund to implement and improve guaranteeing producers a market for their milk.

10. The term "local unit" as used herein shall be a group of producer members in a cooperative who elect their own officers annually and hold not less than two meetings annually, and are comparable to that of a cooperative within a federation.

The applicant performs the following market-wide services:

1. *Analyze supply and demand conditions.* Employ an economist who shall compile and maintain sufficient data to furnish to the cooperative an analysis of supply and demand conditions in the milkshed and the United States, and relate this information to its effect upon the price of all classes of milk. This will require a constant study of competitive prices of milk in other markets and the prospective market for milk products in this country and abroad. This ma-

material must be prepared and assembled in such a manner that it is available and put to use by the cooperative among its members through the publication of the cooperative, meetings of the cooperative, field representatives, and the entire educational program conducted by the cooperative.

2. *Formulate proposed amendments.* Formulate proposed amendments to the order, supported by the material prepared by the economist, which is essential to the order and for the benefit of all producers.

3. *Participate in proceedings.* Participate and take an active part in the preparation of proposals for amendments and in the presentation of facts in support of such proposals and actively oppose proposals which in the judgment of the cooperative are not for the benefit of all producers.

4. *Participate in meetings.* Attend and participate in meetings or conferences called by the market administrator or the Dairy Branch which are for the purpose of more orderly and efficient administration of the order and take an active part in support of matters which in the judgment of the cooperative are for the benefit of all producers in the market.

5. *Educate producers.* Obtain all necessary facts relating to marketing milk in the New York milkshed and disseminate these facts to producers in terms they can understand. It shall be the determination of the cooperative to relate to the producers the truth. The facilities for accomplishing these purposes will include:

(a) An official publication by the cooperative: This publication shall be published not less often than monthly and shall contain as much as possible of the facts used in the educational program including a summary of all the material presented at hearings.

(b) The cooperative will conduct not less than two meetings annually at the local units of the cooperative, all of which meetings shall include non-members to whom invitations may be extended. The cooperative will also conduct annually two regional conference meetings or local district officers meetings.

(c) The cooperative will employ one field representative for approximately no less than 500 active producer members and no more than 1050 active producer members who will assist in keeping producers informed on current organizational and milk marketing facts. Each field representative will make written periodic reports to the cooperative employing him and these reports shall in general reveal his daily activities.

(d) *Guarantee market:* Develop a program guaranteeing producer members a market for their milk and show progress in the development of such a program.

III. *Regulations with respect to performance after qualification.*

By the Metropolitan Cooperative Milk Producers Bargaining Agency, Inc.:

Proper performance of market-wide services specified in § 927.76 (e) (2) shall include collaboration with other producer groups.

In the event that the market administrator shall withhold payment of any funds because of the dual membership of any producer the market administrator shall notify both cooperatives in which such producer's dual membership exists.

The word "furnish" as used in § 927.76 (g) (1) (ii) means make available during usual business hours at the office of the cooperative or federation.

Each qualified cooperative and federation shall report its market-wide activity annually to the administrator and make such additional reports as in the discretion of the administrator are necessary. The annual report shall contain a summary statement of the work performed by the cooperative or federation in the performance of its market-wide service. The report shall also contain a summary of the total expenditures for each function. (A detailed list of expenditures should not be required.) The report shall also contain a statement on the maintenance of the staff necessary to perform the services required.

Nothing contained herein shall prevent a federation from contracting with one or more of its federated cooperatives for the performance of such federated cooperative of all or any part of the market-wide services which need to be performed by the federation as a condition to its qualification: *Provided, however,* That in the performance of such services the federated cooperative engages the services of personnel having the qualifications hereinafter provided.

By B. J. H. Rikert:

That the cooperative at no time enters into any contract for the sale of the milk it has under its control which would prevent it from selling its milk for use in a higher utilization.

By the Eastern Milk Producers Cooperative Association, Inc.:

Procedure for continuance. Procedure followed by a cooperative for continued qualification—the cooperative shall report in writing to the market administrator each year, following the first date of qualification, proof of performance that it is fulfilling the requirements listed during the year. The proof of performance shall contain the following:

1. Number of active producer members within 90 days of the filing of the report.

2. Budget.

3. List of employees, including management, office staff, field representatives, and technicians.

4. Facts prepared by the cooperative which in the judgment of the cooperative are for the benefit of all producers in the market.

5. List of the meetings conducted by the cooperative as well as meetings to which the cooperative contributed active participation.

6. Copy of the official publications of the cooperative and other material relevant to market-wide service published by the cooperative.

Reports and records. A qualified cooperative or federation and any federated cooperative in a qualified federation shall make such records to the market administrator as may be requested by him for the administration of the provisions of this section, and shall main-

tain and make available to the market administrator or his representative such records as will enable the market administrator to verify such reports.

The following records shall be made available to the market administrator or his representative at the central office of the cooperative ten days following such request:

1. Contracts between cooperative and handler.

2. Utilization of cooperative's members' milk.

3. Accountant's annual audit report.

4. Minutes and records of all meetings within the cooperative.

5. Marketing contracts between cooperative and its members.

6. Signed cancellations of marketing contracts.

7. Records showing transfer in points of delivery of members' milk.

IV. *Regulations with respect to suspension and disqualification.*

By the Metropolitan Cooperative Milk Producers Bargaining Agency, Inc.:

In the interest of concentrating all study and effort in the direction of procuring immediate performance of market-wide service and necessary rules and regulations to bring that about, we urge the administrator to adopt the same rules heretofore adopted by the Production and Marketing Administration on September 30, 1952, subject however to such changes as are necessary to adapt such rules to the functioning of the administrator's office.

By the Eastern Milk Producers Cooperative Association, Inc.:

Disqualification. A cooperative shall not be disqualified if it has failed promptly after demand by the market administrator to arrange for the utilization of milk under its control so as to yield the highest available net return to all producers without displacing an equivalent quantity of other producer milk in the preferred classification: *Provided,* That the cooperative has pursued a line of conduct in the preparation of proposals and the presentation of evidence at hearings held during the year which would discourage the use of milk for manufacture. However, the cooperative shall make every effort to move milk under its control whenever the market administrator has notified the cooperative in writing or otherwise confirmed in writing, the specific shortage of Class I-A or Class II milk in the market.

V. *General.*

By the Metropolitan Cooperative Milk Producers Bargaining Agency, Inc.:

In the performance of his duties under § 927.76 the market administrator will act with all reasonable dispatch.

By B. J. H. Rikert:

The rules and regulations should state who votes on referendums—the federation or the federated cooperative.

By the Eastern Milk Producers Cooperative Association, Inc.:

The market administrator shall make available to the cooperative such reports and information that are necessary to the cooperative to carry out its requirements to be qualified. Before a handler is informed by the market administrator that a producer is not a

member of a cooperative, the cooperative should first be requested by the market administrator to verify the membership status of the producer. The verification shall be returned to the market administrator within 30 days.

Issued at New York, New York, this 11th day of January 1954.

[SEAL]

C. J. BLANFORD,
Market Administrator.

[F. R. Doc. 54-280; Filed, Jan. 14, 1954;
8:49 a. m.]

[7 CFR Part 928]

[Docket No. AO-227-A3]

HANDLING OF MILK IN THE NEOSHO VALLEY
MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS THERETO WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND PROPOSED ORDER, AMENDING THE ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision of the Deputy Administrator, Agricultural Marketing Service, United States Department of Agriculture, with respect to a proposed marketing agreement and a proposed order amending the order, as amended, regulating the handling of milk in the Neosho Valley marketing area.

Interested parties may file written exceptions to this recommended decision with the Hearing Clerk, Room 1353 South Building, United States Department of Agriculture, Washington 25, D. C., not later than the close of business of the 10th day after the publication of this recommended decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. The hearing on the record of which the following findings and conclusions were formulated, was conducted at Pittsburg, Kansas, on September 1-4, 1953, pursuant to notices thereof which were issued on August 13, 1953, and August 21, 1953 (18 F. R. 4995, 5122).

The material issues of record related to:

- (1) The pricing of Class I milk through March 1954;
- (2) Pooling provisions of the order;
- (3) The months for which bases should be used in computing payments to producers;
- (4) Provisions applicable to handlers subject to other orders who distribute Class I milk in the marketing area;
- (5) The rate of deduction for marketing services;
- (6) The definition of "producer-handler", "approved plant", "handler" and "producer"; and
- (7) Administrative features of the order.

By decision of the Secretary of Agriculture issued October 21, 1953 (18 F. R. 8786), and subsequent amendment of the order effective November 1, 1953, action has been taken on the basis of the record of this hearing with respect to the pricing of Class I milk through March 1954. In this decision evidence with respect to other issues is considered.

Findings and conclusions. The following findings and conclusions are based on the evidence introduced at the hearing and the record thereof:

1. Returns to producers should continue to be pooled for the market, rather than by individual handlers; the period for which returns to producers are made under the base-excess plan should be extended to include the months of March, July, and August in addition to the months of April, May, and June.

Under the present provisions of the order all producers supplying the market share in the utilization of all milk in the market. It was proposed that the order provide for uniform distribution of the utilization of each handler among the producers supplying milk to such handler, commonly known as individual-handler pooling.

In support of the proposal for handler pooling it was shown that approximately 70 percent of producers supplying the market would have received higher average blend prices for the first seven months of 1953 under handler pools than under the present market-wide pool, had the same pattern of distribution of receipts and sales of milk prevailed. For July the increases in blend prices for this group of producers under handler pools would have ranged from 6 cents to 51 cents per hundredweight. Approximately 2 percent of the producers would have received the same price and the remainder would have had their blend price reduced by amounts ranging from 27 to 99 cents per hundredweight. Thus some producers could have received prices \$1.50 per hundredweight more than those of certain other producers. Utilization of producer receipts as Class I milk in July was reported as 100 percent in the plant of one handler and as 99 percent in the plant of another, each with only a limited number of producers. On the other hand a cooperative association with no plant facilities of its own reported no Class I utilization for some 32 producers whose milk was diverted to unapproved plants for the account of the association.

The record indicates that differences in utilization of handlers are not due to differences in availability of producer supplies at various locations in the extensive Neosho Valley marketing area. Plants with relatively high utilization and those with lower utilization are both widely distributed throughout the area. It appears that differences in facilities for handling milk in excess of Class I needs is the primary cause for much of the difference in utilization. Many handlers under the Neosho Valley order are not equipped to process surplus or reserve milk in their plants. Such plants are primarily designed for the distribution of fluid milk and the operators depend either upon supplemental milk from

other handlers to fill their needs in the short season or upon disposition of surplus milk in the flush production season to unapproved plants or to the plants of handlers with manufacturing facilities.

Receipts of producer milk in the Neosho Valley market have increased substantially in the past year. The major portion of this increase has occurred from increased production per farm rather than increased numbers of producers. Subsequently, a number of producers lost their market and all of these would have been deprived of any share of the Class I sales of the market had not a cooperative association accepted the responsibility for marketing the milk of its members and pooled milk under the present provisions of the order. These increased supplies in the market also affected the operations of another cooperative association which operates facilities of its own both for fluid distribution and for manufacturing. In addition to distribution on its own routes this association supplies a number of handlers with their needs for Class I milk above their receipts from producers, and this demand from January through August 1953 was only about a third that of the same period of 1952. The association plant also takes surplus milk from other handlers and this volume increased six-fold. It is apparent that with increased supplies of milk responsibility for handling a greater proportion of the seasonal surplus of milk fell upon cooperative associations of producers.

A bargaining cooperative without plant facilities is a proponent of handler pooling. It proposed that handler pooling be modified to provide some equalization of returns when diversions for the account of a cooperative resulted in a proprietary handler purchasing less of his Class I milk from member producers in the flush production months than in the preceding short production months. It also indicated the probability that it would be necessary to rebundle the proceeds due its members so that all would receive a single association pool price. Since this cooperative represents approximately two-thirds of the producers supplying the market, and supplies milk to practically all proprietary handlers, it would expect such association pool prices to be somewhat higher than the uniform market price presently computed. Under such a system of operation and with present distribution of supplies the handler pool price of the operating association with plant facilities would presumably be a lower price, and the uniform prices of independent producers would vary with the utilization of the handler supplied.

Handler pooling performs a valuable function when supplies in a market are short in relation to demand by providing an incentive to producers to move their milk of those handlers having the greatest need for milk for Class I use. In a market fully supplied, or in a surplus situation, however, a handler pool provides for equitable sharing among producers of the lower returns of the supply of reserve milk only if all handlers have facilities for accepting a proportion of such reserve supply. Producer milk sup-

plies in the Neosho Valley market are presently adequate, and there are no significant amounts of other source milk allocated to Class I use despite the differences in utilization of individual handlers.

The recent experience of the market does not indicate that under handler pooling handlers with high utilization would increase their supplies under present conditions. The proposal of the proponents for a modified form of equalizing returns indicates the necessity for cooperative associations to engage in handling surplus milk, and for producers whose milk may not be needed at the moment for Class I use to share in the Class I sales of the market.

Proponents base their case for handler pooling primarily upon the fact that under market-wide pooling there is no incentive for a handler to keep his supply related to his Class I needs or those of the market. There is evidence that one handler has increased numbers of producers much faster than the average of the market at a time when this handler's total Class I sales (including those to other handlers) were decreasing. Under handler pooling there would be considerable pressure for low utilization handlers to increase their blend prices, which could be accomplished only by aggressive sales policies or by curtailing receipts and leaving some producers without a market. Either course could conceivably result in considerable instability in the market.

It is concluded that under present conditions in the market individual-handler pooling should not be adopted. The record indicates the possibility that the present qualifications for pool plant participation could be revised to avoid plants being able to increase receipts substantially beyond those for which there is prospective need in the market, but fails to provide a basis for a definite action in this respect.

A proposal that payments to producers be made by the market administrator was closely associated with the proposal for modified equalization under handler pooling. There appears to be no need for such a provision under a market-wide pool in this market.

2. Payments to producers should be computed on the base-excess plan of the order for the months of March through August rather than for the months of April, May, and June only. Under the Neosho Valley order producers establish bases by their average deliveries in the four months of September through December. Deliveries of milk within producers' established bases have prior claim to Class I sales in the period for which bases are used. The use of these bases in determining returns to individual producers for a longer period will provide greater incentive for a more uniform production throughout the year. Such incentive is needed as there is a wide seasonal variation in production in the Neosho Valley market.

3. Payments necessary to equalize prices should continue to be required from handlers subject to another order who distribute Class I milk in the Neosho Valley marketing area; but such payments should be adjusted for contra-

differences in prices in preceding months, and the payments should be distributed to producers in the market in which such milk is priced and pooled.

Under the Neosho Valley order a handler subject to a Federal order for another milk marketing area who distributes Class I milk in the Neosho Valley marketing area is required to pay to the Neosho Valley pool any amount by which the value of such milk as priced under the other order is less than its value at the Class I price of the Neosho Valley order. Handlers subject to the orders for the Springfield, Missouri, and Tulsa-Muskogee, Oklahoma, milk marketing areas operate routes in the Neosho Valley marketing area on which Class I milk priced under such orders is sold.

A Springfield handler offered testimony at the hearing to the effect that no such payments should be required on milk priced as Class I milk under another Federal order. It was contended that when transportation costs are considered such payments are not necessary to equalize prices as between handlers regulated by different orders if class prices are in proper alignment. It was further contended that the pricing of any commodity must be based upon a reasonable price in a heavy producing area, plus transportation costs to the consuming area, and that the Class I prices of Federal order markets generally reflected such basis of pricing.

The alignment of Class I prices between Federal order markets is generally such that transportation costs on milk moved between such markets equal or exceed any difference between the Class I prices. In the case of the Neosho Valley and Springfield markets however there are particularly difficult problems of alignment of prices, and of the transportation costs, to be considered.

The geographic location of the Neosho Valley market requires that Neosho Valley prices be aligned as well as possible not only with those of the Springfield market but also with those of the Kansas City, Topeka, Wichita, and Tulsa-Muskogee markets. The presence of supply plants for the St. Louis market in the Springfield production area requires close alignment of Springfield prices with those of the St. Louis market applicable in the Springfield area. Orders for all of these surrounding markets have been in operation for longer periods than have the orders for the Springfield and Neosho Valley markets. Prices in each of these other markets have been developed on the basis of conditions prevailing in the market, and in the case of St. Louis, Kansas City (which also establishes the Topeka price), and Tulsa-Muskogee, are subject to automatic adjustment on the basis of supply-demand conditions in the market. Even though the prices for such markets may generally be in reasonable alignment with each other it does not follow that the intervening Neosho Valley and Springfield markets can be constantly kept in precise alignment with each of these markets or with each other.

Since the Neosho Valley price is generally lower than that of any of these markets except Springfield the applicability of the present payment provisions

of the Neosho Valley order have almost exclusively been to the operations of Springfield handlers. On an annual average the Neosho Valley Class I price for 3.5 percent milk has exceeded the Springfield price by 20 cents per hundredweight in 1952 and 18 cents per hundredweight in 1953. Differences in the seasonal pattern of prices in the two markets cause the differences in prices to be greatest in the months of April, May and June and least in the months of July through December. At times the Springfield price has exceeded the Neosho Valley price. The maximum difference in any month of this two year period has been 51.9 cents.

Two figures were given as transportation costs to which consideration should be given in the determination of whether any payments were needed to equalize prices. Fifteen cents per hundredweight, represents the cost of movement of bulk milk in truck loads from Springfield to Joplin, a distance of 72 miles, 26.2 cents per hundredweight of milk was represented as the cost of movement of packaged milk from Lebanon, Missouri, to Joplin, a distance of 129 miles. Lebanon, Missouri, is the point at which the Springfield handler proposing elimination of the payment provisions has his bottling plant. Another Springfield handler who distributes Class I milk in the Neosho Valley area has a bottling plant in Springfield. Under the Springfield order the Class I prices applicable at Springfield and Lebanon are identical.

These transportation costs would appear to approximately equalize the prices of the two orders between a Springfield handler who distributes milk in Joplin and a Neosho Valley handler distributing milk in Joplin whose plant is also located in that city. The Neosho Valley marketing area, however extends approximately 100 miles from east to west and 75 miles from north to south. Handlers with plants located within the area dispose of Class I milk at points in the area at considerable distances from their plants in competition with handlers whose plants are located at or near such points of disposition. In Joplin and Nevada, two points to which Springfield handlers move milk, milk is also disposed of as Class I milk from plants in Parsons and Pittsburg at distances of from 56 to 92 miles, and is also sold by other Neosho Valley handlers with plants in these towns. The extensive movements of milk and the competition between handlers with plants at various locations was a primary consideration in the determination of the boundaries of the Neosho Valley area. With no dominant center of population in the area to which it is necessary to attract the principal volume of producer milk, no location adjustments within the area are provided. Thus fully regulated handlers for many of their sales pay the Class I price of the Neosho Valley order and in addition incur costs for movement of milk within the marketing area comparable to those incurred by Springfield handlers on movements to the marketing area.

The obvious impracticability of pricing and pooling milk under two separate regulations is the only reason why han-

handlers subject to other orders are not treated in all aspects the same as the fully regulated Neosho Valley handlers. If such handlers were fully regulated Neosho Valley handlers, their costs for Class I milk disposed of in the Neosho Valley area would be no less than when payments are required under the present provisions.

It is concluded that the payment provisions should be retained in the Neosho Valley order but that the provisions should be modified so that over a year's time they will reflect the annual difference between the price levels of the two orders without being distorted by differences which relate strictly to the seasonal pattern of prices. This may be accomplished by allowing credit against the payments presently computed for any amounts by which the value, when computed at the other order price, of milk distributed in the Neosho Valley market during the preceding eleven months, exceeded its value at the Neosho Valley price. Such credit can of course be used only once as a set-off.

In view of the close relationship between markets in this region it appears appropriate to make provision that the value of the payment may be distributed to producers in the market from which the milk originates if the order for such market provides for receipt and distribution of such amounts. The principal objective of the payment is to provide uniformity in pricing milk to handlers rather than to increase returns to Neosho Valley producers. Accordingly it is provided that, if the other order provides for receipt and distribution to producers of such funds, payments received by the market administrator pursuant to the provision shall be transferred to the market administrator of the market to which the handler is subject. Otherwise such funds will be deposited in the Neosho Valley producer-settlement fund as presently provided.

4. The rate of deduction for performing marketing services for producers who are not members of a cooperative association which performs such services for its members should be increased to 6 cents per hundredweight. The present deduction of 5 cents in effect since the inception of the order, has not been adequate to render proper service to producers delivering milk to the widely scattered plants of the Neosho Valley area. Six cents is the maximum rate for such services now included in any Federal milk marketing order and it is concluded that this amount should be included in the Neosho Valley order rather than the rate of seven cents proposed at the hearing.

5. *Definitions.* (a) The definition of "producer-handler" should be modified by including approval of a health authority of the marketing area as a means of identification of those persons to be defined as producer-handlers. The chief need for such identification is in the designation of producers whose milk is priced and pooled. Producer-handlers are excluded from the persons defined as producers. The present designation makes anyone who sells any Class I milk of his own production in the marketing area but receives no milk from producers,

a producer-handler. It is impracticable for the market administrator to detect all incidental farm sales of milk in the Neosho Valley area which contains extensive rural areas for which health authority approval for such sales is not required. Health authority approval as an identification of producer-handlers will provide a practical method of administration, without providing undue opportunity for a producer to attain a preferred position by making any volume of direct Class I sales and also sharing the Class I sales of the market on milk delivered to a handler. The base rating plan of the order and the opportunity for handlers to discontinue receiving the milk of producers who make direct sales of Class I milk provide additional safeguards in this respect.

(b) "Approved plant", "handler" and "producer". Changes proposed with respect to these definitions were to the effect that (1) the language of the order be clarified so that there be no doubt that the status of plants and plant operators are in nowise altered when routes on which Class I milk is disposed of in the marketing area are operated by vendors who purchase milk in packaged form from processing plants, and (2) the required health authority approval be specified as "any" rather than "the appropriate" health authority having jurisdiction in the marketing area.

No objection was raised to clarification of language with reference to milk disposed of on routes operated by vendors. The present order language has been interpreted to require what the proposal seeks to make explicit. This result may best be accomplished by a slight modification of the language of the definitions of "approved plant" and "handler."

There was testimony that to delete "the appropriate" and substitute "any" in referring to health authorities having jurisdiction in the marketing area would facilitate movements of milk within the area but the record fails to indicate how this would result. In a marketing area in which different health authorities have jurisdiction in separate portions of the area an appropriate health authority to approve a plant or producer is obviously that for any portion of the area for which such plant or producer supplies milk. It is not to be expected that approvals will be issued unless the plant or producer has some connection with the area over which a health authority has jurisdiction.

6. *Administrative provisions.* (a) The mandatory dates for announcement of the uniform price by the market administrator and for making final payments to producers should each be established one day later than those presently provided in the order. Presently the date by which the uniform price must be announced is the 11th day of the month and final payments are required by the 16th day of the month. Handler's reports are filed on the 7th day of the month. More time is required from date for receipt of such reports and computation of the uniform price. Handlers require the time presently intervening between announcement of the uniform price and date of payment in order to compute and issue payments. The date for announcement

of the uniform price should be established as the 12th day of the month and the required date for final payments as the 17th day of the month. The date of a report by the market administrator to a cooperative association should also be changed from the 11th to the 12th of the month to be consistent with the date for announcement of the uniform price.

(b) The market administrator should be authorized to announce the name of any handler who has failed to make required reports or payments without waiting until 10 days have elapsed. The order presently authorizes announcement of the names of those who have not made reports or payments within 10 days of the required date. The 10 day delay in announcing non-compliance prevents the market administrator from disclosing at the announcement of the uniform price the names of any handlers whose receipts and uses are not included in the computation because their reports were not filed in accordance with the order. It is important that handlers and producers be advised when the uniform price is announced whether the price is determined on the basis of reports received from all regulated handlers.

Rulings on proposed findings and conclusions. Briefs were filed on behalf of producers and handlers who would be subject to the proposed marketing agreement and order, as hereby proposed to be amended. The briefs contained suggested findings of fact, conclusions, and arguments with respect to the proposals discussed at the hearing. Every point covered in the briefs was carefully considered along with evidence in the record in making the findings and reaching the conclusions hereinbefore set forth. To the extent that the suggested findings and conclusions contained in the briefs are inconsistent with the findings and conclusions contained herein, the requests to make such findings or to reach such conclusions are denied on the basis of the facts found and stated in connection with the findings and conclusions in this decision.

General findings. (a) The proposed marketing agreement and the order as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which effect market supply of and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and in the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The proposed marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity, specified in a marketing agreement upon which a hearing has been held.

Recommended marketing agreement and order. The following order amending the order, as amended, is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be identical with those contained in the order.

1. In § 928.7 delete the parenthetical phrase "(including plant stores)" and substitute therefor the parenthetical phrase "(including routes operated by vendors and disposition at plant stores)".

2. In § 928.8 delete the parenthetical phrase "(including plant stores)" and substitute therefor the parenthetical phrase "(including routes operated by vendors and disposition at plant stores)".

3. Delete § 928.10 and substitute therefor the following:

§ 928.10 *Producer-handler.* "Producer-handler" means any person who, with the approval of any health authority having jurisdiction in the marketing area, processes milk from his own farm production and, disposes of all or a portion of such milk as Class I milk within the marketing area, but who receives no milk from producers.

4. In § 928.22 (h) delete the words "within 10 days".

5. In § 928.22 (i) delete "11th day" and substitute therefor "12th day".

6. In § 928.22 (j) (2) delete "11th day" and substitute therefor "12th day".

7. Delete § 928.61 and substitute therefor the following:

§ 928.61 *Handlers subject to other orders.* In the case of any handler (as defined herein) who the Secretary determines disposed of a greater portion of his milk as Class I milk in another marketing area regulated by another milk marketing agreement or order issued pursuant to the act, or who otherwise is determined pursuant to the provisions of another milk marketing agreement or order to be subject to the pricing and payment provisions of such agreement or order, the provisions of the order shall not apply except as follows:

(a) The handler shall, with respect to his total receipts and utilization of skim milk and butterfat, make reports to the market administrator at such time and in such manner as the market administrator may require and shall allow verification of such reports by the market administrator pursuant to § 928.33.

(b) If the value of skim milk and butterfat disposed of as Class I milk on routes in the marketing area, as determined under the other order to which such handler is subject, is less than its value as computed pursuant to this order, such handler shall pay the difference to the market administrator. The amount of the payment so computed shall be reduced by the amount of any contra differences in the values of Class I milk so disposed of in the immediately preceding eleven delivery periods which have not served to reduce the payment for any intervening delivery period.

(c) On or before the 14th day after the end of the delivery period payment

of the net amount computed pursuant to paragraph (b) of this section shall be made to the market administrator who shall:

(1) Transfer the amount of such payment to the market administrator of the order to which the handler is subject, if such order provides for receipt of such funds and their distribution to producers whose milk is priced under such order; or

(2) Otherwise deposit such amount in the producer-settlement fund.

8. In § 928.71 delete "July through March" and substitute therefor "September through February".

9. In § 928.72 delete "April through June" and substitute therefor "March through August".

10. In § 928.80 delete "April through June" as such words first appear in such section, and substitute therefor "March through August", and also delete the proviso appearing at the end of such section.

11. In § 928.90 (b) delete "16th day" and substitute therefor "17th day".

12. In § 928.92 delete "928.61 (b)" and substitute therefor "928.61 (c) (2)".

13. In § 928.96 (a) delete "5 cents" and substitute therefor "6 cents".

Filed at Washington, D. C., this 11th day of January 1954.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator.

[F. R. Doc. 54-281; Filed, Jan. 14, 1954;
8:49 a. m.]

[7 CFR Part 942]

HANDLING OF MILK IN NEW ORLEANS, LA., MARKETING AREA

NOTICE OF REOPENING OF HEARING ON PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT AND TO ORDER, AS AMENDED

Correction

In Federal Register Document 54-60, appearing at page 70 of the issue for Wednesday, January 6, 1954, paragraph 10 should read as follows:

10. Renumber § 942.54 to § 942.55.

[7 CFR Part 943]

[Docket No. AO 231-A4]

HANDLING OF MILK IN NORTH TEXAS MARKETING AREA

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 in Dallas Hotel, formerly "Jefferson" 312 South Houston Street, Dallas, Texas, beginning at 10:00 a. m., c. s. t., January

26, 1954, for the purpose of receiving evidence with respect to proposed amendments hereinafter set forth, or appropriate modification thereof, to the tentative marketing agreement heretofore approved by the Secretary of Agriculture and to the order, as amended, regulating the handling of milk in the North Texas marketing area. These proposed amendments have not received the approval of the Secretary of Agriculture.

Amendments to the order, as amended, regulating the handling of milk in the North Texas marketing area were proposed, as enumerated below:

By North Texas Producers Association:

1. Amend § 943.51 (b) by adding the following: "That the price for milk used in the production of Cheddar cheese during the months of February through July 1954 shall be the average price paid, or to be paid, for ungraded milk of 4.0 percent butterfat content received from dairy farmers at the plants of Dairy Gold Creamery, Ballinger, Texas, Triangle Cheese Company, Stephenville, Texas and the North Texas Producers Association, Muenster, Texas."

2. Amend § 943.97 by adding the following: "Provided, That this section shall not apply to milk from producers diverted by a handler to an unapproved plant."

By Vandervoort's, Inc.:

3. Amend the order so as to provide that the price of Class II milk be governed by the price being paid producers for manufacturing milk in the area.

By Cabell's, Inc. and Tennessee Dairies:

4. Amend § 943.51 so that paragraph (b) thereof shall read as follows:

(b) Class II milk. The price computed pursuant to § 943.50 (c) for the current month.

By Lamar Creamery Company:

5. Immediately following § 943.44 (e) (3) (iii) add: "As Class II milk if transferred or diverted in the form of milk or skim milk from ungraded dairy farmers to a plant which manufactures oleomargarine or mellorine but which does not dispose of Class I milk for fluid consumption."

6. Add to § 943.50 the following plants:

Bennet Creamery Co., Ottawa, Kans.
Epples Creamery Co., Tulsa, Okla.
Sugar Creek Creamery, Russellville, Ark.

7. Delete § 943.51 (b) and substitute therefor "the prices computed pursuant to § 943.50 (c)."

By Producers Creamery Company:

8. Amend § 943.51 (b) to provide for a butter-powder formula that recognizes values established at Central markets and provides for an equitable manufacturing allowance.

By the Dairy Division:

9. Make such other changes as may be required to make the entire order conform with any amendments thereto which may result from this hearing.

Copies of this notice of hearing and of the order now in effect may be procured from the Market Administrator, 6619 Denton Drive, Dallas 19, Texas, or from the Hearing Clerk, Room 1353, South Building, United States Depart-

ment of Agriculture, Washington 25, D. C., or may be inspected there.

Dated: January 11, 1954.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator.

[F. R. Doc. 54-269; Filed, Jan. 14, 1954;
8:47 a. m.]

[7 CFR Part 961]

[Docket No. AO-160-A-15-RO1]

HANDLING OF MILK IN PHILADELPHIA, PENNSYLVANIA, MARKETING AREA

NOTICE OF REOPENING OF HEARING ON PRO- POSED AMENDMENTS TO TENTATIVE MAR- KETING AGREEMENT AND TO ORDER, AS AMENDED

Pursuant to the Agricultural Market-
ing 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 agree-
ments and marketing orders (7 CFR Part
900), notice is hereby given of the re-
opening of the public hearing held March
23, 1953, at Philadelphia, Pennsylvania,
pursuant to notice issued March 9, 1953

(18 F. R. 1452), such reopened hearing
to be held concurrently with a hearing by
the Pennsylvania Milk Control Commis-
sion in the United States Court House,
Ninth and Chestnut Streets, Philadel-
phia, Pennsylvania, beginning at 10:00
a. m., e. s. t., January 21, 1954, for the
purpose of receiving additional evidence
with respect to a proposal, set forth in
the original notice of hearing, to amend
the tentative marketing agreement hereto-
fore approved by the Secretary of Agri-
culture and the order, as amended,
regulating the handling of milk in the
Philadelphia, Pennsylvania, marketing
area, and receiving evidence with respect
to the additional proposal set forth
herein, or appropriate modifications of
such proposals. These proposed amend-
ments have not received the approval of
the Secretary of Agriculture.

Evidence adduced at the hearing will
be considered in determining whether
the suspension of any of the Class II
pricing provisions of the order, as
amended, is warranted pending the is-
suanance of any amendment to said order
as a result of the hearing.

The additional proposal to amend the
order, as amended, for the Philadelphia,

Pennsylvania, marketing area, has been
proposed as follows:

By the Milk Distributors Association
of the Philadelphia Area, Inc.:

Re-examine the level of prices under
§ 961.40 (b) so as to encourage the flow
of milk to available fluid cream and
manufacturing outlets at all times in a
method that results in orderly market-
ing, and adjust downward the prices of
Class II milk in order that products
made from it may be in a more com-
petitive position.

Copies of this notice of hearing, the
said order, as amended, and the said
tentative marketing agreement may be
procured from the Market Administra-
tor, 1612 Market Street, Philadelphia,
Pennsylvania, or from the Hearing
Clerk, United States Department of
Agriculture, Room 1353, South Building,
Washington 25, D. C., or may be there
inspected.

Dated: January 11, 1954.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator.

[F. R. Doc. 54-268; Filed, Jan. 14, 1954;
8:46 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Miscellaneous No. 6]

IDAHO

ORDER PROVIDING FOR OPENING OF PUBLIC LANDS

JANUARY 8, 1954.

Pursuant to exchanges made under the
provisions of section 8 of the act of June
28, 1934 (48 Stat. 1269), as amended June
26, 1936 (49 Stat. 1976; 43 U. S. C. sec.
315g), the following described lands have
been reconveyed to the United States:

T. 8 N., R. 33 E., B. M.

Sec. 2, SE $\frac{1}{4}$.

Sec. 4, Lots 1 & 2, S $\frac{1}{2}$ NE $\frac{1}{4}$.

Sec. 6, Lots 1, 2, 3, 4 & 5, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
NW $\frac{1}{4}$.

Sec. 7, Lots 1 & 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$.

Sec. 8, SE $\frac{1}{4}$.

Sec. 19, E $\frac{1}{2}$.

Sec. 28, W $\frac{1}{2}$ SW $\frac{1}{4}$.

T. 7 N., R. 33 E., B. M.

Sec. 6, Lots 3, 4, 5, 6 & 7, SE $\frac{1}{4}$ NW $\frac{1}{4}$,
E $\frac{1}{4}$ SW $\frac{1}{4}$.

Sec. 7, Lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$.

Sec. 9, NE $\frac{1}{4}$.

Sec. 17, SE $\frac{1}{4}$.

The areas described aggregate 1880.53
acres.

The SE $\frac{1}{4}$ of Section 2, T. 8 N., R. 33 E.,
B. M. is a part of the terminus of a stock
driveway used for trailing livestock, and
it has been determined that this tract
should be retained in public ownership
to facilitate proper management of public
grazing lands under the administra-
tion of the Bureau of Land Management.

The remaining lands described are
practically level and have an elevation of
approximately 4,800 feet. The soil is

deep silt loam and is suitable for the
production of agricultural crops under
irrigation.

The State Reclamation Engineer does
not consider the lands to be in a critical
area as concerns ground water. The
lands from the standpoint of soil, topog-
raphy and water conditions are desert
in character, and it has been determined
from local existing wells in the area
that an adequate supply of water for
irrigation purposes may be developed
economically. The lands are classified
as desert in character and subject to
entry and development under the desert
land laws.

While any application that is filed
will be considered on its merits, it is
unlikely that any part of the lands will
be classified for any use or disposal other
than that shown above.

No application for the lands may be
allowed under the homestead, small
tract, desert land, or any other nonmin-
eral public land laws unless the lands
have been classified as valuable or suit-
able for such type of classification or
shall be so classified upon consideration
of an application.

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
application, petition, location, and selec-
tion as follows:

(a) *Ninety-one day period for pref-
erence-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 (1) application under the home-
stead or the desert-land laws or 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 and
other qualified persons entitled to pref-
erence under the act of September 27,
1944, 58 Stat. 747 (43 U. S. C. 279-284),
as amended, subject to the requirements
of applicable law, and (2) application
under any applicable public-land law,
based on prior existing valid settlement
rights and preference rights conferred
by existing laws or equitable claims sub-
ject to allowance and confirmation. Ap-
plications under subdivision (1) of this
paragraph shall be subject to applica-
tions and claims of the classes described
in subdivision (2) of this paragraph. 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 simulta-
neously at that time. All applica-
tions 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 unappropri-
ated shall become subject to such
application, petition, location, selection,
or other appropriation by the public
generally as may be authorized by the
public-land laws. 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.

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 applications by duly corroborated statements in support thereof, setting forth in detail all facts relevant to their claims.

Applications for these lands, which shall be filed in the Land Office, Boise, Idaho, shall be acted upon in accordance with the regulations contained in § 295.8 of Title 43 of the Code of Federal Regulations and Part 296 of that title, to the extent that such regulations are applicable. Applications under the homestead laws shall be governed by the regulations contained in Parts 166 to 170, inclusive, of Title 43 of the Code of Federal Regulations, and applications under the desert-land laws and the said Small Tract Act of June 1, 1938, shall be governed by the regulations contained in Parts 232 and 257, respectively, of that title.

Inquiries concerning these lands shall be addressed to the Land Office, Boise, Idaho.

W. G. GUERNSEY,
Regional Administrator.

[F. R. Doc. 54-259; Filed, Jan. 14, 1954;
8:45 a. m.]

Office of the Secretary

BAD RIVER BAND OF LAKE SUPERIOR TRIBE OF CHIPPEWA INDIANS OF WISCONSIN

ADOPTION OF ORDINANCE RELATING TO FEDERAL INDIAN LIQUOR LAWS

Pursuant to the act of August 15, 1953 (Pub. Law 277, 83d Cong., 1st Sess.), I certify that the following ordinance relating to the application of the Federal Indian liquor laws on the Bad River Reservation was duly adopted by the Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin which has jurisdiction over the area of Indian country included in the resolution:

Whereas Public Law 277, 83d Congress, approved August 15, 1953, provides that sections 1156, 1154, 3113, 3488 and 3618 of Title 18, United States Code, commonly referred to as the Federal Indian Liquor laws, shall not apply to any act or transaction within any area of Indian country provided such act or transaction is in conformity with both the laws of the State in which such act or transaction occurs and with an ordinance duly adopted by the tribe having jurisdiction over such area of Indian country, certified by the Secretary of the Interior, and published in the FEDERAL REGISTER.

Therefore, be it resolved that the introduction, sale or possession of intoxicating bev-

erages shall be lawful within the Indian country under the jurisdiction of the Bad River Band of Chippewas. Provided, that such introduction, sale or possession is in conformity with the laws of the state of Wisconsin.

Be it further resolved that any tribal laws, resolutions or ordinances heretofore enacted which prohibit the sale, introduction or possession of intoxicating beverages are hereby repealed.

ORME LEWIS,

Assistant Secretary of the Interior.

JANUARY 11, 1954.

[F. R. Doc. 54-290; Filed, Jan. 14, 1954;
8:45 a. m.]

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

SALES OF CERTAIN COMMODITIES AT FIXED PRICES

JANUARY 1954 DOMESTIC AND EXPORT PRICE LISTS

Pursuant to the pricing policy of Commodity Credit Corporation issued March 22, 1950, as amended January 9, 1953 (15 F. R. 1593, 18 F. R. 176), and subject to the conditions stated therein, the following commodities are available for sale in the quantities and at the prices stated:

JANUARY 1954 EXPORT PRICE LIST

Commodity and approximate quantity available (subject to prior sale)	Export price list
Cottonseed oil, refined, 805,000,000 pounds. ¹	Bid basis f. o. b. tankcars or tankwagons at points of storage locations. Available New Orleans CSS Commodity Office. (Recent sales have been made by CCC to new export outlets at 12.5 cents per pound, basis p, b, s, y. ex tank at storage location.)
Cottonseed oil, crude, 20,000,000 pounds. ¹	Bid basis f. o. b. tankcars or tankwagons at producers' mills. Available New Orleans CSS Commodity Office.
Linseed oil, raw, 108,600,000 pounds. ¹	Bid basis f. o. b. tankcars at points of storage locations. Available Chicago, Dallas, New Orleans, Portland, and Minneapolis CSS Commodity Office. (Recent sales have been made by CCC at 8.25 cents per pound, basis ex tank at storage location.)
Olive oil, edible, 203,000 gallons. ¹	Bid basis in 50/55 gallon drums f. o. b. points of storage locations. Available Portland CSS Commodity Office.
Peanuts, shelled, bagged (for crushing).	Bid basis, f. a. s. vessel at specified ports, subject to terms and conditions of USDA Announcement FO-28/53. Peanuts may be 1953 crop peanuts acquired by calling loans, as well as CCC stocks from previous crops. (These peanuts are also available as farmer's stock for export on bid basis, f. o. b. points of storage locations subject to the terms and conditions of USDA Announcements CCC Peanut Forms 34 and 40.) Available Oils and Peanut Division, CSS, USDA, Washington 25, D. C., and New Orleans CSS Commodity Office.
Wheat, bulk.....	Sales made for export pursuant to announcement CR 261 and 262.
Corn, bulk, 50,000,000 bushels ¹	Market price on date of sale at point of delivery, provided delivery takes place within 15 days unless otherwise agreed upon.

¹These same lots also are available from the domestic sales price list announced today.

JANUARY 1954 DOMESTIC PRICE LIST

Commodity and approximate quantity available (subject to prior sale)	Domestic sales price
Nonfat dry milk solids, in carload lots only; 350,000,000 pounds, spray; 75,000,000 pounds, roller.	Spray process, U. S. Extra Grade, 17 cents per pound. Roller process, U. S. Extra Grade, 15 cents per pound. Prices apply "in store" at location of stocks in any State. ("In store" means at the processor's plant or in storage at warehouse, but with any prepaid storage and outlanding charges for the benefit of the buyer.)
Salted creamery butter (in carload lots only), 250,000,000 pounds.	U. S. Grade A and higher: All States except those listed below, 68.75 cents per pound; New York, New Jersey, Pennsylvania, New England, and other States bordering the Atlantic Ocean and Gulf of Mexico, 69.50 cents per pound; California, Oregon, and Washington, 69.75 cents per pound. U. S. Grade B: 2 cents per pound less than Grade A prices. Prices apply "in store" at location of stocks in those States where butter is stored. ("In store" means at the processor's plant or warehouse but with any prepaid storage and outlanding charges for the benefit of the buyer.)
Cheddar cheese, cheddars, flats, twins and rindless blocks (standard moisture basis, in carload lots only), 250,000,000 pounds.	U. S. Grade A and higher: All States except those listed below, 39 cents per pound. New York, New Jersey, Pennsylvania, New England and other States bordering the Atlantic and Pacific Oceans and Gulf of Mexico, 40 cents per pound. U. S. Grade B: 1 cent per pound less than Grade A prices. Prices apply "in store" at location of stocks in those States where cheese is stored. All prices are subject to usual adjustment for moisture content. ("In store" means at the processor's plant or warehouse but with any prepaid storage and outlanding charges for the benefit of the buyer.)
Cottonseed oil, refined, 805,000,000 pounds. ¹	Market price but not less than the minimum crude price, with appropriate adjustments for refining, location and quality f. o. b. tankcars or tankwagons at points of storage locations. Available New Orleans CSS Commodity Office. Price will not be reduced during period ending Aug. 31, 1954.
Cottonseed oil, crude, 20,000,000 pounds. ¹	Market price but not less than 15 cents per pound, prime, Valley basis, f. o. b. tankcars or tankwagons at producer's mills subject to premiums or discounts comparable to Bulletin 3 of the 1953 crop cottonseed price support program. Available New Orleans CSS Commodity Office. Price will not be reduced during period ending Aug. 31, 1954.
Linseed oil, raw, 108,600,000 pounds. ¹	Market price on date of sale, but not less than equivalent of the 1953 price support for flaxseed. Price will not be reduced during period ending July 31, 1954. Available Chicago, Dallas, New Orleans, Portland, and Minneapolis CSS Commodity Office.
Olive oil, edible, 203,000 gallons. ¹	Bid basis in 50/55 gallon drums, f. o. b. points of storage locations. Available Portland CSS Commodity Office.
Peanuts—Farmer's stock: Virginia type, bagged, 1951 crop, 3,500 tons; ¹ 1952 crop, 8,500 tons. ¹ Spanish: 1952 crop, 3,000 tons. ¹ Runners: 1952 crop, 19,000 tons. ¹	Bid basis, f. o. b. points of storage locations, subject to the terms and conditions of Announcement CCC Peanut Form 40. In addition, farmer's stock peanuts from CCC stocks including any 1953 crop peanuts acquired by calling loans, may be offered under separate announcement for domestic crushing subject to the terms and conditions of CCC Peanut Form 34. Available New Orleans CSS Commodity Office.

¹These same lots are also available at export sales prices announced today.

JANUARY 1954 DOMESTIC PRICE LIST—Continued

Commodity and approximate quantity available (subject to prior sale)	Domestic sales price
Dry edible beans	
Larrea lima, bagged, 1922 crop, 50,000 hundredweight.	
Seeds	
Common and Williams vetch seed, bagged, 145,000 hundredweight.	
Red clover seed (uncertified), bagged, 110,413 hundredweight.	
Red clover seed (certified), bagged, Cumberland 907 hundredweight; Muldaad, 625 hundredweight.	
Red clover seed (Kashland certified), bagged, 140 hundredweight.	
White clover seed, bagged, 1,055 hundredweight.	
Ladino clover seed, bagged (certified), 144,791 hundredweight.	
Crimson clover seed, bagged, 1,460 hundredweight.	
Biennial rye clover seed, bagged, 25,710 hundredweight.	
Alfalfa clover seed, bagged, 19,270 hundredweight.	
Smooth bromegrass seed (uncertified), bagged, 770 hundredweight.	
Smooth bromegrass seed (Manchar certified), bagged, 345 hundredweight.	
Mountain bromegrass seed (Bromax certified), bagged, 530 hundredweight.	
Hairy vetch seed, bagged, 197,470 hundredweight.	
Birdfoot trefoil seed, bagged, 1,430 hundredweight.	
Slender wheatgrass seed (Amverdi seed), bagged, 280 hundredweight.	
Primer slender wheatgrass seed (certified), bagged, 267 hundredweight.	
Alfalfa seed, northern, bagged, 179,915 hundredweight.	

† These same lots are also available at export sales prices announced today.

Commodity and approximate quantity available (subject to prior sale)	Domestic sales price
Alfalfa seed, central, bagged, 36,630 hundredweight.	\$9 per 100 pounds, f. o. b. area of production, plus any paid-in freight as applicable basis current freight rate at time of sale. Prices will not be reduced during period ending June 30, 1954. Available Fortland, Dallas, Kansas City, and Chicago CSS Commodity Offices.
Alfalfa seed, southern, bagged, 756 hundredweight.	\$22 per 100 pounds, f. o. b. area of production, plus any paid-in freight as applicable basis current freight rate at time of sale. Prices will not be reduced during period ending June 30, 1954. Available Dallas CSS Commodity Office.
Alfalfa seed (certified), bagged, 84,535 hundredweight; Lakeland, 9,214 hundredweight; Grimm, 7,294 hundredweight; Buffalo, 4,328 hundredweight; Atlanta, 4,159 hundredweight. Total fescue seed (common), bagged, 104,430 hundredweight.	\$21.50 per 100 pounds, f. o. b. area of production, plus any paid-in freight as applicable basis current freight rate at time of sale. Prices will not be reduced during period ending June 30, 1954. Available Fortland, Dallas, Chicago, Minneapolis, and New Orleans CSS Commodity Offices.
Trill fescue seed (certified), bagged, 56,500 hundredweight.	\$29 per 100 pounds, f. o. b. area of production, plus any paid-in freight as applicable basis current freight rate at time of sale. Prices will not be reduced during period ending June 30, 1954. Available Fortland and Minneapolis CSS Commodity Offices.
Corn, bulk, 20,000,000 bushels f.	At points of production, basis in store, the market price but not less than the applicable 1953 country loan rate for No. 3 yellow plus: (1) 21 cents per bushel if received by truck, or (2) 17 cents per bushel if received by rail or barge. At other locations, the foregoing plus average paid-in freight. Examples of minimum prices per bushel: Chicago, No. 3 yellow, \$1.90; St. Louis, No. 3 yellow, \$1.97; Minneapolis, No. 3 yellow, \$1.86; Omaha, No. 3 yellow, \$1.88; Kansas City, No. 3 yellow, \$1.93. For other classes, grades and quality, market differentials will apply.
Grain sorghums, bulk (for feed only), 82,090 hundredweight; barley, bulk (for feed only), 49,000 bushels; rye, bulk (for feed only), 115,000 bushels; Fescue, bulk (for crushing only), 230,000 bushels; Turpey LCL, 500.	Market price for feed, basis in store. Small lots available Minneapolis, Dallas, and Kansas City CSS Commodity Offices. Market price for feed, basis in store. Small lots available Chicago, Minneapolis, Kansas City, and Portland CSS Commodity Offices. Market price for feed, basis in store. Small lots available Minneapolis CSS Commodity Office. Market price on date of sale, basis in store. Available Minneapolis CSS Commodity Office. No storage facilities from the 1953 crop acquired by CCC will be sold at less than the 1953 support price during the period ending July 31, 1954. Commercial sales of wood will be made at prices reflecting the higher or either (a) the net value or (b) 100 percent of the price support appraisal value plus 10 percent plus 10 percent for sales commission on wool, Boston basis, adjusted for net freight on wood stored outside the Boston storage area. Sales will be made as warehouse where the wood is stored. Available Boston CSS Commodity office.

The above prices will not be applicable to sales made in connection with drought relief programs carried out in disaster areas.

(Sec. 407, 63 Stat 1051)

Issued: January 11, 1954.

[SEAL]

[F. R. Doc. 54-283; Filed, Jan. 14, 1954; 8:50 a. m.]

GENERAL SERVICES ADMINISTRATION

SECRETARY OF THE INTERIOR

DELEGATION OF AUTHORITY WITH RESPECT TO CONTRACTS FOR PERSONAL OR PROFESSIONAL SERVICES BY BUREAU OF INDIAN AFFAIRS

1. Pursuant to the authority vested in me by the Federal Property and Ad-

HOWARD H. GORDON,
President,
Commodity Credit Corporation.

ministrative Services Act of 1949, as amended (hereinafter referred to as the "act"), I hereby authorize the Secretary of the Interior to negotiate short term contracts, without advertising, for specialized or technical personal or professional services, subject to the conditions herein stated.

2. This authority is subject to all the provisions and requirements of Title III of the said act, but shall, however, be

no greater than that conferred on the Administrator by section 208 of the act.

3. The authority herein delegated may be redelegated to any officer or employee of the Department of the Interior; *Provided*, That a copy of this delegation and of any redelegations thereunder shall be supplied by the Department to the General Accounting Office.

4. There shall be submitted to this Administration quarterly reports summarizing the categories of contracts made pursuant to this delegation.

5. This delegation shall be effective immediately.

Dated: January 11, 1954.

EDMUND F. MANSURE,
Administrator.

[F. R. Doc. 54-303; Filed, Jan. 14, 1954;
8:51 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 6489]

SEABOARD AND WESTERN AIRLINES, INC.
AND TRANSOCEAN AIR LINES; ARMY POST
OFFICE AND FLEET POST OFFICE MAIL
TARIFF INVESTIGATION

NOTICE OF PREHEARING CONFERENCE

In the matter of rejection of tariffs naming rates on Army Post Office and Fleet Post Office mail proposed by Seaboard & Western Airlines, Inc., and Transocean Air Lines.

Notice is hereby given that a prehearing conference in the above-entitled investigation is assigned to be held on January 25, 1954, at 10:00 a. m., e. s. t., in Room 5855, Commerce Building, Fourteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner Ferdinand D. Moran.

Dated at Washington, D. C., January 12, 1954.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 54-276; Filed, Jan. 14, 1954;
8:48 a. m.]

[Docket Nos. 6457, 6464]

CONTINENTAL-PIONEER MERGER CASE; CON-
TINENTAL-BRANIFF MERGER INVESTIGA-
TION

NOTICE OF PREHEARING CONFERENCE

Notice is hereby given that a prehearing conference in the above-entitled proceedings is assigned to be held on January 28, 1954, at 10:00 a. m., e. s. t., in the Foyer of the Auditorium, Commerce Building, Fourteenth and Constitution Avenue NW., Washington, D. C., before Examiner Thomas L. Wrenn.

Dated at Washington, D. C., January 12, 1954.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 54-277; Filed, Jan. 14, 1954;
8:48 a. m.]

UNITED STATES TARIFF COMMISSION

[Investigation 31]

ALSIKE CLOVER SEED

NOTICE OF HEARING

The United States Tariff Commission announces a public hearing, to begin at 10 a. m. on February 16, 1954, in the Hearing Room of the Tariff Commission, Eighth and E Streets NW., Washington, D. C., in connection with Investigation No. 31 under section 7 of the Trade Agreements Extension Act of 1951, as amended, and section 332 of the Tariff Act of 1930, instituted December 2, 1953, with respect to alsike clover seed provided for in paragraph 763 of the Tariff Act of 1930. Public notice of the investigation has previously been given (18 F. R. 8106).

Request to appear at hearing. Parties interested will be given opportunity to be present, to produce evidence, and to be heard at the above-mentioned hearing. Such parties desiring to appear

Name of article	Purpose of request	Date received	Name and address of complainants
Combination spray and spout plumbing fixtures.	Exclusion from entry.	Sept. 4, 1953	Modern Faucet Co., 1700 East 58th Pl., Los Angeles, Calif. Sphinx Manufacturing Co., 2401 East 103d St., Los Angeles, Calif.

Notice of the receipt of the above complaint was published in 18 F. R. 5673.

By direction of the Commission.

[SEAL] DONN N. BENT,
Secretary.

[F. R. Doc. 54-279; Filed, Jan. 14, 1954;
8:48 a. m.]

HOUSING AND HOME FINANCE AGENCY

Public Housing Administration

DESCRIPTION OF AGENCY AND PRINCIPAL PROGRAMS

This section supersedes section I, section II paragraph a and the list of Field Offices, the headquarters and jurisdictions in paragraph d, and section III paragraph a.

I. *Description of agency and principal programs—A. Creation and purpose.* The Public Housing Administration (PHA) was created as a constituent agency of the Housing and Home Finance Agency by the President's Reorganization Plan 3 of 1947, effective July 27, 1947. The PHA is headed by a Public Housing Commissioner appointed by the President by and with the advice and consent of the Senate. Of the two major programs administered by the PHA, one, the low-rent public housing program, is a direct responsibility of the Public Housing Commissioner, while the other, the public war housing program, is a responsibility delegated to the Public Housing Commissioner by the Housing and Home Finance Administrator. Historically, the PHA is a successor agency to the United States Housing Authority,

at the hearing should notify the Secretary of the Commission, in writing, in advance of the date of hearing.

I certify that the above hearing was ordered by the Tariff Commission on the 11th day of January 1954.

Issued: January 12, 1954.

[SEAL] DONN N. BENT,
Secretary.

[F. R. Doc. 54-278; Filed, Jan. 14, 1954;
8:48 a. m.]

[List No. D 7-9]

MODERN FAUCET CO. AND SPHINX
MANUFACTURING CO.

COMPLAINT DISMISSED

JANUARY 11, 1954.

Complaint as listed below heretofore filed with the Tariff Commission for investigation under the provisions of section 337 of the Tariff Act of 1930 has been dismissed.

which was created by the United States Housing Act of 1937 (50 Stat. 888; 42 U. S. C. 1401) to administer the low-rent public housing program established by that act. In 1942 the name of the agency was changed to the Federal Public Housing Authority. It continued under that name until 1947 when it was changed to the PHA.

B. *Low-rent public housing.* The low-rent public housing program was originally authorized by the United States Housing Act of 1937, which authorized Federal financial assistance to local communities "to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe and sanitary dwellings for families of low income. * * *". This law was amended by title III of the Housing Act of 1949 (63 Stat. 422) to perfect its details and to increase the amount of Federal assistance available. Also included in this program are certain projects not constructed under the Housing Act of 1937, as amended, but subsequently transferred to the low-rent public housing program: projects developed by the Public Works Administration before the passage of the act, and Farm Labor Camps and permanent war housing projects transferred under the terms of the Housing Act of 1950 (64 Stat. 73; 42 U. S. C. 1412 (f)).

C. *Public war housing.* The other principal program administered by the PHA is the public war housing program, which originally consisted of permanent and temporary housing accommodations built under the terms of the Lanham Act (54 Stat. 1125; 42 U. S. C. 1521) to provide housing for war workers and military personnel during World War II. Also included in this program are proj-

ects developed under Title III of the Defense Housing and Community Facilities and Services Act of 1951 (65 Stat. 303; 42 U. S. C. 1591). This title provided temporary or mobile housing for immigrant defense workers and military personnel required in connection with national defense activities in critical defense areas. The PHA is responsible for the management of the housing included in the public war housing program, either by direct operation or through local agencies, and for the orderly disposition of such housing under the terms of the Housing Act of 1950.

D. Central Office Organization. 1. The Commissioner is responsible for the administration of all programs of the PHA and is assisted by an Executive Staff which includes the officials listed below.

2. The Deputy Commissioner is responsible for assisting the Commissioner in the administration of all programs of the PHA and serves as Acting Commissioner in the absence of the Commissioner.

3. The Assistant Commissioner is responsible for directing all activities relating to the financing of low-rent housing projects and for special assignments made to him by the Commissioner, particularly in the fields of housing legislation and PHA policy.

4. The Special Assistant to the Commissioner (Liaison) is responsible for directing Congressional liaison and for activities relating to public relations and information. His office prepares press releases, speeches, reports, etc., about the PHA's housing programs; is the PHA contact point with members of the Congress, representatives of the press, radio, and periodicals; takes care of Congressional correspondence and general inquiries from organizations and individuals relating to the agency's programs; and coordinates the preparation of the PHA's Annual Report to the Congress.

5. The Special Assistant to the Commissioner (Racial Relations) is responsible for activities relating to racial minority groups with respect to all programs administered by the PHA. His office assists the Commissioner in the formulation of policy with respect to minority group participation in the programs administered by the PHA; examines field operations for compliance with PHA racial policies; maintains contacts with national organizations concerned with racial relations aspects of public housing programs and assists in resolving problems advanced by such groups; and collaborates with the Labor Relations Branch to insure compliance with regulations directing nondiscrimination in employment of labor in the construction of public housing projects.

6. The Director of Labor Relations heads the Labor Relations Branch, which provides staff assistance on all matters pertaining to problems concerning labor implications of the PHA's programs; determines prevailing salaries or wages for architects, technical engineers, draftsmen, and technicians, employed in the development of low-rent projects and for maintenance laborers and mechanics employed in the admin-

istration of low-rent projects; makes sure that wages prevailing in the locality, as predetermined by the Secretary of Labor, are paid to all laborers and mechanics employed in the development of low-rent projects; examines proposed contracts before they are entered into by local authorities to insure that they conform to labor provisions of the law and to PHA standards; secures wage rate and labor classification decisions from the Secretary of Labor for PHA Federal construction, alteration, or repair; and determines sources of labor supply.

7. The General Counsel is the PHA's principal attorney. He heads the Legal Division and, with the assistance of a Deputy General Counsel, supervises the activities of an Opinions and Legislation Branch, a Programs Branch, and a Bond Counsel.

8. The Assistant Commissioner for Administration heads the Administration Division and is responsible for activities relating to the administrative management and fiscal operations of the PHA. He supervises the activities of the following Branches:

- a. Administrative Planning Branch.
- b. Audit Branch.
- c. Budget Branch.
- d. Fiscal Branch.
- e. Personnel Branch.
- f. Property and Services Branch.

In addition, the Assistant Commissioner for Administration is administratively responsible for the activities of the Personnel Security Officer, who performs duties relating to the PHA Security Program.

9. The Assistant Commissioner for Programs heads the Programs Division and is responsible for the formulation of policies and procedures governing the development, management, and disposition of public housing projects, for evaluating the effectiveness of such policies and procedures, and for providing technical assistance to operating officials, including the Field Offices, through the facilities of the several Branches of the Programs Division. He is assisted by a Deputy Assistant Commissioner for Programs and supervises the activities of the following Branches:

- a. Appraisal Branch.
- b. Architecture and Engineering Branch.
- c. Construction Branch.
- d. Disposition Branch.
- e. Management Branch.
- f. Mortgage Servicing Branch.

10. The Assistant Commissioner for Operations is responsible for the supervision of Field Office activities and for substantially all operating functions of a program nature which are performed in the Central Office. He supervises the activities of a coordinator in each of the three fields of development, management, and disposition, and in addition the activities of a Production and Document Control Branch.

11. The Chief Economist heads the Economics and Statistics Division and is responsible for activities relating to the economic and statistical aspects of the program of the PHA. He supervises the activities of an Economics Branch and a Statistics Branch.

E. Central Office Address. The Central Office address of the PHA is Public Housing Administration, Longfellow Building, Washington 25, D. C.

F. Field office organization. The Commissioner, in administering the programs of the PHA, has established a decentralized organization, vesting primary responsibility for operating phases of the program in the Field Offices wherever possible. Each Field Office is headed by a Field Office Director who is responsible to the Assistant Commissioner for Operations for the administration of all PHA activities in his area of jurisdiction. He is assisted by an Assistant to the Field Office Director, who is responsible for activities relating to public relations and information, and by the following officials,¹ each of whom is responsible for the activities indicated in his title: Field Office Attorney, Assistant Director for Development, Assistant Director for Management, Assistant Director for Disposition, Field Office Economist, Racial Relations Officer, Production Control Assistant, Chief of Office Services.

G. Field office addresses. The Field Offices are located at the addresses, and have the geographical jurisdictions, shown below:

1. *Atlanta Field Office:* Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. Public Housing Administration, Peachtree-Seventh Street Building, 50 Seventh Street NE, Room 358, Atlanta 5, Georgia.

2. *Chicago Field Office:* Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. Public Housing Administration, Room 2201, 185 North Wabash Avenue, Chicago 1, Illinois.

3. *Fort Worth Field Office:* Arkansas, Colorado, Louisiana, New Mexico, Oklahoma, and Texas. Public Housing Administration, Room 2000, 300 West Vickery Boulevard, Fort Worth 4, Texas.

4. *New York Field Office:* Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. Public Housing Administration, 346 Broadway, New York 13, New York.

5. *Puerto Rico Field Office:* Puerto Rico and the Virgin Islands. Public Housing Administration, P. O. Box 9197, Santurce, Puerto Rico.

6. *San Francisco Field Office:* Arizona, California, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming, and the Territory of Alaska, and the Territory of Hawaii. Public Housing Administration, 1360 Mission Street, San Francisco 3, California.

7. *Washington Field Office:* Delaware, Maryland, Virginia, and West Virginia, and the District of Columbia. Washington Field Office, Public Housing Administration, Longfellow Building, Washington 25, D. C.

H. Other field establishments. Numerous project and rental offices operate under the direct supervision of the Field

¹ These officials will be found in a typical Field Office. However, the organization of a Field Office may vary according to its workload.

Offices. Because of the large number of such offices located throughout the country, it is impractical to list them here. Request for information concerning them should be addressed to the appropriate Field Office.

This order is effective January 18, 1954.

Date approved: January 8, 1954.

[SEAL] CHARLES E. SLUSSER,
Commissioner.

[F. R. Doc. 54-267; Filed, Jan. 14, 1954;
8:46 a. m.]

FEDERAL POWER COMMISSION

[Docket Nos. G-1693, G-1473, G-1649,
G-1727, G-1737]

TEXAS EASTERN TRANSMISSION CORP. ET AL.
NOTICE OF ORDER FURTHER AMENDING ORDER
AUTHORIZING EXTENSION OF PERIOD OF
RESERVATION OF GAS

JANUARY 11, 1954.

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-1649; Shippensburg Gas Company, Docket No. G-1727; Consumers Gas Company, Docket No. G-1737.

Notice is hereby given that on December 30, 1953, the Federal Power Commission issued its order adopted December 29, 1953, in the above-entitled matters, further amending order of December 29, 1952 (18 F. R. 122-123) authorizing Texas Eastern Transmission Corporation, Docket No. G-1693, to extend to and including June 29, 1954, the period of reservation of gas for the Cities of Jasper and Huntington, Indiana.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-261; Filed, Jan. 14, 1954;
8:45 a. m.]

[Docket No. G-2242]

CITY OF VILLA RICA, GA.

NOTICE OF FINDINGS AND ORDER

JANUARY 11, 1954.

Notice is hereby given that on January 4, 1954, the Federal Power Commission issued its order adopted December 29, 1953, in the above-entitled matter, directing Southern Natural Gas Company to establish physical connection of its facilities with those of the City of Villa Rica, Georgia, for sale of natural gas to said City.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-262; Filed, Jan. 14, 1954;
8:45 a. m.]

[Docket Nos. G-2258, G-2259]

UNITED GAS PIPE LINE Co.

NOTICE OF FINDINGS AND ORDER

JANUARY 11, 1954.

Notice is hereby given that on December 30, 1953, the Federal Power Com-

mission issued its order adopted December 29, 1953, issuing a certificate of public convenience and necessity in the above-entitled matters.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-263; Filed, Jan. 14, 1954;
8:45 a. m.]

[Docket No. G-2295]

ROCKLAND LIGHT AND POWER Co.

NOTICE OF ORDER PERMITTING WITHDRAWAL
OF APPLICATION FOR CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY

JANUARY 11, 1954.

Notice is hereby given that on January 4, 1954, the Federal Power Commission issued its order adopted December 29, 1953, permitting withdrawal of application for certification of public convenience and necessity in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-264; Filed, Jan. 14, 1954;
8:46 a. m.]

[Docket No. G-2302]

NATURAL GAS PIPELINE Co. OF AMERICA

NOTICE OF ORDER AMENDING ORDER SUS-
PENDING PROPOSED CHANGES IN RATE
SCHEDULES

JANUARY 11, 1954.

Notice is hereby given that on December 30, 1953, the Federal Power Commission issued its order adopted December 29, 1953, amending paragraph (B) and (C) of the order of November 6, 1953 (18 F. R. 7212-13), suspending proposed changes in rate schedules in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-265; Filed, Jan. 14, 1954;
8:46 a. m.]

[Docket Nos. ID-1205, ID-1206, ID-1207]

CLARENCE F. NAGLE ET AL.

NOTICE OF ORDERS AUTHORIZING APPLICANTS
TO HOLD CERTAIN POSITIONS

JANUARY 11, 1954.

In the matters of Clarence F. Nagle, Docket No. ID-1205; Howard K. Crabtree, Docket No. ID-1206; William V. Drake, Docket No. ID-1207.

Notice is hereby given that on January 4, 1954, the Federal Power Commission issued its orders adopted December 29, 1953, authorizing applicants to hold certain positions pursuant to section 305 (b) of the Federal Power Act in the above-entitled matters.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-266; Filed, Jan. 14, 1954;
8:46 a. m.]

SECURITIES AND EXCHANGE COMMISSION

CITIES SERVICE Co. ET AL.

NOTICE OF HEARING

JANUARY 12, 1954.

In the matter of Cities Service Company, The Gas Service Company, Gas Advisers, Inc. (File No. 70-3167). Supplemental notice of filing and notice of and order for hearing regarding sale by parent of subsidiary's common stock, request for exemption from competitive bidding and request for recitals required by supplement R and section 1808 (f) of the Internal Revenue Code.

The Commission having on December 14, 1953, issued its Notice of Filing regarding an application-declaration filed by Cities Service Company ("Cities"), a registered holding company, The Gas Service Company ("Gas Service"), a wholly-owned public utility subsidiary of Cities, and Gas Advisers, Inc. ("Gas Advisers"), a mutual service company jointly owned by various subsidiaries in the Cities system, pursuant to section 11 (b), 12 (c), 12 (d), and 12 (f) of the Public Utility Holding Company Act of 1935 ("act"), and Rules U-42, U-43, U-44, and U-50 promulgated thereunder, wherein, among other things, Cities proposed to sell 1,500,000 shares of the common stock of Gas Service, being all of the common stock of that company outstanding, to selected underwriters for public offering and requested that in connection with such sale Cities be granted exemption from the competitive bidding requirements of Rule U-50; and

The Public Service Commission of the State of Missouri having requested that it be notified of any hearing herein, and for leave to intervene if a hearing should be held, and the cities of Kansas City, Independence, Joplin, and St. Joseph, Missouri, having requested that a hearing be held; and

Cities, Gas Service, and Gas Advisers having on January 8, 1954, filed an amendment amending and supplementing their original application-declaration, and setting forth additional facts and developments which are summarized as follows:

The amendment states that on December 10, 1953, Cities issued written invitations to four groups of underwriters who had indicated that they would be interested in purchasing the common stock of Gas Service for public offering; that on December 23, 1953, Cities received proposals from three of such underwriting groups and also received a written offer from the Missouri Public Service Company ("Missouri"), a non-affiliated public-utility company operating in the State of Missouri, to purchase the common stock of Gas Service for a purchase price of \$32,000,000, subject to approval of its acquisition by the Public Service Commission of the State of Missouri. Said amendment further states that such offer by Missouri was substantially in excess of the best proposal received from the three groups of underwriters mentioned above, that it is the judgment of Cities' management that such offer represents the highest price obtainable for

the common stock of Gas Service under existing conditions, and that on December 29, 1953, Cities accepted the offer of Missouri subject to obtaining the approval of this Commission of the sale by it.

It is stated no State or Federal Commission, other than this Commission, has jurisdiction over the sale by Cities, but that the Public Service Commission of the State of Missouri has jurisdiction over the acquisition by Missouri.

Cities has submitted, with the request that it be filed as a part of the record in these proceedings, a memorandum from Missouri as to the latter's future program, if the sale by Cities be approved. It is stated in said memorandum that Missouri proposes to provide funds for the purchase of the Gas Service shares, to the extent of \$14,000,000 by the sale of additional shares of its common stock, and to the extent of \$18,000,000 from bank loans due six months after the date of lending, that the shares of Missouri's common stock will be offered to Missouri's stockholders pursuant to transferable subscription rights, and that the unsubscribed shares will be purchased by underwriters.

It is further stated that it is Missouri's plan to combine the properties of Missouri and Gas Service by merging Missouri into Gas Service as soon as practicable after completion of the acquisition of the stock of Gas Service; and that this Commission and the Public Service Commissions of the States of Missouri, Kansas and Nebraska will have jurisdiction over various aspects of the merger and accompanying financing.

It is further stated that at or prior to the merger it is proposed to refund the \$18,000,000 bank loan by the issuance of approximately \$9,000,000 principal amount of mortgage bonds, \$2,500,000 principal amount of additional debentures and \$6,500,000 in par value of additional preferred stock, all of which will become securities of the surviving company.

Since upon the acquisition of the Gas Service stock, Missouri will become a holding company under the act, it is stated that Missouri proposes to file a Notification of Registration and that upon consummation of the merger, it will be Missouri's intention to apply for an Order of this Commission under section 5 (d) declaring that it is no longer a holding company.

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a public hearing be held with respect to the proposed transactions for the purpose of affording an opportunity to all interested persons to present evidence and to be heard with respect to the proposed transactions set forth in

said application-declaration, as amended:

It is ordered, That a hearing be held on said matters on January 26, 1954, at 10:00 a. m., e. s. t., at the office of the Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. On such date the hearing room clerk will advise as to the room in which such hearing will be held. Any person (other than the Public Service Commission of the State of Missouri, and the four municipalities named above) desiring to be heard in connection with these proceedings or proposing to intervene, shall file with the Secretary of this Commission on or before January 25, 1954, a written request relative thereto, as provided by Rule XVII of the Commission's rules of practice.

It is further ordered, That James G. Ewell, or any other officer or officers of the Commission designated by it for that purpose shall preside at said hearing. The officer so designated is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of the act and to a hearing officer under the Commission's Rules of Practice.

The Division of Corporate Regulation of the Commission having advised the Commission that it has made a preliminary examination of the application-declaration, as amended, and that, upon the basis thereof, the following matters and questions are presented for consideration, without prejudice, however, to the presentation of additional matters and questions upon further examination:

(1) Whether the proposed sale by Cities meets the requirements of section 12 (d) of the act and Rule U-44 thereunder;

(2) Whether the consideration to be received by Cities for the common stock of Gas Service is reasonable;

(3) Whether compliance with paragraphs (b) and (c) of Rule U-50 with respect to such sale is necessary or appropriate in the public interest or for the protection of investors or consumers to assure the maintenance of competitive conditions, the receipt of adequate consideration or the reasonableness of any fees or commissions to be paid with respect to such sale;

(4) Whether the accounting treatment proposed in connection with the consummation of the sale is appropriate;

(5) Whether, and to what extent, it is necessary or appropriate in the public interest or for the protection of investors and consumers to impose terms and conditions;

(6) Whether the program of Missouri, either as outlined above or as amended or supplemented by evidence adduced at the hearing, is such as to cause the sale by Cities to Missouri to result in conditions, facts, or practices violative of the provisions or standards of the act, par-

ticularly sections 6, 7, 9, 10, and 11 thereof; and whether such program will impair the effectiveness of State regulation;

(7) Generally, whether the proposed transactions of Cities and Missouri are in all respects in the public interest and in the interest of investors and consumers and consistent with all applicable requirements and standards of the act and the rules thereunder;

It is further ordered, That particular attention be directed at said hearing to the foregoing matters and questions.

It is further ordered, That the Secretary of the Commission shall serve a copy of this notice by registered mail upon Cities, Gas Service, Gas Advisers, Missouri, the Public Service Commission of the State of Missouri, the State Corporation Commission of the State of Kansas, the Nebraska State Railway Commission, the Corporation Commission of the State of Oklahoma, and the Cities of Kansas City, Independence, Joplin, and St. Joseph, Missouri, and that notice be given to all other persons by publication of this notice in the FEDERAL REGISTER and by general release of the Commission, distributed to the press and mailed to the mailing list for releases under the act.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 54-297; Filed, Jan. 14, 1954;
8:51 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

SYLVIA CALDERON ZEBADUA

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, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

Sylvia Calderon Zebadua, Guatemala City, Guatemala; Claim No. 4783; \$25,941.09 in the Treasury of the United States.

Executed at Washington, D. C., on January 8, 1954.

For the Attorney General.

[SEAL] PAUL V. MYRON,
Deputy Director,
Office of Alien Property.

[F. R. Doc. 54-274; Filed, Jan. 14, 1954;
8:47 a. m.]

