FEDERAL REGISTER

VOLUME 19 NUMBER 27

Washington, Tuesday, February 9, 1954

TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

SMALL BUSINESS ADMINISTRATION

Effective upon publication in the FEDERAL REGISTER, pargraphs (j) and (k) are added to § 6.364 as set out below.

§ 6.364 *Small Business Administration.* * * *

(j) One Special Assistant to the Administrator.

(k) One Confidential Assistant to the Deputy Administrator for Field Operations.

(R. S. 1753, sec. 2, 22 Stat. 403; 5 U. S. C. 631, 633. E. O. 10440, March 31, 1953, 18 F. R. 1823)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] WM. C. HULL,
Executive Assistant.

[F. R. Doc. 54-897; Filed, Feb. 8, 1954; 8:50 a. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture.

Subchapter C—International Wheat Agreement

PART 571—COMMODITY CREDIT CORPORATION WHEAT AND WHEAT-FLOUR EXPORT PROGRAM

SUBPART—TERMS AND CONDITIONS OF 1953–54 PROGRAM

CROSS REFERENCE: For transfer and redesignation of above regulations, see Chapter V of this title, *infra*.

Chapter V—Agricultural Marketing Service, Department of Agriculture

Subchapter B—Export and Diversion Programs

PART 571—WHEAT

CHANGE IN CODIFICATION

In order to conform Title 6 of the Code of Federal Regulations to the present organizational structure of the Department of Agriculture, the following change is made in the codification of this title:

Subpart A of Part 571 of Subchapter B of Chapter V and the regulations therein are transferred to Chapter IV and redesignated "Subchapter C—International Wheat Agreement," "Part 571—Commodity Credit Corporation Wheat and Wheat-Flour Export Program," "Subpart—Terms and Conditions of 1953–54 Program."

Done at Washington, D. C., this 4th day of February 1954.

HOWARD H. GORDON,
President,
Commodity Credit Corporation.

[F. R. Doc. 54-895; Filed, Feb. 8, 1954; 8:50 a. m.]

TITLE 7—AGRICULTURE

MISCELLANEOUS AMENDMENTS

In Federal Register Document 54-465, published at page 395 of the issue for Friday, January 22, 1954, the following changes are made pursuant to the authorities recited in said document:

1. In enumerated paragraph 20, at line 8, the word "Production" should read "Conservation."

2. In enumerated paragraph 21, at line 8, the word "Agricultural" should be inserted following the word "Area."

3. In enumerated paragraph 23, at line 6, the word "Agricultural" should be inserted following the word "Area."

4. In enumerated paragraph 24, at line 5, the word "Agricultural" should be inserted following the word "Area."

5. In enumerated paragraph 29 subparagraph (a), the term "ACS" should read "ASC."

6. In enumerated paragraph 30, at line 5, the period should be change to a semicolon, the word "and" inserted thereafter, and the following subparagraphs added thereunder:

(a) The definition of the term "State committee" appearing in Part 1104 is amended to read "'State committee' means the persons designated by the Secretary as the Agricultural Stabilization and Conservation State Committee in Alaska";

(Continued on next page)

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FEDERAL REGISTER

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CODIFICATION GUIDE

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

CODIFICATION GUIDE—Con.

(b) The definition of the term "County committee" appearing in Part 1104 is amended to read " 'County committee' means the persons elected within a county as the county committee pursuant to regulations governing the selection and functions of Agricultural Stabilization and Conservation county committees"; and

(c) The designation "Production and Marketing Administration" appearing in § 1104.306 of Part 1104 is deleted and the designation "Agricultural Conservation Program Service" is substituted therefor.

Done at Washington this 3d day of February 1954. Witness my hand and seal of the Department of Agriculture.

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

[F. R. Doc. 54-883; Filed, Feb. 8, 1954; 8:47 a. m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Orange Reg. 250]

PART 933—ORANGES, GRAPEFRUIT, AND TANGERINES GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.665 *Orange Regulation 250*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933), regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of all oranges, except Temple oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective

in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective not later than February 10, 1954. Shipments of all oranges, grown in the State of Florida, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, and will so continue until February 22, 1954; the recommendation and supporting information for regulation, in the manner herein provided, for the period February 10, 1954, to February 17, 1954, was promptly submitted to the Department after an open meeting of the Growers Administrative Committee on February 4; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth; and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time of this section.

(b) *Order.* (1) Notwithstanding the provisions of Orange Regulation 249 (§ 933.663; 19 F. R. 530), no handler shall ship, during the period beginning at 12:01 a. m., e. s. t., February 10, 1954, and ending at 12:01 a. m., e. s. t., February 17, 1954, any Valencia, Lue Gim Gong and similar late-maturing oranges of the Valencia type, grown in the State of Florida:

(i) Which do not grade at least U. S. No. 1; or

(ii) Which are of a size smaller than a size that will pack 126 oranges, packed in accordance with the requirements of a standard pack, in a standard nailed box.

(2) As used in this section, the terms "handler," "ship," "Valencia, Lue Gim Gong, and similar late-maturing oranges of the Valencia type" and "Growers Administrative Committee" shall each have the same meaning as when used in said amended marketing agreement and order; and the terms "U. S. No. 1," "standard pack," and "standard nailed box," shall have the same meaning as when used in the revised United States Standards for Florida Oranges (§§ 51.1140 to 51.1186 of this title).

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

Done at Washington, D. C., this 5th day of February 1954.

S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 54-936; Filed, Feb. 8, 1954; 8:51 a. m.]

[Grapefruit Reg. 194]

PART 933—ORANGES, GRAPEFRUIT, AND TANGERINES GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.666 *Grapefruit Regulation 194*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933), regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective not later than February 10, 1954. Shipments of grapefruit, grown in the State of Florida, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, and, unless sooner terminated, will so continue until February 15, 1954, the recommendation and supporting information for continued regulation subsequent to February 9, 1954, and in the manner herein provided, was promptly submitted to the Department after an open meeting of the Growers Administrative Committee on February 4; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section including the effective time of this section, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of grapefruit; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time of this section.

(b) *Order.* (1) Grapefruit Regulation 193 (§ 933.662; 19 F. R. 529) is hereby terminated at 12:01 a. m., e. s. t., February 10, 1954.

(2) During the period beginning at 12:01 a. m., e. s. t., February 10, 1954, and ending 12:01 a. m., e. s. t., March 1, 1954, no handler shall ship:

(i) Any seeded grapefruit, grown in the State of Florida, (*a*) which do not grade at least U. S. No. 1; or (*b*) which are of a size smaller than a size that will pack 70 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box;

(ii) Any seedless grapefruit, grown in Regulation Area I, (*a*) which do not grade at least U. S. No. 1; or (*b*) which are of a size smaller than a size that will pack 96 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box; or

(iii) Any seedless grapefruit, grown in Regulation Area II, (*a*) which do not grade at least U. S. No. 2 Russet; or (*b*) which are of a size smaller than a size that will pack 80 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box.

(3) As used in this section, "handler," "ship," "Growers Administrative Committee," "Regulation Area I," and "Regulation Area II" shall have the same meaning as when used in said amended marketing agreement and order; and "U. S. No. 1," "U. S. No. 2 Russet," "standard pack," and "standard nailed box" shall have the same meaning as when used in the revised United States Standards for Florida Grapefruit (§§ 51.750 to 51.790 of this title).

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

Done at Washington, D. C., this 5th day of February 1954.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 54-935; Filed, Feb. 8, 1954; 8:51 a. m.]

[Tangerine Reg. 147]

PART 933—ORANGES, GRAPEFRUIT, AND TANGERINES GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.667 *Tangerine Regulation 147*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933), regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of tangerines, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publica-

tion thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective not later than February 10, 1954. Shipments of tangerines, grown in the State of Florida, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, and, unless sooner terminated, will so continue until July 31, 1954; the recommendation and supporting information for continued regulation subsequent to February 9, and in the manner herein provided, was promptly submitted to the Department after an open meeting of the Growers Administrative Committee on February 4; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time of this section, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such tangerines; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of tangerines; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed on or before the effective time of this section.

(b) *Order.* (1) Tangerine Regulation 146 (§ 933.664; 19 F. R. 530) is hereby terminated at 12:01 a. m., e. s. t., February 10, 1954.

(2) During the period beginning at 12:01 a. m., e. s. t., February 10, 1954, and ending at 12:01 a. m., e. s. t., July 31, 1954, no handler shall ship:

(i) Any tangerines, grown in the State of Florida, that do not grade at least U. S. No. 2 Russet; or

(ii) Any tangerines, grown in the State of Florida, that are of a size smaller than the size that will pack 246 tangerines, packed in accordance with the requirements of a standard pack, in a half-standard box (inside dimensions 9½ x 9½ x 19⅛ inches; capacity 1,726 cubic inches).

(3) As used in this section, "handler," "ship," and "Growers Administrative Committee" shall have the same meaning as when used in said amended marketing agreement and order; and the terms "U. S. No. 2 Russet" and "standard pack" shall have the same meaning as when used in the revised United States Standards for Florida Tangerines (§§ 51.1810 to 51.1836 of this title).

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

Done at Washington, D. C., this 5th day of February 1954.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 54-937; Filed, Feb. 8, 1954; 8:52 a. m.]

TITLE 8—ALIENS AND NATIONALITY

Chapter I—Immigration and Naturalization Service, Department of Justice

PART 263—REGISTRATION OF ALIENS IN THE UNITED STATES: PROVISIONS GOVERNING SPECIAL GROUPS

PART 475—ADMISSION OF AGRICULTURAL WORKERS UNDER SPECIAL LEGISLATION

REGISTRATION AND ANNUAL REPORTING OF ADDRESS BY AGRICULTURAL WORKERS

The following amendments to Chapter I of Title 8 of the Code of Federal Regulations are hereby prescribed:

1. Section 263.2 is amended to read as follows:

§ 263.2 *Certain Canadian citizens and British subjects; agricultural workers.* (a) The duty imposed on aliens in the United States by section 262 of the Immigration and Nationality Act to apply for registration shall not be applicable to Canadian citizens or British subjects admitted to the United States under the provisions of § 212.3 (a) or (b) of this chapter who depart from the United States within 6 months of admission. If such an alien's stay in the United States is to exceed six months, an application for registration in accordance with the provisions of section 262 of the Immigration and Nationality Act shall be made prior to the expiration of the six-month period.

(b) The duty imposed on aliens in the United States by section 262 of the Immigration and Nationality Act to apply for registration shall not be applicable to agricultural workers admitted to the United States under the provisions of Part 214k or 475 of this chapter during the time such workers maintain their nonimmigrant status. If such a worker fails to maintain the nonimmigrant status under which he has been or may be admitted, an application for registration in accordance with the provisions of section 262 of the Immigration and Nationality Act shall be made immediately.

2. The fourth sentence of § 475.21 *Recruitment centers; preliminary inspection* is amended to read as follows: "Aliens whose conditional permits have been noted by immigration officers shall be conveyed directly from the recruitment center to a reception center at or near a port of entry under the supervision of representatives of the Secretary of Labor for completion of immigration inspection."

3. Section 475.22 is amended to read as follows:

§ 475.22 *Immigration inspection at reception centers; authority to admit; hearings before special inquiry officer.* (a) An alien who presents a conditional permit, as described in § 475.21, duly noted by an immigration officer at a recruitment center, and who is found to be admissible under this part as an agricultural worker may be so admitted by the examining immigration officer, at which time such officer shall fingerprint the alien:

(1) By placing the rolled impression of the right index finger on the Form I-100a, Alien Laborer's Permit and Identification Card, which shall be prepared in duplicate in each such case; and

(2) By placing complete fingerprints of both hands on one copy of Form AR-4.

(b) The examining immigration officer shall execute the obverse of Form AR-4 and shall place thereon the serial number of Form I-100a and a stamped notation reading "Admitted as agricultural worker"; and shall mail the executed form direct to the Federal Bureau of Investigation, Washington 25, D. C.

(c) The alien shall be given the Form I-100a bearing his photograph and stating his name, place of birth, and citizenship. Such form shall be duly noted by an immigration officer to show the date, place, and period of the alien's admission to the United States and shall be signed by such officer across the bottom of the photograph, partly on the photograph and partly on the card. Such noted card shall be the sole document required for admission to the United States as an agricultural worker under this part.

(d) In any case in which the examining immigration officer at the reception center is not satisfied that an alien seeking admission under this part is admissible, the alien shall be held for hearing before a special inquiry officer, and the hearing procedure applicable generally to aliens seeking admission to the United States under the immigration laws shall be followed: *Provided, however,* That the case of an alien believed to be inadmissible to the United States under the provisions of paragraph (27), (28), or (29) of section 212 (a) of the Immigration and Nationality Act shall be handled in accordance with the provisions of section 235 (c) of that act and § 235.15 of this chapter.

(Sec. 103, 66 Stat. 173; 8 U. S. C. 1103)

This order shall become effective on the date of its publication in the FEDERAL REGISTER. Compliance with the provisions of section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U. S. C. 1003) as to notice of proposed rule making and delayed effective date is unnecessary in this instance because the rules prescribed by the order relieve restrictions and are clearly advantageous to persons affected thereby.

Dated: February 2, 1954.

HERBERT BROWNELL, Jr.,
Attorney General.

Recommended: January 18, 1954.

ARGYLE R. MACKEY,
Commissioner of Immigration and Naturalization.

[F. R. Doc. 54-887; Filed, Feb. 8, 1954; 8:49 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

Subchapter A—Civil Air Regulations

[Supplement 3]

PART 40—SCHEDULED INTERSTATE AIR CARRIER AND OPERATION RULES

MISCELLANEOUS CAA RULES

Correction

In F. R. Doc. 53-10489, appearing at page 8676 of the issue for Thursday, December 24, 1953, the following change should be made:

In the first sentence of § 40.90-1, the words "paragraph (b) of this section" should read "§ 40.91-1 (b)."

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter I—Office of Defense Mobilization

[ODM Regulation 1]

ODM REG. 1—ISSUANCE OF NECESSITY CERTIFICATES UNDER SECTION 124A OF THE INTERNAL REVENUE CODE

The following regulations are hereby prescribed by the Office of Defense Mobilization with the approval of the President pursuant to the authority contained in Executive Order 10480, dated August 14, 1953, and section 124A of the Internal Revenue Code.

Sec.

1. Definitions.
2. Criteria for determination of necessity.
3. Criteria for determination of portion of the adjusted basis attributable to defense purposes for computing the amortization deduction.
4. Procedures and responsibilities.
5. Exercise of powers of Certifying Authority.

AUTHORITY: Sections 1 to 5 issued under sec. 216, 64 Stat. 939; 26 U. S. C. Sup. 124A; E. O. 10480, Aug. 14, 1953, 18 F. R. 4939.

SECTION 1. *Definitions.* As used throughout this regulation:

(a) "Emergency facility" means any facility, land, building, machinery or equipment, or any part thereof, the construction, reconstruction, erection, installation or acquisition of which was completed after December 31, 1949, and with respect to which a Necessity Certificate has been made.

(b) "Emergency period" means the period beginning January 1, 1950, and ending on the date on which the President proclaims that the utilization of a substantial portion of the emergency facilities with respect to which Necessity Certificates have been made is no longer required in the interest of national defense.

(c) "Certifying Authority" means the Director of the Office of Defense Mobilization.

(d) "Necessity Certificate" means a certificate made by the Certifying Authority pursuant to section 124A (e) of the Internal Revenue Code, certifying that the construction, reconstruction, erection, installation or acquisition of the facilities referred to in the certificate is necessary in whole or in part in the interest of national defense during the emergency period, and stating the portion of the adjusted basis thereof which has been determined to be attributable to defense purposes within the meaning of such section 124A (e) for computing the amortization deduction under section 124A (a).

(e) "Material" means raw materials, articles, commodities, products, supplies, components, technical information and processes.

SEC. 2. *Criteria for determination of necessity.* Determination will be made by the Certifying Authority as to whether the construction, reconstruction, erection, installation or acquisition of the facility (in whole or in part) is necessary in the interest of national defense during the emergency period.

(a) *Material or service required for national defense.* In making the determination of necessity, a determination will be made that the material or service to be produced with the proposed facility is required in whole or in part in the interest of national defense during the emergency period. A material or service will not be found to be so required unless it is directly required for the Armed Services of the United States or auxiliary personnel, for civil defense, for the Atomic Energy Commission, or for any operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended; or unless it is necessary for the production of a material or service directly required in the interest of national defense during the emergency period; or unless it is otherwise necessary in the interest of national defense.

(b) *Shortage of facilities for the production of material or service required for national defense.* In making the determination of necessity, a determination will be made that at the time of the beginning of construction, reconstruction, erection, installation or acquisition of the facility, there was or is an existing or prospective overall shortage of facilities for the production of the material or service produced or to be produced by the facility sought to be certified. Consideration will be given to the necessity for and adequacy of facilities for the production of a material or service in a particular region, the necessity for stand-by capacity, and any other factors contributing to or threatening a shortage of facilities for producing such material or service. A shortage will be found to exist only with respect to facilities required to meet expansion goals determined by the Office of Defense Mobilization.

(c) *Other considerations.* In making the determination of necessity, consideration will also be given to other factors such as: new or improved technology; assurance of a fair opportunity for participation by small business; the promotion of competitive enterprise; the competence, performance record and other factors bearing upon the ability of the applicant to construct or acquire, and manage the proposed facility; location of the facility with due regard to military security and dispersion criteria and standards; the degree to which the facility will alleviate the shortage of production; other forms of financial assistance provided by the Government; and the availability of manpower, housing, community facilities, transportation and other factors of production. An existing or prospective shortage of facilities for the production of a material or service necessary in the interest of national defense will not be considered alleviated by:

(1) The acquisition of the productive assets of a going concern or second-hand facilities unless:

(i) Clear prospect of a substantial increase in the usefulness of such facilities for national defense exists and such increase cannot be obtained by other practical means; or

(ii) Substantial loss of usefulness for national defense would probably result in the absence of such acquisition.

(2) The construction, reconstruction, erection, installation or acquisition of that part of a facility which is or will be used in lieu of existing facilities, except to the extent considered extraordinary and necessitated by reason of the emergency.

SEC. 3. *Criteria for determination of portion of the adjusted basis attributable to defense purposes for computing the amortization deduction.* Determination will be made by the Certifying Authority as to the portion of the adjusted basis upon which the amortization deduction under section 124A (a) shall be computed.

(a) In determining the portion to be certified, the Certifying Authority will consider the probable economic usefulness of the facility after five years and the additional incentives to the minimum amount deemed necessary to secure the expansion of industrial capacity in the interest of national defense during the emergency period. For this purpose, consideration will be given to such factors as the character of the business, including the source, amount and nature of the materials required for the expansion and the material or service to be produced; the manufacturing or servicing processes involved; normal depreciation rates; expansion in competitve fields; the extent of risk assumed, including the amount and source of capital employed; the potentiality of recovering capital or retiring debt through tax savings or pricing; the relative expansion needed; the economic consequences of the location of the facility due to security or other emergency factors; increased costs due to expedited construction or emergency conditions; the historical background of the industry; the extent to which the facility is being or will be used in lieu of existing facilities; assistance to small business and the promotion of competitive enterprise; compliance with Government policies, e. g., manpower and dispersion; and other relevant factors. Land will not ordinarily be certified. The percentage certified shall be closely related to the provision of other financial incentives provided by the Government to encourage the construction of facilities, such as direct Government loans, guarantees and contractual arrangements, so that these incentives separately or in combination will secure the needed expansion at mini-

mum cost to the Treasury. Where percentage certification patterns for individual industries are established, adjustments upward or downward may be made for special factors.

SEC. 4. *Procedures and responsibilities*—(a) *Application form.* Formal application shall conform to the standard form prescribed by the Certifying Authority and shall be executed in the manner and by the person prescribed by the form. The standard form of application for a Necessity Certificate may be obtained from the Office of Defense Mobilization, Washington 25, D. C., or from Department of Commerce field offices.

(b) *Classified information.* If the application or its filing would involve the disclosure of information which has a security classification, the applicant shall, prior to the filing of his application, request instruction from the Government agency with which he has classified contract relations.

(c) *Filing of application.* All applications for Necessity Certificates shall be filed with the Office of Defense Mobilization in Washington, D. C., and shall be deemed to be filed when received by that agency.

(d) *Time of filing applications, and cases in which determination of necessity must be made before beginning of construction.* (1) Application for a Necessity Certificate for facilities the construction, reconstruction, erection or installation of which was begun or which were acquired prior to March 1, 1952, or for facilities acquired on or subsequent to March 1, 1952, must be filed before the expiration of six months after the beginning of such construction, reconstruction, erection or installation, or the date of such acquisition.

(2) (i) Applications for Necessity Certificates for any building, structure or other real property, or for the installation of facilities which will become an integral and permanent part of any building, structure or other real property the construction, reconstruction, erection or installation of which is begun on or after March 1, 1952, must be filed prior to the beginning of such construction, reconstruction, erection or installation, except that,

(ii) An application for a Necessity Certificate for any building, structure or other real property or for the installation of facilities which will become an integral and permanent part of any building, structure or other real property the construction, reconstruction, erection or installation of which is begun subsequent to the closing of an expansion goal and prior to the reopening of such expansion goal, must be filed before the expiration of 30 days after the reopening of such expansion goal. Certification in such cases may be made for only that part of any facility which is constructed, reconstructed, erected, installed, or acquired not earlier than six months prior to the date of filing of such application.

(3) (i) Facilities at any one location involving the construction, reconstruction or erection of any building, structure or other real property, or the installation of facilities which will become an integral and permanent part of any building, structure or other real property, and which are estimated by the applicant to cost $100,000 or more, excluding the cost of land, the construction, reconstruction, erection or installation of which is begun on or after March 1, 1952, and prior to December 3, 1953, will not be eligible for certification within the meaning of this regulation unless a determination of necessity is made by the Certifying Authority as evidenced by the issuance of a Necessity Certificate or a Letter of Predetermination prior to the beginning of such construction, reconstruction, erection or installation.

(ii) The term "Letter of Predetermination" shall mean a written communication to the applicant from the Certifying Authority stating that there is a shortage of the facilities for which certification is requested, that the material or service to be produced thereby is necessary in the interest of national defense, and that thereafter the beginning of construction, reconstruction, erection or installation of the facilities for which certification is requested will not in itself prejudice the applicant's eligibility for a Necessity Certificate.

(4) For purposes of subparagraphs (1), (2) (i) and (ii), and (3) (i) and (ii) of this paragraph, the following definition shall apply: Construction, reconstruction, erection or installation is deemed to begin with the incorporation in place on the site by the applicant or by any other person pursuant to any contract, understanding or arrangement, directly or indirectly for or with the applicant, of physical materials as an integral and permanent part of any building, structure or other real property (for example, the pouring or placing of footings or other foundations). Acquisition of land; engineering; contracting for construction; preparation of site; building of access roads; excavation; demolition; installation of service utilities required for construction; the fabrication, production or processing of building materials or building equipment; or the acquisition of personal property to be installed in the building, structure or other real property does not constitute beginning of construction, reconstruction, erection or installation.

(e) *Modification of regulations.* The provisions of this regulation concerning the filing of applications for Necessity Certificates may be changed by the Certifying Authority. Such change shall be made effective not less than 15 days after publication in the FEDERAL REGISTER.

(f) *Referral of application.* Each application, after acknowledgement, will be referred to that agency or officer of the Government according to its respective assigned responsibilities under the Defense Production Act of 1950, as amended. The military department or other Government agency directly interested in the production of the material or service involved in the application for a Necessity Certificate shall on request of any agency or officer to whom the application has been referred, and may in any case, supply such information and advice as may aid the agency or officer in making his report and recommendation to the Certifying Authority.

(g) *Responsibilities of agencies and officers other than Certifying Authority.* Delegate agencies or officers of the Government to which an application is referred, shall be responsible for making a report and recommendation for specific action to the Certifying Authority regarding each application. Such report and recommendation shall be based upon a thorough examination and investigation conducted by the delegate agency or officer or by other competent Government agencies or officers. Such reports shall conform to instructions issued by the Certifying Authority.

(h) *Action by the Certifying Authority.* After consideration of relevant factors, including but not limited to the reports of the delegate agencies and officers of the Government, the Certifying Authority will take action upon the application.

(i) *Necessity Certificates.* Upon approval of an application, a Necessity Certificate will be forwarded to the Commissioner of Internal Revenue and will constitute conclusive evidence of certification by the Certifying Authority that the facilities therein described are necessary in the interest of national defense and of the portion of the adjusted basis upon which the amortization deduction under section 124A (a) shall be computed. The Certifying Authority will not certify the accuracy of the cost of any facility nor of any date relative to the construction, reconstruction, erection, installation or acquisition thereof. It will be incumbent upon taxpayers electing to take the amortization deduction to establish to the satisfaction of the Commissioner of Internal Revenue the identities of the facilities, the costs thereof, and the dates relative thereto.

(j) *Further description after certification.* (1) Where the actual description or cost of a certified facility varies or will vary so materially from the description or cost in the application for a Necessity Certificate as to put in question the identity of the facility, the taxpayer may request an amendment of the certificate by filing a statement with the Certifying Authority setting forth the revised description or cost.

(2) The statement should consist of four copies of an amended Appendix A setting forth all of the emergency facilities certified with their revised descriptions or costs in the same order in which such emergency facilities were listed on the original Appendix A. However, where the original Appendix is lengthy and only a few variations or changes are involved, the four copies of the amended Appendix A may list only the facilities changed. In all instances, the amended descriptions or costs should be identified, by item and page number, with the descriptions or costs contained in the original Appendix A and should be accompanied by a letter explaining all changes with the reasons therefor.

(3) If the Certifying Authority is of the opinion that the varied or changed costs or descriptions are within the scope of the original certification, the amended Appendix A will be forwarded by the Certifying Authority to the Commis-

sioner of Internal Revenue for substitution for the original Appendix A attached to the original certificate to have the effect of an amendment thereof. A copy of the amendment will be transmitted to the taxpayer.

(4) Although reasonable substitutions for facilities previously certified may be determined to be within the scope of the original certification, additional facilities, as a general rule, will not be considered to be within the scope of the original certification and will require a separate new application which may be subject to the provisions of paragraph (d) (3) (i) of this section. The Certifying Authority may, however, afford a filing date for such separate application which will correspond to the date on which the application for amendment was filed for the facilities found to be outside the scope of the original certification.

(k) *Cancellation or amendment of Necessity Certificate.* The Certifying Authority may (1) cancel any Necessity Certificate where it has been obtained by fraud or misrepresentation or has been issued through error or inadvertence, or (2) amend any Necessity Certificate for sufficient cause.

SEC. 5. *Exercise of powers of Certifying Authority.* (a) Any actions taken in exercise of the powers and authority vested in the Director of the Office of Defense Mobilization, by Executive Order 10480, dated August 14, 1953, under section 124A (e) of the Internal Revenue Code may be taken in the name of the Office of Defense Mobilization by the Director's authorized representative.

(b) The Director may for good and sufficient reason in the interest of national defense make exceptions to the requirements for filing in section 4 (d) (2) (i) and (ii) and the requirements of section 4 (d) (3) (i).

DPA Regulation No. 1, as amended, dated February 14, 1952, is hereby superseded.

Effective date: December 3, 1953.

ARTHUR S. FLEMMING,
Director of the Office of Defense Mobilization.

Approved: February 2, 1954.

DWIGHT D. EISENHOWER,
The White House.

[F. R. Doc. 54-906; Filed, Feb. 8, 1954; 8:51 a. m.]

Chapter VI—Business and Defense Services Administration, Department of Commerce

[BDSA Order M-41, as Amended February 5, 1954]

M-41—METALWORKING MACHINES—DELIVERY

This order as amended is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of BDSA Order M-41, as amended, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

BDSA Order M-41 (formerly NPA Order M-41) as amended February 27, 1953, has been amended to eliminate certain items from Exhibit D (redesignated as Exhibit B) and to reduce required deliveries of metalworking machines (other than those listed in Exhibit B as redesignated) to service purchasers from 60 percent to 40 percent. At the same time, the order has been generally revised both for purposes of clarification and to conform its provisions to comparable provisions of more recent BDSA orders and regulations. Sections 11 and 13 have been deleted and the various sections have been renumbered.

Sec.
1. What this order does.
2. Definitions.
3. Scheduling of deliveries to service purchasers.
4. Distribution of production among service groups.
5. Treatment of fractions.
6. Operation of Numerical Preference List.
7. Information to be furnished with new purchase orders.
8. Changes and amendments.
9. Rejection of rated orders.
10. Effect of this order on BDSA Reg. 2.
11. Pool orders.
12. Request for adjustment or exception.
13. Records and reports.
14. Communications.
15. False statements.
16. Violations.

AUTHORITY: Sections 1 to 16 issued under sec. 704, 64 Stat. 816, Pub. Law 95, 83d Cong.; 50 U. S. C. App. Sup. 2154. Interpret or apply Sec. 101, 64 Stat. 799, Pub. Law 95, 83d Cong.; 50 U. S. C. App. Sup. 2071; E. O. 10480, Aug. 14, 1953, 18 F. R. 4939.

SECTION 1. *What this order does.* This order regulates the delivery of metalworking machines pursuant to rated orders. It requires all producers to schedule their deliveries pursuant to such orders in accordance with the provisions of this order. While it applies particularly to rated orders of service purchasers (as defined), it also has application to rated orders of other persons (including specifically the Atomic Energy Commission and its contractors).

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

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

(b) "BDSA" means the Business and Defense Services Administration of the United States Department of Commerce.

(c) "GSA" means the General Services Administration.

(d) "Metalworking machine" means any new, nonportable, power-driven item of plant equipment which is listed in Exhibit A, appearing at the end of this order, and has a producer's list price for the basic machine itself of $1,000 or more. The producer's list price for the basic machine itself means the sale price at which the producer's catalog or other price publication lists the basic machine, exclusive of the motor, motor drive, or any attachments therefor, unless the motor, motor drive, or attachments are initially built into the basic machine itself, as an integral part thereof, in which case the producer's list price for the basic machine shall be the sale price at which the producer lists the machine as an assembled unit. The term "metalworking machine" includes all fixtures, equipment, and tooling covered by the original purchase order which are required to be delivered with the basic machine to make it usable in production for the purposes intended. It does not include replacements, spare parts or equipment, or extra tooling.

(e) "Producer" means any person engaged in the manufacture and production of metalworking machines.

(f) "Service group" means a subdivision of the Department of Defense. For the purposes of this order, there are deemed to be seven such subdivisions, consisting of the following: Ordnance, Army less Ordnance, Bureau of Ordnance (Navy), Bureau of Ships (Navy), Miscellaneous Bureaus and Offices (Navy), Bureau of Aeronautics (Navy), and Air Force.

(g) "Service purchasers" means those persons whose purchase orders for metalworking machines call for delivery to a service group, or to one of such group's prime contractors, or to a subcontractor of such a prime contractor. However, no such purchaser shall be considered a service purchaser unless his order is accompanied by a DO rating in accordance with existing regulations.

(h) "Size" includes all of those dimensions or variations of a particular type of metalworking machine which can be used interchangeably for production purposes. Size classification shall be that used by each producer on the effective date of this order, unless he is hereafter authorized to use a different classification. Producers may apply for such permission by letter to the BDSA.

SEC. 3. *Scheduling of deliveries pursuant to rated orders.* (a) Subject to the provisions of paragraphs (b), (c), and (d) of this section and starting March 1, 1954, and on the first day of each succeeding month, each producer shall schedule in accordance with the provisions of this order his deliveries of metalworking machines during the fourth ensuing month pursuant to rated orders whether placed by service purchasers or by other persons; for example, such deliveries for the month of June 1954 would be scheduled on March 1, 1954.

(b) To the extent that a producer has rated orders on hand from service purchasers requiring delivery in the month being scheduled, he shall arrange his schedule so as to deliver to service purchasers (i) all such orders up to 70 percent of his production of each size of the classifications listed in Exhibit B of this order, and (ii) all such orders up to 40 percent of each size of any classification not listed in Exhibit B.

(c) To the extent that a producer has rated orders on hand from service purchasers requiring delivery in the month being scheduled of more than 70 percent of his production in that month

of any size of the classifications listed in Exhibit B, he shall not be required in any such case to schedule for delivery more than 70 percent to service purchasers, even though there be fewer rated orders from other purchasers than the equivalent of 30 percent of his production of such size. To the extent that a producer has rated orders on hand from service purchasers requiring delivery in the month being scheduled of more than 40 percent of his production in that month of any size of any classification not listed in Exhibit B, he shall not be required in any such case to schedule for delivery more than 40 percent to service purchasers, even though there be fewer rated orders from other purchasers than the equivalent of 60 percent of his production of such size.

(d) After scheduling his deliveries of any size of metalworking machine to service purchasers for any month in accordance with paragraphs (b) and (c) of this section, a producer shall schedule the balance of his production of that size of machine for such month so as to fill to the extent possible all rated orders from other purchasers requiring delivery in that month.

(e) Deliveries of metalworking machines during each of the months February 1954 through May 1954 shall be made in accordance with the provisions of BDSA Order M-41 (formerly NPA Order M-41) as amended February 27, 1953.

SEC. 4. *Distribution of production among service groups.* (a) In scheduling deliveries of any size of metalworking machine in fulfillment of rated orders placed by service purchasers, each producer shall schedule such deliveries as between the several service groups in accordance with monthly service quotas for each service group to be determined as provided in this section.

(b) Each producer shall determine the quantity of each size of metalworking machine represented by rated orders on his books for each service group as of a date 90 days prior to the first day of the month then being scheduled, or, at the producer's option, the nearest date within 10 days thereof on which he may have compiled his records of orders. Only those rated orders which by their terms require delivery in the month being scheduled, or in a month previous thereto, shall be considered for this purpose. The number of machines of each size so determined for each service group shall be termed the "net backlog" of that service group for that size of metalworking machine.

(c) Each producer shall then determine the "total net backlog" for each size of metalworking machine by adding together the net backlogs of all service groups for each particular size of metalworking machine.

(d) Each producer shall then determine, subject to the provisions of section 3 of this order, the total number of metalworking machines of a particular size being scheduled by him for delivery pursuant to rated orders of service purchasers for that month and such total shall be termed the "total service group quota." The monthly quota of each size of metalworking machine for any particular service group shall be that proportion of the total service group quota which the net backlog of such particular service group bears to the total net backlog. Each producer shall then schedule deliveries pursuant to rated orders of service purchasers for the month being scheduled so that each service group will be scheduled for its service quota for that month determined as provided in this section.

(e) During each month each producer shall deliver, pursuant to rated orders of service purchasers of each service group, a total number of metalworking machines of each size equal to the quota of that service group of that size for that month. However, no producer shall schedule delivery of any metalworking machine for any service group earlier than the date on which the purchaser requires delivery, unless all required delivery dates on other rated orders for the same size of metalworking machine are being met.

SEC. 5. *Treatment of fractions.* Where the number of metalworking machines which results from any computation required by this order contains a fraction of one-half or more, the fraction shall be counted as a whole metalworking machine. A fraction under one-half shall be disregarded. Where each of the computations of two or more different service quotas for the same month shows a fraction of one-half or more, and there is only one remaining metalworking machine to which such fraction can apply, such metalworking machine shall be allotted to the service group having the largest service quota.

SEC. 6. *Operation of Numerical Preference List.* A Numerical Preference List covering the various service groups will be supplied to producers. In connection with scheduling deliveries for each month pursuant to sections 3 and 4 of this order, this list shall determine the sequence of scheduling of purchase orders for delivery as between service purchasers within each service group as follows:

(a) In scheduling purchase orders for delivery, service purchasers who are on the list shall take precedence over service purchasers who are not on the list.

(b) As between purchase orders having conflicting required delivery dates, delivery of which is to be made to service purchasers on the list within the particular service group, the purchase order of the service purchaser with the higher urgency standing shall be scheduled for delivery ahead of the service purchaser with the lower urgency standing. The highest urgency standing is No. 1.

(c) Scheduling for delivery to a subcontractor or a subcontractor of a subcontractor shall be made in accordance with the urgency standing of his prime contractor and the prime contract number. However, no such subcontractor may use the urgency standing of the prime contractor unless such use is approved by the prime contractor and endorsed by the service department, supply arm, or bureau concerned.

(d) If the urgency standing certified by the purchaser differs from the urgency standing shown for the particular contractor for the particular contract in question on the Numerical Preference List, the latter shall govern.

(e) If the urgency standing of a prime contract is changed by virtue of a revision of the Numerical Preference List, a producer shall not require the purchaser to furnish the new urgency standing, provided such purchaser has furnished to the producer all of the information required under section 7 of this order.

(f) Regardless of the urgency standing certified with the purchase order, no delivery of metalworking machines shall be made prior to the required delivery dates, unless all required delivery dates on other orders for the same size of metalworking machines are being met.

(g) Changes may be made in the Numerical Preference List from time to time by BDSA. Such changes will be effective when scheduling for the next "delivery month." If an interim change is made, the new urgency standing will consist of a number including a decimal. Such an urgency standing will take a position in the sequence of deliveries as indicated by the following example: Urgency standing 92.1 will be delivered after 92 and before 93. Complete revisions of the Numerical Preference List may be made from time to time, and at such times the interim changes will be integrated in the revised Numerical Preference List. Such revised Numerical Preference List will use whole numbers and will be dated. Scheduling under this order will be controlled by the Numerical Preference List in force on the date of scheduling, irrespective of the urgency standing furnished by the purchaser at the time of the placing of the order.

(h) The sequence of conflicting deliveries to service purchasers who are not listed on the Numerical Preference List within each service group shall be determined in accordance with the provisions of BDSA Reg. 2.

SEC. 7. *Information to be furnished with new purchase orders.* (a) All purchasers must indicate specifications or other descriptions of the metalworking machines being ordered in sufficient detail to enable the producer to place the same on his production schedule and must indicate the required delivery date thereof.

(b) All service purchasers must indicate the service group which placed or sponsored the prime contract or subcontract for which the metalworking machine being purchased is to be used, the specific prime contract number, claimant agency number and the urgency standing, if any. If such service purchaser is a subcontractor or a subcontractor of a subcontractor, he must also state the name of the prime contractor.

SEC. 8. *Changes and amendments.* Notwithstanding any other provision of this order, BDSA may amend this order and any of its exhibits, may direct or change any schedule of production or delivery of metalworking machines, may allocate any order for metalworking machines from one producer to another producer, and may divert or otherwise direct the delivery of any metalworking

machine from one person to another person.

SEC. 9. *Rejection of rated orders.* A producer need not accept a rated order which he receives less than 3 months prior to the first day of the month in which delivery is requested.

SEC. 10. *Effect of this order on BDSA Reg. 2.* To the extent that this order is in conflict with BDSA Reg. 2 (formerly NPA Reg. 2), the provisions of this order shall control. In all other respects, BDSA Reg. 2 shall continue in full force and effect.

SEC. 11. *Pool orders.* BDSA will from time to time furnish GSA with recommendations for ordering metalworking machines. Under a working arrangement between GSA and BDSA, GSA will place firm orders (herein sometimes called "pool orders") with producers of metalworking machines in accordance with such recommendations. The pool orders so placed by GSA will contain, among other provisions, a provision requiring any producer, on or after the date therein specified, to eliminate items from any such order to the extent that equivalent items manufactured by such producer are invoiced or shipped (whichever is earlier) pursuant to purchase orders from others or to orders and directions of BDSA.

SEC. 12. *Request for adjustment or exception.* Any person subject to any provision of this order may file a request for adjustment or exception upon the ground that such provision works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense or in the public interest. The filing of a request for adjustment or exception shall not relieve any person of his obligation to comply with any such provision. In examining requests for adjustment or exception claiming that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of the public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each request shall be in writing, by letter in triplicate, and shall set forth all pertinent facts, the nature of the relief sought, and the justification therefor.

SEC. 13. *Records and reports.* (a) Each person participating in any transaction covered by this order shall make and preserve, for at least 3 years thereafter, accurate and complete records of receipts, deliveries, inventories, production and use, in sufficient detail to permit the determination, after audit, whether each transaction complies with the provisions of this order. This order does not specify any particular accounting method and does not require alteration of the system of records customarily used, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals by those persons who, at the time such microfilm or other photographic records are made, maintain such copies of records in the regular and usual course of business.

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

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

SEC. 14. *Communications.* All communications concerning this order shall be addressed to the Business and Defense Services Administration, Washington 25, D. C., Ref: BDSA Order M–41.

SEC. 15. *False statements.* The furnishing of false information or the concealment of any material fact by any person in the course of operation under this order constitutes a violation of this order by such person.

SEC. 16. *Violations.* Violation of any provision of this order may subject any person committing or participating in such violation to administrative action to suspend his privilege of making or receiving further deliveries of materials, or using materials or facilities, under priority or allocation control and to deprive him of further priority and allocation assistance. In addition to such administrative action an injunction and order may be obtained prohibiting any such violation and enforcing compliance with the provisions hereof. Any person who wilfully violates any provision of this order, or who wilfully furnishes false information or conceals any material fact in the course of operation under this order, is guilty of a crime and upon conviction may be punished by fine or imprisonment or both.

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

This order, as amended, shall take effect February 5, 1954.

BUSINESS AND DEFENSE SERVICES ADMINISTRATION,
CHAS. F. HONEYWELL,
Administrator.

EXHIBIT A OF BDSA ORDER M–41

Ammunition machinery.
Beading machines.
Boring machines.
Brakes.
Broaching machines.
Buffing machines.
Centering machines.
Chamfering machines.
Cut-off machines.
Die-sinking machines.
Drilling machines.
Duplicating machines.
Extruding machines.
Filing machines.
Forging machines.
Forging rolls.
Gear-cutting machines.
Gear-finishing machines.
Grinding machines.
Hammers.
Headers.
Key-seating machines.
Lapping machines.
Lathes.
Levelers.
Marking machines.
Measuring and testing machines, except physical property test equipment.
Milling machines.
Nibbling machines.
Oil-grooving machines.
Pipe flanging-expanding machines.
Planers.
Polishing and buffing machines.
Presses.
Profiling machines.
Punching machines.
Reaming machines.
Rifle and gun working machines.
Riveting machines.
Rolling machines.
Sawing machines.
Screw and bar machines
Shapers.
Swagers.
Tapping machines.
Threading machines.
Shearing machines.
Slotters.
Upsetters.

EXHIBIT B OF BDSA ORDER M–41

Jig-boring machines.
Jig-grinding machines.
Jig-milling machines.
Milling machines No. 4 and larger.

[F. R. Doc. 54–907; Filed, Feb. 5, 1954; 1:07 p. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 203—BRIDGE REGULATIONS

LAKE WORTH, FLA.

Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U. S. C. 499), § 203.440 governing the operations of Flagler Memorial and Royal Park bridges over Lake Worth between Palm Beach and West Palm Beach, Florida, from January 1 to April 30 and November 15 to December 31 of each year, is hereby prescribed as follows:

§ 203.440 *Lake Worth (Intracoastal Waterway), Fla.; Flagler Memorial and Royal Park bridges, Palm Beach, Florida.* (a) During the period November 15 to April 30, both dates inclusive, the owner of or agency controlling these bridges will not be required to open the draw-spans between the hours of 7:30 a. m. and 9:30 a. m., and between the hours of 4:30 p. m. and 6:30 p. m., except on the hour and the half-hour when the draws shall be opened to allow all accumulated vessels to pass, and except as provided in paragraph (b) of this section.

(b) The draws shall be opened to allow the passage of a vessel in distress or of a commercial tow at any time upon the sounding by the vessel of four blasts of a whistle or horn.

(c) The owner of or agency controlling these bridges shall erect signs on both sides of each bridge which clearly indicate the nature of the regulations

and which meet the approval of the District Engineer in charge of the locality.

[Regs., Jan. 14, 1954, 823.01 (Lake Worth, Fla.)–ENGWO] (28 Stat. 362; 33 U. S. C. 499)

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

[F. R. Doc. 54-874; Filed, Feb. 8, 1954; 8:45 a. m.]

PART 204—DANGER ZONE REGULATIONS

CHOCTAWHATCHEE BAY, FLORIDA, AND GULF OF MEXICO IN VICINITY OF CHOCTAWHATCHEE BAY

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U. S. C. 1) and Chapter XIX of the Army Appropriations Act of July 9, 1918 (40 Stat. 892; 33 U. S. C. 3), § 204.130 establishing and governing the use and navigation of waters of Choctawhatchee Bay, Florida, and the Gulf of Mexico in the vicinity of Choctawhatchee Bay, comprising aerial gunnery ranges of the Air Proving Ground Command, Eglin Air Force Base, Florida, is hereby amended by changing the heading and subparagraph (4) of paragraph (a) to read as follows:

§ 204.130 *Gulf of Mexico from St. Andrew Bay to Choctawhatchee Bay, and Choctawhatchee Bay; aerial gunnery and bombing ranges, Air Proving Ground Command, Eglin Air Force Base, Florida*—(a) *The danger zones.* * * *

(4) *Aerial gunnery range along north shore of Choctawhatchee Bay.* The waters of Choctawhatchee Bay within an area described as follows: Beginning at a point in the waters of Choctawhatchee Bay at latitude 30°26'00", longitude 86°25'30"; thence north to the shore at longitude 86°25'30"; thence southeasterly and northeasterly along the shore to longitude 86°15'00"; thence south to latitude 30°26'29", longitude 86°15'00"; thence southwesterly to latitude 30°26'12", longitude 86°20'35"; thence north to latitude 30°26'57", longitude 86°20'35"; thence southwesterly to the point of beginning.

* * * * *

[Regs., Jan. 13, 1954, 800.2121 (Choctawhatchee Bay)—ENGWO] (40 Stat. 266, 892; 33 U. S. C. 1, 3)

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

[F. R. Doc. 54-875; Filed, Feb. 8, 1954; 8:45 a. m.]

PART 210—PROCUREMENT ACTIVITIES OF THE CORPS OF ENGINEERS

Part 210, including §§ 210.1 to 210.4, is revised to read as follows:

Sec.
210.1 Advance notices to prospective bidders.
210.2 Notice of award.
210.3 Notice to proceed.
210.4 Appeals.

AUTHORITY: §§ 210.1 to 210.4 issued under R. S. 161; 5 U. S. C. 22. Interpret or apply 62 Stat. 21; 41 U. S. C. 151–161.

§ 210.1 *Advance notices to prospective bidders.* In connection with all construction projects estimated to cost $100,000 or more for which an invitation is scheduled to be issued, an advance notice to prospective bidders will be prepared sufficiently in advance of the actual issuance of the invitation to stimulate interest on the part of the greatest possible number of contractors. Advance notices may also be prepared on projects estimated to cost less than $100,000 and for supplies where considered desirable. However, when an advance notice is used to circularize prospective bidders, copies of the invitation, when issued, will not be used to again circularize all prospective bidders but will be furnished to only those requesting same. Information on several projects for which invitations are scheduled to be issued may be grouped in one advance notice provided that information on any project or projects is not unduly delayed in order to be grouped with others. Advance notices will contain in general the following information:

(a) Name and address of contracting office.

(b) Invitation number of proposed invitation.

(c) Tentative dates for issuance of invitation and opening of bids or period of advertising.

(d) Description of the work to be performed or supplies to be furnished including approximate quantities except that where a large number of items are involved in a construction project only the most important will be shown or in the case of a supply invitation items may be grouped under general headings.

(e) Location of the project including state, county and nearest railhead or point of access, or in the case of supplies the point of delivery.

(f) Time allowed for commencement and completion of the work or delivery time.

(g) Bond requirements.

(h) Any other contract provisions or requirements, such as liquidated damages, considered of special interest to bidders.

(i) Information on obtaining drawings, specifications and bidding papers, including any deposit required. A suitable form request will be attached to the advance notice for the convenience of prospective bidders and/or subcontractors in requesting copies of the bidding documents.

§ 210.2 *Notice of award.* The successful bidder will be notified in writing of the acceptance of its bid. Under construction contracts this notice may accompany the contract papers which are forwarded to him for execution. To avoid error, or confusing the notice of award with a notice to proceed, the notice of award will be in substantially the following form:

You are hereby notified that your bid dated _____ in the sum of _____ is accepted. A formal contract will be prepared for execution. Acceptable performance and payment bonds (if required) must be furnished upon execution of the formal contract. If approval of the contract is required by its express terms, the contract is not fully executed until such approval is obtained.

Under supply contracts an award mailed (or otherwise furnished) to the successful bidder within the time for acceptance specified in the bid results in a binding contract without further action by either party. This may be accomplished by executing Standard Form 26 when using the long form contract or Standard Form 33 when using the short form contract.

§ 210.3 *Notice to proceed*—(a) *General.* When the contract specifies the time when the contractor is to proceed with the work under the contract, a notice to proceed will not be required. However, in any case where the contract requires the issuance of notice to proceed, the notice will be forwarded by registered mail, return receipt requested, and will fix the time for the commencement of the work and also, if appropriate, will fix the time for the completion of the work. The notice to proceed will be executed in triplicate, and will bear the contract number in the upper right-hand corner of the notice.

(b) *Contractor's acknowledgment.* When a notice to proceed is issued, the contractor will acknowledge receipt thereof by signing and dating the acknowledgment in triplicate. The original and one copy will be returned to the contracting officer and the third copy retained by the contractor.

(c) *Commencing performance.* Contractors in no case will be required to begin performance prior to the commencement date fixed in the contract or in a notice to proceed. If they voluntarily do so they act at their own risk, if the contract is ultimately not signed (and approval when required). Contractors will not be required to commence performance until (1) the contractor has furnished performance and payment bonds, when required, and (2) the contract is signed by the contractor and the contracting officer, and approved, when approval is required.

§ 210.4 *Appeals*—(a) *Provisions for appeal.* The standard contract forms provide an orderly method of taking appeals from decisions of the contracting officer.

(b) *Findings of fact*—(1) *Construction contracts.* If the contractor appeals from the contracting officer's decision on any dispute involving a question of fact, the contracting officer will make thorough findings of fact and serve a true copy thereof upon the contractor and invite his prompt response thereto.

(2) *Supply contracts.* In rendering a decision on any dispute involving a question of fact, the contracting officer will prepare and sign findings of fact, a true copy of which with his written decision will be promptly furnished the contractor.

(c) *Rules of the Corps of Engineers Claims and Appeals Board; introduction.* The following rules are promulgated by the Corps of Engineers Claims and Appeals Board, Office of the Chief of Engineers, for the guidance of contractors having contracts with the Corps of Engineers and others concerned.

(1) *Rule 1: Appeals, how taken.* An appeal from the decision of a contracting officer must be in writing, addressed to the appellate authority named in the contract and filed with the officer from whose decision the appeal is taken, within the time allowed by the contract. Where the findings of fact are furnished to the contractor with the decision of the contracting officer as in the case of supply contracts and the contractor seasonably files an appeal from such decision, he shall respond to the findings of fact within 15 days from the date upon which his appeal is filed, or such longer period as may be granted by the contracting officer. In the event the appellant fails to respond to the findings of fact within such period of time the contracting officer will transmit the record to the appellate authority without such response. In the case of construction contracts it is not customary to furnish findings of fact until after the contractor has filed an appeal. In such case if the appellant fails to respond within 15 days to the findings of fact, or such longer period as the contracting officer may grant, the record will be transmitted to the appellate authority without such response.

(i) *Form, size and number of papers filed.* Appeals, notices, motions, applications, stipulations, briefs, depositions, and other papers if typewritten, filed with the Board shall be typewritten on one side of the paper only, with margin of 1½ inches on the left of the page, and, as far as practicable shall be upon paper 8½ x 11 inches in size. The papers shall be fastened on the left side with covers or backs. Four copies of each of such papers, whether typewritten or not, except stipulations and depositions, will be filed.

(ii) *Number to be assigned to proceedings.* The recorder shall assign a number to each appeal coming before the Board, which number will be placed on all papers in the case. An appeal as used herein means one or more disputes which, in the opinion of the Board, can be conveniently considered as a group at the same time.

(2) *Rule 2: Forms of appeals.* An appeal may take the form of a notice of appeal. A notice of appeal should indicate that an appeal is thereby intended, and should identify the contract (by number), the decision from which the appeal is taken, the date of the decision, the contractual provisions concerned in the dispute, the nature of the dispute and the relief sought by the appeal. Specific facts and argument in support of the appeal, complete in reasonable detail, should either be included in the notice of appeal, or submitted directly to the Board within 30 days of the filing of the notice of appeal, or within such longer period of time as may be allowed by the Board. A suggested form of notice of appeal is contained in paragraph (d) of this section but the notice of appeal may be in the form of a letter or in any other form which presents the necessary information. The notice of appeal should be signed personally by the contractor taking the appeal, or by an officer of the appellant corporation or member of the appellant firm, or by the contractor's duly authorized representative.

(3) *Rule 3: Time of filing to be endorsed.* When a notice of appeal in any form has been received by the contracting officer, he shall endorse thereon the date of filing and forward the appeal through channels to the Corps of Engineers Claims and Appeals Board, Office of the Chief of Engineers, Washington 25, D. C.

(4) *Rule 4: Scope of hearing.* Attention is invited to the Disputes Article of the contract which establishes this Board's jurisdiction. That article provides that disputes over questions of fact are to be decided by the contracting officer subject to written appeal within the time prescribed in the contract. Therefore this Board is without jurisdiction to consider appeals from a decision by the contracting officer if filed after the time permitted by the contract. Equally it has no jurisdiction to consider disputes which have not heretofore been presented to and decided by the contracting officer. The Board determines what issues were before the contracting officer and hence will be before the Board by examination of the record with particular reference to the claim, the decision of the contracting officer, the findings of fact and response to the findings of fact. If either side desires that additional data be presented, supplementary to that contained in the record before the Board, this may be done by the filing of appropriate memoranda or at a hearing, if a hearing is desired. Such evidence may be submitted as is pertinent to the issues presented to and decided by the contracting officer from whose decision appeal has been made. The hearing will be recorded and a transcript will be made available to the appellant at cost if prior request for same has been made. If counsel is employed by the appellant he, as well as the appellant, will be required to conform with Army Special Regulation No. 600–785–1 (32 CFR 582.1) dealing with representative activities before an agency of the Department of the Army.

(5) *Rule 5: Notice of hearings.* The appellant will be given at least 15 days' notice of the time and place of hearing. Continuances will not be granted except upon written request and for good cause.

(6) *Rule 6: Place of hearing.* Ordinarily the place of hearing will be in the Office of the Chief of Engineers, Washington, D. C. If the appellant desires that a hearing be held at a place other than Washington, D. C., he will, at the time of taking his appeal, or within a reasonable time thereafter, but before service of notice of hearing, make a written request therefor, stating the place preferred for the hearing, and stating fully the reason for such request. The representative of the Government handling the case may, within 10 days after an appeal has been filed in the office of the Board, file with the Board a written request for hearing at a place other than the office of the Board and will in such request state fully the reasons therefor. If the appellant does not request a hearing at a place other than at the office of the Board, the Board may, nevertheless, on its own motion hold a hearing at another place.

(7) *Rule 7: Absence of parties or counsel.* The unexcused absence of appellant or his counsel at the time and place set for the hearing of any proceeding will not be the occasion for delay, but the hearing will proceed and the case will be regarded as submitted on the part of the absent party.

(8) *Rule 8: Applications for rehearings.* Rehearing, further hearing or reconsideration of a decision, may be had, if in the judgment of the Board sufficient reason therefor appears.

(d) *Suggested form of notice of appeal.*

Date _____

Appeal of _____
(Name of contractor)

Under Contract No. _____

To the _____
(Secretary of the Army or the Chief of Engineers, U. S. Army, as appropriate; throught the Contracting Officer)

The undersigned contractor hereby appeals to the _____ from the decision of (Insert the name of title of the contracting officer, or other authority, as the case may be) rendered on the ____ day of _____ 19 __, to the effect that:

(Insert the decision, or a summary thereof, from which the appeal is taken.)

The dispute arises under or concerns the following contract provisions:

(Insert pertinent contract provisions.)

The decision here appealed from was erroneous for the following reasons:

(State specific facts and circumstances upon which the contractor relies in taking this appeal. Indicate which of those facts the contractor understands are not disputed by the contracting officer.)

This appeal is taken pursuant to the provisions of the contract, Article No. _____ (Insert reference to the pertinent disputes article of the contract, or indicate other basis of the appeal.)

_____
(Contractor)

By _____

_____
(Post Office Address of Contractor)

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

[F. R. Doc. 54-876; Filed, Feb. 8, 1954; 8:45 a. m.]

PROPOSED RULE MAKING

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Part 270]

REGISTRATION OF MANAGEMENT INVESTMENT COMPANIES ORGANIZED UNDER CANADIAN LAW

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Securities and Exchange Commission has under consideration the adoption of Rule N-7D-1 under the Investment Company Act of 1940. The proposed rule is declarative of the conditions and arrangements to be entered into by a management investment company organized under the laws of Canada, so that an order permitting registration of the company under section 7 (d) of the act may be issued as of course and without the necessity for hearing, if such order is otherwise appropriate. Section 7 (d) of the act authorizes the Commission to issue a conditional or unconditional order permitting a foreign investment company to register under the act and to make a public offering of its securities if the Commission finds that "by reason of special circumstances or arrangements, it is both legally and practically feasible effectively to enforce the provisions of [the act] against such company and that the issuance of such order is otherwise consistent with the public interest and the protection of investors."

In line with the policy of this government to facilitate and encourage foreign investments, the Commission directed its staff to endeavor to formulate the "special arrangements" which would meet the standards of section 7 (d). After extended discussions with certain Canadian companies which have applied for registration, conditions and arrangements have been formulated which are embodied in the proposed rule. It is believed that such a rule will provide definitive standards upon which Canadian investment companies may rely and will aid in the disposition of applications filed under section 7 (d).

The conditions and arrangements have been established in the light of the high degree of comity that has prevailed between this country and Canada, the existing treaties, the proximity of the two countries, their joint heritage of the common law, and the essential similarity of statutes and law relating generally to corporations and the rights of stockholders. Accordingly, the rule is applicable only to Canadian management investment companies. Conditions and arrangements proposed by investment companies organized under the laws of other foreign countries will be considered by the Commission on a case by case basis in the light of the statutory standards.

In order to implement the statutory means of enforcement of the act against the company and to assure their legal and practical effectiveness, the rule provides that the charter and bylaws of the company contain the substantive provisions of the act which the company will agree may be enforced as a matter of contract right in the United States or Canada by shareholders or the Commission. The officers and directors, of whom a majority are required to be citizens of the United States, will also agree to comply with the act and will consent to the enforcement of their agreements in a similar manner. In furtherance of this purpose the rule also requires the company to maintain its assets in the United States and agree to their liquidation and distribution upon direction of the Commission, or the courts, upon a finding of non-compliance by the company or its officers and directors with their agreements or the Commission's order.

Compliance with the rule will impose duties and obligations both on the company and certain of its affiliated persons and create concomitant rights by agreement, which in the over-all, it is believed, will accord protection to investors, equal to, though not necessarily identical with, the protection accorded by the act to investors in the usual domestic company.

The text of the proposed rule follows:

§ 270.7d-1 *Specification of conditions and arrangements for Canadian management investment companies requesting order permitting registration.* (a) A management investment company organized under the laws of Canada or any province thereof may obtain an order pursuant to section 7 (d) permitting its registration under the act and the public offering of its securities, if otherwise appropriate, upon the filing of an application complying with paragraph (b) of this section. All such applications will be considered by the Commission pursuant to the procedure set forth in § 270.0-5 and other applicable rules. Conditions and arrangements proposed by investment companies organized under the laws of other countries will be considered by the Commission in the light of the special circumstances and local laws involved in each case.

(b) An application filed pursuant to this section shall contain, inter alia, the following undertakings and agreements of the applicant:

(1) Applicant will cause each present and future officer, director, investment adviser, principal underwriter and custodian of the applicant to enter into an agreement, to be filed by applicant with the Commission upon the assumption of such office by such person, which will provide, among other things, that each such person agrees (i) to comply with the applicant's Letters Patent (Charter) and By Laws, the act and the rules thereunder, and the undertakings and agreements contained in said application insofar as applicable to such person; (ii) to do nothing inconsistent with the applicant's undertakings and agreements required by this section; (iii) that the undertakings enumerated as subdivisions (i) and (ii) of this subparagraph constitute representations and inducements to the Commission to issue its order in the premises and continue the same in effect, as the case may be; (iv) that each such agreement constitutes a contract between such person and the Commission, applicant and its shareholders with the intent that applicant's shareholders shall be beneficiaries of and shall have the status of parties to such agreement so as to enable them to maintain actions at law or in equity within the United States and Canada for any violation thereof. In addition the agreement of each officer and director will contain provisions similar to those contained in subparagraph (6) of this paragraph.

(2) That every agreement and undertaking of the applicant, its officers, directors, investment adviser, principal underwriter and custodian required by this section (i) constitute inducements to the Commission for the issuance and continuance in effect of, and conditions to, the Commission's order to be entered under this section; (ii) constitute a contract among applicant and the Commission and applicant's shareholders with the same intent as set forth in subparagraph (1) (iv) of this paragraph; and (iii) failure by the applicant or any of the above enumerated persons to comply with any such agreement and undertaking, unless permitted by the Commission, shall constitute a violation of the order entered under this section.

(3) That the Commission, in its discretion, may revoke its order permitting registration of the applicant and the public offering of its securities if it shall find after notice and opportunity for hearing that there shall have been a violation of such order or the act and may determine whether distribution of applicant's assets is necessary or appropriate in the interests of investors and may so direct.

(4) That applicant will perform every action and thing necessary to cause and assist the custodian of its assets to distribute the same, or the proceeds thereof, if the Commission or a court of competent jurisdiction, shall have so directed by a final order.

(5) That any shareholder of the applicant or the Commission on its own motion or on request of shareholders shall have the right to initiate (i) a proceeding before the Commission for the revocation of the order permitting registration of the applicant or (ii) before a court of competent jurisdiction for the liquidation of applicant and a distribution of its assets to its shareholders. Such court may enter such order in the event that it shall find, after notice and opportunity for hearing, that applicant, its officers, directors, investment adviser, principal underwriter or custodian shall have violated any provision of the act or the Commission's order of registration of the applicant.

A court of competent jurisdiction for the purpose of subparagraphs (4) and (5) of this paragraph means any District Court of the United States in the State of the United States in which the assets of the applicant are maintained.

(6) That any shareholder of the applicant or the Commission on its own motion or on request of shareholders shall have the right to bring suit at law or in equity in any court of the United States or Canada having jurisdiction over applicant, its assets or any of its officers or directors to enforce compliance by applicant, its officers and directors with any provision of applicant's Charter or By Laws, the act and the rules thereunder, or undertakings and agreements required by this section, insofar as applicable to such persons. That such court may appoint a trustee or receiver with all powers necessary to implement the purposes of such suit, including the administration of the estate, the collection of corporate property including choses-in-action, and distribution of applicant's assets to its creditors and stockholders. That applicant and its officers and directors waive any objection they may be entitled to raise and any right they may have to object to the power and right of the Commission or any shareholder of the applicant to bring such suit, reserving, however, their right to maintain that they have complied with the aforesaid provisions, undertakings and agreements, and otherwise to dispute such suit on its merits. Applicant, its officers and directors also agree that any final judgment or decree of any United States court as aforesaid, may be granted full faith and credit by a court of competent jurisdiction of Canada and consent that such Canadian court may enter judgment or decree thereon at the instance of the Commission or any stockholder of the applicant.

(7) Applicant will file, and will cause each of its present or future directors, officers, or investment advisers who is not a resident of the United States to file with the Commission irrevocable designation of the applicant's custodian as an agent in the United States to accept service of process in any suit, action or proceeding before the Commission or any appropriate court to enforce the provisions of the acts administered by the Commission, or to enforce any right or liability based upon applicant's Charter, By Laws, contracts, or the respective undertakings and agreements of any such person required by this section, or which alleges a liability on the part of any such persons arising out of their service, acts or transactions relating to the applicant.

(8) Applicant's Charter and By Laws, taken together, will contain, so long as applicant is registered under the act, in substance the following:

(i) The provisions of the act as follows: section 2 (a): *Provided*, That the term "Government securities" defined in section 2 (a) (16) may include securities issued or guaranteed by Canada or any instrumentality of the government of Canada; the term "value" defined in section 2 (a) (39) may be defined solely for the purposes of sections 5 and 12 in accordance with the provisions of § 270.2a-1 (Rule N-2A-1) if the same shall be necessary or desirable to comply with Canadian regulatory or revenue laws or rules or regulations thereunder; the term "bank" defined in section 2 (a) (5) shall be defined solely for the purposes of sections 9 and 10, as any banking institution; section 4; section 5; section 6 (c); section 9; section 10 (a), (b), (c), (e), (f), and (g): *Provided*, That the provisions of section 10 (d) may be substituted for the provisions of sections 10 (a) and 10 (b) (2) if applicable; section 11; section 12 (a), (b), (c), and (d); section 13 (a); section 15 (a), (b), and (c); section 16 (a); sections 17, 18, 19, 20 and 21; section 22 (d); section 22 (e): *Provided*, That the Toronto Stock Exchange or the Montreal Stock Exchange or both may be included in addition to the New York Stock Exchange; section 22 (f); section 22 (g); section 23; section 25 (a) and (b); section 30 (a), (b), (d), (e), and (f); section 31; section 32 (a): *Provided*, That provision may be made for the selection and termination of employment of the accountant in compliance with The Companies Act of Canada; section 32 (b). Where a provision of the act prohibits or directs action by an investment company, or its directors, officers or employees, the Charter or By Laws shall state that the applicant or its directors, officers or employees shall or shall not act, as the case may be, in conformity with the intent of the statute; where the provision applies to others, such as principal underwriters, investment advisers, controlled companies and affiliated persons, the Charter or By Laws shall also state that the applicant will not permit the prohibited conduct or will obtain the required action. Any of the provisions of sections 11, 12, 15, 18, 22, 23, 30, and 31 may be omitted if not applicable to a company of applicant's classification or sub-classification as defined in section 4 or 5 of the act or if not applicable because the subject matter of such provisions is prohibited by the Charter or By Laws. Other provisions of the act not specified above may be incorporated in the applicant's Charter or By Laws at its option.

(ii) Any question of interpretation of any term or provision of the Charter or By Laws having a counterpart in or otherwise derived from a term or provision of the act shall be resolved by reference to interpretations, if any, of the corresponding term or provision of the act by the courts of the United States of America or, in the absence of any controlling decision of any such court, by rules, regulations, orders or interpretations of the Commission.

(iii) Applicant will maintain the original or duplicate copies of all its books and records at the office of its custodian or other office located within the United States.

(iv) At least a majority of the directors and of the officers of the applicant will be United States citizens of whom a majority will be resident in the United States.

(v) Applicant will appoint, by contract, a bank, as defined in section 2 (a) (5) and having the qualification described in section 26 (a) (1), to act as trustee of, and maintain in its sole custody in the United States, all of applicant's securities and cash, other than cash necessary to meet applicant's current administrative expenses. Said contract will provide, inter alia, that said custodian will (*a*) consummate all purchases and sales of securities by applicant, other than purchases and sales on an established securities exchange, through the delivery of securities and receipt of cash, or vice versa as the case may be, within the United States, and (*b*) redeem in the United States such of applicant's shares as shall be surrendered therefor, and (c) distribute applicant's assets, or the proceeds thereof, to applicant's creditors and shareholders, upon service upon the custodian of an order of the Commission or court directing such distribution as provided in subparagraphs (3) and (5) of this paragraph.

(vi) Applicant's principal underwriter for the sale of its shares will be a citizen and resident of the United States or a corporation organized under the laws of a state of the United States, and having its principal place of business therein, and a member in good standing of a securities association registered under section 15A of the Securities Exchange Act of 1934.

(vii) Applicant will appoint an accountant, qualified to act as an independent public accountant for the applicant under the act and the rules thereunder, who maintains a permanent office and place of business in the United States.

(viii) Any contract entered into between the applicant and its investment adviser and principal underwriter will contain provisions in compliance with the requirements of sections 15, 17 (i) and 31 and the rules thereunder, and require that the investment adviser maintain in the United States its books and records or duplicate copies thereof relating to applicant.

(ix) Applicant's Charter and By Laws will not be changed in any manner inconsistent with this paragraph or the act and the rules thereunder unless authorized by the Commission.

(9) Applicant's Charter and By Laws constitute a contract, not only among the governmental body issuing such Charter, applicant, and its stockholders, but also among such governmental body, applicant, its stockholders, its officers, its directors, and the Commission.

(10) Contracts of the applicant, other than those executed on an established securities exchange which do not involve affiliated persons, will provide that:

(i) Such contracts, irrespective of the place of their execution or performance, will be performed in accordance with the requirements of the act, the Securities Act of 1933, and the Securities Exchange Act of 1934, if the subject matter of such contracts is within the purview of such acts; and

(ii) In effecting the purchase or sale of assets the parties thereto will utilize the United States mails or means of interstate commerce.

(11) Applicant will furnish to the Commission with its registration statement filed under the act a list of persons

affiliated with it and with its investment adviser and principal underwriter and will furnish revisions of such list, if any, concurrently with the filing of periodic reports required to be filed under the act.

All interested persons are hereby invited to submit views and comments on the proposed rule addressed to the Securities and Exchange Commission, 425 Second Street NW., Washington, 25, D. C., on or before March 5, 1954.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

JANUARY 28, 1954.

[F. R. Doc. 54-882; Filed, Feb. 8, 1954; 8:47 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ARIZONA

STOCK DRIVEWAY WITHDRAWAL NO. 164, ARIZONA NO. 6, REDUCED

JANUARY 29, 1954.

By virtue of the authority contained in section 10 of the act of December 29, 1916, 39 Stat. 865, as amended by the act of January 29, 1929, 45 Stat. 1144 (43 U. S. C. 300), and pursuant to the authority delegated to me by the Director, Bureau of Land Management, in section 2.22 (a) (1) of Order No. 427 dated August 16, 1950, 15 F. R. 5641, it is ordered as follows:

The order of the Secretary of the Interior dated June 6, 1923, establishing Stock Driveway Withdrawal No. 164, Arizona No. 6, as amended July 29, 1924, is hereby revoked insofar as it affects the following described lands:

GILA AND SALT RIVER MERIDIAN

T. 1 N., R. 8 E.,
Sec. 21, E½ and NW¼.

The areas described aggregate 480.00 acres.

The NW¼NW¼ is withdrawn for use by the State of Arizona for road material pursuant to sec. 17 of the act of November 9, 1921, 42 Stat. 212. The remaining lands have been classified in Arizona Small Tract Classification No. 28, dated January 29, 1954, for lease and sale under the Small Tract Act of June 1, 1938 (52 Stat. 609), as amended July 14, 1945 (59 Stat. 467, 43 U. S. C. 682a).

Information as to preference-right filing period for veterans of World War II and others entitled to preference under the act of September 27, 1944 (58 Stat. 747; 43 U. S. C. 279-284) may be obtained from the Manager, Land and Survey Office, Post Office Building, Phoenix, Arizona.

E. R. SMITH,
Regional Administrator.

[F. R. Doc. 54-878; Filed, Feb. 8, 1954; 8:46 a. m.]

ARIZONA

CLASSIFICATION ORDER

JANUARY 29, 1954.

1. Pursuant to the authority delegated to me by the Director, Bureau of Land Management, by Order No. 427, dated August 16, 1950, 15 F. R. 5639, I hereby classify under the Small Tract Act of June 1, 1938 (52 Stat. 609), as amended July 14, 1945 (59 Stat. 467, 43 U. S. C. 682a), as hereinafter indicated, the following described lands in the Arizona land district, embracing approximately 440 acres.

ARIZONA SMALL TRACT CLASSIFICATION NO. 28

For lease and sale for home or business sites:

T. 1 N., R. 8 E., G. & S. R. M.,
Sec. 21, W½NW¼NE¼NW¼, W½SW¼SW¼SE¼.

For lease and sale for homesites only:

T. 1 N., R. 8 E., G. & S. R. M.,
Sec. 21, E½NW¼NE¼NW¼, NE¼NE¼NW¼, S½NE¼NW¼, S½NW¼, NE¼, E½SW¼SW¼SE¼, SE¼SW¼SE¼, N½SW¼SE¼, SE¼SE¼, N½SE¼.

The lands are located just east of the junction of U. S. Highway 60 and State Highway 68 in the area known as Apache Junction, and approximately 16 miles east of Mesa, Arizona. The topography is flat to rolling, cut by numerous washes. The soil varies from a sandy loam to coarse gravel with scattered rock outcroppings. Vegetation is typical of the southwestern desert. The only utility available at present is electric power. Water for domestic purposes must be obtained from drilled wells.

2. The lands described in the NW¼ sec. 21 were placed under consideration for small tract classification on March 14, 1951 at 10:45 a. m. The lands in the E½ sec. 21 were placed under consideration for small tract classification on October 9, 1953 at 11:53 a. m.

3. As to applications filed on the lands embraced in this order at or prior to the time they were placed under consideration for small tract classification, this order shall become effective upon the date it is signed, provided the applications conform to or are made to conform to the provisions of this order.

4. This order shall not otherwise become effective to change the status of such lands until 10:00 a. m. on the 35th day after the date of this order. At that time the said lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to applications under the Small Tract Act as follows:

(a) *Ninety-one day period for preference-right filings.* For a period of 91 days, commencing at the hour and on the day specified above, the public lands affected by this order shall be subject to applications under the Small Tract Act of June 1, 1938, 52 Stat. 609 (43 U. S. C. 682a), as amended, by qualified veterans of World War II, subject to the requirements of applicable law. All applications filed under this paragraph either at or before 10:00 a. m. on the 35th day after the date of this order shall be treated as though filed simultaneously at that time. All applications filed under this paragraph after 10:00 a. m. on the said 35th day shall be considered in the order of filing.

(b) *Date for non-preference-right filings.* Commencing at 10:00 a. m. on the 126th day after the date of this order, any lands remaining unappropriated shall become subject to disposal under the Small Tract Act only. All such applications filed either at or before 10:00 a. m. on the 126th day after the date of this order shall be treated as though filed simultaneously at the hour specified on such 126th day. All applications filed thereafter shall be considered in the order of filing.

5. A veteran shall accompany his application with a complete photostatic, or other copy (both sides) of his certificate of honorable discharge, or of an official document of his branch of the service which shows clearly his honorable discharge as defined in § 181.36 of Title 43 of the Code of Federal Regulations, or constitutes evidence of other facts upon which the claim for preference is based and which shows clearly the period of service. Other persons claiming credit for service of veterans must furnish like proof in support of their claims. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their application by duly corroborated statements in support thereof, setting forth in detail all facts relevant to their claims.

6. The lands will be leased in tracts of approximately 5 acres, 660 feet by 330 feet. In the W½SW¼NW¼ and in the E½E½E½ the longer dimension of each tract will extend east and west. In the remaining lands the longer dimension of each tract will extend north and south. Leases will be for a period of three years. For homesites, the annual rental is $5.00 payable for the entire lease period in advance of the issuance of the lease. For business sites, the minimum annual rental is $20.00 payable for the entire lease period in advance of the issuance of the lease. The lessee for a business site shall be obligated to pay any additional rental at the rate fixed by the schedule of rentals in effect at the date of the approval of his lease.

7. Leases will contain an option to purchase clause at the appraised values. The W½NW¼NE¼NW¼ and W½SW¼SW¼SE¼ are appraised at $200.00 per tract. All remaining tracts are appraised at $175.00 per tract.

(a) Applications for purchase may be filed during the term of the lease but not more than 30 days prior to the expiration of one year from the date of the lease, provided minimum improvements suitable for the purpose for which the lands are leased shall have been constructed prior to the date of application to purchase. Minimum improvements for homesites shall consist of a habitable house of substantial construction con-

taining at least three rooms and a minimum floor area of 500 square feet.

(b) Leases issued under the terms of this order shall not be subject to assignment unless and until improvements as mentioned in (a) shall have been completed.

(c) Leases for lands upon which the improvements mentioned above shall not have been constructed at or before the expiration thereof shall not be renewed.

8. Lessees and/or their successors in interest shall comply with all Federal, State, County and municipal laws and ordinances, especially those governing health and sanitation, and failure or refusal to do so may be cause for cancellation of the lease in the discretion of the authorized officer of the Bureau of Land Management.

9. Tracts will be subject to all existing rights-of-way and to 33-foot rights-of-way along all sides of each 40-acre subdivision of the regular survey for road purposes and public utilities.

The rights-of-way may, in the discretion of the authorized officer of the Bureau of Land Management, be definitely located prior to the issuance of patent. If not so located, they may be subject to location after patent is issued. All rights-of-way herein mentioned and reserved may be utilized by the Federal Government, or the State, County or municipality in which the tract is situated, or by any agency thereof.

10. All inquiries relating to these lands should be addressed to the Manager, Land and Survey Office, Phoenix, Arizona.

E. R. SMITH,
Regional Administrator.

[F. R. Doc. 54-879; Filed, Feb. 8, 1954; 8:46 a. m.]

[Montana 02275; Great Falls 087188; Wyoming 06062]

WYOMING AND MONTANA

STOCK DRIVEWAY WITHDRAWAL 44, WYOMING NO. 8, ENLARGED; ORDERS PROVIDING FOR OPENING OF PUBLIC LANDS; AIR NAVIGATION SITE WITHDRAWAL 211, REDUCED; RESTORATION ORDER UNDER FEDERAL POWER ACT, POWER PROJECT 653; CORRECTION

JANUARY 29, 1954.

Federal Register Documents 53-10647, 53-10649, 53-10650, 53-10651, 53-10652, and 53-10646, appearing on pages 8702 through 8704 of the issue for December 24, 1953, should bear the date of December 16, 1953.

W. B. WALLACE,
Regional Administrator.

[F. R. Doc. 54-886; Filed, Feb. 8, 1954; 8:48 a. m.]

Bureau of Reclamation

[Misc. 423667]

STRAWBERRY VALLEY PROJECT, UTAH

ORDER OF REVOCATION

JULY 10, 1952.

Pursuant to the authority delegated by Departmental Order No. 2515 of April 7, 1949 (14 F. R. 1937), I hereby revoke Departmental Orders of January 30, 1906, February 29, 1912, April 16, 1913, May 2, 1914, June 16, 1915, January 6, 1923, and January 10, 1923, insofar as said orders affect the following described lands; provided, however, that such revocation shall not affect the withdrawal of any other lands by said orders or affect any other orders withdrawing or reserving the lands hereinafter described:

SALT LAKE BASE AND MERIDIAN

T. 8 S., R. 1 E.
Sec. 2: Lot 1;
Sec. 3: Lots 1 and 2;
Sec. 9: Lots 1, 2, 4, 5, and 6, and S½SE¼;
Sec. 10: Lots 9, 11, 12, and 13, SW¼NE¼, SE¼NW¼, SW¼, and NW¼SE¼;
Sec. 11: Lots 1, 2, 3, and 4, W½SW¼, N½SE¼, and SE¼SE¼;
Sec. 12: Lots 1, 2, 3, and 4, and S½;
Sec. 13: N½, NE¼SW¼, S½SW¼, and SE¼;
Sec. 14;
Sec. 15: Lots 1, 2, 3, 4, 5, 6, 7, and 8;
Sec. 16: Lots 3, 4, 5, and 6, NE¼, E½NW¼, and S½;
Sec. 17: 1, 3, and 4;
Sec. 20: 1, 2, 3, and 4, and E½E½;
Sec. 21: W½W½;
Sec. 22: Lots 3 and 4;
Sec. 23;
Sec. 24;
Sec. 25: Lots 1 to 8, incl., S½N½, and S½;
Sec. 26: Lots 1 to 8, incl., S½N½, and S½;
Sec. 27: Lot 1;
Sec. 29: Lots 2, 3, 5, 6, 7, and 8, NE¼, E½SW¼, and W½SE¼;
Sec. 32: Lots 3, 4, 5, 6, 7, 8, 9, and 10, NE¼, NE¼NW¼, and N½SE¼;
Sec. 35;
Sec. 36.

T. 9 S., R. 1 E.,
Sec. 1: Lots 1, 2, 3, and 4, S½N½, and S½;
Sec. 2: Lots 1, 2, 3, and 4, S½N½, and S½;
Sec. 5: Lots 2, 3, 4, 6, and 7, SW¼NE¼, W½E½SW¼, and NW¼SE¼;
Sec. 6: Lot 1;
Sec. 7: Lots 1, 2, 3, 4, and 5, NE¼SE¼, and S½SE¼;
Sec. 8: W½NW¼, W½SW¼, SE¼SW¼, and SW¼SE¼;
Sec. 11: E½, W½NW¼, and SW¼;
Sec. 12;
Sec. 13;
Sec. 14: Lot 1, E½, E½NW¼, and NE¼SW¼;
Sec. 15: NE¼, and N½SE¼;
Sec. 16;
Sec. 17: N½, N½SW¼, and SE¼;
Sec. 18: NE¼NE¼;
Sec. 20: E½NE¼, and SE¼;
Sec. 21: NW¼NE¼, S½NE¼, NW¼, and S½;
Sec. 22: W½SW¼, and SE¼SW¼;
Sec. 23: E½, and SE¼SW¼;
Sec. 24;
Sec. 25;
Sec. 26: NE¼, NE¼NW¼, S½NW¼, and S½;
Sec. 27: NW¼;
Sec. 28;
Sec. 29;
Sec. 30: Lots 1, 2, 3, and 4, E½W½, and E½;
Sec. 31: Lots 1, and 2, E½, and E½W½;
Sec. 32;
Sec. 33;
Sec. 34: SE¼NE¼, W½, and SE¼;
Sec. 35;
Sec. 36.

The above areas aggregate 23,674.88 acres.

[SEAL] G. W. LINEWEAVER,
Assistant Commissioner.

FEBRUARY 3, 1954.

I concur. The records of the Bureau of Land Management will be noted accordingly.

The following-described public land occupies rolling foothills and is primarily valuable for grazing purposes. It is unlikely that it will be classified for any other use, but any application that is filed will be considered on its merits:

SALT LAKE BASE AND MERIDIAN

T. 8 S., R. 1 E.,
Sec. 32, lots 5 and 6, and S½NW¼NE¼, E½NE¼, NE¼SE¼.

The remaining lands included in this order are either State or privately owned.

This order shall not otherwise become effective to change the status of the public lands released from withdrawal until 10:00 a. m. on the 35th day after date of this order. At that time the said lands shall become subject to application, petition, location and selection, subject to valid existing rights, the provisions of existing withdrawals, the requirements of applicable laws, and the 91-day preference-right filing period for veterans and others entitled to preference under the act of September 27, 1944 (58 Stat. 747; 43 U. S. C. 279-284) as amended.

Inquiries concerning the lands shall be addressed to the Manager, Land and Survey Office, Bureau of Land Management, Salt Lake City, Utah.

WILLIAM PINCUS,
Assistant Director,
Bureau of Land Management.

[F. R. Doc. 54-877; Filed, Feb. 8, 1954; 8:46 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-2348]

TEXAS EASTERN TRANSMISSION CORP.

NOTICE OF APPLICATION

FEBRUARY 3, 1954.

Take notice that on January 11, 1954, Texas Eastern Transmission Corporation (Texas Eastern), a Delaware corporation having its principal place of business at Shreveport, Louisiana, filed an application, pursuant to section 7 of the Natural Gas Act, for a certificate of public convenience and necessity authorizing it to sell and deliver to Waynesburg Home Gas Company (Waynesburg), under the terms of Texas Eastern's WPS Rate Schedule, to and including March 31, 1954, certain quantities of natural gas, not less than the winter contract quantity of 6,060 Mcf (14.73 psia) and the maximum daily quantity of 137 Mcf. Applicant states on information that Waynesburg has been unable to obtain sufficient quantities of gas on peak days, and that due to unforeseen demands upon Waynesburg and one of its suppliers, Waynesburg will suffer a deficiency in supply if it is unable to obtain additional volumes of given peak days until March 31, 1954. A temporary certificate was granted on January 18, 1954, authorizing the service proposed. No new facilities would be required.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and

procedure (18 CFR 1.8 or 1.10) on or before the 24th day of February 1954. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 54-884; Filed, Feb. 8, 1954; 8:48 a. m.]

[Docket Nos. G-1277, G-2015, G-2114]

TRANSCONTINENTAL GAS PIPE LINE CORP. ET AL.

ORDER GRANTING IN PART AND DENYING IN PART PETITION FOR REHEARING

In the matters of Transcontinental Gas Pipe Line Corporation, Docket No. G-1277; Mid-Georgia Natural Gas Company, Docket No. G-2015; City of Covington, Georgia, Docket No. G-2114.

On January 8, 1954, the City of Covington, Georgia (Applicant), filed a petition for rehearing in the above-entitled matters and requested that the Commission grant the following relief, or such other relief as it may deem just and proper:

1. Vacate the order adopted December 10, 1953, and issued December 11, 1953, in the above-captioned proceedings.

2. Issue a new order for the purpose of:

(a) Modifying the decision of the Presiding Examiner in the above-captioned proceedings by striking paragraph (E) therefrom and substituting therefor a new paragraph, such new paragraph to provide for the severance of Docket No. G-2114 from Docket No. G-2015, the reopening and consolidation of Docket No. G-2114 with Dockets Nos. G-1277, et al., G-1335, G-1407, and G-1411 for the purpose of authorizing your Petitioner to participate in the further proceedings to be held in such consolidated dockets and for the purpose of deferring a final decision in Docket No. G-2114 until such time as the matters before the Commission in such other consolidated dockets are finally disposed of.

(b) Affirming in all other respects the Presiding Examiner's decision in the above-captioned proceedings.

Paragraph (E), above referred to, denied the application of the Applicant in Docket No. G-2114 for an order pursuant to section 7 (a) of the Natural Gas Act directing Transcontinental Gas Pipe Line Corporation to establish physical connection of its facilities with a lateral line proposed to be constructed by the City of Covington, and to sell and deliver to said city a supply of natural gas sufficient to meet the natural gas requirements of its proposed municipal project.

The Presiding Examiner's decision, issued October 26, 1953, as modified by the Commission's order issued December 11, 1953, became the final decision of the Commission.

Applicant's request for a rehearing appears to stem primarily from the modification by the Commission of the Presiding Examiner's decision resulting from its order issued December 11, 1953, which order, among other things, authorized the construction and operation of certain transportation facilities, in Docket No. G-2015, which included facilities interconnecting the communities of Porterdale and Covington, Georgia, and was conditioned as follows:

(c) The issuance of the certificate to Mid-Georgia herein provided is granted upon the express condition that Mid-Georgia shall obtain from the City of Covington, and the Town of Oxford, Georgia, which it proposes to serve, new franchises properly validated pursuant to Georgia law, or a ratification by the aforementioned communities of franchises previously issued, or obtain from the proper courts of Georgia an affirmative declaratory judgment of the validity of such franchises. Mid-Georgia shall within 6 months from the date of issuance of the order herein, file with the Commission in satisfaction of this condition and as evidence that it possesses appropriate franchise authorization from said communities, certified copies of the authority which it asserts constitutes lawful franchise grants to construct and operate distribution systems for the purpose of supplying natural gas in the City of Covington and the Town of Oxford.

The Applicant herein, due to certain recent developments, all as more fully set forth in its petition for rehearing, requests that it be afforded an opportunity to present additional evidence bearing upon the mandate of its citizens for the construction and operation of a municipal system, and to demonstrate the financial feasibility of such project as a result of Transcontinental Gas Pipe Line Corporation's new rates, approved by the Commission's order issued December 30, 1953, in Docket No. G-2075.

On January 22, 1954, the City of Covington, Georgia, filed a petition to intervene in Docket Nos. G-1277 and G-1411[1] for the purpose of permitting its participation in said proceedings set to commence on February 8, 1954, as provided by the Commission's order issued December 11, 1953.

Applicant, by its petition to intervene, seeks to obtain an allocation of natural gas from Transcontinental Gas Pipe Line Corporation's existing system, should it develop during the course of hearing, to commence on February 8, 1954, that there is available a supply of natural gas from the Company's system which may be subject to future allocation. The relief sought by said petition to intervene is substantially the same as requested in the above-entitled matter, insofar as it relates to Docket No. G-2114. Therefore, the relief requested by the City can more appropriately be dealt with in the reopened and consolidated proceedings at Docket Nos. G-1277 and G-1411. An appropriate order permitting the intervention of the City of Covington in the consolidated proceedings at Docket Nos. G-1277 and G-1411 has been adopted concurrently with the adoption of our order herein.

[1] The proceedings at Docket Nos. G-1277, G-1335, G-1407, and G-1411 were reopened and consolidated for the purpose of hearing by the Commission's order issued December 11, 1953.

The Commission finds:

(1) Under the circumstances outlined in the petition for rehearing filed by the City of Covington at Docket No. G-2015, it is in the public interest that both the City of Covington and the Town of Oxford, Georgia, and the Mid-Georgia Natural Gas Company be afforded an opportunity to submit further evidence bearing upon their respective positions relating to the introduction of natural gas into the City of Covington and the Town of Oxford, Georgia, and Applicant's petition for rehearing at Docket No. G-2015 should be granted.

(2) The grounds for rehearing and other relief, as related to Docket Nos. G-1277 and G-2114, which have been duly considered, are not sufficient to warrant the granting of said petition for rehearing or other relief in said proceedings.

The Commission orders:

(A) The petition for rehearing, filed on January 8, 1954, at Docket No. G-2015, be and the same is hereby granted, but limited to that Docket, said rehearing to be held at a time and place to be hereafter fixed by the Commission.

(B) The petition for rehearing in Docket Nos. G-1277 and G-2114 in all other respects be and the same is hereby denied.

Adopted: February 2, 1954.

Issued: February 3, 1954.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 54-885; Filed, Feb. 8, 1954; 8:48 a. m.]

CIVIL AERONAUTICS BOARD

[Docket 6530]

BRITISH OVERSEAS AIRWAYS CORP.

NOTICE OF PREHEARING CONFERENCE

In the matter of the application of British Overseas Airways Corporation for amendment of its transatlantic foreign air carrier permit to include, Chicago, Illinois.

Notice is hereby given that a prehearing conference in the above-entitled proceeding is assigned to be held on February 11, 1954, at 2:00 p. m., e. s. t., in Room E-210, Temporary Building No. 5, Sixteenth and Constitution Avenue NW., Washington, D. C., before Examiner Joseph L. Fitzmaurice.

Dated at Washington, D. C., February 4, 1954.

[SEAL] FRANCIS W. BROWN, *Chief Examiner.*

[F. R. Doc. 54-893; Filed, Feb. 8, 1954; 8:50 a. m.]

[Docket 6503]

SOUTHWEST AIRWAYS CO. AND UNITED AIR LINES

NOTICE OF PREHEARING CONFERENCE

In the matter of the application of Southwest Airways Company for the renewal of its amended certificate of public

convenience and necessity but termination of service to Coalinga, Oroville, Fort Bragg, Vallejo-Napa, Santa Cruz-Watsonville, Paso Robles and Yreka (on a seasonal basis), and for the suspension, alteration, amendment, or modification of United Air Lines' certificate of public convenience and necessity to serve Eureka, Red Bluff, Monterey and Santa Barbara, California.

Notice is hereby given that a prehearing conference in the above-entitled proceeding is assigned to be held on February 17, 1954, at 10:00 a. m., e. s. t., in Room 5855, Commerce Building, Fourteenth and Constitution Avenue NW., Washington, D. C., before Examiner Herbert K. Bryan.

Dated at Washington, D. C., February 4, 1954.

[SEAL] FRANCIS W. BROWN, *Chief Examiner.*

[F. R. Doc. 54-894; Filed, Feb. 8, 1954; 8:50 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File Nos. 59-93, 70-1804]

ARKANSAS NATURAL GAS CORP. ET AL.

ORDER WITH RESPECT TO FILING OF REPORTS CONCERNING FEES AND EXPENSES

FEBRUARY 2, 1954.

In the matter of Arkansas Natural Gas Corporation, Cities Service Company, File No. 54-186; Arkansas Natural Gas Corporation and its subsidiaries and Cities Service Company, File Nos. 59-93 and 70-1804.

The above-entitled consolidated proceedings involve a plan and amendments thereto filed pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 ("act") and a proceeding instituted pursuant to section 11 (b) (2) of the act designed to bring the system of Arkansas Natural Gas Corporation (now, by change of name, Arkansas Fuel Oil Corporation), a registered holding company, into compliance with section 11 (b) of the act. The Commission has heretofore reserved jurisdiction with respect to the fees and expenses paid or to be paid by the several companies concerned with this plan for services rendered in connection therewith and related proceedings.

Applications for allowances or approval of amounts already paid have been filed with the Commission but no procedure with respect to the disposition of such applications has been fixed.

The Commission has decided it to be necessary or appropriate in the public interest or for the protection of investors or consumers that, as a first step in fixing the ultimate procedure to be followed and as an aid to the Commission in determining what fees and expenses it should ultimately approve, an order should be entered, under the authority conferred by section 11 (f) of the act, requiring that the companies concerned with said section 11 (e) plans, file with the Commission, either jointly or severally, a report or reports setting forth certain information.

It is therefore ordered, That on or before April 15, 1954, Cities Service Company and Arkansas Fuel Oil Corporation shall file with the Commission, either jointly or severally, 10 copies of a report or reports which shall set forth in a manner so as to indicate the proposed allocation thereof between such companies:

(1) The amounts of fees and expenses claimed by the respective applicants for services rendered in connection with the above-entitled and related proceedings;

(2) The amounts of fees and expenses which the paying company has already paid or is prepared to pay without modification;

(3) The amounts of fees and expenses, if any, which each company is willing to pay and which the claimants after negotiation with the company or companies involved have indicated a willingness to accept; and

(4) In cases where such negotiations have been unsuccessful, the amounts of fees and expenses which each company considers to be reasonable and which it is willing to pay.

It is further ordered, That any agreement as to amounts as contemplated by paragraph (3) above shall be subject to the provisions of the respective plans and to approval by the Commission and the exercise by the Commission of its full powers with respect to fees and expenses conferred by the act in connection with plans filed under section 11 (e) thereof.

It is further ordered, That with respect to the information required to be furnished by paragraph (4) above, such information shall be submitted directly to the Chairman of this Commission and be kept confidential unless and until a further order of this Commission shall require otherwise.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 54-881; Filed, Feb. 8, 1954; 8:47 a. m.]

[File Nos. 70-3124, 70-3139]

STANDARD POWER AND LIGHT CO.

SUPPLEMENTAL ORDER APPROVING CERTAIN ACCOUNTING ENTRIES

FEBRUARY 2, 1954.

The Commission by order dated August 25, 1953, having granted an application (File No. 70-3124) filed by Standard Power and Light Company ("Standard Power"), a registered holding company, with respect to the acquisition by Standard Power of 290,000 shares of common stock of its public utility subsidiary, Duquesne Light Company ("Duquesne"), from Standard Gas and Electric Company ("Standard Gas"), a registered holding company and also a subsidiary of Standard Power, as a distribution in partial liquidation of Standard Gas, and the record not having been completed with respect to the accounting entries to be made by Standard Power to record such acquisition;

The Commission by orders dated November 9 and November 30, 1953, having permitted to become effective a declaration, as amended (File No. 70-3139) filed by Standard Power with respect to its proposals (a) to pay a dividend of 25 cents per share, which was represented would be paid out of capital surplus, to the holders of its outstanding Common Stock and (b) to sell, at a private negotiated sale, from 10,000 to 15,000 shares of the aforementioned 290,000 shares of common stock of Duquesne;

The Commission, in said orders dated November 9 and November 30, 1953, having reserved jurisdiction over, among other things, the appropriateness of the accounting entries to be made by Standard Power in recording said dividend and said sale of Duquesne common stock;

Standard Power having advised the Commission that it has acquired the said 290,000 shares of Duquesne common stock, paid the proposed dividend out of capital surplus, and offered 10,000 shares of the said Duquesne stock, of which 8,500 shares were sold, and the record now having been completed with respect to Standard Power's proposed accounting entries for the recording of such transactions;

The Commission having considered the proposed accounting entries and observing no basis for adverse findings with respect thereto, and deeming it appropriate that said accounting entries be approved and that the jurisdiction heretofore reserved in said orders dated November 9 and November 30, 1953, with respect to accounting entries be released;

It is ordered, That the accounting entries to be made by Standard Power to record the acquisition of the said 290,000 shares of Duquesne common stock, the payment of said dividend and the sale of said 8,500 shares of Duquesne stock be, and hereby are, approved, and that the jurisdiction heretofore reserved in said orders dated November 9 and November 30, 1953, with respect to accounting entries be, and it hereby is, released.

It is further ordered, That the jurisdiction heretofore reserved over all other matters described in the Commission's order dated November 9, 1953, be, and the same hereby is, continued.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 54-880; Filed, Feb. 8, 1954; 8:47 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 28883]

GRAIN FROM OKLAHOMA TO TEXAS

APPLICATION FOR RELIEF

FEBRUARY 3, 1954.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for the Atchison, Topeka and Santa Fe

Railway Company, Gulf Colorado and Santa Fe Railway Company and Panhandle and Santa Fe Railway Company.

Commodities involved: Grain, grain products and related articles, carloads.

From: Points in Oklahoma.

To: Points in Texas.

Grounds for relief: Competition with rail carriers, circuitous routes.

Schedules filed containing proposed rates: F. C. Kratzmeir, Agent, ICC No. 3941, supl. 73, Atchison, Topeka and Santa Fe Railway Company, ICC 14530, supl. 31.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Secretary.

[F. R. Doc. 54-852; Filed, Feb. 5, 1954; 8:47 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

EUGENE ADRIEN CHAPUIS

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property

Eugene Adrien Chapuis, Oyonnax (Ain), France, Claim No. 41690; property described in Vesting Order No. 1028 (8 F. R. 4205, April 2, 1943), relating to United States Patent Application Serial No. 391,198.

Executed at Washington, D. C., on February 3, 1954.

For the Attorney General.

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

[F. R. Doc. 54-889; Filed, Feb. 8, 1954; 8:49 a. m.]

JEAN HENRI LABOURDETTE

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property

Jean Henri Labourdette, Courbevoie (Seine), France, Claim No. 41697; property described in Vesting Order No. 666 (8 F. R. 5047, April 17, 1943) relating to United States Letters Patent Nos. 1,746,779 and 2,224,186.

Executed at Washington, D. C., on February 3, 1954.

For the Attorney General.

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

[F. R. Doc. 54-890; Filed, Feb. 8, 1954; 8:49 a. m.]

MARIA VITTORIA SCORPIONE ET AL.

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

Maria Vittoria Scorpione, Differdange, Grand Duchy of Luxembourg, $220.70 in the Treasury of the United States.

Maria Distefano, Differdange, Grand Duchy of Luxembourg, $220.70 in the Treasury of the United States.

Giuseppe Sacco, Celano, Providence of Aquila, Italy, $661.70 in the Treasury of the United States; Claim No. 14037.

Luigina Sacco Torrelli, Rome, Italy, Claim No. 42128; Vesting Order No. 1655; $669.73 in the Treasury of the United States.

Executed at Washington, D. C., on February 3, 1954.

For the Attorney General.

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

[F. R. Doc. 54-891; Filed, Feb. 8, 1954; 8:50 a. m.]

IRMA AND ANGELA SEBBEN

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

Irma Sebben, Fonzaso (Belluno), Italy, Claim No. 42180; Angela Sebben, Fonzaso (Belluno), Italy, Claim No. 42181; Vesting Order No. 857; $864.07 in the Treasury of the United States, one-half thereof to each claimant.

Executed at Washington, D. C., on February 3, 1954.

For the Attorney General.

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

[F. R. Doc. 54-892; Filed, Feb. 8, 1954; 8:50 a. m.]