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OF THE UNITED STATES

Washington, Friday, March 5, 1954

TITLE 3—THE PRESIDENT

PROCLAMATION 3044

DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA AT HALF-STAFF UPON THE DEATH OF CERTAIN OFFICIALS AND FORMER OFFICIALS

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS it is appropriate that the flag of the United States of America be flown at half-staff on Federal buildings, grounds, and facilities upon the death of principal officials and former officials of the Government of the United States and the Governors of the States, Territories, and possessions of the United States as a mark of respect to their memory; and

WHEREAS it is desirable that rules be prescribed for the uniform observance of this mark of respect by all executive departments and agencies of the Government, and as a guide to the people of the Nation generally on such occasions:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America and Commander in Chief of the armed forces of the United States, do hereby prescribe and proclaim the following rules with respect to the display of the flag of the United States of America at half-staff upon the death of the officials hereinafter designated:

1. The flag of the United States shall be flown at half-staff on all buildings, grounds, and naval vessels of the Federal Government in the District of Columbia and throughout the United States and its Territories and possessions for the period indicated upon the death of any of the following-designated officials or former officials of the United States:

(a) The President or a former President: for thirty days from the day of death.

The flag shall also be flown at half-staff for such period at all United States embassies, legations, and other facilities abroad, including all military facilities and naval vessels and stations.

(b) The Vice President, the Chief Justice or a retired Chief Justice of the United States, or the Speaker of the House of Representatives: for ten days from the day of death.

(c) An Associate Justice of the Supreme Court, a member of the Cabinet, a former Vice President, the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force: from the day of death until interment.

2. The flag of the United States shall be flown at half-staff on all buildings, grounds, and naval vessels of the Federal Government in the metropolitan area of the District of Columbia on the day of death and on the following day upon the death of a United States Senator, Representative, Territorial Delegate, or the Resident Commissioner from the Commonwealth of Puerto Rico, and it shall also be flown at half-staff on all buildings, grounds, and naval vessels of the Federal Government in the State, Congressional District, Territory, or Commonwealth of such Senator, Representative, Delegate, or Commissioner, respectively, from the day of death until interment.

3. The flag of the United States shall be flown at half-staff on all buildings and grounds of the Federal Government in a State, Territory, or possession of the United States upon the death of the Governor of such State, Territory, or possession from the day of death until interment.

4. In the event of the death of other officials, former officials, or foreign dignitaries, the flag of the United States shall be displayed at half-staff in accordance with such orders or instructions as may be issued by or at the direction of the President, or in accordance with recognized customs or practices not inconsistent with law.

5. The heads of the several departments and agencies of the Government may direct that the flag of the United States be flown at half-staff on buildings, grounds, or naval vessels under their jurisdiction on occasions other than those specified herein which they consider proper, and that suitable military honors be rendered as appropriate.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

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THE PRESIDENT

EXECUTIVE AGENCIES

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.

DONE at the City of Washington this 1st day of March in the year of our Lord nineteen hundred and fifty-four, and of the Independence of the United States of America the one hundred and seventy-eighth.

[SEAL]

DWIGHT D. EISENHOWER

By the President:

WALTER B. SMITH,
Acting Secretary of State.

[F. R. Doc. 54-1624; Filed, Mar. 3, 1954; 4:54 p. m.]

RULES AND REGULATIONS

TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 9—SEPARATIONS, SUSPENSIONS AND DEMOTIONS

SEPARATION, DEMOTION, OR SUSPENSION OF PERMANENT AND INDEFINITE EMPLOYEES

Sections 9.101 (b) (1) and 9.102 (a) are amended to read as follows:

§ 9.101 *Agency responsibility for separation or demotion of employees.* • • •

(b) The discretion vested in the appointing officer to remove employees under his jurisdiction, or to take other disciplinary action, is subject only to the following restrictions:

(1) Employees serving under other than probational or temporary appointments in the competitive service and employees having a competitive status who occupy positions in Schedule B shall not be removed, suspended, or demoted except for such cause as will promote the efficiency of the service and in accordance with the procedure prescribed in § 9.102.

• • • • •

§ 9.102 *Procedure in separating, suspending, or demoting permanent and indefinite employees.* (a) One of the following procedures shall be followed in connection with the removal, involuntary separation (other than retirement for age or disability), furlough in excess of 30 days, suspension, or demotion of any permanent or indefinite employee in the competitive service, unless he is serving a probationary or trial period, or any employee having a competitive status who occupies a position in Schedule B. The procedural requirements of this section shall not apply to any person serving under temporary appointment, or whose removal is requested by the Commission under § 5.4 of this chapter.

• • • • •

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

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] WM. C. HULL,
Executive Assistant.

[F. R. Doc. 54-1587; Filed, Mar. 4, 1954; 8:53 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

Subchapter A—Civil Air Regulations

[Supp. 6]

PART 40—SCHEDULED INTERSTATE AIR CARRIER CERTIFICATION AND OPERATION RULES

OXYGEN

This supplement establishes CAA interpretations and policies on providing oxygen for, and administering oxygen to, crew members and passengers in pressurized and nonpressurized cabin aircraft at various operating altitudes.

The following interpretations and policies are hereby adopted:

§ 40.202-1 *Supplemental oxygen for crew members (CAA interpretations which apply to § 40.202 (b) (1)).* The phrase, "during the portion of flight in excess of 30 minutes within this range of altitudes" applies to all crew members including the flight crew members on flight deck duty. Thus, oxygen is required to be provided for, and used by, each member of the flight crew on flight deck duty only during the portion of the flight in excess of 30 minutes within this range of altitudes.

§ 40.202-2 *Oxygen requirements for stand-by crew members (CAA interpretations which apply to § 40.202 (b)).* Stand-by crew members who are on call or are definitely going to have flight deck duty prior to the completion of a flight must be provided with the same amount of supplemental oxygen as that provided for crew members on duty other than on flight deck duty. However, if the stand-by crew members are not on call and will not be on flight deck duty during the remainder of the flight, they must be considered as passengers with regard to supplemental oxygen.

§ 40.202-3 *Operating instructions (CAA policies which apply to § 40.202).* Operating instructions appropriate to the type of system and masks installed should be provided for the flight crew in the appropriate air carrier manual. These operating instructions should contain a graph or a table which will show the duration of the oxygen supply for the various bottle pressures and pressure altitudes.

§ 40.202-4 *Oxygen requirements for jump seat occupant (CAA policies which apply to § 40.202).* When the jump seat is occupied by a check airman, a crew member, or a flight crew member, as defined by § 40.5, oxygen should be provided in accordance with the requirements of § 40.202. The provision of oxygen at the jump seat location may be accomplished either by a portable oxygen unit or an outlet in a fixed system.

§ 40.202-5 *Oxygen requirements for infants-in-arms (CAA policies which apply to § 40.202 (c)).* Provisions should be made for administering oxygen to infants-in-arms and additional oxygen should be carried whenever an unusually large number of infants is carried. This additional oxygen is needed only when there is a passenger or infant for each seat position and the number of infants not provided for exceeds 50 percent of the seat positions. Acceptable methods of administering the oxygen to infants and now used by many operators are: (a) A disposable plastic mask which can be fitted to the face; (b) an infant size BLB oro-nasal mask; and (c) semi-rigid paper cups, specifically reserved for the purpose, which can be fitted over the infant's nose and mouth, with a hole punched through the bottom through which an oxygen tube or a Y-connector can be inserted. Any other acceptable method may also be used.

§ 40.202-6 *Oxygen requirements for clinical purposes (CAA policies which apply to § 40.202 (c)).* The regulations do not require that oxygen be provided for clinical purposes; hence, if the air carrier believes that such oxygen is to be desired, he should provide oxygen for this purpose. It is suggested that portable units of any size the air carrier desires be used for this purpose in order that the minimum supply required for supplementary breathing purposes will be preserved. If, however, the operator wishes to use a common source of supply for the oxygen required by the regulations and for clinical purposes, he may do so if he provides an amount of oxygen sufficiently greater than that required by the regulations. A quantity of 300 liters STPD would probably be considered as satisfying reasonable needs.

§ 40.203-1 *Computation of supply for crew members in pressurized cabin aircraft (CAA policies which apply to § 40.203 (a))*—(a) *Cabin altitudes less than 10,000 feet.* When a pressurized cabin aircraft is certificated to fly with a cabin pressure altitude no greater than 10,000 feet, only the supply of oxygen stipulated by § 40.203 (a) need be provided for crew members. In determining this supply the following policies should be considered:

(1) The supply of oxygen which should be provided for all crew members for the duration of the flight should be computed on the basis of the cabin pressure altitude which would exist after cabin depressurization has occurred and the aircraft has descended to the altitude which would permit safe flight with respect to terrain clearance. (See § 40.203 (c).)

(2) The operator may use the supply furnished for protective breathing purposes (see § 40.205) for compliance with the two hour requirement for supplementary breathing oxygen. For example, the 300 liter STPD supply per flight crew member which is the protective breathing supply when demand (or diluter-demand) systems are used, will provide a two-hour supplementary breathing supply for one flight crew member at 20,000 feet, so that both the minimum two hour supplementary breathing requirement and the protective breathing requirement would be fulfilled under most emergency conditions resulting from loss of cabin pressure or from contamination of cabin air with smoke or poisonous gases.

(b) *Cabin altitudes greater than 10,000 feet.* When operating a pressurized cabin aircraft which is certificated to fly

with a cabin pressure altitude greater than 10,000 feet, a supply of oxygen for crew members computed on the basis of the requirements of § 40.202 (b) should be provided.

(1) The oxygen supply required for protective breathing purposes, as defined in § 40.205 should be provided in addition to the above supply for the flight crew members on flight deck duty. This emergency supply may be used in the event of cabin pressurization failure. In the event that operations occur over terrain which require flights of such duration and altitude as to use of the emergency oxygen supplied either for protective breathing purposes or for the two hour supply following pressurization failure, the supply should be increased to provide for this difference, computing it for crew members on the basis of § 40.203 (a).

(2) To provide oxygen for crew members other than the flight crew members on flight deck duty in the event of cabin pressurization failure, a supply of oxygen in addition to the supplies mentioned above should be provided in accordance with the requirements of § 40.203 (a) except that the total supply for these other crew members need not exceed that provided on the basis of § 40.202 (b) for cabin pressure altitudes in excess of 10,000 feet plus an additional supply necessary to satisfy the increased oxygen flow which might be needed following a pressurization failure; this supplement to the § 40.202 (b) supply should be based on the duration of flight at the altitudes which would permit safe flight with respect to terrain clearance.

(3) During normal operation at cabin pressure altitudes above 10,000 feet oxygen should be used by each member of the flight crew on flight deck duty for the duration of the flight in excess of 30 minutes at the cabin pressure altitudes between 10,000 and 12,000 feet and for the duration of the flight at cabin pressure altitudes in excess of 12,000 feet. In the event of the loss of cabin pressurization, oxygen should continue to be used by the flight crew members on flight deck duty for the duration of flight at cabin pressure altitudes greater than 10,000 feet. All other crew members may use oxygen according to their individual needs.

§ 40.203–2 *Computation of supply for passengers in pressurized cabin aircraft (CAA policies which apply to § 40.203 (b))*—(a) *Cabin altitudes less than 10,000 feet.* When a pressurized cabin aircraft is certificated to fly with a cabin pressure altitude no greater than 10,000 feet, only the supply of oxygen stipulated by § 40.202 (c) need be provided for passengers. In determining this supply the following policies should be considered:

(1) The altitude which should be used in computing the supply of oxygen required by this section should be the altitude to which the aircraft would descend following a cabin pressurization failure, considering terrain clearance and operating limitations.

(2) Relative to § 40.203 (b) (1) and (2), no oxygen need be provided for the first four minutes following a cabin pressurization failure.

(b) *Cabin altitudes greater than 10,000 feet.* When a pressurized cabin aircraft is certificated to fly with a cabin pressure altitude greater than 10,000 feet, the following policies should be considered: When the cabin pressure altitude is above 10,000 feet to and including 14,000 feet, sufficient oxygen shall be provided for 10 percent of the number of passengers for the duration of flight between such cabin pressure altitudes. When the cabin pressure altitude is above 14,000 feet to and including 15,000 feet, sufficient oxygen shall be provided for 30 percent of the number of passengers for the duration of flight between such cabin pressure altitudes. When the cabin pressure altitude is above 15,000 feet, sufficient oxygen shall be provided for each passenger for the duration of flight above such a cabin pressure altitude. In addition to the above supply of oxygen, in order to provide for loss of cabin pressure, the supplementary oxygen required by whatever portions of § 40.203 (b) are applicable, shall be provided except that in no case will it be necessary to furnish a supply of oxygen in excess of that necessary to supply oxygen to 100 percent of the passengers for the maximum possible duration of flight at the maximum cabin altitude which could be attained under either of the normal operating or emergency conditions whichever is greater.

§ 40.203–3 *Oxygen requirements for clinical purposes (CAA policies which apply to § 40.203 (b)).* The regulations do not require that oxygen be provided for clinical purposes; hence, if the air carrier believes that such oxygen is to be desired, he should provide oxygen for this purpose. It is suggested that portable units of any size the air carrier desires be used for this purpose in order that the minimum supply required for supplementary breathing purposes will be preserved. If, however, the operator wishes to use a common source of supply for the oxygen required by the regulations and for clinical purposes, he may do so if he provides an amount of oxygen sufficiently greater than that required by the regulations. It is suggested that a quantity of 300 liters may be considered as satisfying reasonable needs.

§ 40.203–4 *Oxygen requirements for infants-in-arms (CAA policies which apply to § 40.203 (b)).* Provisions should be made for administering oxygen to infants-in-arms and additional oxygen over that required by § 40.203 (b) should be carried whenever an unusually large number of infants is carried. This additional oxygen is needed only when there is a passenger or infant for each seat position and the number of infants not provided for exceeds 50 percent of the seat positions. Acceptable methods of administering the oxygen to infants and now used by many operators are: (a) A disposable plastic mask which can be fitted to the face; (b) an infant size BLB oro-nasal mask and (c) semi-rigid paper cups, specifically reserved for the purpose, which can be fitted over the infant's nose and mouth, with a hole punched through the bottom through which an oxygen tube or Y-connector can be inserted. Any other acceptable method may also be used.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply secs. 601, 604, 52 Stat. 1007, 1010, as amended; 49 U. S. C. 551, 554)

This supplement shall become effective April 1, 1954. However, under Special Regulation 393B, published on December 30, 1953, in 18 F. R. 8866, the Administrator may, upon application, amend the operations specifications of an air carrier coming under the provisions of Part 40 effective April 15, 1954, to authorize such air carrier to operate prior to April 1, 1954, in compliance with selected provisions of Part 40 effective April 1, 1954, in lieu of the equivalent provisions of presently effective Parts 40 and 61.

[SEAL] F. B. LEE,
Administrator of Civil Aeronautics.

[F. R. Doc. 54-1556; Filed, Mar. 4, 1954; 8:45 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 6083]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

MELVIN MARCUS ET AL.

Subpart—*Advertising falsely or misleadingly:* § 3.90 *History of product or offering;* § 3.155 *Prices:* Exaggerated as Regular and Customary; § 3.170 *Qualities or properties of product or service.* In connection with the offering for sale, sale, and distribution in commerce of respondents' TV accessory designated as Interference Absorber, TV Wave Trap or Teleron TV Wave Trap, or designated by any other name, or any other product of substantially similar design, representing directly or by implication: (1) That the said product is a new invention or development; (2) that the use of said product will eliminate or reduce interference with television reception irrespective of the form of interference; (3) that the use of said product will result in picture-clear television reception, irrespective of circumstances; and (4) that any price is, or was, the customary or usual price for said product which is in excess of the price at which it is, or was, customarily sold by respondents in the usual course of business; prohibited.

(Sec. 6, 38 Stat. 722; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719; 15 U. S. C. 45) [Cease and desist order, Melvin Marcus d. b. a. Teleron Company et al., College Point, Long Island, N. Y., Docket 6083, Feb. 4, 1954]

In the Matter of Melvin Marcus Doing Business as Teleron Company, and Cecil C. Hoge, John Hoge, Sidney C. Hoge, and Barbara Obolenskey, Copartners, Doing Business as Huber Hoge and Sons

This proceeding was instituted by complaint which charged respondents

with unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

It was disposed of, as announced by the Commission's "Notice", dated February 16, 1954, through the consent settlement procedure provided in Rule V of the Commission's rules of practice as follows:

The consent settlement tendered by the parties in this proceeding, a copy of which is served herewith, was accepted by the Commission on February 4, 1954, and ordered entered of record as the Commission's findings as to the facts, conclusion, and order in disposition of this proceeding.

Said order to cease and desist, thus entered of record, following the findings as to the facts [1] and conclusion,[1] reads as follows:

It is ordered, That the respondent Melvin Marcus, doing business as Teleron Company, or under any other name, and respondents Cecil C. Hoge, John Hoge, Sidney C. Hoge and Barbara Obolensky, individually and as copartners doing business as Huber Hoge and Sons, or under any other name, and said respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of their TV accessory designated as Interference Absorber, TV Wave Trap or Teleron TV Wave Trap, or designated by any other name, or any other product of substantially similar design, do forthwith cease and desist from representing directly or by implication:

1. That the said product is a new invention or development;

2. That the use of said product will eliminate or reduce interference with television reception irrespective of the form of interference;

3. That the use of said product will result in picture-clear television reception, irrespective of circumstances;

4. That any price is, or was, the customary or usual price for said product which is in excess of the price at which it is, or was, customarily sold by respondents in the usual course of business.

It is further ordered, That the respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: February 16, 1954.

By direction of the Commission.

[SEAL] ALEX. AKERMAN, JR., *Secretary.*

[F. R. Doc. 54-1570; Filed, Mar. 4, 1954; 8:48 a. m.]

[1] Filed as part of the original document.

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

PART 3—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

STATUS OF FOODS CONTAINING ADDED COUMARIN

Pursuant to section 3 of the Administrative Procedure Act (60 Stat. 237, 238; 5 U. S. C. 1002), the following statement of interpretation is issued:

§ 3.33 *Status of foods containing added coumarin.* Manufacturers of coumarin have reported pharmacological investigations showing that it has toxic properties. They have informed the Food and Drug Administration that it will no longer be sold for food use. The Federal Food, Drug, and Cosmetic Act defines food as adulterated if it contains any added poisonous or deleterious substance not required in the production or avoidable in good manufacturing practice. Food containing coumarin added as such or as a constituent of tonka beans or tonka extract will be regarded as adulterated under this provision of the law.

(Sec. 701, 52 Stat. 1055; 21 U. S. C. 371. Interprets or applies secs. 402, 406, 52 Stat. 1046, 1049; 21 U. S. C. 342, 346)

Dated: March 1, 1954.

[SEAL] OVETA CULP HOBBY, *Secretary.*

[F. R. Doc. 54-1573; Filed, Mar. 4, 1954; 8:48 a. m.]

PART 10—GENERAL REGULATIONS RELATING TO DEFINITIONS AND STANDARDS FOR FOOD

GENERAL REGULATIONS

By virtue of the authority vested in the Secretary of Health, Education, and Welfare by the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 701 (a), 52 Stat. 1055; 21 U. S. C. 371 (a); 67 Stat. 18), the general regulations relating to definitions and standards for foods (21 CFR 10.0) are amended as set forth below:

Section 10.0 (c) is amended to read as follows:

§ 10.0 *General regulations.* * * *

(c) No provision of any regulation prescribing a definition and standard of identity or standard of quality or fill of container under section 401 of the act shall be construed as in any way affecting the concurrent applicability of the general provisions of the act and the regulations thereunder relating to adulteration and misbranding. For example, all regulations under section 401 contemplate that the food and all articles used as components or ingredients thereof shall not be poisonous or deleterious and shall be clean, sound, and fit for food. A provision in such regulations for the use of coloring or flavoring does not authorize such use under circumstances or in a manner whereby damage or inferiority is concealed or whereby the food is made to appear better or of greater value than it is.

(Sec. 701, 52 Stat. 1055; 21 U. S. C. 371)

This order shall become effective upon the date of its publication in the FEDERAL REGISTER.

Dated: March 1, 1954.

[SEAL] OVETA CULP HOBBY, *Secretary.*

[F. R. Doc. 54-1574; Filed, Mar. 4, 1954; 8:49 a. m.]

PART 14—CACAO PRODUCTS; DEFINITIONS AND STANDARDS OF IDENTITY

MISCELLANEOUS AMENDMENTS

In the matter of amending the definitions and standards of identity for chocolate liquor, chocolate, baking chocolate, bitter chocolate, cooking chocolate, chocolate coating, bitter chocolate coating; breakfast cocoa, high-fat cocoa; sweet chocolate, sweet chocolate coating; and milk chocolate, sweet milk chocolate, milk chocolate coating, sweet milk chocolate coating:

By virtue of the authority vested in the Secretary of Health, Education, and Welfare by the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055; 21 U. S. C. 341, 371; 67 Stat. 18), and upon the basis of substantial evidence received at the public hearing held pursuant to the notice published in the FEDERAL REGISTER on August 5, 1953 (18 F. R. 4606), and upon consideration of the exceptions filed to the tentative order published in the FEDERAL REGISTER on November 3, 1953 (18 F. R. 6945), which exceptions were not allowed as appears from notations on the exceptions on file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, Health, Education, and Welfare Building, 330 Independence Avenue SW., Washington 25, D. C., the following order is hereby promulgated:

Findings of fact.[1] 1. Based on evidence taken at a hearing held beginning December 9, 1940, on proposals to adopt definitions and standards of identity for various cacao products, coumarin (among other designated substances) was found to be a suitable artificial flavoring ingredient, and accordingly it was listed as a permitted optional ingredient in the definitions and standards of identity for chocolate liquor (21 CFR 14.2), breakfast cocoa (21 CFR 14.3), sweet chocolate (21 CFR 14.6), and milk chocolate (21 CFR 14.7). By reference it also became an optional ingredient in the definitions and standards of identity for cocoa (21 CFR 14.4), low-fat cocoa (21 CFR 14.5), skim milk chocolate (21 CFR 14.8), buttermilk chocolate (21 CFR 14.9), mixed dairy product chocolates (21 CFR 14.10), sweet chocolate and vegetable fat (other than cacao fat) coating (21 CFR 14.11), sweet cocoa and

[1] The citations following each finding of fact refer to the pages of the transcript of the testimony and the exhibits received in evidence at the hearing.

vegetable fat (other than cacao fat) coating (21 CFR 14.12). (Ex. 2.)

2. Pharmacological investigations designed to test the toxicity of coumarin have recently been concluded by a commercial laboratory. The uncontradicted testimony given at the hearing shows that coumarin was tested by the means normally employed to determine the toxicity of ingredients used in food. The only testimony taken at the hearing was that of the pharmacologist whose laboratories conducted the toxicity investigations. The investigations demonstrate that coumarin is a toxic substance which caused damage to various organs of the test animals, particularly the livers. There is a definite possibility that coumarin will cause injury when used for human food. (R. 6-7, 9, 12-13, 15, 17; Ex. 3, 4.)

3. Coumarin is a chemical substance which exhibits toxic properties when fed to test animals in small quantities. While the amount of coumarin fed to animals in the investigations reported at the hearing may have exceeded that normally found in a human diet, it is customary to test food ingredients on animals in quantities greater than is normally found in the human diet, to allow a margin of safety. The experiments reported establish that coumarin has toxic properties, is a poisonous and deleterious substance, and so is not a suitable optional ingredient of the various chocolate products named in finding 1. (R. 6-17; Ex. 3, 4.)

Conclusions. Coumarin is a poisonous and deleterious substance within the meaning of section 402 (a) (2) of the Federal Food, Drug, and Cosmetic Act (21 U. S. C. 342 (a) (2)). As used in chocolate products, it is unsafe within the meaning of section 406 (a) of the act (21 U. S. C. 346 (a)).

Coumarin was permitted as an ingredient in cacao products only as an optional ingredient, not a required ingredient, on the basis of evidence taken at previous hearings. There was no evidence introduced at any of the hearings to show that coumarin is required in the production of cacao products or cannot be avoided by good manufacturing practice. The Secretary is without authority to establish tolerances for the use of coumarin in such food.

It is concluded that it will promote honesty and fair dealing in the interest of consumers to amend the definitions and standards of identity for the various cacao products named in finding 1 to repeal all provisions making coumarin an optional ingredient in such definitions and standards of identity.

Therefore, it is ordered, That Part 14—Cacao Products; Definitions and Standards of Identity be amended in the following respects:

1a. In § 14.2 (a) (3), omit the word "coumarin".

b. In § 14.2 (b), last sentence, change the statement "With Added Cinnamon, Vanilla, and Coumarin, an Artificial Flavoring" to read: "With Added Cinnamon, Vanilla, and Ethyl Vanillin, an Artificial Flavoring."

2a. In § 14.3 (a) (3), omit the word "coumarin".

b. In § 14.3 (b), last sentence, change the statement "With Added Cinnamon, Vanilla, and Coumarin, an Artificial Flavoring" to read: "With Added Cinnamon, Vanilla, and Ethyl Vanillin, an Artificial Flavoring."

3a. In § 14.6 (a) (2), omit the word "coumarin".

b. In § 14.6 (e), last sentence, change the statement "With Added Emulsifier and Coumarin, an Artificial Flavoring" to read: "With Added Emulsifier and Ethyl Vanillin, an Artificial Flavoring."

4a. In § 14.7 (a) (2), omit the word "coumarin".

b. In § 14.7 (c), last sentence, change the statement "With Added Emulsifier and Coumarin, an Artificial Flavoring" to read: "With Added Emulsifier and Ethyl Vanillin, an Artificial Flavoring."

(Sec. 701, 52 Stat. 1055; 21 U. S. C. 371. Interpret or apply sec. 401, 52 Stat. 1046; 21 U. S. C. 341)

Effective date. This order shall become effective on the ninetieth day following the date of publication in the FEDERAL REGISTER.

Dated: March 1, 1954.

[SEAL] OVETA CULP HOBBY, *Secretary.*

[F.-R. Doc. 54-1572; Filed, Mar. 4, 1954; 8:48 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter IV—Federal National Mortgage Association, Housing and Home Finance Agency

PART 400—MORTGAGE PURCHASES, SERVICING AND SALES

Chapter IV, Part 400, of this title is hereby revised to read as follows:

SUBPART A—GENERAL

SUBPART B—MORTGAGES ELIGIBLE FOR PURCHASE

VA-GUARANTEED MORTGAGES

FHA-INSURED MORTGAGES

VA-GUARANTEED AND FHA-INSURED MORTGAGES

SUBPART C—DEFENSE, MILITARY, AND DISASTER HOUSING MORTGAGES

SUBPART D—ADVANCE CONTRACTS TO PURCHASE (ONE-FOR-ONE PROGRAM)

SUBPART E—COMMITMENT CONTRACTS: FHA COOPERATIVE HOUSING MORTGAGES

SUBPART F—ELIGIBLE SELLERS

SUBPART G—MORTGAGE SERVICING PROGRAM

SUBPART H—MORTGAGE SALES PROGRAM

AUTHORITY: §§ 400.1 to 400.901 issued under sec. 301, 48 Stat. 1252, as amended; 12 USC 1716.

SUBPART A—GENERAL

§ 400.1 *Scope of operations.* (a) Federal National Mortgage Association (hereinafter called "FNMA") is a corporate instrumentality of the United States, the capital stock of which is wholly owned by the Housing and Home Finance Administrator. Its principal powers are prescribed by Title III of the National Housing Act, as amended. FNMA provides a market for the purchase and sale of certain real estate mortgage loans. It purchases, on an over-the-counter basis, mortgage loans guaranteed under certain provisions of the Servicemen's Readjustment Act of 1944, as amended, or insured under certain provisions of the National Housing

Act, as amended. FNMA enters into advance commitment contracts to purchase guaranteed or insured mortgages, under certain conditions, when they relate to (1) Defense, Military or Disaster housing, (2) housing located in Alaska, and (3) FHA section 213 cooperative housing. The mortgages which FNMA owns are made available for sale to eligible investors. FNMA also issues Advance Contracts to Purchase, under certain conditions, in an amount not exceeding the amount of sale of mortgages purchased from its portfolio.

(b) FNMA does not make loans directly to individuals or institutions, except that FHA-insured mortgage loans covering properties located in Alaska may be made under certain conditions. Detailed information with respect to such Alaska loans and mortgage purchases may be obtained from the offices of FNMA at Los Angeles, Calif., or Washington, D. C.

(c) FNMA is authorized to conduct its business in any State of the United States, and in the District of Columbia, Alaska, Guam, Hawaii, Puerto Rico, or the Virgin Islands.

(d) FNMA functions through its principal office located at 811 Vermont Avenue, NW., Washington 25, D. C., and through Agency Offices located in various cities throughout the United States. A list of the cities in which the FNMA Agency Offices are located, their respective addresses and areas covered are given in this paragraph. All inquiries concerning the activities of FNMA, offerings of mortgages, etc., should be directed to the Agency Office serving the territory in which the mortgaged property is located. Forms for offering mortgages and other forms prescribed by FNMA may be obtained from such Agency Offices.

LOCATION OF AGENCY OFFICES AND AREA SERVED

Atlanta 3, Ga.: 48 Marietta Street NW.—Alabama, Florida, Georgia, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virgin Islands.

Chicago 2, Ill.: 30 North La Salle Street—Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, Wyoming.

Dallas 2, Tex.: 251 North Field Street—Arkansas, Colorado, Louisiana, New Mexico, Oklahoma, Texas.

Los Angeles 13, Calif.: 417 South Hill Street—Alaska, Arizona, California, Guam, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington.

Philadelphia 7, Pa.: Lincoln-Liberty Building, Broad and Chestnut Streets—Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia.

(Sales Office: 346 Broadway, Room 1003, New York 13, New York.)

§ 400.2 *Purchase price.* The prices at which mortgages are currently purchased by FNMA may be obtained by application to any FNMA Agency Office.

§ 400.3 *Exceptions.* In the conduct of its affairs, in individual cases or classes of cases, FNMA reserves the right, consistent with the law, to alter or waive any of the requirements contained in this part or to impose other and additional requirements; it further reserves the right to rescind or amend, any or all of the material set forth in this part.

SUBPART B—MORTGAGES ELIGIBLE FOR PURCHASE

VA-GUARANTEED MORTGAGES

§ 400.101 *Guaranty.* Any mortgage guaranteed by the Administrator of Veterans' Affairs (herein referred to as a "VA-guaranteed mortgage") must have been guaranteed after February 29, 1952, pursuant to section 501 or 502 of the Servicemen's Readjustment Act.

§ 400.102 *VA prior approval.* VA-guaranteed mortgages must have been processed through the VA "prior approval procedure".

§ 400.103 *Extent of guaranty for single-family dwelling units.* If the improvements on the mortgaged premises comprise one single-family dwelling unit, the original principal amount of the mortgage must have been guaranteed: (a) In the case of a section 501 mortgage, to the extent of 60 percent; (b) in the case of a section 502 mortgage, to the extent of 50 percent or $4,000, whichever is less.

§ 400.104 *Extent of guaranty for multiple-family dwelling units.* If the improvements on the mortgaged premises comprise two or more single-family dwelling units, the original principal amount of the mortgage will not have exceeded the original amount of the guaranty plus 50 percent of the purchase price or cost of the premises: *Provided*, That the original principal amount of the mortgage must not in any instance have exceeded 90 percent of the purchase price or cost of the premises. This section contemplates that the original principal amount of the mortgage will not have exceeded $50,000 and that the mortgagors, without exception (except spouses), will be veterans whose entitlement to guaranty, without reduction resulting from prior use of all or a portion thereof, will be employed to the fullest extent provided for by the Servicemen's Readjustment Act for the purposes of the mortgage loan or loans under consideration; and it also contemplates, when there is more than one veteran-mortgagor, that all such veteran-mortgagors will be jointly and severally liable for the mortgage debt. Included in this section are instances of a single multi-family building containing two or more single-family dwelling units and also instances of a single parcel of realty upon which the improvements consist of two or more family residences. The officers of FNMA are authorized to consider any case in which the original principal amount of the mortgage exceeds $50,000, or in which the veteran-mortgagors are not jointly and severally liable for the mortgage debt.

§ 400.105 *Section 502 mortgages.* The mortgaged premises must be improved by a farm residence, and the original principal amount of the mortgage must not have exceeded the purchase price or cost of the premises, as defined in § 400.108. In addition, the purchase price or cost of the premises must be computed without the inclusion of the VA appraised reasonable value of livestock, farm machinery, and automotive or other farm equipment, if any.

§ 400.106 *Maturity.* Each VA mortgage must mature not more than 30 years from the date of the note, or the date of assumption of the mortgage debt by the veteran-borrower for whom the mortgage loan is guaranteed.

§ 400.107 *Application of gratuity.* Except as to any mortgage where the related VA Certificate of Commitment (VA Form 4–1866) is dated subsequent to August 31, 1953, and prior to July 1, 1954, and in which the mortgage is guaranteed prior to July 1, 1954, the VA gratuity payment incident to a VA-guaranteed mortgage that is offered to FNMA for purchase must have been received or advanced by the seller and applied on the mortgage debt.

(a) If the VA gratuity has been received by the seller prior to delivery of the mortgage to FNMA, the amount thereof, or that portion thereof to which the mortgagor may be entitled after reduction or offset by reason of indebtedness owing from the mortgagor to VA, or by reason of prior guaranty of other indebtedness, must have been credited upon the loan in the manner required by VA regulations. The documents which are delivered incident to delivery of the mortgage must identify any such payment and must show clearly how it was applied, and, if there had been any reduction or offset agains et a full gratuity, must include either a VA letter or a copy of VA Form 4–1885 (such copy being numbered 4–1885a) verifying such reduction or offset.

(b) If the gratuity payment has not been received, the full amount thereof (without any reduction or offset) may be advanced by the seller prior to the delivery of the mortgage to FNMA and credited upon the loan. Such amount will be considered as having been received by the seller and shall not thereafter, for any reason, be subject to any adjustment requiring refund to the seller by FNMA.

§ 400.108 *Loan not to exceed purchase price.* Each mortgage must not exceed in original principal amount the purchase price or cost of the mortgaged premises. In determining the "purchase price or cost" of the mortgaged premises, any costs or expenses (commonly called closing costs) incurred in closing the loan or financing the purchase that are normally required to be paid by the purchaser or lienor under local lending customs shall be excluded. Under this requireemnt, if a VA mortgage is to be eligible for purchase by FNMA, such closing costs may be included in the mortgage loan only to the extent that the original principal amount thereof does not exceed such purchase price or cost, as defined herein; any excess of such closing costs must have been paid by or for the mortgagor otherwise than from the proceeds of the mortgage loan, and from some source other than by a gratuity from the seller of the property.

§ 400.109 *Date of first installment.* The period of time between the date of

a note, or the date of assumption of the mortgage debt by the veteran-borrower for whom the mortgage is guaranteed, and the due date of the first installment of principal and interest shall not exceed: (a) Six months, if the amortization installments are payable monthly or quarterly, except that if in such cases the seller establishes to the satisfaction of FNMA that the veteran-borrower executed the note or assumed the mortgage debt prior to the commencement of construction, that period shall not exceed twelve months; (b) twelve months, if the amortization installments are payable semi-annually or annually.

§ 400.110 *Minimum construction requirements.* The housing with respect to which each mortgage was made must conform with the minimum construction requirements prescribed by the Administrator of Veterans' Affairs.

FHA-INSURED MORTGAGES

§ 400.201 *Insurance.* Any mortgage insured by the Federal Housing Commissioner (referred to in this part as an "FHA-insured mortgage") must have been insured after February 29, 1952, pursuant to sections 8, 203, 207, 213 "Individual Mortgages," 213 "Project Mortgages" (Management Type), 803, 903 or 908 of the National Housing Act.

§ 400.202 *Service fee.* Each FHA-insured section 8 mortgage shall contain a provision requiring the monthly payment by the mortgagor of a service fee of ½ of 1 percent per annum. The servicer shall remit such service fee to FNMA.

§ 400.203 *Late charge.* Any mortgage insured pursuant to sections 207, 213 "Project Mortgages" (Management Type), 803 or 908 shall contain a provision requiring the payment by the mortgagor of a "late charge" of two cents for each dollar of each payment more than fifteen days in arrears. Whenever, under the law of the jurisdiction where the property is located, the amount of a "late charge" is considered to be additional interest, this provision shall not be used if the rate of interest specified in the mortgage together with the amount of the "late charge" would aggregate an amount in excess of the maximum rate of interest permitted, and would constitute usury.

VA-GUARANTEED AND FHA-INSURED MORTGAGES

§ 400.301 *Maximum loan.* The original principal amount of any mortgage (except an FHA-insured mortgage covering property located in Guam or Hawaii) must not have exceeded $10,000 for each single-family dwelling unit covered thereby. (A blanket mortgage, which does not contain provisions for the release of individual parcels, is ineligible if the original principal amount of the mortgage loan averages an amount in excess of $10,000 per dwelling unit (original principal amount of loan divided by the number of dwelling units). A blanket mortgage which does contain provisions for the release of individual parcels is ineligible if the portion of the original principal amount of the blanket mortgage allocable to any individual property exceeds $10,000 for any family residence or single-family dwelling unit.)

§ 400.302 *Defects in documents; determination of purchase price in such cases.* If the examination of mortgage documents in any case discloses defects which in the opinion of FNMA are material, or if the mortgage is otherwise determined to be ineligible for purchase, all of the mortgage documents will be returned to the seller. However, a seller may re-offer any such mortgage under a new contract, provided the defects have been cleared. The price FNMA will pay for a mortgage, which is returned to the seller and thereafter re-offered to FNMA as provided in this section, will be the price in effect on the date such re-offering is received by FNMA.

§ 400.303 *Interest.* Mortgages offered to FNMA for purchase must bear interest at not less than the following rates: FHA-insured section 8, 203, 213 "Individual Mortgages", or 903 mortgages and VA-guaranteed section 501 or 502 mortgages, 4½ percent per annum; FHA-insured section 207, 213 "Project Mortgages" (Management Type), 803, or 908 mortgages, 4½ percent per annum. Interest accruing to the day which precedes by one regular installment period the due date of the first full installment of principal and interest, shall have been paid by or for the account of the mortgagor.

§ 400.304 *Amortization.* Each VA-guaranteed section 501 mortgage and FHA-insured section 8, 203 (except section 203 (d)), 213 "Individual Mortgages", or 903 mortgage must provide for amortization thereof by the payment of equal monthly installments applicable to interest and principal, payable on the first day of each month. The installments on VA-guaranteed section 502 and FHA-insured section 203 (d) mortgages and may be payable on a monthly, quarterly, semi-annual or annual basis. FHA-insured section 207, 213 "Project Mortgages" (Management Type), 803, or 908 mortgages may be amortized either, by the payment of equal monthly installments applicable to interest and principal or, on the basis of the FHA accelerating curtail declining annuity method. Each mortgage must provide for additional periodic payments to cover ground rents, taxes, special assessments, other levies and charges, fire and other hazard insurance premiums, and mortgage insurance premiums, if any.

§ 400.305 *Mortgage payments.* On the date the mortgage is delivered to FNMA, it must be current with respect to matured installments of principal, interest and deposits. Mortgages will not be accepted for purchase after the 25th day of the month, unless the installment due on the first day of the subsequent month has been received and applied on the loan. The seller, within the immediately preceding 3 months, must not have advanced funds, nor have induced or solicited any advance of funds by another, directly or indirectly, for the payment of any amount required by the note or mortgage, except (a) for the VA gratuity, if any, in the case of a VA mortgage, or (b) for interest accruing from the date of the note or the date of disbursement of the loan proceeds, whichever is later, to the day which precedes by one regular installment period, the due date of the first full installment of principal and interest.

§ 400.306 *Period of eligibility.* The VA Certificate of Guaranty or the FHA Final Insurance Endorsement shall be dated after February 29, 1952, and not less than 2 months nor more than 12 months prior to the date of receipt of the mortgage by FNMA for purchase, except that an FHA-insured section 803 mortgage is not eligible unless the FHA Insurance Commitment was issued on or after March 1, 1951.

§ 400.307 *Location of premises.* The mortgaged premises must be located within a radius of 100 miles of the principal office of the seller, or of a branch office of seller which FNMA has determined is adequately equipped to service mortgages, or of an office of a bona fide agent of the seller if both agent and office have been approved by FNMA. This requirement does not apply to FHA-insured section 207, 213 "Project Mortgages" (Management Type), 803, or 908 mortgages which are serviced by FNMA.

§ 400.308 *Construction and mortgage financing fees.* The seller must certify that it has at all times complied strictly with all rules and regulations of the VA or FHA with respect to all fees or charges collected or made incident to the mortgage loan and any predecessor construction or other loan.

§ 400.309 *Loan documents and related instruments.* The notes and security instruments must be on standard forms approved by FNMA, published by FHA or VA and obtainable from their respective field offices. As a condition of the delivery of any mortgage to FNMA, the seller must have executed a Purchasing and Servicing Agreement (except in the case of FHA-insured sections 207, 213 "Project Mortgages" (Management Type), 803, and 908 mortgages), a Purchase Contract, and a Seller's Certificate. FNMA's eligibility requirements, as well as the evidence to substantiate such requirements, are more fully described in such documents. Seller must comply with all the requirements set forth in such documents and must also comply with such further purchase requirements as FNMA may, from time to time, prescribe.

§ 400.310 *Title evidence.* FNMA will accept a mortgagee's title policy on the standard form of the American Title Association, if written by a title company satisfactory to FNMA in an amount not less than the original principal amount of the mortgage indebtedness. The maximum single risk (i. e., the risk or hazard attaching to or arising in connection with any one mortgage) assumed by any one title company may not exceed 50 percent of the sum of its capital and surplus, and its reserves other than its loss or claim reserves; excess

amounts may be covered by reinsurance or coinsurance of acceptable title companies. Consideration will be given to the acceptance of other types of title evidence to the extent set forth in the Purchasing and Servicing Agreement.

§ 400.311 *Restriction.* No restriction upon the sale or occupancy of the mortgaged property, on the basis of race, color, or creed, must have been filed of record at any time subsequent to February 15, 1950, and prior to the latest date covered by the current title evidence.

§ 400.312 *Prepayment premium.* FHA-insured sections 207, 213 "Project Mortgages" (Management Type), 803, and 908 mortgages must include a provision for a premium or charge to be paid to the holder whenever prepayment of principal during any one calendar year exceeds 15 percent of the original principal amount of the mortgage debt. FNMA's minimum requirement in this respect is fully described in the Purchase Contract (FNMA Form 2a).

§ 400.313 *Credit requirements.* The general credit standing of the mortgagor and present owner, if other than original mortgagor, must be acceptable to FNMA, and the seller must certify that it has no knowledge of any circumstances of, or condition affecting, the mortgagor, present owner, or their affairs, which, in the opinion of the seller, may cause the mortgage to become delinquent. A credit report, which must not be dated more than 6 months prior to the time of delivery of mortgage to FNMA, shall be summitted in each case. Additional information or separate, current credit reports may be required by FNMA, if deemed necessary.

§ 400.314 *Property requirements.* (a) The improvements on the mortgaged premises must be undamaged by waste, fire or otherwise, and in all respects ready for occupancy.

(b) The seller must certify that it has no knowledge of any circumstances of, or conditions affecting, the mortgaged premises that adversely affects the value or marketability of the mortgage or that would cause private investors in the secondary mortgage market to regard the mortgage as unacceptable for prudent investment.

§ 400.315 *Purchase limitation (dollar amount).* Part II of Seller's Certificate, FNMA Form 190, includes in substance some of the provisions of the National Housing Act affecting sales of mortgages to FNMA. Such certificate provides a computation by which a seller may readily determine that not more than 50 percent of the amount of originations of certain VA mortgages (other than Defense and Disaster housing mortgages and mortgages delivered pursuant to Advance Contracts to Purchase) can be offered to FNMA; and not more than 25 percent of the amount of originations of certain FHA mortgages (other than Defense, Military and Disaster housing mortgages and mortgages delivered pursuant to Advance Contracts to Purchase) can be offered to FNMA. A different form of computation in the certificate will be used for VA-guaranteed and FHA-insured mortgages; and a seller is required to complete the appropriate form of computation and execute the certificate on the date of delivery of a mortgage tendered to FNMA for purchase.

§ 400.316 *Compliance by seller.* When a mortgage is delivered to FNMA for purchase, the seller must have complied with the National Housing Act and the Servicemen's Readjustment Act, if applicable, and the rules and regulations promulgated thereunder; also, the VA guaranty or FHA insurance must be in full force and effect. The seller must be the original mortgagee, and must not have made any prior sale of the mortgage offered to FNMA.

§ 400.317 *Mortgages covering leasehold estates.* When VA-guaranteed section 501 and 502 mortgages, or FHA-insured section 8, 203, 213 "Individual Mortgages", and 903 mortgages which cover leasehold estates are offered to FNMA for purchase, the seller shall furnish therewith satisfactory evidence that all of the following conditions exist in the political subdivisions—the city, county, or State—where the mortgaged property is located:

(a) The use of leasehold estates for residential properties is a custom of long standing in that area;

(b) Residential properties, consisting of leasehold estates, are readily marketable to informed buyers, and are acceptable to prudent investors in that area as security for mortgage loans;

(c) Mortgages covering residential properties, consisting of leasehold estates, are acceptable to prudent investors generally.

Evidence submitted by the seller shall include a geographical description of the area (city, county, or State), copies of the leasehold agreement in general use in that area, and such other evidence as may be requested. If the required evidence is satisfactory, the seller will be notified that FNMA will not object to offerings of such mortgages in that area. After such notification, the seller is not required to resubmit similar evidence with any subsequent offering in that area.

§ 400.318 *Mortgage lien upon personal property.* It is required that a valid and first lien be obtained, under applicable law, upon any equipment or other items of property normally regarded as personal property whenever such property constitutes a part of the required security for the mortgage indebtedness. In the case of a VA-guaranteed loan, the lien shall be legally adequate to embrace fully any such items of property used or found in the structure, which have been included in the VA Certificate of Reasonable Value. FNMA applies the same rule to an FHA mortgage where the FHA Commitment for Insurance contains certain items of equipment or other property which the FHA has referred to as "easily removable real estate items"; and, the lien shall be legally adequate to embrace fully any such items of equipment and property. Such items of equipment and property shall be described in such detail as to be readily identifiable.

Subpart C—Defense, Military, and Disaster Housing Mortgages

§ 400.401 *Purchase of defense, military, and disaster housing mortgages.* FNMA will purchase, on an over-the-counter basis, and will issue advance commitments for the purchase of mortgages that are otherwise eligible, guaranteed by VA under sections 501 or 502 of the Servicemen's Readjustment Act, or insured by FHA under sections 8, 203, 207, 213, 803, 903, or 908 of the National Housing Act, covering:

(a) Defense Housing (housing programmed by the Housing and Home Finance Administrator in an area determined by the President or his designee to be a critical defense housing area);

(b) Military Housing (housing with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to Title VIII of the National Housing Act); or

(c) Disaster Housing (housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster).

§ 400.402 *Exceptions to regular eligibility requirements.* Defense, Military, and Disaster housing mortgages must meet the eligibility requirements hereinbefore set forth, except as follows:

(a) They are exempt from the requirement that the mortgage must have been insured by FHA or guaranteed by VA subsequent to February 29, 1952 (§§ 400.101, 400.201, and 400.306).

(b) There is no two months' waiting period (§ 400.306).

(c) They are exempt from the requirements that not more than 50 percent of the amount of the originations of certain VA mortgages can be offered to FNMA for purchase, and not more than 25 percent of the originations of certain FHA mortgages can be offered to FNMA (§ 400.315).

(d) The italicized proviso in the following requirement will be waived where the VA Certificate of Reasonable Value is dated prior to September 1, 1952:

> If the improvements on the mortgaged premises comprise two or more single-family dwelling units, the original principal amount of the mortgage will not have exceeded the original amount of the guaranty, plus 50 percent of the purchase price or cost of the premises, *provided that the original principal amount of the mortgage must not in any instance have exceeded 90 percent of the purchase price or cost of the premises* (§ 400.104).

(e) FNMA will not require that the VA gratuity payment, if any, must have been received or advanced by the seller and applied on the mortgage debt. If the gratuity payment has not been received by the seller prior to delivery of the mortgage to FNMA, the mortgage may nevertheless be purchased if it is otherwise eligible, provided the seller furnishes a written statement to the effect that such payment has not been received and that it will be remitted to FNMA promptly when received. If there is any reduction or offset against the full gratuity the seller shall be required to furnish

FNMA, when remitting such payment, either a VA letter or a copy of VA Form 4-1835 (such copy being numbered 4-1835a), verifying such reduction or offset (§ 400.107).

(f) The requirement concerning knowledge of conditions affecting the mortgage shall be amended (as indicated by italics) to read as follows:

The seller must certify that, *other than conditions resulting from a failure to sell or rent the mortgaged premises,* it has no knowledge of any circumstances of, or conditions affecting, the mortgaged premises that adversely affects the value or marketability of the mortgage or that would cause private investors in the secondary mortgage market to regard the mortgage as unacceptable for prudent investment (§ 400.314).

(g) Mortgages covered by commitment contracts are exempt from the requirement that mortgages will not be accepted for purchase after the 25th day of the month, unless the installment due on the first day of the subsequent month has been received and applied on the loan (§ 400.305).

(h) With respect to mortgages tendered for purchase on an over-the-counter basis subsequent to May 4, 1953, or listed in commitment contracts executed by FNMA subsequent to May 4, 1953, the interest rates must be as follows:

(1) If the FHA Insurance Commitment or VA Certificate of Reasonable Value is dated on or prior to May 4, 1953, the mortgage must bear interest at not less than the following rates:

FHA-insured section 8, 203 and 903 mortgages, 4¼ percent per annum; FHA-insured section 207, 213, "Individual and Project Mortgages", 803 and 908 mortgages, and VA-guaranteed section 501 and 502 mortgages, 4 percent per annum.

(2) If the FHA Insurance Commitment or VA Certificate of Reasonable Value is dated subsequent to May 4, 1953, and on or prior to July 2, 1953, the mortgage must bear interest at not less than the following rates:

FHA-insured section 8, 203 and 903 mortgages and VA-guaranteed section 501 and 502 mortgages, 4½ percent per annum; FHA-insured section 207 mortgages, 4¼ percent per annum; FHA-insured section 213 "Individual and Project Mortgages", 803, and 908 mortgages, 4 percent per annum.

(3) If the FHA Insurance Commitment or VA Certificate of Reasonable Value is dated subsequent to July 2, 1953, the mortgage must bear interest at not less than the following rates:

FHA-insured section 8, 203, 213 "Individual Mortgages", and 903 mortgages, and VA-guaranteed section 501 and 502 mortgages, 4½ percent per annum; FHA-insured section 207, 213 "Project Mortgages", 803 and 908 mortgages, 4¼ percent per annum (§ 400.303).

§ 400.403 *Commitment contracts; conditions.* (a) Applications for advance commitments (Commitment Contract form executed by the seller) must be delivered in time for execution by FNMA prior to July 1, 1954.

(b) Commitment contracts will be subject to the following principal conditions:

(1) The mortgage relates to housing that has been programmed by the Housing and Home Finance Administrator for critical Defense Housing areas, or to Military Housing, or to Disaster Housing whether programmed or nonprogrammed.

(2) Seller holds an FHA Insurance Commitment, which in a section 803 case was issued on or after March 1, 1951, or a VA Certificate of Reasonable Value.

(3) Construction has not been commenced on the related housing to be encumbered by the mortgage.

(4) Seller has been and is unable to complete arrangements to market the mortgage elsewhere at par.

(5) Arrangements have been made for obtaining or furnishing all construction loan funds.

§ 400.404 *Commitment period.* The commitment period, under a commitment contract covering an FHA section 8, 203, 213 "Individual Mortgage", or 903 mortgage, or a VA section 501 or 502 mortgage, will be one year. The commitment period, under a commitment contract covering an FHA section 207, 213 "Project Mortgage" (Management Type), 803, or 908 mortgage, will be the time between the date FNMA executes the commitment contract and the latest date on which amortization payments may commence under the terms of the FHA Insurance Commitment.

§ 400.405 *Commitment deposits and fees.* (a) Concurrently with the filing of an application with FNMA for a commitment to purchase an FHA section 8, 203, 213 "Individual Mortgage", or 903 mortgage, or a VA section 501, or 502 mortgage the seller must deposit with FNMA an amount equal to 1 percent of the original principal amount of each mortgage included in a commitment contract as a commitment deposit. FNMA will charge commitment fees with respect to such mortgages (to be retained from the commitment deposit applicable to each mortgage and any balance to be refunded to the seller) as follows:

(1) One-half of the commitment deposit upon delivery of an eligible mortgage to FNMA within the commitment period; or

(2) One-fourth of the commitment deposit upon the written request of seller within the commitment period to withdraw the mortgage from the commitment, accompanied by a statement (i) that the improvements on the mortgaged premises are ready for occupancy and (ii) that the mortgage in all respects is eligible for purchase by FNMA from the seller; or

(3) The full amount of the commitment deposit if the contract is terminated; or, if at the expiration of the commitment period, the seller has not acted in accordance with either subparagraphs (1) or (2) of this paragraph.

(b) Concurrently with the filing of an application with FNMA for a commitment to purchase an FHA section 207, 213 "Project Mortgage" (Management Type), 803, or 908 mortgage, the seller must deposit with FNMA an amount equal to one-half of 1 percent of the original principal amount of the mortgage as a commitment deposit. FNMA will charge with respect to each such mortgage a commitment fee (to be retained by FNMA from the commitment deposit, and any balance to be refunded to the seller) as follows:

(1) The full amount of the commitment deposit if, within the commitment period, the mortgage is delivered to FNMA for purchase and the mortgage is in all respects eligible for purchase by FNMA; or

(2) One-half of the commitment deposit upon the written request of the seller within the commitment period to withdraw the mortgage from the commitment, accompanied by a statement (i) that the improvements on the mortgaged premises are ready for occupancy and (ii) that the mortgage in all respects is eligible for purchase by FNMA from the seller; or

(3) The full amount of the commitment deposit if the contract is terminated; or, if at the expiration of the commitment period, the seller has not acted in accordance with either subparagraph (1) or (2) of this paragraph.

§ 400.406 *Mortgage withdrawn from commitment contract.* FNMA will not purchase on an over-the-counter basis any mortgage previously withdrawn from a commitment contract.

Subpart D—Advance Contracts To Purchase

(One-for-one program)

§ 400.501 *Statutory basis.* Public Law 94, 83d Congress, authorizes FNMA to issue advance commitments to purchase mortgages in an amount which does not exceed the principal amount paid for mortgages sold by FNMA from its portfolio. FNMA will issue such commitments under the following conditions and requirements (copies of required forms, and complete detailed information concerning this program may be obtained from any FNMA Agency Office).

§ 400.502 *Issuance of contract.* Advance Contracts to Purchase may be issued in connection with the sale of all mortgages from FNMA's portfolio, including Defense, Military, and Disaster housing mortgages. They will not be issued in any case in which, at the instance of FNMA, a purchaser is repurchasing unsatisfactory mortgages theretofore sold by the purchaser to FNMA. The contract will be issued to either (a) the purchaser that signed FNMA's Mortgage Sales Agreement, or (b) FNMA's immediate assignee of the mortgages, whichever is requested by the purchaser at, or prior to, the time of closing of the sale. The contract is not assignable or transferrable and, after issuance, it will not be re-issued to any other person, firm, or corporation.

§ 400.503 *Period of issuance.* Advance commitments may be issued by FNMA in connection with sales subsequent to July 25, 1953, and prior to July 1, 1954, on FNMA Form 260 "Advance Contract to Purchase".

§ 400.504 *Amount of contract.* A contract will be issued in any amount requested by the purchaser, but not to exceed the principal amount paid to

FNMA for mortgages purchased from FNMA's portfolio (e. g., if the aggregate of the unpaid principal balances of mortgages sold is $1,000,000, and the mortgages were sold at 98, the sale price is $980,000; and the maximum amount of the contract would therefore be $980,000). The contract obligates FNMA to purchase a specific dollar volume of mortgages, but not specific mortgages covering any particular property. Where a contract is issued at purchaser's request in an amount less than the sale price, no subsequent increase in the amount of the contract will be made.

§ 400.505 *Limitation on purchase of mortgages.* Although, as stated in § 400.502, Defense, Military and Disaster housing mortgages may be sold by FNMA and contracts issued in connection therewith, such mortgages will not be purchased by FNMA pursuant to the contracts, for the reason that established FNMA procedures already provide for advance commitments and over-the-counter purchases of such mortgages.

§ 400.506 *Commitment period.* The commitment period shall be one year from the date of the contract. (The date of the contract will in all cases be the effective date of the sale.)

§ 400.507 *Commitment fee.* Purchasers of FNMA mortgages desiring to obtain an Advance Contract to Purchase must, at the time of the closing of the sale, pay a "Commitment Fee" of one percent of the total amount of the contract. No part of such fee will be refunded.

§ 400.508 *FNMA purchase price.* Purchases of mortgages by FNMA under an Advance Contract to Purchase will be confined solely to the types of mortgages listed in the schedule appearing on the reverse side of the contract, and the price that will be paid by FNMA for each type of mortgage will be the current price in effect on the date the Mortgage Sales Agreement, FNMA Form 174 or 174–A is executed by FNMA. A contract may be presented to any FNMA Agency Office, regardless of the location of the issuing Agency Office.

§ 400.509 *Acquisition and service charge.* At the time a mortgage is delivered for purchase under an Advance Contract to Purchase, the seller is required to pay an "Acquisition and Service Charge" of one-half of one percent of the principal amount to be paid by FNMA for the mortgage.

§ 400.510 *Exceptions to regular eligibility requirements.* Mortgages delivered under Advance Contracts to Purchase must conform in all respects to FNMA's requirements in effect on the date of the issuance of the contract, except as follows:

(a) They are not subject to the two months' waiting period (§ 400.306);

(b) FNMA will not require that the gratuity payment, if any, must have been received or advanced by the seller and applied on the mortgage debt. If the gratiuity payment has not been received by the seller prior to delivery of the mortgage to FNMA, the mortgage may nevertheless be purchased if it is otherwise eligible, provided the seller furnishes a written statement to the effect that such payment has not been received and that it will be remitted to FNMA promptly when received. If there is any reduction or offset against the full gratuity the seller shall be required to furnish to FNMA, when remitting such payment, either a VA letter or a copy of VA Form 4–1885 (such copy being numbered 4–1885a), verifying such reduction or offset (§ 400.107);

(c) They are exempt from the requirement that only 50 percent of certain VA mortgages originated by a seller can be offered to FNMA, and only 25 percent of certain FHA mortgages originated by a seller can be offered to FNMA (§ 400.315);

(d) They are exempt from the requirement that mortgages will not be accepted for purchase after the 25th day of the month, unless the installment due on the first day of the subsequent month has been received and applied on the loan (§ 400.305).

SUBPART E—COMMITMENT CONTRACTS; FHA COOPERATIVE HOUSING MORTGAGES

§ 400.601 *Statutory basis.* FNMA is authorized to enter into advance Commitment Contracts which do not exceed $30,000,000 outstanding at any one time, if such commitments relate to mortgages with respect to which the Federal Housing Commissioner has issued prior to September 1, 1953, pursuant to section 213 of the National Housing Act, as amended, either a Commitment to Insure or a Statement of Eligibility, provided that not to exceed $3,500,000 of such authorization shall be available for such commitments in any one State.

§ 400.602 *Types of mortgages.* FNMA will issue such commitments for the purchase of FHA section 213 "Project Mortgages" (Management Type), and FHA section 213 "Individual Mortgages" covering properties to be released from a "Project Mortgage" (Sales Type). FNMA will not issue commitments for the purchase of FHA section 213 "Project Mortgages" (Sales Type).

§ 400.603 *Conditions.* Commitment Contracts will be issued subject to the conditions: (a) That the seller is an FHA-approved mortgagee (which term does not include a loan correspondent of an approved mortgagee); (b) that the seller holds a Statement of Eligibility executed by FHA or an FHA Insurance Commitment covering the project mortgage; (c) that either the FHA Insurance Commitment or the FHA Statement of Eligibility was issued prior to September 1, 1953; (d) that construction has not commenced; (e) that the seller has been and is unable to complete arrangements to market the mortgage elsewhere at par; (f) if the contract is issued prior to the issuance of the FHA Insurance Commitment on the project mortgage, seller agrees to deliver such insurance commitment to FNMA within 90 days after the date of the execution of the contract by FNMA; and (g) if the contract covers individual mortgages, seller agrees to deliver the individual FHA Insurance Commitments to FNMA at the time such mortgages are tendered for purchase.

§ 400.604 *Exception to regular eligibility requirement.* Mortgages delivered pursuant to these commitment contracts are exempt from the FNMA requirement that mortgages will not be accepted for purchase after the 25th day of the month, unless the installment due on the first day of the subsequent month has been received and applied on the loan (§ 400.305).

§ 400.605 *Commitment deposits and fees.* Same as required for section 213 Defense, Military, and Disaster mortgages. (See § 400.405.)

§ 400.606 *Additional information.* Complete detailed information and copies of required FNMA forms may be obtained from any FNMA Agency Office.

SUBPART F—ELIGIBLE SELLERS

§ 400.701 *VA-guaranteed mortgages.* In order to be eligible to sell any VA-guaranteed mortgage to FNMA a lender must be acceptable to FNMA and must come within one of the following three classifications:

(a) Any lender that is classified by VA as a "supervised lender" under section 500 (d) of the Servicemen's Readjustment Act, including any National bank, State bank, private bank, building and loan association, insurance company, credit union or mortgage and loan company, which is subject to examination and supervision by an agency of the United States or of any State or territory, including the District of Columbia.

(b) Any lender that is an FHA-approved mortgagee, as defined in this part.

(c) Any other lender, if such lender, as determined by FNMA, is adequately equipped to service mortgages and has a net worth of not less than $50,000.

§ 400.702 *FHA-insured mortgages.* In order to be eligible to sell any FHA-insured mortgage to FNMA, a lender must be acceptable to FNMA and must be an FHA-approved mortgagee. The term "FHA-approved mortgagee", as used in this part, means an institution, agency or organization that has been approved by FHA as the holder of, and the original lender upon, a mortgage insured pursuant to the provisions of Title I, Title II, Title VIII or Title IX of the National Housing Act. Such term does not include a mortgagee that has been approved on the basis of being a duly authorized loan correspondent of an approved mortgagee which has qualified with FHA to originate loans under the National Housing Act.

§ 400.703 *Application for approval as eligible seller.* Any lender that applies to FNMA for designation as an eligible seller shall transmit with its application a detailed description of its servicing facilities together with a recent financial statement. The term "lender" as used in this part means an organized business enterprise which has as one of its principal purposes the making of loans secured by real estate mortgages. Such mortgage loans must customarily be made in the regular, usual, and normal course of business. An organization which makes

such loans occasionally only, or in special circumstances only, e. g., in aid of another of its principal purposes, would not come within this definition. A Federal, State or municipal instrumentality cannot become an eligible seller.

SUBPART G—MORTGAGE SERVICING PROGRAM

§ 400.801 *Mortgage servicing.* (a) Sellers are obligated to service, in accordance with FNMA requirements, all VA-guaranteed and FHA-insured mortgages purchased by FNMA (except FHA-insured section 207, 213 "Project Mortgages" (Management Type), 803 and 908 mortgages which are serviced by FNMA), but the seller is not required to foreclose or bear any part of foreclosure expenses.

(b) As compensation for the performance of its servicing duties, a servicer may retain from each full monthly installment collected by it an amount equal to one-half of one percent per annum computed on the same principal amount and for the same period as the interest portion of said installment, and may also retain the late charges, if any, paid by the mortgagor; provided, no compensation will be due the servicer with respect to any period prior to the date of disbursement of the purchase price or subsequent to the date of termination of the Purchasing and Servicing Agreement or of the termination of its servicing duties.

(c) The servicer's servicing duties under the Purchasing and Servicing Agreement may be terminated, in whole or in part, either for cause or at the option of FNMA, upon giving the servicer the written notice stipulated in the Agreement. Servicers are required to maintain fidelity bond coverage or furnish direct surety bond, acceptable to FNMA.

SUBPART H—MORTGAGE SALES PROGRAM

§ 400.901 *Mortgage sales.* (a) All mortgages owned by FNMA are available for sale to eligible purchasers. The prices at which such mortgages are currently made available for sale may be obtained by application to any FNMA Agency Office.

(b) Any investor that, in the opinion of FNMA, is qualified to service the mortgage is eligible to purchase VA-guaranteed mortgages. Any investor that is an FHA-approved mortgagee is eligible to purchase FHA-insured mortgages.

(c) Lists of mortgages owned and available for sale may be obtained by prospective purchasers upon application to the FNMA Agency Office serving the area in which the investor desires to purchase mortgages. Prospective purchasers may select mortgages in which they are interested from the lists. Any number of mortgages selected from offering lists may constitute either a sale or a reservation; any number of mortgages selected from a reservation may constitute a sale.

(d) Except for mortgages covering large-scale rental housing, FNMA does not issue firm options; instead, mortgages selected by a prospective purchaser will be reserved for its account, and will not be available for sale to any other investor, for a period of 15 calendar days. Prices quoted are subject to change without notice during the reservation period. During such period, mortgaged properties may be inspected, and the mortgage documents examined at FNMA's Agency Offices. Since existing servicing arrangements that are transferred with the mortgages are cancellable on 30 days' notice at the option of the owner of the mortgages, purchasers will always be able to effect their own arrangements for future servicing. FNMA will endeavor to comply with the wishes of purchasers with respect to arranging closing schedules and other matters incident to consummating sales. Expenses that may be incurred by FNMA in connection with the transfer of mortgages must be assumed by the purchaser.

(e) In instances in which both the FHA-insured first mortgage and VA-guaranteed section 505 (a) second mortgage covering the same property are owned by FNMA, sale of the first mortgage will not be made unless the investor will purchase both mortgages as a package; the second mortgage will be sold without the first, if an investor desires to purchase the second mortgage only.

J. S. BAUGHMAN,
President,
Federal National Mortgage Association.

[F. R. Doc. 54-1563; Filed, Mar. 4, 1954; 8:47 a. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 204—DANGER ZONE REGULATIONS

CHESAPEAKE BAY, VIRGINIA

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), § 204.51 governing the use and navigation of danger zones in waters of Chesapeake Bay adjacent to the U. S. Naval Amphibious Base, Little Creek, Virginia, is amended to include a small-arms firing range as follows:

§ 204.51 *Chesapeake Bay, Lynnhaven Roads; danger zones, U. S. Naval Amphibious Base*—(a) *Underwater demolitions area (prohibited)*—(1) *The area.* A portion of the restricted area for Navy amphibious training operations described in § 207.157, along the south shore of Chesapeake Bay, bounded as follows: Beginning at a point on the mean low-water line at longitude 76°08'59"; thence 200 yards to latitude 36°55'36", longitude 76°08'57"; thence 400 yards to latitude 36°55'34", longitude 76°08'43"; thence 200 yards to a point on the mean low-water line at longitude 76°08'45"; and thence approximately 400 yards along the mean low-water line to the point of beginning. The area will be marked by range poles set on shore on the prolongation of the lines forming its eastern and western boundaries.

(2) *The regulations.* Vessels other than those owned and operated by the United States shall not enter the prohibited area at any time unless authorized to do so by the enforcing agency.

(b) *Small-arms firing range*—(1) *The area.* Beginning at a point on the mean low-water line at longitude 76°08'32"; thence 4,360 yards to latitude 36°57'26", longitude 76°07'33"; thence 905 yards to latitude 36°57'17", longitude 76°07'01"; thence 4,430 yards to a point on the mean low-water line at longitude 76°08'21"; thence along the mean low-water line to the point of beginning.

(2) *The regulations.* (i) Passage of vessels through the area will not be prohibited at any time, nor will commercial fishermen be prohibited from working fish nets within the area. No loitering or anchoring for other purposes will be permitted.

(ii) A large red warning flag will be flown on shore during periods when firing is in progress. Observers will be on duty and firing will be suspended for the passage of vessels and for the placing and maintenance of fish nets within the area.

(c) This section shall be enforced by the Commanding Officer, U. S. Naval Amphibious Base, Little Creek, Virginia.

[Regs., Feb. 9, 1954—800.2121 (Chesapeake Bay)—ENGWO] (40 Stat. 266; 33 U. S. C. 1)

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

[F. R. Doc. 54-1571; Filed, Mar. 4, 1954; 8:48 a. m.]

TITLE 35—PANAMA CANAL

Chapter I—Canal Zone Regulations

Appendix—Canal Zone Orders

[Canal Zone Order 32]

AMENDING EXECUTIVE ORDER NO. 1888 OF FEBRUARY 2, 1914, RELATING TO CONDITIONS OF EMPLOYMENT IN THE SERVICE OF THE CANAL ZONE GOVERNMENT ON THE ISTHMUS OF PANAMA

By virtue of the authority vested in the President of the United States by section 81 of title 2 of the Canal Zone Code, as amended by section 3 of the Act of July 9, 1937 (50 Stat. 487), and delegated to me by Executive Order No. 9746 of July 1, 1946, as amended by Executive Order 10101 of January 31, 1950, section 19 of Executive Order No. 1888 of February 2, 1914, as amended, is hereby further amended to read as follows:

"19. Employees will be charged for medical and hospital care, attendance, and treatment furnished to them or to members of their families at such rates and under such regulations as may be prescribed by the Governor."

ROBERT T. STEVENS,
Secretary of the Army.

FEBRUARY 25, 1954.

[F. R. Doc. 54-1564; Filed, Mar. 4, 1954; 8:47 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 10604]

PART 3—RADIO BROADCAST SERVICES

SPECIAL FIELD TEST AUTHORIZATION; GROUNDWAVE SIGNALS

In the matter of amendment of Part 3 (Radio Broadcast Services) of the Commission's rules and regulations and the Standards of Good Engineering Practice Concerning Standard Broadcast Stations; Docket No. 10604.

1. The Commission has under consideration its notice of proposed rule making, issued on August 3, 1953, proposing to amend the Standards of Good Engineering Practice Concerning Standard Broadcast Stations by (1) deleting the map entitled "Ground Conductivity in the United States and Canada" designated as Figure 3; (2) substituting therefor a new map entitled "Estimated Effective Ground Conductivity in the United States" (figs. M3[1] and R3); (3) deleting Table B in section 4 and all references thereto; (4) deleting footnote 13 of section 1; and (5) making certain editorial revisions to sections 1 and 4. It is also proposed to amend Part 3 of Commission rules and regulations by the addition of § 3.36, which provides for the issuance of special field test authorizations to operate transmitters for the taking of field intensity data.[2]

2. The comments filed favor adoption of the proposed amendments with some modifications. The recommended modifications are considered separately below.

3. The comments of Columbia Broadcasting System, Inc., were directed to footnote 15 of the proposed text, which states, "In all cases the effective field should be established from the dimensions of the radiating system." Columbia points out, and we agree, that this statement is inconsistent with other provisions of the Standards. Accordingly, we are deleting the footnote in question.

4. Radio Station KMA, Shenandoah, Iowa, filed a comment suggesting changes in conductivity value in an area north of Shenandoah. The Commission's proposed map indicates values 15 and 30 mmhos/m south and north, respectively, of Station KMA. KMA contends that the field intensity measurements filed with its comment show a value of 30 mmhos/m to exist to a point approximately 100 miles north of KMA, and that the line between 15 and 30 mmhos/m should be moved northward to that point. We have studied the data submitted and find it warrants moving the line about 20 miles northward but that beyond this distance, the conductivity tends to decrease. Accordingly, the map has been modified to show the higher value of conductivity north of KMA but only to the 20-mile extent indicated.

5. The Association of Federal Communications Consulting Engineers filed a comment setting forth several suggestions. First, it points out an error with respect to a corridor of low conductivity, extending through North Dakota. We have corrected the error by ascribing the value of 30 mmhos/m to the area in question.

6. The Association also calls attention to measurements made on a station at Sayre, Pennsylvania, northward to Lake Ontario and to the apparent discrepancy between the results obtained and the conductivity value shown on the proposed map. The measurements show varying conductivity values over the three paths measured, with 2 mmhos/m as the most consistent value; with a minor exception, none of the various values indicated is as great as the 4 mmhos/m figure shown on the map. It is implicitly suggested that we have erred either in the assignment of the conductivity value to the area or in the delineation of the line of demarcation between the areas of 2 and 4 mmhos/m, which line is shown to be south of Sayre. We have studied the measurements referred to and the other measurements that originally led us to assign the 4 mmhos/m value to the area and to arrive at the line of demarcation. It is our conclusion that assignment of the 4 mmhos/m figure and retention of the present demarcation line is warranted by the preponderance of measurements pertaining to the area. In this connection, it is pointed out that the map does not purport to give precise values along particular paths and therefore, the narrow refinement sought is inappropriate.

7. The Association objects to the requirement in § 3.36 as proposed that the test antenna resistance be measured and such measurements, together with log notations of the antenna power input, be submitted to the Commission. It is argued that the resistive component of the impedance of such antennas is usually so low as to make accurate measurement difficult or impossible; and that the resistance of the antennas has little direct relationship to the radiated field. As an alternative, the Association suggests that the rule be revised to require the maintenance of constant antenna current. We believe this suggestion to have merit. Accordingly, we have revised the proposed paragraph (a) (3) and (7) to provide that the plate power of the final stage of the transmitter not exceed authorized power; that the antenna current be maintained constant for each phase of the test; and that certified copies of logs of the plate voltage and plate current of the final stages of the transmitter be submitted.

8. The Association's suggestion that the term "unattenuated field" appearing in paragraph (b) (6) be replaced by "inverse distance field" to avoid any possibility of confusion, has been adopted.

9. We believe the Association's final recommendation that the map be held in abeyance until questions of "measuring techniques and acceptability of measurements are finally established," to be without merit. Assuming that new measuring techniques should be adopted, we cannot tell what effect, if any, such techniques would have upon the conductivity values shown on the map; further, reevaluation because of new techniques of the large amount of data upon which this map was based would take years to accomplish. In view of these considerations, the public interest clearly requires adoption of the subject map.

10. Certain changes not suggested by parties to this proceeding have also been made. Thus, we have noted an error in our placement of a portion of the line of demarcation between the areas of 4 and 2 mmhos/m in central Maryland, and are accordingly moving the line somewhat northward so as to include Baltimore and its environs in the area shown as having a conductivity value of 2 mmhos/m. Also, there has come to our attention field intensity measurement data which indicates that an area in south central Michigan is not accurately represented by the value of 8 mmhos/m shown by the proposed map; the map has therefore been revised to reflect the proper value for this area and to move the western line of demarcation. Finally, on the basis of certain field intensity measurements filed with the Commission, the area from east to central Utah, which is shown as having a value of 8 mmhos/m, is modified so that the value 15 mmhos/m is set out and slight changes are made in the lines of demarcation about the area.

11. One other point should be noted in connection with § 3.36. Paragraph (a) (1) provides that test authorizations will be granted only if no objectionable interference will result to other authorized radio operations. We believe it desirable to supplement this provision by precluding the use of power in excess of that necessary to carry out the desired tests; in this way, any possibility of interference is minimized.

12. We conclude that the proposed amendments to the rules and standards, as modified and set out below, should be adopted.

13. Authority for the adoption of the amendments herein is contained in sections 1, 4 (i), 303 (f), (h) and (r), and 307 (b) of the Communications Act of 1934, as amended.

14. *It is ordered*, That effective April 5, 1954, the Standards of Good Engineering Practice Concerning Standard Broadcast Stations and Part 3 of the Commission's rules and regulations are amended as set forth below.

(Sec. 4, 48 Stat. 1066 as amended; 47 U. S. C. 154. Interprets or applies secs. 303, 307, 48 Stat. 1082, as amended; 1084; 47 U. S. C. 303, 307)

Adopted: February 24, 1954.

Released: February 25, 1954.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[1] Because of its large size, figure M3 is not to be a physical part of the Standards, but is to be published as a separate document and is available from the Superintendent of Documents, Washington 25, D. C., for the sum of $3.50.

[2] The notice erroneously stated that changes were to be made in section 2 of the Standards.

I. A new section is added to Part 3 (Radio Broadcast Services) of Commission rules and regulations as follows:

§ 3.36 *Special field test authorization.* (a) Upon a showing that a need exists, a special test authorization to operate a portable or regularly authorized transmitter may be issued to persons desiring to make field intensity surveys to determine values of soil conductivity, or other factors influencing radio wave propagation, in particular areas or paths for the period necessary to conduct the survey. Such authorizations may be granted upon the following conditions:

(1) No objectionable interference will result to the operation of other authorized radio services; in this connection, the power requested shall not exceed that necessary for the purposes of the test.

(2) The carrier will be unmodulated except for half-hourly voice identification.

(3) The plate power ($E_p \times I_p$) of the final stage of the transmitter shall not exceed authorized test power and the antenna current shall be maintained at a constant value for each phase of the test.

(4) The test equipment shall not be permanently installed, unless such installation has been separately authorized. Mobile units shall not be deemed permanent installations.

(5) The equipment must be operated by or under the personal direction of either a licensed radiotelephone first-class or second-class operator.

(6) A report, under oath, containing the measurements, their analysis and other results of the survey shall be filed with the Commission within sixty (60) days from the termination of the test authorization. The measurements taken shall be sufficiently complete, in accordance with section 2 of the Standards of Good Engineering Practice Concerning Standard Broadcast Stations, so as to permit a determination of the inverse distance field at 1 mile in pertinent directions.

(7) The plate voltage (E_p) and plate current (I_p) of the final stage of the transmitter shall be logged at half-hour intervals and at any time that such power is changed. Certified copies of such log notations shall be submitted to the Commission with the required report.

(8) Operation shall conform to the requirements of Subpart G of this part.

(b) The test equipment, installation and operation thereof need not comply with the requirements of Commission rules and standards except as specified in this section: *Provided however,* That the equipment, installation and operation shall be consistent with good engineering principles and practices.

(c) No authorization shall be issued unless the applicant for such authorization is determined to be legally qualified. Requests for authorizations to operate a transmitter under this section shall be made in writing, signed by the applicant under oath or affirmation (with no special form provided, however), and shall set forth the following information:

(1) Purpose, duration and need for the survey.

(2) Frequency, plate power and time of operation.

(3) A brief description of the test antenna system and its estimated effective field and its proposed location.

(4) In the case of a directional test antenna, an estimate of the maximum fields expected to be radiated in the direction of pertinent broadcast stations.

(5) In the case of a person who is not a licensee or permittee of this Commission the information required by section II of FCC Form 301.

(d) The authorization may be modified or terminated by notification from the Commission if in its judgment such action will promote the public interest, convenience or necessity.

II. Annex 1 of section 1 of the Standards of Good Engineering Practice Concerning Standard Broadcast Stations is amended to read as follows:

ANNEX 1

Groundwave Signals

A. Interference that may be caused by a proposed assignment or an existing assignment during day time should be determined, when possible, by measurements on the frequency involved or on another frequency over the same terrain and by means of the curves in Appendix I entitled "Ground Wave Field Intensity versus Distance."

B. In determining interference based upon field intensity measurements, it is necessary to do the following:

First, establish the outer boundary of the protected service area of the desired station in the direction of the station that may cause interference to it. Second, at this boundary, measure the interfering signal from the undesired station. The ratio of the desired to the undesired signal given in Table V should be applied to the measured signals and if the required ratio is observed, no objectionable interference is foreseen. When measurements of both the desired and undesired stations are made in one area to determine the point where objectionable interference from groundwave signals occur or to establish other pertinent contours, several measurements of each station shall be made within a few miles of this point or contour. The effective field of the antennas in the pertinent directions of the stations must be established and all measurements must be made in accordance with section 2 (Field Intensity Measurements in Allocation).

C. In all cases where measurements taken in accordance with the requirements are not available, the groundwave intensity must be determined by means of the pertinent map of ground conductivity and the groundwave curves of field intensity versus distance. The conductivity of a given terrain may be determined by measurements of any broadcast signal traversing the terrain involved. Figures M3 [12] and R3 show the conductivity throughout the United States by general areas of reasonably uniform conductivity. When it is clear that only one conductivity value is involved, Figure R3, which is a replica of Figure M3 and contained in these Standards, may be used; in all other situations Figure M3 must be employed. It is recognized that in areas of limited size or over a particular path, the conductivity may vary widely from the values given; therefore, these maps are to be used only when accurate and acceptable measurements have not been made. Figure 4 is a map of ground conductivity in Canada prepared by the Canadian Department of Transport. It is to be noted that at some locations there are differences in conductivity on either side of the border, which cannot be explained by geophysical cleavages. Pending adjustment of the maps for such inconsistencies, all variations at the border will be treated as real.

D. An example of determining interference by the curves in Appendix 1 follows:

It is desired to find whether objectionable interference exists between a 5 kw Class III station on 990 kc and a 1 kw Class III station on 1000 kc, the stations being separated by 130 miles; both stations use nondirectional antennas [13] having such height as to produce an effective field for 1 kw of 175 mv/m. The conductivity at each station and of the intervening terrain is determined as 6 mmhos/m. The protection to Class III stations during daytime is to the 500 uv/m contour. The distance to the 500 uv/m groundwave contour of the 1 kw station is determined by the use of the appropriate curve in Appendix 1—Graph 12. Since the curve is plotted for 100 mv/m at a mile, to find the distance to the 500 uv/m contour of the 1 kw station, it is necessary to determine the distance to the 285 uv/m contour ($\frac{100 \times 500}{175} = 285$). From the appropriate curve, the estimated radius of the service area for the desired station is found to be 39.5 miles. Subtracting this distance from the distance between the two stations, leaves 90.5 miles for the interfering signal to travel. From the above curve it is found that the signal from the 5 kw station at this distance would be 158 uv/m. Since a one to one ratio applies for stations separated by 10 kc, the undesired signal at that point can have a value up to 500 uv/m without objectionable interference. If the undesired signal had been found to be greater than 500 uv/m, then objectionable interference would exist. For other channel separations, the appropriate ratio of desired to undesired signal should be used.

E. Where a signal traverses a path over which different conductivities exist, the distance to a particular groundwave field intensity contour shall be determined by the use of the equivalent distance method. Reasonably accurate results may be expected in determining field intensities at a distance from the antenna by application of the equivalent distance method when the unattenuated field of the antenna, the various

[12] Figure M3 which is incorporated in these Standards by reference, was derived by indicating ground conductivity values in the United States on the United States Albers equal area projection map (based on standard parallels 29½° and 45½°; North American datum; scale 1/2,500,000). Figure M3, consisting of two sections, an eastern and a western half, may be obtained from the Superintendent of Documents, Washington, D. C.

[13] See Annex II in case of use of directional antennas.

ground conductivities and the location of discontinuities are known. This method considers a wave to be propagated across a given conductivity according to the curve for a homogeneous earth of that conductivity. When the wave crosses from a region of one conductivity into a region of a second conductivity, the equivalent distance of the receiving point from the transmitter changes abruptly but the field intensity does not. From a point just inside the second region the transmitter appears to be at that distance where, on the curve for a homogeneous earth of the second conductivity, the field intensity equals the value that occurred just across the boundary in the first region. Thus the equivalent distance from the receiving point to the transmitter may be either greater or less than the actual distance. An imaginary transmitter is considered to exist at that equivalent distance. This technique is not intended to be used as a means of evaluating unattenuated field or ground conductivity by the analysis of measured data. The method to be employed for such determinations is set out in section 2 of these Standards.

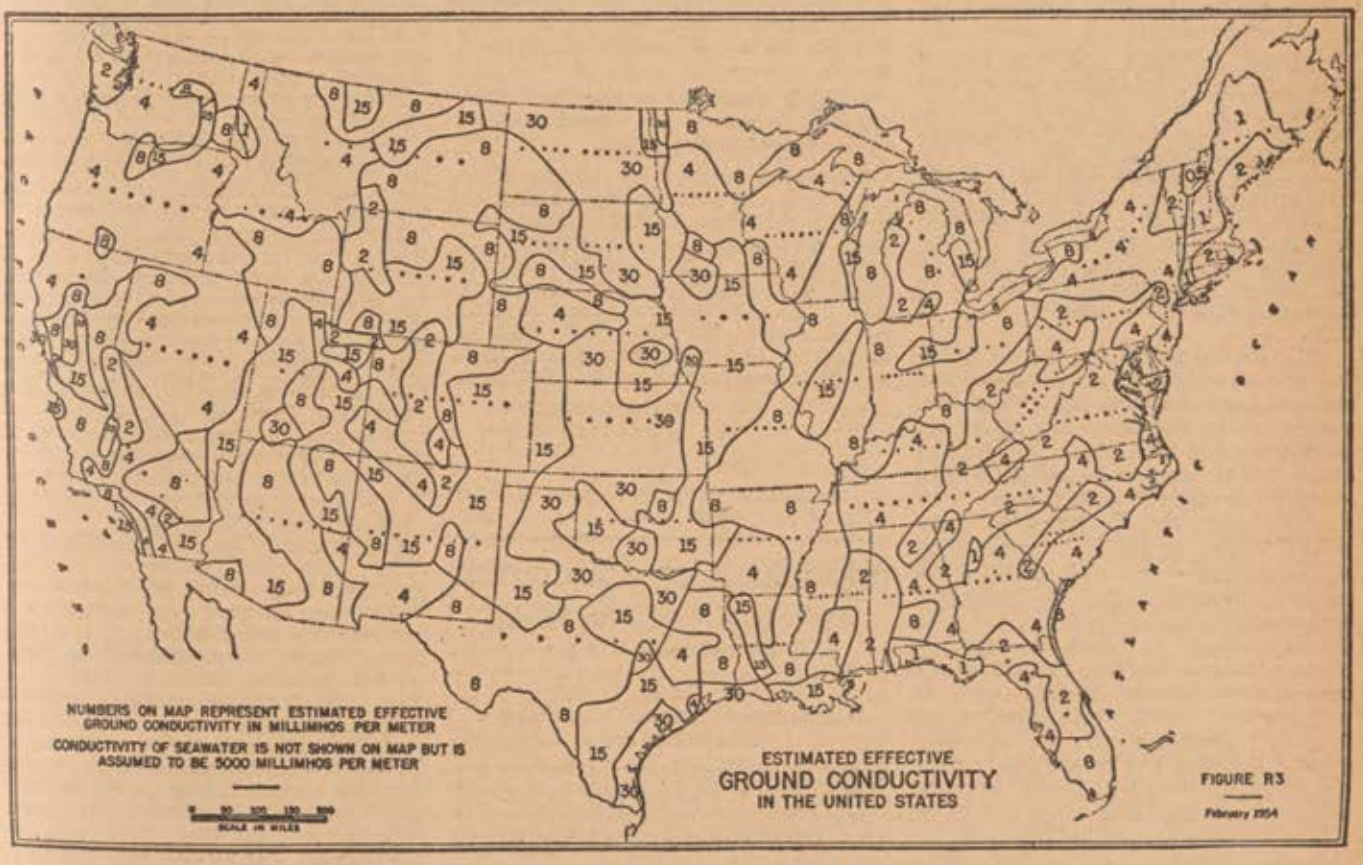
F. An example of the use of the equivalent distance method follows:

It is desired to determine the distance to the 0.5 mv/m and 0.025 mv/m contours of a station on a frequency of the 1000 kc with an inverse distance field of 100 mv/m at one mile being radiated over a path having a conductivity of 10 mmhos/m for a distance of 15 miles, 5 mmhos/m for the next 20 miles and 15 mmhos/m thereafter. By the use of the appropriate curves in Appendix 1—Graph 12, it is seen that at a distance of 15 miles on the curve for 10 mmhos/m the field is 3.45 mv/m. The equivalent distance to this field intensity for a conductivity of 5 mmhos/m is 11 miles. Continuing on the propagation curve for the second conductivity, the 0.5 mv/m contour is encountered at a distance of 27.9 miles from the imaginary transmitter. Since the imaginary transmitter was 4 miles nearer (15−11 miles) to the 0.5 mv/m contour, the distance from the contour to the actual transmitter is 31.9 miles (27.9+4 miles). The distance to the 0.025 mv/m contour is determined by continuing on the propagation curve for the second conductivity to a distance of 31 miles (11+20 miles), at which point the field is read to be 0.39 mv/m. At this point the conductivity changes to 15 mmhos/m and from the curve relating to that conductivity, the equivalent distance is determined to be 58 miles—27 miles more distant than would obtain had a conductivity of 5 mmhos/m prevailed. Using the curve representing the conductivity of 15 mmhos/m the 0.025 mv/m contour is determined to be at an equivalent distance of 172 miles. Since the imaginary transmitter was considered to be 4 miles closer at the first boundary and 27 miles farther at the second boundary, the net effect is to consider the imaginary transmitter 23 miles (27−4 miles) more distant than the actual transmitter; thus the actual distance to the 0.025 mv/m contour is determined to be 149 miles (172−23 miles).

III. Section 4 of these Standards is amended by deleting paragraph I together with Table B and substituting therefor the following:

I. Figures M3 and R3 indicate effective conductivity values in the United States and are to be used for determining the extent of broadcast station coverage when adequate field intensity measurements over the path in question are not available. Since the values specified are only for general areas and since conductivity values over particular paths may vary widely from those shown, caution must be exercised in using the maps for selection of a satisfactory transmitter site. Where the submission of field intensity measurements is deemed necessary or advisable, the Commission, in its discretion, may require an applicant for new or changed broadcast facilities to submit such data in support of its application.

IV. Figure 3 is deleted from these Standards and Figures M3 and R3 substituted therefor. Figure M3 is substituted and incorporated into the Standards by reference. Figure R3 is set forth below.



[F. R. Doc. 54-1472; Filed, Mar. 4, 1954; 8:51 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE INTERIOR

reau of Indian Affairs

[25 CFR Part 130]

OPERATION AND MAINTENANCE CHARGES

PINE RIVER INDIAN IRRIGATION PROJECT

Notice is hereby given of the intention to modify § 130.55 *Charges* and § 130.56 *Payments* of Title 25, Code of Federal Regulations, Chapter I, Subchapter L, dealing with operation and maintenance assessments against the irrigable lands of the Pine River Indian Irrigation Project, Colorado, and to increase the basic water charges from $0.75 per acre to $1.50 per acre per annum. The revised sections shall read as follows:

§ 130.55 *Charges.* Pursuant to the provisions of the acts of August 1, 1914, and March 7, 1928 (38 Stat. 583; 45 Stat. 210; 25 U. S. C. 385-387), the annual basic charge for operation and maintenance assessed against the irrigable lands of the Pine River Indian Irrigation Project, Colorado, to which water can be delivered and beneficially applied under the constructed works of the project, is hereby fixed at $1.50 per acre per annum for the year 1954 and thereafter until further notice.

§ 130.56 *Payment.* (a) The annual charge fixed in § 130.55 shall become due on April 1 of each year, is payable on or before that date, and any assessment remaining unpaid after the due date shall stand as a first lien against the land until paid. Any delinquent charges against land in non-Indian ownership and Indian lands under lease to non-Indians shall be subject to a penalty of one-half of one percent per month or fraction thereof from the due date until paid.

(b) The delivery of water shall be refused to all tracts of land for which the charges have not been paid when due, except where the lands are in Indian ownership, not under lease to non-Indians, and the Indian owners shall have made the necessary arrangements with the superintendent as hereafter provided. When any Indian owner of land not under lease to a non-Indian is financially unable to pay the operation and maintenance charges on the due date from cash on hand, the superintendent may make the necessary arrangements with such Indian owner as will permit him to perform labor on the irrigation project works, the proceeds derived therefrom to be applied in partial payment of such charges. The superintendent may also make necessary arrangements for such Indian owner to pay the operation and maintenance charges from the proceeds of the crops grown on the land when harvested and marketed within that calendar year, provided written statements to that effect are furnished the superintendent by the Indian owner on or before the due date.

(c) In any instance where the superintendent is convinced that an Indian landowner, whose land is not under lease to a non-Indian, is financially unable to pay his operation and maintenance charges from proceeds of labor performed on the project works, or from the proceeds of the crops being grown on the land, or from any other source, the delivery of water may be continued if a written certificate is issued by the superintendent stating that such Indian is not financially able to pay such charges and copies thereof forwarded to the Commissioner of Indian Affairs for approval or rejection. In such cases the unpaid charges shall be entered on the accounts and will stand as a first lien against the land until paid but without penalty for delinquency.

§ 130.56a *Water users responsible for water after delivery.* It is the duty of the Indian Irrigation Service to furnish available water for beneficial irrigation use only. It is the duty of all water users of the project to aid in the prevention of the waste of water and of damage to adjacent lands. The water users are responsible for the water after it has been delivered to their lands, and are required to have their field ditches of proper capacity and in suitable condition for the use of economical heads of water.

§ 130.57 *Condition of payment.* Condition of payment shall remain in effect as heretofore promulgated.

Interested persons are hereby given opportunity to participate in preparing the proposed amendments by submitting their views and data or argument in writing to Guy C. Williams, Acting Area Director, Albuquerque Area Office, P. O. Box 1346, Albuquerque, New Mexico, within thirty (30) days from date of publication of this notice of intention in the daily issue of the FEDERAL REGISTER.

DOUGLAS MCKAY,
Secretary of the Interior.

MARCH 1, 1954.

[F. R. Doc. 54-1557; Filed, Mar. 4, 1954; 8:45 a. m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 943]

[Docket No. AO 231-A4]

HANDLING OF MILK IN NORTH TEXAS MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT, AND TO ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of the recommended decision of the Deputy Administrator, Agricultural Marketing Service, United States Department of Agriculture, with respect to proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the North Texas marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., not later than the close of business the 7th day after publication of this decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. The hearing, on the record of which the proposed amendments, hereinafter set forth, to the tentative marketing agreement and to the order, as amended, were formulated, was conducted at Dallas, Texas, on January 26-27, 1954, pursuant to notice thereof which was issued January 11, 1954 (19 F. R. 272).

The material issues of record are concerned with the following:

1. A revision in the method of pricing of Class II milk,
2. The elimination of the administrative assessment on milk diverted to unapproved plants, and
3. The classification of ungraded milk for certain uses.

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

1. *Pricing Class II milk.* The alternative formula for determining the Class II price on the basis of butter and nonfat dry milk solids prices should be reduced 16 cents per hundredweight of milk containing 4 percent of butterfat. The price of milk disposed of for use in the manufacture of cheddar cheese during April, May, June, and July 1954, should be computed by multiplying the price of cheese at Wisconsin assembly points by 8.4. The butterfat differential for Class II milk should be reduced from 0.120 to 0.108 times the price of butter.

Producer milk supplies are now about adequate to meet market requirements for Class I milk at all seasons of the year. The number of producers supplying the market increased substantially from the time the order was promulgated in October 1951 until the middle of 1953. Since that time, producer numbers have remained relatively stable. Receipts of producer milk during the last quarter of 1953 increased approximately 15 percent over the corresponding period of 1952 and 38 percent over 1951. This increase indicates that the Class II price in the past has not discouraged handlers from developing adequate supplies of producer milk.

The record indicates, however, that the present Class II pricing arrangement is not promoting the usage of reserve supplies of producer milk in the

manufacturing operations usually conducted by handlers in conjunction with their fluid operations. Not all handlers have the necessary equipment to process the entire reserve supplies of milk that normally accompany a fluid milk operation. Milk for all Class II uses however can not be priced to handlers so that each handler can be assured of a profit in handling it. Handlers, who lack facilities or who receive milk in excess of their capacity, must procure their fluid milk supply in competition with handlers who are able to process or dispose of reserve supplies. Furthermore, the pricing arrangement for Class II milk should not result in handlers soliciting for additional supplies or retaining sources of supply of producer milk in excess of their normal reserve requirements throughout the year solely for manufacturing purposes.

With the increase in the receipts of producer milk, the total volume of Class II milk at approved plants during 1953 was about 65 percent greater than in 1952. If market supplies are maintained at a level to supply the year around Class I sales, the volume of Class II milk can be expected to continue at about 1953 levels. The record shows that difficulty was encountered in disposing of reserve milk supplies during 1953. The proportion of total producer receipts classified as Class II milk for the year 1953 however was less than 20 percent. It ranged from 7.2 percent in October to 29.8 percent in April.

During each of the years of 1952 and 1953 over 85 percent of the total volume of Class II milk was utilized at approved plants in frozen desserts, condensed milk or skim milk, or cottage cheese or was transferred or diverted from approved plants to unapproved plants in the form of milk, skim milk, or cream. From 1952 to 1953 utilization in each of these four major outlets increased as follows: frozen desserts, 28 percent; condensed milk or skim milk, 36 percent; cottage cheese, 27 percent; and milk, skim milk, or cream transferred or diverted to unapproved plants, 335 percent. This shows that the utilization of Class II milk at approved plants increased at a much smaller rate than the rate at which the total volume of Class II milk increased. Accordingly, a greatly increased disposition of Class II milk to unapproved plants has been necessary.

In 1953 almost one-fourth of the total volume of Class II milk at approved plants was other source milk received in forms other than milk. While these Class II other source milk products were being received at approved plants, large volumes of milk, cream, or skim milk were at the same time being disposed of by approved plants through transfer or diversion to unapproved plants. Thus, the problem of finding outlets for Class II milk was aggravated by some of the handlers who acquired other source milk for uses which otherwise represented outlets for Class II producer milk.

During 1953 the prices paid for milk at the three manufacturing plants, which are used as a basis for the Class II price in April, May, and June, and as an alternative basis during the other months of the year, declined considerably in relation to the butter-nonfat dry milk solids formula. This formula is an alternative basis of pricing Class II milk during all months except April, May, and June. In 1952 the three-plant price averaged about 13 cents per hundredweight higher than the butter-nonfat dry milk solids formula price whereas in 1953, the three-plant price averaged 25 cents lower. From 1952 to 1953 the three-plant price declined about 38 cents in relation to the butter and nonfat dry milk solids prices. The butter-nonfat dry milk solids formula was higher than the three-plant price in every month of 1953 except January. These changed relationships have aggravated the problem of pricing Class II milk under the order.

Ice cream is a desirable outlet for Class II producer milk because ice cream sales are seasonally high at about the same time of the year that supplies of producer milk are greatest. A substantial portion of the ice cream sold in the marketing area is manufactured and distributed by operators of unapproved plants. Reserve supplies of producer milk or ice cream ingredients made by approved plants cannot be disposed of to such unapproved plants unless they are available at prices that are competitive with prices for ingredients from other sources. Class II milk should be priced, therefore, at a level which will result in a cost for ice cream ingredients that is competitive with costs of ingredients from other sources. Using this criterion, it appears that during the latter part of 1953, ice cream ingredients were available from unregulated sources at prices reflecting a value for milk at somewhat less than the Class II price; therefore some reduction from the level of the Class II prices during that period appears appropriate.

Proposals were considered to price Class II milk on the basis of prices paid for milk at manufacturing plants located in or near the milkshed throughout the year. As previously stated above, prices paid for milk at these plants has declined substantially in the last year in relation to butter and nonfat dry milk solids prices. The reasons for this decline are not apparent, and the extent to which this changed relationship should influence Class II prices is not discernible. The lowering of Class II prices at all seasons of the year to the full extent of this decline is not necessary. This decline may be accompanied by larger profit margins, which if allowed handlers, might cause them to obtain supplies of producer milk solely for manufacturing purposes. Normal seasonal reserve supplies have some value to a handler in addition to their intrinsic value as milk products. This is due to the fact that the producers of such milk will be needed, and their will be available, in the short production season to meet fluid milk requirements. It is concluded that a reduction in the butter-nonfat dry milk solids formula price of 16 cents per hundredweight of milk containing 4 percent of butterfat will result in an appropriate level of Class II prices and will promote greater utilization of reserve supplies of producer milk by regulated handlers. In the event the butter and nonfat dry milk solids formula prices decline in relation to local manufacturing plant prices, then the three plant price should be used as a basis for the Class II price as it now is.

Proposals to include additional plants along with the three whose prices are averaged and used as a basis for the Class II price should be denied. All of the plants suggested or proposed as possible additions pay generally lower prices than the three now used. Any addition of other plants would tend to reduce the Class II price below the competitive price being paid by local plants for ungraded milk. The need for a reduction in prices to this extent was not shown. Nor was it shown that the addition of other plants would result in more timely changes in the Class II price.

The average butterfat content of Class II producer milk has been considerably above 4 percent. In 1953, it ranged from 4.713 percent in April to 10.721 percent in October; therefore the Class II butterfat differential has a significant effect on the handlers' cost of Class II milk. A comparison of butter prices with prices at which cream has been available from competitive sources indicates that a butterfat differential of 0.108 times the price of butter would closely reflect this relationship. It is therefore concluded that the Class II butterfat differential should be the price of butter times 0.108.

In the few weeks immediately preceding the hearing producer milk supplies had increased considerably—apparently more than the usual seasonal increase during that period. It cannot be determined at this time whether this represents a new trend in increased supplies of producer milk or a changed seasonal pattern or merely a short term shift in production. If this increase continues into the months of heavy production in 1954, the problems of disposing of the seasonal reserve supplies will be further complicated and the need for disposing of milk to unapproved plants will be that much greater. With the limited existing outlets to unapproved plants, it might become necessary to move substantial volumes of producer milk to cheddar cheese plants. Returns available for milk disposed of to local cheese plants have been considerably lower than for milk disposed of to most other manufacturing outlets. Therefore, a special price for any milk which may be used to produce cheese is necessary to promote the orderly marketing of seasonal reserve milk during the flush production season of 1954. This special price should be applicable only during the flush production months of 1954 because it cannot yet be determined that similar problems will recur in subsequent years. The problems of disposing of Class II milk can be expected to be greatest, during April through July. It is concluded, therefore, on the basis of this record, that the special pricing of milk used for cheese be applicable only during April, May, June, and July 1954.

The price of Class II milk disposed of during this four-month period for use in the manufacture of Cheddar cheese should be priced on the basis of cheese prices. The value of milk for cheese has a close relationship to the price of cheese. The price paid for Cheddar cheese at

Wisconsin primary markets is considered representative of changes in the price of cheese. A comparison of this cheese price with prices paid for milk by plants engaged in manufacturing cheese in this area indicates the value of milk for cheese to be about 8.4 times the price of cheese. It is concluded that milk for use in Cheddar cheese should be priced on the basis of this relationship.

A number of uncertainties existing at the time of the hearing contribute greatly to the difficulty of determining an appropriate level of Class II prices. Two mentioned earlier in this decision concern (1) the future relationship between prices paid for milk by local manufacturing plants and butter and nonfat dry milk solids prices, and (2) the volume of Class II producer milk during the next few months. Others include the effect of the change in the level of Government support prices for manufactured milk products on prices of milk and dairy product prices locally; the ability and willingness of handlers to utilize increased quantities of producer milk in Class II operations; the progress made on plans to expand local manufacturing facilities; and the extent to which Class II milk and milk products can be disposed of to existing unapproved plants. It will be desirable after time has resolved some of these uncertainties to reconsider the problem of pricing reserve milk at a later hearing.

2. *Expense of administration.* The proposal to make the administration assessment inapplicable to producer milk diverted to an unapproved plant should be denied. It cannot be concluded from the record that the proposal, if adopted, would result in a more equitable distribution of the expenses of administration among handlers. To some degree, the problems sought to be corrected by this proposal are pricing problems and to that extent, have been considered in arriving at the conclusions contained herein concerning pricing.

3. *Classification of ungraded milk for certain uses.* A proposal to classify as Class II milk, ungraded milk or skim milk disposed of by handlers for use in oleomargarine or mellorine should be adopted. Ungraded milk disposed of from an approved plant for such purposes is presently classified as Class I milk during each of the months of September through February and as Class II milk during the other months.

At least one handler receives both graded and ungraded milk at his approved plant, as defined in the order. Separate facilities for receiving and processing both graded and ungraded milk are maintained in the same building. Such handlers are required to report their total receipts and utilization of all milk received at their approved plants. The provisions of the order for allocating milk from sources other than producers, to the various dispositions of the approved plant, are such that producer milk is given priority of allocation to all Class I dispositions from such plant. Any ungraded milk or skim milk, received at an approved plant and disposed of for the manufacture of oleomargarine or mellorine is classified as Class I milk during the months of September through February. This higher classification assigned to such usage for ungraded milk accrues to the benefit of producers. Inasmuch as ungraded milk received at unapproved plants is available as a source of supply for these products, the higher classification assigned to ungraded milk (for similar disposition) which is received at approved plants places a handler at a competitive disadvantage in supplying these outlets. The adoption of this proposal will remove this disadvantage.

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

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

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

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

Recommended marketing agreement and order. The following amendments to the order are recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The proposed amendments to the tentative marketing agreement are not repeated in this decision because the regulatory provisions thereof would be the same as those contained in the order with the following amendments:

1. Delete paragraph (b) of § 943.51 and substitute therefor the following:

(b) *Class II milk.* For each of the months of April, May, and June, the price computed pursuant to § 943.50 (c), rounded to the nearest one-tenth cent; and for each of the other months of the year, the price computed pursuant to § 943.50 (b) less 16 cents or the price computed pursuant to § 943.50 (c), whichever is higher, rounded to the nearest one-tenth cent: *Provided*, That for each of the months of April, May, June, and July 1954, the minimum price per hundredweight for Class II milk disposed of for use in Cheddar cheese shall be computed by multiplying the simple average of the daily prices paid per pound, using the midpoint of any price range as one price, for Wisconsin State Brand Cheddars in cars or truckloads, f. o. b. Wisconsin assembly points, as reported by the Department for the trading days during such month, by 8.4.

2. Amend § 943.52 (b) to read as follows:

(b) *Class II milk.* Multiply such price for the current month by 1.08.

3. Delete paragraph (b) (3) of § 943.41 and substitute therefor the following:

(3) Disposed of (i) in bulk during the months of March through August; (ii) as bulk cream during any month; and (iii) as ungraded bulk milk or skim milk during any month to commercial bakeries or food product manufacturing plants (other than dairy plants) which do not dispose of milk for fluid consumption: *Provided*, That the amount of skim milk or butterfat so classified pursuant to subdivision (iii) of this subparagraph shall not exceed the butterfat and skim milk contained in ungraded milk received by such handler from dairy farmers during the month;

Filed at Washington, D. C., this 2d day of March 1954.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator.

[F. R. Doc. 54-1581; Filed, Mar. 4, 1954; 8:52 a. m.]

[7 CFR Part 949]

[Docket No. AO-232-A2]

HANDLING OF MILK IN SAN ANTONIO, TEXAS, MARKETING AREA

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

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

order, as amended, regulating the handling of milk in the San Antonio, Texas, marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., not later than the close of business the 10th day after its publication in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. A public hearing was conducted at San Antonio, Texas, on January 11–12, 1954, pursuant to notice thereof which was issued on January 6, 1954 (19 F. R. 71) upon a proposed marketing agreement and proposed amendments to the order, as amended, regulating the handling of milk in the San Antonio, Texas, marketing area.

The material issues of record were concerned with:

1. The pricing of Class I milk, and
2. The classification and pricing of milk presently classified as Class II milk.

A decision of the Secretary of Agriculture issued January 28, 1954 (19 F. R. 561) and subsequent amendment to the order disposed of the issue concerned with the pricing of Class I milk and that portion of the issue concerned with the pricing of Class II milk which related to the pricing of milk disposed of for the manufacture of cheddar cheese through July 1954.

Findings and conclusions. The findings and conclusions with respect to the material issues herein decided, all of which are based on the evidence introduced at the hearing and the record thereof, are as follows:

1. The Class II pricing provisions of the order should be modified to promote more orderly marketing of reserve supplies of producer milk.

The present Class II pricing provisions of the order have hindered the maximum utilization of available supplies of producer milk by handlers in the San Antonio market. On a market wide basis, the supply of producer milk has been extremely short in relation to Class I sales. In spite of this fact, some handlers have at times refused to accept all of the milk from producers and transferred the burden of finding outlets to individual producers or their cooperative association. Handlers have procured other source milk for Class II usage at the same time producer milk has been refused.

Receipts of producer milk during the last six months of 1953 exceeded receipts during the corresponding period a year ago by more than 15 percent. Class I sales remained at about the same level. With indications that reserve supplies will be much larger during the spring and summer months than in the past, a separate lower price for milk used for cheddar cheese was incorporated in the order (19 F. R. 286) for a limited period of 1954. At the same time Class I prices were reduced. This emergency action was taken to encourage greater usage of producer milk in Class I and to facilitate the disposal of reserve producer milk which must be marketed outside of normal marketing channels. The present Class II pricing formula was included in the order when it was promulgated in 1952. At that time the market was extremely deficient in local producer milk. The record indicates that with increased production, a somewhat lower level of Class II prices will contribute to the full marketing of producer milk by handlers and the maximizing of returns to producers. Milk that now may be temporarily diverted to cheese plants at relatively low prices could be used by handlers at the regular Class II price.

The principal Class II uses for reserve milk by handlers are in ice cream, condensed skim milk, cottage cheese, and butter. Because of past shortages of locally produced milk, few handlers now have condensing facilities or cottage cheese equipment. Handlers testified that milk ingredients for ice cream, frozen desserts, and cottage cheese were purchased from outside sources at less than order prices. Considerable quantities of reserve producer milk could be utilized by handlers in place of other source milk in meeting their requirements for these products. With a general trend to higher receipts of producer milk and the presence of some reserve supplies above Class I sales, it is necessary to readjust the level of Class II prices to afford producers an outlet for these supplies through handlers' fluid milk plants.

The record shows that a butter and nonfat solids formula is an appropriate basis for reflecting changes in Class II prices in this market during most of the year. However, there is some problem in pricing on this basis during the flush production season. The record indicates that manufacturing milk prices rather than dairy product prices may be a more appropriate basis of pricing during this season of the year.

For the immediate future, the problems of pricing Class II milk in this market are those of (1) a closer alignment of butterfat prices with prices at which handlers can procure butterfat from outside sources and (2) a closer alignment of whole milk prices with competitive manufacturing prices particularly during the flush production season.

This may be accomplished by modifying the butterfat component of the present Class II butter and nonfat solids formula and by applying prices paid by manufacturing plants for ungraded milk during April through June of each year.

Producers proposed that the present Class II butter and nonfat solids formula be amended to reduce the price for 4.0 percent milk approximately 38 cents per hundredweight based on the 1953 level of butter prices.

The butterfat component of the present formula price for 4.0 percent milk is derived by subtracting three cents from the Chicago wholesale 92-score butter price and multiplying by a factor of 4.8. The Class II butterfat differential is 0.120 times the price of butter.

The record indicates that the present factors for determining butterfat values results in prices for butterfat at considerably higher levels than butterfat can be procured from outside sources or at which it could be disposed of by handlers to local unapproved plants. It is concluded that the Clas II pricing formula should be changed by using the 92-score butter price multiplied by a factor of 4.4 for the period of July through March. At the current level of butter prices, this change will have the effect of reducing the Class II formula price for 4.0 percent milk during these months approximately 12 cents per hundred.

During the months of April through June the Class II price should be the average price paid dairy farmers for ungraded milk of 4.0 percent butterfat content by the following Texas manufacturing plants:

Carnation Company, Sulphur Springs, Tex.
The Borden Company, Mount Pleasant, Tex.
Lamar Creamery, Paris, Tex.

These plants are located in Northeastern Texas and are used in certain months as a basis for pricing Class II milk under the North Texas Order (943). One of these plants disposes of ice cream mix and other products in the San Antonio area in direct competition with regulated handlers. There are no sizable manufacturing plants located in the San Antonio area which engage in manufacturing operations and procure a major portion of their supplies of milk from ungraded dairy farmers. There are plants, in this general area, however, which purchase graded surplus milk from other markets and small quantities of ungraded milk from farmers. These plants are available sources of cream and nonfat solids for handlers. The record contains little or no information, however, with respect to prices paid for milk at such plants.

As a further means of assuring appropriate prices for Class II milk, provision should be made to apply the three-plant manufacturing milk price in any month that it is higher than the price resulting from the butter and nonfat milk solids formula.

The adoption of the paying price of the above stated plants during the months of April through June of 1953 would have reduced the Class II price for 4.0 percent milk from $3.85 to $3.38 per hundredweight, a reduction of 47 cents per hundredweight.

The average butterfat content of Class II producer milk has been considerably above 4.0 percent. It has ranged from approximately 5.0 percent in the spring months to more than 10 percent in other months. Therefore, the Class II butterfat differential has a significant effect on the cost of Class II milk. The Class II butterfat differential should be reduced from 0.120 to 0.108 times the price of 92-score butter. This reduction in the butterfat differential will bring the price of butterfat derived from producer milk in close alignment with prices of butterfat procured in the form of cream from other sources.

It is concluded that the proposed changes will provide appropriate prices for Class II milk and promote more orderly marketing of reserve supplies of producer milk.

At the close of the hearing all interested parties waived the filing of briefs.

General findings. (a) The tentative marketing agreement and the order as amended, and as hereby proposed to be further amended, and all of the terms

and conditions thereof, will tend to effectuate the declared policy of the act;

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

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

Recommended marketing agreement and order. The following amendments to the order are recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The proposed amendments to the tentative marketing agreement are not repeated in this decision because the regulatory provisions thereof would be the same as those contained in the order with the following amendments:

1. Delete § 949.53 and substitute therefor the following:

§ 949.53 *Class II milk.* The prices, rounded to the nearest full cent, for Class II milk shall be determined pursuant to paragrah (a) of this section for the months of April, May and June and the higher of the prices determined pursuant to paragraphs (a) and (b) of this section for all other months:

(a) The average of the basic or field prices per hundredweight reported to have been or to be paid for milk of 4.0 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the United States Department of Agriculture:

Carnation Company, Sulphur Springs, Tex.
The Borden Company, Mount Pleasant, Tex.
Lamar Creamery, Paris, Tex.

(b) The sum of the amounts computed pursuant to subparagraphs (1) and (2) of this paragraph:

(1) Multiply by 4.4 the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the United States Department of Agriculture during the month;

(2) From the average of the carlot prices per pound of nonfat dry milk solids for human consumption, spray process, f. o. b. manufacturing plants in the Chicago area as reported by the United States Department of Agriculture for the period from the 26th day of the preceding month through the 25th day of the current month, subtract 5 cents, multiply by 8.16.

2. In § 949.54 (b) delete "0.120" and substitute therefor "0.108".

Filed at Washington, D. C., this 2d day of March 1954.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator.

[F. R. Doc. 54-1582; Filed, Mar. 4, 1954; 8:52 a. m.]

Agricultural Research Service

[7 CFR Part 301]

DOMESTIC QUARANTINE NOTICES

PINK BOLLWORM

Notice is hereby given under section 4 of the Administrative Procedure Act (5 U. S. C. 1003) that the Administrator, Agricultural Research Service, pursuant to sections 8 and 9 of the Plant Quarantine Act of 1912, as amended (7 U. S. C. 161, 162), is considering amending notice of quarantine No. 52 relating to the pink bollworm and the regulations supplemental to said quarantine (7 CFR 301.52, 301.52-1 et seq., as amended, 18 F. R. 6348 and 7339) in the following respects:

(a) Amend § 301.52 by adding to the quarantined States specified therein the State of Arkansas.

(b) Amend § 301.52-2 (a) by adding to the heavily infested areas described therein the county of Bexar, in Texas, thereby excepting said county from the lightly infested areas described in § 301.52-2 (b).

(c) Amend § 301.52-2 (b) by adding to the lightly infested areas described therein the counties of Columbia, Hempstead, Howard, Lafayette, Little River, Miller, Nevada, and Sevier, in Arkansas; the parishes of Bienville and Webster, in Louisiana; and all presently nonregulated counties in Oklahoma.

The purposes of these amendments are to include the State of Arkansas under the pink bollworm quarantine, to regulate Bexar County, Texas, as a heavily infested area, and to regulate as lightly infested areas the Arkansas, Louisiana, and Oklahoma counties and parishes indicated above.

The proposed amendment with respect to Arkansas parallels quarantine action already taken by that State.

Bienville and Webster Parishes, Louisiana, although not known to be infested, are located between infested parishes and because of interchange of cotton products should be included in the regulated areas.

All presently nonregulated counties in Oklahoma are proposed for inclusion in the regulated areas for several reasons. Pink bollworm infestations have been found in the nonregulated counties of Blaine, Kingfisher, Logan, and Roger Mills, north of the presently regulated areas. There are also now three isolated regulated areas in the southeastern quarter of the State, and both Oklahoma and Arkansas plant quarantine officials agree that addition of all presently nonregulated counties in Oklahoma to the regulated areas would be advisable to protect Arkansas against spread of the pink bollworm. Cotton production in the presently nonregulated areas of Northern Oklahoma is very limited, with only a few scattered gins. Consequently, from the standpoint of effective quarantine enforcement and to reduce the volume of intrastate permit work, Federal and State officials concur in the proposal to include the entire State of Oklahoma in the regulated areas.

Redesignation of Bexar County, Texas as a heavily infested area instead of a lightly infested area is deemed essential because pink bollworm infestation there is sufficiently heavy at the time of the States stalk-destruction date to cause pink bollworms, when deprived of their primary host, to infest pods of commercial plantings of okra. Such a redesignation of Bexar County would impose stricter requirements on shipments of okra, the dry pods of which often become heavily infested with pink bollworm.

All persons who desire to submit written data, views, or arguments in connection with this matter should file the same with the Chief of the Plant Pest Control Branch, Agricultural Research Service, U. S. Department of Agriculture, Washington 25, D. C., within 10 days after the date of the publication of this notice in the FEDERAL REGISTER.

(Secs. 8, 9, 37 Stat. 318, as amended; 7 U. S. C. 161, 162)

Done at Washington, D. C., this 1st day of March 1954.

[SEAL] B. T. SHAW,
Administrator,
Agricultural Research Service.

[F. R. Doc. 54-1583; Filed, Mar. 4, 1954; 8:52 a. m.]

FEDERAL CIVIL DEFENSE ADMINISTRATION

[32 CFR Part 1708]

RADIO AMATEUR CIVIL EMERGENCY SERVICE

NOTICE OF PROPOSED AUTHORIZATION FOR MODIFICATION OF DESIGN OF OFFICIAL CIVIL DEFENSE INSIGNE

Notice is hereby given that the Federal Civil Defense Administration is considering authorizing a modification of the design of the official civil defense insigne for the Radio Amateur Civil Emergency Service, pursuant to authority contained in the Federal Civil Defense Act of 1950, as amended.

The proposed modification is as follows:

§ 1708.3 *Prescribed insigne.* * * *

(e) The following alterations or modifications of the prescribed insigne have been made pursuant to § 1708.5 (c):

(1) *Radio Amateur Civil Emergency Service.* (i) Superimposed on the official civil defense insigne a white jagged arrow edged in blue resembling a flash of lightning, symbolic of space radiation, containing the inscription "RADIO" in blue letters, and extending from the up-

per right circumference of the blue circle to the lower left circumference of the blue circle and through the lower left-hand angle of the triangle. Below the triangle and within the blue circle is the inscription "RACES" in white letters.

(ii) This design shall be used, displayed, possessed or worn in accordance with regulations issued by the Federal Civil Defense Administration on July 12, 1952, governing the official civil defense insigne.

All persons who desire to submit written data, views or arguments for consideration in connection with the issuance of the proposed authorization should file the same with the Federal Civil Defense Administration, Washington 25, D. C., not later than 30 days after publication hereof in the FEDERAL REGISTER.

Dated: March 4, 1954.

[SEAL] VAL PETERSON,
Administrator.

[F. R. Doc. 54-1589; Filed, Mar. 4, 1954; 8:54 a. m.]

NOTICES

DEPARTMENT OF THE TREASURY

United States Coast Guard

[CGFR 54-11]

AMMONIUM NITRATE PHOSPHATE FERTILIZER MIXTURES

SHIPMENT ABOARD VESSELS

1. The transportation of ammonium nitrate phosphate fertilizer mixtures, a homogeneous mixture consisting of approximately 60 percent ammonium nitrate and 40 percent phosphate salts, mainly dicalcium phosphate, is subject to the requirements in 46 CFR Part 146. Certain restrictions for the transportation of this material have been enforced since the Texas City disaster in 1947.

2. The Commandant, United States Coast Guard, on February 9, 1954, relaxed the requirements of 46 CFR 146.22-30 in the regulations entitled "Explosives or Other Dangerous Articles on Board Vessels" which are applicable to materials described as "ammonium nitrate phosphate fertilizer mixtures consisting of 60 percent by weight of ammonium nitrate and 40 percent phosphate salts, mainly dicalcium phosphate."

3. The Commandant, United States Coast Guard, on February 9, 1954, pursuant to the recommendations of the Interagency Committee on the Hazards of Ammonium Nitrate, based on the findings and report of the National Academy of Sciences and other available information, in order to permit a greater distribution of ammonium nitrate phosphate fertilizer mixtures consisting of 60 percent ammonium nitrate and 40 percent phosphate salts, mainly dicalcium phosphate, currently in popular demand by agricultural interests, has found it was necessary to invoke emergency provisions in R. S. 4472, as amended (46 U. S. C. 170), to allow the shipment of such fertilizer mixtures by relaxing the requirements of 46 CFR 146.22-30 with regard to the degree of isolation required for waterfront facilities used in loading or unloading this commodity within the continental United States, its territories or possessions, except the Panama Canal Zone. Before this date such ammonium nitrate phosphate fertilizer mixtures could be loaded or unloaded only at isolated waterfront facilities meeting the requirements of Federal and local regulations covering dangerous cargoes.

4. By virtue of the authority vested in me as Commandant, United States Coast Guard, by Treasury Department Order No. 120, dated July 31, 1950 (15 F. R. 6521), and R. S. 4472, as amended (46 U. S. C. 170), the following interim instructions may be followed in lieu of the requirements of 46 CFR 146.22-30 aplicable to materials which are described as "ammonium nitrate phosphate fertilizer mixtures consisting of 60 percent by weight of ammonium nitrate and 40 percent phosphate salts, mainly dicalcium phosphate":

a. The formulation must be composed of ammonium nitrate and dicalcium phosphate, in the approximate proportions of 60 percent by weight of ammonium nitrate and 40 percent dicalcium phosphate, packaged in multiwall paper bags or metal drums.

b. The facility to be used shall be so located as to permit unrestricted passage to open water. The vessel shall be moored bow to seaward, and shall be maintained in a mobile status either by presence of tugs or readiness of engines.

c. The proposed facility shall not be located in areas of dense population, nor where facilities of high value and/or high hazard exist.

d. The facility must meet with the requirements specified for a designated waterfront facility (33 CFR 126.15), and be provided with abundant water supply.

e. The master or officer in charge of unloading the vessel shall insure that the following safety precautions are observed:

(i) Hose lines must be connected and laid out and tested before unloading operations commence.

(ii) Smoking, except in designated areas, the use of open lights, welding or burning, or other ignition sources in the hold, on deck, or on the dock immediately adjoining ammonium nitrate material shall be strictly prohibited.

(iii) A fire watch shall be provided by the master and stationed in the hold from which the material is being discharged.

(iv) Ruptured containers, spilled material, and trash must be immediately removed from the vessel.

(v) In the event of fire large quantities of water must be used and maximum ventilation established. The area must be cleared of all unnecessary personnel and vehicular equipment.

5. In dealing with the problem of determining the suitability of a pier at which this material is to be handled, the main object is to insure that high hazard facilities, such as petroleum tank farms, chemical plants or industries handling inflammable materials, are not in the immediate vicinity. Likewise, vessels unloading this material should be clear of other shipping and away from passenger trade terminals. With regard to dwellings, distances, normally found with respect to commercial warehousing districts and waterfront activities from populated communities should afford sufficient protection for inhabitants in surrounding areas. Obviously, areas of dense population, i. e., tenement districts, housing projects, etc. in close proximity to the pier facility proposed to be used in unloading subject material, preclude the issuance of a permit. This reasoning is based on findings that ammonium nitrate phosphate consisting of dicalcium phosphate reacts similarly to other oxidizing materials and that the chance of explosion is nil when such material is properly handled. The primary object of the safety precautions is to prevent fire and to extinguish incipient fires quickly, using large volumes of water before they become uncontrollable.

Dated: February 26, 1954.

[SEAL] A. C. RICHMOND,
Rear Admiral, U. S. Coast Guard,
Acting Commandant.

[F. R. Doc. 54-1577; Filed, Mar. 4, 1954; 8:50 a. m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Misc. 9]

IDAHO

ORDER PROVIDING FOR OPENING OF PUBLIC LANDS

FEBRUARY 25, 1954.

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

BOISE MERIDIAN

T. 12 S., R. 16 E.,
Sec. 2, S½SE¼.
Sec. 11, SW¼NE¼, E½NW¼, NE¼SW¼, NW¼SE¼.

The areas described aggregate 280 acres.

The lands described occupy an elevation of 3,900 feet, and the soil is medium light sandy loam intermingled with some surface rock. The topography of the lands is level to slightly rolling. From the standpoint of soil and topography

the lands are classified as suitable for entry under the desert land laws.

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

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

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

(a) *Ninety-one day period for preference-right filings.* For a period of 91 days, commencing at the hour and on the day specified above, the public lands affected by this order shall be subject only to (1) application under the homestead or the desert-land laws or the Small Tract Act of June 1, 1938, 52 Stat. 609 (43 U. S. C. 682a), as amended, by qualified veterans of World War II and other qualified persons entitled to preference under the act of September 27, 1944, 58 Stat. 747 (43 U. S. C. 279–284), as amended, subject to the requirements of applicable law, and (2) application under any applicable public-land law, based on prior existing valid settlement rights and preference rights conferred by existing laws or equitable claims subject to allowance and confirmation. Applications under subdivision (1) of this paragraph shall be subject to applications and claims of the classes described in subdivision (2) of this paragraph. All applications filed under this paragraph either at or before 10:00 a. m., on the 35th day after the date of this order shall be treated as though filed 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 such application, petition, location, selection, or other appropriation by the public generally as may be authorized by the public-land laws. All such applications filed either at or before 10:00 a. m. on the 126th day after the date of this order, shall be treated as though filed simultaneously at the hour specified on such 126th day. All applications filed thereafter shall be considered in the order of filing.

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

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

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

J. G. FREIDLY,
Acting Regional Administrator.

[F. R. Doc. 54–1578; Filed, Mar. 4, 1954; 8:51 a. m.]

[1858603]

MINNESOTA

NOTICE OF FILING OF PLAT OF SURVEY

MARCH 1, 1954.

Notice is given that the plat of original survey and dependent resurvey of the following described lands, accepted November 30, 1950, will be officially filed in the Bureau of Land Management effective at 10:00 a. m. on the 35th day after the date of this notice:

T. 64 N., R. 9 W., 4th Principal Meridian, Minnesota (4 plats),
Sec. 1, lot 6,
Sec. 2, lot 6,
Sec. 3, lot 13,
Sec. 4, lot 9,
Sec. 5, lot 5,
Sec. 9, lot 6,
Sec. 10, lot 4,
Sec. 12, lots 13, 14,
Sec. 14, lot 6,
Sec. 15, lot 8,
Sec. 19, lots 8, 9, 10, 11, 12, 13, 14, 15,
Sec. 21, lots 7, 8,
Sec. 22, lots 8, 9
Sec. 25, lots 3, 4, 5, 6,
Sec. 26, lot 6,
Sec. 27, lot 4,
Sec. 28, lots 6, 7,
Sec. 29, lots 10, 11, 12, 13, 14,
Sec. 31, lots 9, 10,
Sec. 35, lots 9, 10, 11, 12, 13, 14,
Sec. 36, lots 6, 7, 8, 9.
T. 65 N., R. 9 W., 4th Principal Meridian, Minnesota (1 plat),
Sec. 33, lot 5,
Sec. 35, lots 6, 7.

According to the field notes and as shown on the plats, the above described lands are principally upland in character.

The above described townships were added to and made a part of the Superior National Forest by Proclamation No. 2213 of January 14, 1937.

The lands were also withdrawn from all forms of entry or appropriation under the public land laws of the United States by the act of July 10, 1930 (46 Stat. 1020).

Anyone having a valid settlement or right to any of the lands initiated prior to the date of the withdrawals of the lands should assert the same within three months from the date on which the plat is officially filed by filing an application under appropriate public land law setting forth all facts relevant thereto.

All inquiries relating to the lands should be addressed to the Regional Administrator, Region VI, Bureau of Land Management, Department of the Interior, Washington 25, D. C.

For the Director.

R. J. MCCORMICK,
Acting Regional Administrator, Region VI.

[F. R. Doc. 54–1558; Filed, Mar. 4, 1954; 8:45 a. m.]

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

CONTRACTING OFFICERS

DELEGATION OF AUTHORITY WITH RESPECT TO CASTOR BEANS

Pursuant to authority vested in the President, Commodity Credit Corporation, by the by-laws of the Corporation, the respective Chairmen, or in their absence the Acting Chairmen, of ASC county committees in the States of Arkansas, Arizona, California, New Mexico, Oklahoma and Texas are hereby appointed contracting officers of Commodity Credit Corporation, with authority to execute, in the name of the Corporation, contracts, agreements, or other documents relating to the sale of castor bean seed to farmers, the purchase of castor beans produced by farmers, and the rental or sale of machinery needed in the production or harvesting of castor beans, under the 1954 Castor Bean Production and Procurement Program formulated by Commodity Credit Corporation and Commodity Stabilization Service pursuant to the Defense Production Act of 1950, as amended.

The foregoing authority as contracting officers shall be exercised in accordance with instructions, issued by the Vice President of CCC who is Deputy Administrator for Production Adjustment, CSS, which shall be available for public inspection in the files of the ASC county offices in the States where this authorization is effective.

Issued this 26th day of February 1954.

[SEAL] J. A. MCCONNELL,
Executive Vice President, Commodity Credit Corporation.

[F. R. Doc. 54–1568; Filed, Mar. 4, 1954; 8:47 a. m.]

Office of the Secretary

FOREST SERVICE

DELEGATIONS OF AUTHORITY AND ASSIGNMENT OF FUNCTIONS

Amendment to delegation 19 F. R. 74:

I. Section 301. *Reservations*—a. *Reservations to the Secretary* is amended by addition of the following subsection:

(8) Approval of claims in excess of $1,000.00 under the act of January 31, 1931 (16 U. S. C. 502), providing reimbursement to owners for loss, damage, or destruction of horses, vehicles, and other equipment.

II. The delegation of authority dated June 2, 1953 (18 F. R. 3240), is revoked.

Dated: March 2, 1954.

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

[F. R. Doc. 54-1584; Filed, Mar. 4, 1954; 8:53 a. m.]

MISSISSIPPI

DESIGNATION OF AREA FOR PRODUCTION EMERGENCY LOANS AND ECONOMIC EMERGENCY LOANS

For the purpose of making loans pursuant to section 2 (a) of Public Law 38, 81st Congress, it is found that in the counties listed below a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

Purusant to the delegation of authority from the Administrator, Federal Civil Defense Administration (18 F. R. 4609) and for the purpose of making loans pursuant to section 2 (b) of Public Law 38, 81st Congress, as amended by Public Law 115, 83d Congress, it is determined that the counties listed below are within the area affected by the major disaster occasioned by drought determined by the President on September 16, 1953, pursuant to Public Law 875, 81st Congress. It is also determined that an economic disaster exists in said counties that has caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers Home Administration under its regular loan programs, or other responsible sources.

MISSISSIPPI

Holmes Humphreys Washington

After December 31, 1954, loans under section 2 (a) or 2 (b) of Public Law 38, 81st Congress, as amended, will not be made in the above named counties except to borrowers who previously received such assistance.

Done at Washington, D. C., this 2d day of March 1954.

[SEAL] TRUE D. MORSE,
Acting Secretary.

[F. R. Doc. 54-1585; Filed, Mar. 4, 1954; 8:53 a. m.]

NORTH CAROLINA

DESIGNATION OF AREA FOR PRODUCTION EMERGENCY LOANS AND ECONOMIC EMERGENCY LOANS

For the purpose of making loans pursuant to section 2 (a) of Public Law 38, 81st Congress, it is found that in Yadkin County, North Carolina, a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

Pursuant to the delegation of authority from the Administrator, Federal Civil Defense Administration (18 F. R. 4609) and for the purpose of making loans pursuant to section 2 (b) of Public Law 38, 81st Congress, as amended by Public Law 115, 83d Congress, it is determined that Yadkin County, North Carolina, is within the area affected by the major disaster occasioned by drought determined by the President on September 16, 1953, pursuant to Public Law 875, 81st Congress. It is also determined that an economic disaster exists in said county that has caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers Home Administration under its regular loan programs, or other responsible sources.

After December 31, 1954, loans under section 2 (a) or 2 (b) of Public Law 38, 81st Congress, as amended, will not be made in Yadkin County, North Carolina, except to borrowers who previously received such assistance.

Done at Washington, D. C., this 2d day of March 1954.

[SEAL] TRUE D. MORSE,
Acting Secretary.

[F. R. Doc. 54-1586; Filed, Mar. 4, 1954; 8:53 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 6489]

SEABOARD & WESTERN AIRLINES, INC., AND TRANSOCEAN AIR LINES; APO AND FPO MAIL TARIFF INVESTIGATION

NOTICE OF HEARING

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

Notice is hereby given that a public hearing in the above-entitled proceeding is assigned to be held on March 29, 1954, at 10:00 a. m., e. s. t., in room E-210, Temporary Building No. 5, Constitution Avenue between Sixteenth and Seventeenth Streets NW., Washington, D. C., before Examiner Ferdinand D. Moran.

Dated at Washington, D. C., March 2, 1954.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 54-1579; Filed, Mar. 4, 1954; 8:51 a. m.]

[Docket Nos. 6264, 6307]

ELLIS AIR LINES AND ALASKA COASTAL AIRLINES CERTIFICATE RENEWAL CASES

NOTICE OF HEARING

In the matter of the applications of Ellis Air Lines and Alaska Coastal Airlines for amendment of their certificates of public convenience and necessity so as to renew the mail authorizations contained therein.

Notice is hereby given pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that a hearing in the above-entitled proceeding is assigned to be held on March 15, 1954 at 10:00 a. m., e. s. t., in Room E-210, Temporary Building No. 5, Sixteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner Joseph L. Fitzmaurice.

Without limiting the scope of the issues involved in this proceeding, particular attention will be directed to the following matters:

1. Does the public convenience and necessity require the renewal of certain temporary authorizations contained in the certificates of Ellis Air Lines, Inc. and Alaska Coastal Airlines, Inc. and if so, whether on a permanent or temporary basis;

2. Whether the respective applicants are citizens of the United States as defined by section 1 (13) of the Civil Aeronautics Act of 1938, as amended; and

3. Whether the respective applicants are fit, willing and able to provide the transportation requested.

Notice is further given that any person other than a party of record desiring to be heard in this proceeding must file with the Board on or before March 15, 1954, a statement setting forth the matters of fact or law raised by the applications which he desires to present, and such person may appear and participate in the hearing in accordance with § 302.14 of the Board's procedural regulations.

For further details of the services proposed, interested parties are referred to the applications on file with the Civil Aeronautics Board.

Dated at Washington, D. C., March 2, 1954.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 54-1580; Filed, Mar. 4, 1954; 8:51 a. m.]

FEDERAL TRADE COMMISSION

[File No. 21-457]

ORTHOPEDIC APPLIANCE INDUSTRY

NOTICE OF HEARING AND OF OPPORTUNITY TO PRESENT VIEWS, SUGGESTIONS, OR OBJECTIONS

In the matter of proposed trade practice rules for the Orthopedic Appliance Industry; File No. 21-457.

Opportunity is hereby extended by the Federal Trade Commission to any and all persons, partnerships, corporations, organizations, or other parties, including farm, labor, and consumer groups, affected by or having an interest in the pro-

posed trade practice rules for the Orthopedic Appliance Industry, to present to the Commission their views concerning said rules, including such pertinent information, suggestions, or objections as they may desire to submit, and to be heard in the premises. For this purpose they may obtain copies of the proposed rules upon request to the Commission. Such views, information, suggestions, or objections may be submitted by letter, memorandum, brief, or other communication, to be filed with the Commission not later than March 25, 1954. Opportunity to be heard orally will be afforded at the hearing beginning at 10 a. m., March 25, 1954, in Room 332, Federal Trade Commission Building, Pennsylvania Avenue at Sixth Street NW., Washington, D. C., to any such persons, partnerships, corporations, organizations, or other parties who desire to appear and be heard. After due consideration of all matters presented in writing or orally, the Commission will proceed to final action on the proposed rules.

The industry is engaged in the manufacture, sale, or distribution of orthopedic appliances which have been specially designed and constructed or structurally altered for use by a particular individual.

Issued: March 2, 1954.

By direction of the Commission.

[SEAL] ALEX. AKERMAN, Jr.,
Secretary.

[F. R. Doc. 54-1575; Filed, Mar. 4, 1954; 8:49 a. m.]

FEDERAL POWER COMMISSION

[Docket No. E-6542]

EL PASO ELECTRIC CO.

NOTICE OF ORDER AUTHORIZING ISSUANCE OF COMMON STOCK

MARCH 1, 1954.

Notice is hereby given that on February 25, 1954, the Federal Power Commission issued its order adopted February 25, 1954, authorizing issuance of common stock in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-1559; Filed, Mar. 4, 1954; 8:46 a. m.]

[Docket Nos. G-2291, G-2324, G-2338]

PACIFIC GAS AND ELECTRIC CO. ET AL.

NOTICE OF FINDINGS AND ORDERS

MARCH 1, 1954.

In the matters of Pacific Gas and Electric Company, Docket No. G-2291; Panhandle Eastern Pipe Line Company, Docket No. G-2324; Algonquin Gas Transmission Company, Docket No. G-2338.

Notice is hereby given that on February 26, 1954, the Federal Power Commission issued its orders adopted February 24, 1954, issuing certificates of public convenience and necessity in the above-entitled matters.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-1560; Filed, Mar. 4, 1954; 8:46 a. m.]

[Docket No. G-2323]

EL PASO NATURAL GAS CO.

NOTICE OF ORDER PERMITTING WITHDRAWAL OF NOTICE AND TERMINATING PROCEEDINGS

MARCH 1, 1954.

Notice is hereby given that on February 25, 1954, the Federal Power Commission issued its order adopted February 24, 1954, permitting withdrawal of notice of cancellation of rate schedule and terminating proceedings in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-1561; Filed, Mar. 4, 1954; 8:46 a. m.]

[Docket Nos. G-1142, G-2019, G-2210, G-2378]

UNITED GAS PIPE LINE CO.

ORDER ALLOWING WITHDRAWAL OF NOTICE OF CANCELLATION, PERMITTING FILING OF SERVICE AGREEMENTS, SUSPENDING SUCH SERVICE AGREEMENTS AND PROVIDING FOR CONSOLIDATED HEARING

United Gas Pipe Line Company (United), on January 25, 1954, tendered for filing two proposed service agreements with Arkansas Louisiana Gas Company (Arkansas) for sale to the latter company of 50 percent of its natural gas requirements in Shreveport, Louisiana, and vicinity. Billing for the proposed service agreements, for which a March 1, 1954, effective date is requested, would be made under applicable standard rate schedules, and would increase the cost of natural gas to Arkansas by approximately $347,000, or 45 percent per year, based on estimated sales for 1954.

United represents that one of the proposed service agreements is applicable to general service sales while the other relates to sales of natural gas resold to three special large industrial customers.

The present contract between United and Arkansas, entered into in 1929, is an effective rate schedule on file with the Commission as United's Rate Schedule FPC No. 69, and supplements thereto. It provides, through a single service at a single rate and without separate provision for sales of industrial gas, for the supply by United of 50 percent of Arkansas' requirements of natural gas in the Shreveport area. The rate is 50 percent of the average rate collected by Arkansas in that area.

At the time United filed its conversion tariff in 1952, it proposed to cancel this contract as non-jurisdictional. This cancellation notice was suspended by the order issued August 1, 1952, in Docket No. G-2019, until January 3, 1953, and until such further time as it may be made effective in the manner prescribed by the Natural Gas Act. To date, the operation of such notice of cancellation has continued to be deferred and in its tender of January 25, 1954, United requests permission to withdraw that notice of cancellation.

The tendered agreements propose to effect changes in the rates, classifications, practices, terms and conditions of the service rendered by United under its Rate Schedule FPC No. 69, as supplemented, and the notice of cancellation presently under suspension in Docket No. G-2019.

On the basis of the facts presented it has not been shown that the sales of gas under the proposed agreements would constitute separate and distinct transactions or that the changes proposed are lawful.

United specifically requests that it be granted any special permissions that may be required with respect to its proposed filings.

The Commission finds:

(1) It is necessary and proper in the public interest and in aid of the enforcement of the provisions of the Natural Gas Act that the Commission allow the withdrawal of the notice of cancellation of United's Rate Schedule FPC 69, as supplemented which was suspended by order issued August 1, 1952 in Docket No. G-2019; that the Commission permit the filing of the proposed service agreements tendered January 25, 1954, and that said service agreements be suspended and the use thereof be deferred, as hereinafter provided, pending hearing and decision thereon.

(2) It is reasonable and appropriate in the public interest in carrying out the provisions of the Natural Gas Act to consolidate for the purposes of hearing and decision thereon the proceedings involved in United's proposed service agreements tendered for filing on January 25, 1954, described above, with the consolidated proceedings in Docket No. G-1142, et al., and to hold hearings in the proceedings so consolidated at such time and place as the Commission may direct by further order.

The Commission orders:

(A) The aforesaid proceedings as noted in finding (2) above, be and the same hereby are consolidated for purposes of hearing and decision.

(B) The public hearing heretofore ordered to be reconvened upon a date to be fixed by further order of the Commission in the consolidated proceedings in Docket No. G-1142, et al., shall be concerned also with the lawfulness of the rates, charges, and classifications contained in United's proposed service agreements tendered for filing on January 25, 1954, described above.

(C) Pending such hearing and decision thereon, United's proposed service agreements tendered for filing on January 25, 1954, and described above, be and the same hereby are suspended and the use thereof deferred until August 1, 1954, and until such further time thereafter as said service agreements may be made effective in the manner prescribed by the Natural Gas Act.

(D) United be and it hereby is permitted to withdraw its notice of cancellation of Rate Schedule FPC No. 69

filed July 3, 1952, and suspended by Commission order issued August 1, 1952, in Docket No. G–2019.

(E) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

Adopted: February 26, 1954.

Issued: March 1, 1954.

By the Commission.

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

[F. R. Doc. 54–1562; Filed, Mar. 4, 1954; 8:46 a. m.]

NATIONAL LABOR RELATIONS BOARD

DESCRIPTION OF ORGANIZATION [1]

MISCELLANEOUS AMENDMENTS

Pursuant to the provisions of section 3 (a) (1) of the Administrative Procedure Act (Pub. Law 404, 79th Cong., 2d Sess.), the National Labor Relations Board hereby separately states and concurrently publishes in the Notices section of the FEDERAL REGISTER the following amendments to its description of organization in the field in respect to the places at which the public may secure information or make submittals or requests.

The boundary line between the Thirteenth Region and the Thirty-fifth Sub-Region in Indiana is hereby moved to the northern boundary lines of the following counties: Benton, White, Cass, Miami, Wabash, Huntington, Wells, and Adams and therefore adds the following counties to the Thirty-fifth Sub-Region: Warren, Tippecanoe, Carroll, Fountain, Clinton, Howard, Tipton, and Grant, effective March 1, 1954.

The counties of Dearborn, Clark and Floyd in Indiana are hereby removed from the Thirty-fifth Sub-Region and placed in the Ninth Region and Daviess County and Henderson County, Kentucky are hereby removed from the Ninth Region and placed in the Thirty-fifth Sub-Region, effective March 1, 1954.

The Thirty-fourth Sub-Regional Office with headquarters at 1831 Nissen Building, Winston-Salem, North Carolina (for North Carolina) is hereby designated as the Eleventh Regional Office. Therefore North Carolina is removed from the Fifth Region.

The Thirty-seventh Sub-Regional Office with headquarters at 334 Federal Building, Honolulu 3, Territory of Hawaii, is hereby transferred from the Twenty-first Region and placed under the Twentieth Regional Office. Therefore the Territory of Hawaii is removed from the Twenty-first Region.

The addresses of the Regional and Sub-Regional Offices are corrected as of March 1, 1954, as follows:

First Region—Boston 8, Mass., 24 School Street.

Second Region—New York 16, N. Y., 2 Park Avenue.

Third Region—Buffalo 2, N. Y., Room 112, United States Courthouse Building, 68 Court Street.

Fourth Region—Philadelphia 7, Pa., 1500 Bankers' Securities Building.

Fifth Region—Baltimore 2, Md., 6th Floor, 37 Commerce Street.

Sixth Region—Pittsburgh 22, Pa., 2107 Clark Building.

Seventh Region—Detroit 26, Mich., 1740 National Bank Building.

Eighth Region—Cleveland 14, Ohio, Ninth-Chester Building.

Ninth Region—Cincinnati 2, Ohio, Ingalls Building, Fourth and Vine Streets.

Thirty-fifth Sub-Region—Indianapolis 4, Ind., 319 North Pennsylvania Street.

Tenth Region—Atlanta 3, Ga., 50 Seventh Street NE.

Eleventh Region—Winston-Salem, N. C., 1831 Nissen Building.

Thirteenth Region—Chicago 3, Ill., 176 West Adams Street.

Fourteenth Region—St. Louis 1, Mo., Room 935, United States Court and Custom House, 1114 Market Street.

Fifteenth Region—New Orleans 13, La., 820 Lowich Building, 2026 St. Charles Street.

Thirty-second Sub-Region — Memphis, Tenn., 714 Falls Building, 22 North Front Street.

Sixteenth Region—Fort Worth 4, Tex., 300 West Vickery, Room 2093.

Thirty-third Sub-Region—El Paso, Tex., 504 North Kansas.

Thirty-ninth Sub-Region—Houston, Tex., 6 Federal Land Bank Building, 430 Lamar Avenue.

Seventeenth Region—Kansas City 6, Mo., 1400 Federal Office Building, 911 Walnut Street.

Thirtieth Sub-Region—Denver 2, Colo., 403 United States Post Office Building.

Eighteenth Region—Minneapolis 1, Minn., 601 Metropolitan Building, Second Avenue and Third Street.

Nineteenth Region—Seattle 4, Wash., 407 United States Court House, Fifth Avenue and Spring.

Thirty-sixth Sub-Region—Portland 4, Oreg., 715 Mead Building.

Twentieth Region—San Francisco, Calif., 818 United States Appraisers Building, 630 Sansome Street.

Thirty-seventh Sub-Region—Honolulu 3, Territory of Hawaii, 334 Federal Building.

Twenty-first Region—Los Angeles 14, Calif., 111 West Seventh Street.

Twenty-fourth Region—Santurce, Puerto Rico, Post Office Box 9176.

Dated: Washington, D. C., March 2, 1954.

By direction of the Board.

FRANK M. KLEILER, *Executive Secretary.*

[F. R. Doc. 54–1576; Filed, Mar. 4, 1954; 8:50 a. m.]

[1] This amends Description of Organization which appeared at 13 F. R. 3090, with amendments appearing at 13 F. R. 6266, 15 F. R. 973, and 16 F. R. 1969.

SECURITIES AND EXCHANGE COMMISSION

[File No. 54–177]

PENNSYLVANIA GAS & ELECTRIC CORP. ET AL.

ORDER WITH RESPECT TO FILING OF REPORTS CONCERNING FEES AND EXPENSES IN CONNECTION WITH SECTION 11 (e) PLANS

FEBRUARY 26, 1954.

In the matter of Pennsylvania Gas & Electric Corporation, North Penn Gas Company, Crystal City Gas Company, Penn-Western Service Corporation, File No. 54–177

The above-entitled consolidated proceedings involve plans 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) of the act designed to bring the system of Pennsylvania Gas & Electric 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 these plans 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 certain of 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 May 31, 1954, Pennsylvania Gas & Electric Corporation and North Penn Gas Company 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 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. 54-1565; Filed, Mar. 4, 1954; 8:47 a. m.]

[File No. 68-163]

INTERNATIONAL HYDRO-ELECTRIC SYSTEM

ORDER GRANTING APPLICATION AND PERMITTING DECLARATION AS TO SOLICITATION IN CONNECTION WITH NOMINATION AND ELECTION OF DIRECTORS TO BECOME EFFECTIVE

FEBRUARY 26, 1954.

Paul H. Todd and William K. Jacobs, Jr. ("declarants"), Class A stockholders of International Hydro-Electric System, a registered holding company undergoing reorganization pursuant to section 11 (d) of the Public Utility Holding Company Act of 1935 ("act") and now in process of nominating and electing a new board of directors, having filed with the Commission a declaration as to their solicitation of the Class A stockholders in connection with such election, pursuant to Rule U-62 promulgated under the act, and having at the same time filed an application pursuant to Rule U-100 requesting exemption from paragraphs (g) and (h) of said Rule U-62 and qualified exemption with respect to Items (4) and (8) of Form U-R-1 thereunder, and requesting acceleration of the effective date of their declaration pursuant to Rule U-62 (d); and

It appearing to the Commission that, in view of the nature of the election now being conducted by International Hydro-Electric System and in view of the character and purpose of the solicitation proposed to be conducted by the declarants, the conditions imposed in Rule U- respect to purchases and sales of securities and giving investment advice are inapplicable and inappropriate; that the information which the declarants have given in Item (4) of Form U-R-1 with respect to purchases and sales of securities by themselves and their associates is sufficiently informative; that the first letter of solicitation to be used by the declarants, a copy of which is annexed to their declaration, satisfies in all essential respects the applicable requirements in Item (8) of said form, and that said first letter likewise substantially satisfies the relevant requirements of Schedule 14A of the regulations under the Securities Exchange Act of 1934 as amended, which provisions normally govern the solicitation of proxies for the election of corporate directors; and

It further appearing to the Commission that it is appropriate to grant declarants' request that the effective date of their declaration be accelerated, pursuant to Rule U-62 (d), and that said declaration become effective forthwith:

It is therefore ordered, That the application filed by declarants seeking exemption pursuant to Rule U-100 from paragraphs (g) and (h) of Rule U-62 and seeking qualified exemption with respect to Items (4) and (8) of Form U-R-1 thereunder, be and the same hereby is granted;

It is further ordered, That the declaration filed by the declarants pursuant to Rule U-62, with modifications as hereinabove approved, be and is hereby made effective forthwith.

By the Commission.

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

[F. R. Doc. 54-1566; Filed, Mar. 4, 1954; 8:47 a. m.]