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TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

TREASURY DEPARTMENT

Effective upon publication in the FEDERAL REGISTER, subparagraph (1) of § 6.103 (i) is amended as set out below.

§ 6.103 *Treasury Department* • • •

(i) *United States Savings Bonds Division.* (1) Until December 31, 1954, positions of State Director and Deputy State Director.

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

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

[F. R. Doc. 54-5053; Filed, July 1, 1954; 8:53 a. m.]

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

DEPARTMENT OF COMMERCE; DEPARTMENT OF LABOR

Effective upon publication in the FEDERAL REGISTER, the headnote of paragraph (h) is amended and subparagraph (2) is added to § 6.112 (h), and paragraph (b) (1) is added to § 6.113 as set out below.

§ 6.112 *Department of Commerce* • • •

(h) *National Bureau of Standards* • • •

(2) Scientific and professional research associate positions when filled on a temporary or intermittent basis by persons having a doctoral degree in physical science or related fields of study, for research activities of mutual interest to the appointee and the Bureau. Total employment under this provision may not exceed 10 positions at any one time. Employment under this provision shall not exceed one year in any individual case; provided, that such employment may, with the approval of the Commission, be extended for not to exceed an additional year.

§ 6.113 *Department of Labor* • • •

(b) *Office of the Secretary.*

(1) Chairman and two Members, Employees' Compensation Board.

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

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

[F. R. Doc. 54-5051; Filed, July 1, 1954; 8:53 a. m.]

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

MISCELLANEOUS AMENDMENTS

Effective upon publication in the FEDERAL REGISTER, paragraphs (a) and (b) of § 6.115, paragraphs (a) (1) and (2), (b) (1) and (2), (c) (1) through (7), (9), (10) and (11), (d) (1), (2) and (3), (e) (1) and (f) (1) of § 6.155, paragraphs (a) and (b) of § 6.159, paragraph (a) (2) of § 6.218 are revoked, and paragraph (a) of § 6.158 is amended as set out below.

§ 6.158 *Office of Defense Mobilization.* (a) Not to exceed 18 non-operating specialist positions at the GS-13 level and above, the incumbents of which are responsible for advisory, staff planning, and coordination duties in the areas of military, industrial, or civilian mobilization.

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

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

[F. R. Doc. 54-5052; Filed, July 1, 1954; 8:53 a. m.]

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FEDERAL REGISTER

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CODIFICATION GUIDE

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

CODIFICATION GUIDE—Con.

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

DEPARTMENT OF DEFENSE

Effective upon publication in the FEDERAL REGISTER, subparagraphs (8), (9), (10), and (11) are added to § 6.304 (a), the headnote of paragraph (c) is amended and subparagraph (2) is added to § 6.304 (c), as set out below.

§ 6.304 *Department of Defense*—(a) *Office of the Secretary.* * * *

(8) Two Special Assistants to the Deputy Secretary.

(9) Two Deputy Assistant Secretaries to the Assistant Secretary of Defense for Legislative and Public Affairs.

(10) One Private Secretary to each of the following: The Deputy Assistant Secretary for Legislative Affairs and the Deputy Assistant Secretary for Public Affairs.

(11) One Confidential Assistant to each of the following: The Assistant Secretary of Defense for Properties and Installation and the Assistant Secretary of Defense for International Security Affairs.

* * * * *

(c) *Office of Special Operations.* * * *

(2) Two Private Secretaries to the Director.

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

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

[F. R. Doc. 54-5042; Filed, July 1, 1954; 8:51 a. m.]

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

FOREIGN OPERATIONS ADMINISTRATION

Effective upon publication in the FEDERAL REGISTER, subparagraph (6) is added to § 6.349 (b).

§ 6.349 *Foreign Operations Administration* * * *

(b) *Office of the Deputy Director for Management* * * *

(6) One Special Assistant for Congressional Liaison.

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

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

[F. R. Doc. 54-5043; Filed, July 1, 1954; 8:51 a. m.]

TITLE 6—AGRICULTURAL CREDIT

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

Subchapter B—Loans, Purchases, and Other Operations

[Amdt. 1]

PART 430—DAIRY PRODUCTS

SUBPART—DAIRY PRODUCTS LOAN BULLETIN

MISCELLANEOUS AMENDMENTS

1. Section 430.156 (e) (2) is amended to read as follows:

(2) Dry whey product shall contain not less than 14 percent protein, not less than 48 percent lactose and not more than 8 percent moisture: *Provided, however,* That for each percentage point that the protein content is above 14 percent the lactose content may be one percentage point below 48 percent. The dry whey product otherwise shall meet the specifications, including packaging, for dry whey.

2. Section 430.174 (e) is amended to read as follows:

(e) In the case of loans on commodities stored in approved warehouses on an identity-preserved basis, settlement will be made, subject to the provisions of the note and loan agreement, according to the quality and the quantity of the commodity as evidenced by inspection certificates dated not later than 45 days after maturity date, inspection charges to be paid by CCC. Settlement value for commodity which does not meet the eligibility requirements with respect to quality shall be determined at the loan rate for the quality placed under loan, less the difference, if any, at the time of maturity, between the market value of the quality placed under loan and the market value of the commodity delivered as determined by CCC: *Provided, however,* That for the purposes of this paragraph dry whey, dry whey product and dry buttermilk containing not more than 9 percent moisture shall be deemed to meet the eligibility requirements with respect to moisture content.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interprets or applies sec. 5, 62 Stat. 1072, sec. 201, 63 Stat. 1052; 15 U. S. C. 714c, 7 U. S. C. 1446)

Issued this 28th day of June 1954.

[SEAL] WALTER C. BERGER,
Acting Executive Vice President, Commodity Credit Corporation.

[F. R. Doc. 54-5039; Filed, July 1, 1954; 8:50 a. m.]

[1954 C. C. C. Mobile Drier Bulletin 1]

PART 474—FARM-STORAGE FACILITIES

SUBPART 1954 PROGRAM TO FINANCE THE PURCHASE OF MOBILE DRYING EQUIPMENT FOR FARM COMMODITIES

This bulletin states the requirements with respect to the Program to Finance the Purchase of Drying Equipment for Farm Commodities formulated by Commodity Credit Corporation (hereinafter referred to as "CCC") and the Commodity Stabilization Service (hereinafter referred to as "CSS"). The program will be carried out by CSS under the general supervision and direction of the President, CCC.

Sec.
474.350 Administration.
474.351 Availability of loans.
474.352 Approved lending agencies.
474.353 Eligible borrowers.
474.354 Eligible equipment.
474.355 Terms and conditions of loan.
474.356 Disbursement of loans.
474.357 Service charges.
474.358 Sale or conveyance of security.

AUTHORITY: §§ 474.350 to 474.358 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C., 714b. Interpret or apply secs. 4, 6, 62 Stat. 1070, as amended, 1072; 15 U. S. C. 714b, 714c.

§ 474.350 *Administration.* The program will be administered by CSS, under the general direction and supervision of the Executive Vice President, CCC, and in the field will be carried out by State and county Agricultural Stabilization and Conservation committees (hereinafter called State and county committees. State and county committees do

not have authority to modify or waive any provisions of this subpart or amendments or supplements hereto.

§ 474.351 *Availability of loans*—(a) *Area.* Loans will be available in any State in the continental United States.

(b) *Time.* Loan applications may be submitted from July 1, 1954 through June 30, 1955.

(c) *Source.* Loans may be obtained directly from CCC or through approved lending agencies. Application for loans shall, in either case, be made to the county committee.

(d) *Approved forms.* All forms and documents will be made available through offices of county committees.

§ 474.352 *Approved lending agencies.* An approved lending agency shall be any bank, partnership, individual, or other legal entity which has entered into a lending agency agreement for storage equipment loans, on the form prescribed by CCC.

§ 474.353 *Eligible borrowers.* A person shall be eligible for a loan for the purchase of eligible equipment provided such person (a) is a tenant, landlord, or landowner-operator who produces one or more of the commodities listed in § 474.354, or a landowner who rents for cash his land on which one or more of such commodities are produced, and (b) has facilities for the storage of one or more of such commodities suitable for adaptation to artificial drying and needs such eligible equipment in connection with the utilization of such facilities. Any two or more such persons may join together in purchasing such equipment. The term "person" as used in this section means an individual, partnership, corporation, or other legal entity.

§.474.354 *Eligible equipment.* Mobile drying equipment (such as air-circulators, ventilators, tunnels and power-fans, or any combination thereof, and mechanical driers of a mobile type) will be eligible equipment under this program provided such mobile drying equipment will be used in connection with the conditioning of corn, oats, barley, grain sorghums, wheat, rye, soybeans, flaxseed, rice, dry edible beans, dry peas, peanuts, cottonseed, hay seeds, pasture seeds, and winter cover crop seeds. Equipment for use in connection with the conditioning of commodities which the borrower intends to purchase or to store for others shall not be eligible equipment.

§ 474.355 *Terms and conditions of loan*—(a) *Term.* The maximum term of the loan will be for a period of approximately three years, except that the term of particular loans may be extended, at the option of CCC, under conditions prescribed by the Executive Vice President, CCC. Loans will be payable in equal annual principal payments with interest at four percent per annum on the unpaid balance. Loans will be secured by chattel mortgages on the mobile drier and/or equipment, or by other security instruments approved by CCC.

(b) *Amount of loan.* The maximum amount to be loaned on any single mobile drier, or any mobile equipment suitable for the conditioning of grain shall not exceed seventy-five percent of the delivered and assembled cost of such drier or equipment, exclusive of farm-labor costs.

(c) *Repayment of loan.* Payment will be due annually in equal principal payments beginning on the first anniversary date of the disbursement of the loan, and a like principal payment plus interest shall be due on each anniversary date thereafter until the principal, together with interest thereon, has been paid in full. The notes securing loans will provide for acceleration in event of default under conditions set forth therein. Any unpaid amount on a delinquent loan or any past due amount on any annual payment may be deducted and paid out of any amounts due the borrower under any program carried out by the Department of Agriculture, excepting amounts due the borrower out of appropriated funds when the loan is held by a lending agency. The loan may be paid in part or in full by the borrower at any time before maturity. Upon payment of a loan secured by a mortgage which is held by CCC, the county committee should be requested to release the mortgage of record by filing an instrument of release or by a marginal release on the county records. Upon payment of loans secured by mortgages held by a lending agency, the lending agency should be requested to release such mortgage. The chairman of each county committee is authorized to act as agent of CCC in executing or obtaining such releases.

(d) *Insurance.* The borrower will be required to provide insurance in an amount sufficient to cover the loan and with coverage for fire and other hazards common to the area for such equipment as determined necessary by the county committee. The insurance shall be maintained during the life of the loan, shall contain a loss payable clause in favor of the holder of the note and CCC, as their interest may appear, and the cost shall be borne by the borrower.

§ 474.356 *Disbursement of loans.* Loans will be disbursed to borrowers by lending agencies under agreement with CCC or direct by CCC. Direct loans to borrowers may be disbursed by means of sight drafts issued by County ASC Offices.

§ 474.357 *Service charges.* A service charge of $5.00 or one percent of the amount of the loan, whichever is greater, shall be paid by the borrower at the time the application is made. If the loan is rejected or is not completed, the minimum fee of $5.00 shall be retained by the county committee and the balance returned to the applicant.

§ 474.358 *Sale or conveyance of security.* When a borrower desires to sell or convey the mobile drying equipment without repaying the loan in full, he shall apply to Chairman of the county committee for approval of the sale or conveyance on behalf of CCC. If such approval is granted, the borrower and his purchaser shall execute an assumption agreement in form prescribed by CCC under which the borrower remains liable for the balance of the indebtedness and the purchaser assumes the balance of the indebtedness and agrees to comply with all the terms, conditions, covenants, and agreements set out in the security instruments. Approval of the transaction on behalf of CCC shall be shown by signature of the Chairman of the county committee in the space provided in the assumption agreement. The Chairman of each county committee is authorized to approve such transactions on behalf of CCC with respect to mobile drying equipment located within the county, by executing the consent provision in the assumption agreement. The assumption agreement form may be obtained from the county committee office.

Issued this 29th day of June 1954.

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

[F. R. Doc. 54-5063; Filed, July 1, 1954; 8:55 a. m.]

TITLE 7—AGRICULTURE

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

PART 913—MILK IN THE GREATER KANSAS CITY MARKETING AREA

COMPUTATION OF UNIFORM PRICE

Pursuant to the applicable provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 1940 ed. 601 et seq.), hereinafter referred to as the "act," and of the order, as amended, regulating the handling of milk in the Greater Kansas City marketing area, hereinafter referred to as the "order" it is hereby found and determined that the provisions of § 913.71 (c) of the order do not tend to effectuate the declared policy of the act with respect to all milk subject to the provisions of the order for the delivery period of July 1954.

It is hereby further found and determined that notice of proposed rule making and public procedure thereon in connection with the issuance hereof is impracticable, unnecessary and contrary to the public interest, in that (1) the information upon which this action is based did not become available in sufficient time for such compliance; (2) the issuance of this suspension order effective as set forth below is necessary to reflect current marketing conditions and to facilitate, promote and maintain the orderly marketing of milk produced for the said marketing area; and (3) this action will affect only seasonality of returns to producers and will in no way affect the obligations of handlers subject to the order. The changes caused by this suspension order do not require of persons affected any preparation prior to its effective date.

It is therefore ordered, That the following provision of the order be and it is hereby suspended with respect to all milk subject to the provisions of the order for the delivery period of July 1954: § 913.71 (c) in its entirety.

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

Done at Washington, D. C., this 29th day of June 1954, to be effective July 1, 1954.

[SEAL] JOHN H. DAVIS, *Assistant Secretary.*

[F. R. Doc. 54-5061; Filed, July 1, 1954; 8:55 a. m.]

PART 980—MILK IN THE TOPEKA, KANSAS, MARKETING AREA

COMPUTATION AND ANNOUNCEMENT OF UNIFORM PRICE

Pursuant to the applicable provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C 1940 ed. 601 et seq.), hereinafter referred to as the "act," and of the order, as amended, regulating the handling of milk in the Topeka, Kansas, marketing area, hereinafter referred to as the "order" it is hereby found and determined that the provisions of § 980.71 (b) of the order do not tend to effectuate the declared policy of the act with respect to all milk subject to the provisions of the order for the delivery period of July 1954.

It is hereby further found and determined that notice of proposed rule making and public procedure thereon in connection with the issuance hereof is impracticable, unnecessary and contrary to the public interest, in that (1) the information upon which this action is based did not become available in sufficient time for such compliance; (2) the issuance of this suspension order effective as set forth below is necessary to reflect current marketing conditions and to facilitate, promote and maintain the orderly marketing of milk produced for the said marketing area; and (3) this action will affect only seasonality of returns to producers and will in no way affect the obligations of handlers subject to the order. The changes caused by this suspension order do not require of persons affected any preparation prior to its effective date.

It is therefore ordered, That the following provision of the order be and it is hereby suspended with respect to all milk subject to the provisions of the order for the delivery period of July 1954: § 980.71 (b) in its entirety.

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

Done at Washington, D. C., this 29th day of June 1954, to be effective July 1, 1954.

[SEAL] JOHN H. DAVIS, *Assistant Secretary.*

[F. R. Doc. 54-5060; Filed, July 1, 1954; 8:55 a. m.]

PART 989—HANDLING OF RAISINS PRODUCED FROM RAISIN VARIETY GRAPES GROWN IN CALIFORNIA

MODIFICATION OF RESERVE AND SURPLUS PERCENTAGES FOR 1953-54 CROP YEAR

Pursuant to the Marketing Agreement No. 109 and Order No. 89 (7 CFR, 1952 Rev., Part 989) regulating the handling of raisins produced from raisin variety grapes grown in California, hereinafter referred to as the "order," effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), hereinafter referred to as the "act," and upon the basis of information supplied by the Raisin Administrative Committee established under the order, and other available information, it is hereby found that to modify the reserve and surplus tonnage percentages as hereinafter provided will tend to effectuate the declared policy of the act.

The change which will be effected by this document will be to decrease the existing reserve percentage designation of 24 percent for natural (sun-dried) Thompson Seedless raisins acquired by handlers during the 1953-54 crop year to 22.35 percent and to increase the existing surplus percentage designation of 15 percent for that same varietal type for the same crop year to 16.65 percent.

On May 25, 1954, the provisions of § 989.67 (c) of the order, which would have had the effect of converting the reserve tonnage of the current crop year to surplus tonnage as of June 1, 1954, were suspended so that such reserve tonnage will not thereby become surplus tonnage until July 16, 1954 (see 19 F. R. 3085). This action was taken because it appeared probable that the free tonnage would not be sufficient to meet normal marketing demands and it would be necessary to sell to raisin handlers an adequate quantity from the reserve tonnage to meet this deficiency. As indicated below, at least a part of the reserve tonnage needs to be transferred to the surplus promptly to meet pending sales commitments from such tonnage.

A contract for the sale from the surplus tonnage of a large quantity of this varietal type has been executed and the quantity of this varietal type now in such surplus is not sufficient to permit shipment in accordance with the terms of the contract. Such deficiency would be met by the proposed action. Therefore, the proposed action will facilitate disposition of the surplus and will be for the benefit of the producers from the standpoint of increasing their net returns from the surplus pool as well as increasing their overall returns for raisins. Accordingly, it is concluded that the presently proposed action will tend to effectuate the declared policy of the act.

Therefore, § 989.207 (a) (see 18 F. R. 6526), which fixes the free, reserve and surplus percentages for the several varietal types of raisins for the 1953-54 crop year, is hereby amended, by changing (1) thereof, which fixes such percentages for natural (sun-dried) Thompson Seedless raisins, to read as follows:

§ 989.207 *Free, reserve, and surplus tonnage regulation for the 1953-54 crop year.* (a) * * *: (1) Natural (sun-dried) Thompson Seedless raisins: Free tonnage percentage, 61 percent; reserve tonnage percentage, 22.35 percent; and surplus tonnage percentage, 16.65 percent; * * *

Notice of proposed rule making, public procedure thereon, and the delaying of the making of this order effective later than the date of publication in the FEDERAL REGISTER (see section 4 of the Administrative Procedure Act; 5 U. S. C. 1001 et seq.), are impracticable, unnecessary, and contrary to the public interest. Handlers have essentially completed their acquisition of raisins for the 1953-54 crop year and the modification of the reserve and surplus percentages would merely entail the appropriate changes in the records with respect to the reserve and surplus tonnages now being held for the account of the Raisin Administrative Committee, the administrative agency for program operations. Insofar as subsequent acquisitions are concerned, if there are any, handlers will merely need to apply the changed percentages to such acquisitions and withhold accordingly. The contractual arrangement for the disposition of surplus tonnage referred to above is such that deliveries thereunder should not be delayed beyond the dates specified in the contract.

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

Issued this 29th day of June 1954 to become effective upon publication in the FEDERAL REGISTER.

[SEAL] S. R. SMITH, *Director, Fruit and Vegetable Division.*

[F. R. Doc. 54-5038; Filed, July 1, 1954; 8:50 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign Commerce, Department of Commerce

Subchapter B—Export Regulations

[7th Gen. Rev. of Export Regs., Amdt. P. L. 2 [1]]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

MISCELLANEOUS AMENDMENTS

Section 399.1 *Appendix A—Positive List of Commodities* is amended in the following particulars:

1. The *General Notes to Appendix A* is amended in the following particulars:

a. The example following subparagraph (1) *Partial coverage of Schedule B number* of paragraph (b) *Commodity description* is amended to read as follows:

Example: The commodity description in Schedule B under No. 384985 reads "Broad woven fabrics wholly or chiefly of man-made (synthetic) fibers, n. e. c." On the Positive List, nylon parachute cloth is the only commodity shown under this Schedule B number. Therefore, other fabrics classified under this number in Schedule B are not on the Positive List.

b. The first parenthetical reference at the end of paragraph (f) *Validated li-*

[1] This amendment was published in Current Export Bulletin No. 731, dated June 24, 1954.

cense required is amended to read as follows:

(All commodities, whether or not on the Positive List, require validated licenses for export to Hong Kong, Macao, and Subgroup A destinations, unless exportable under a particular general license. See Parts 371 and 384 of this subchapter.)

The remainder of paragraph (f) is unchanged.

2. The revised entries set forth below are substituted for entries presently on the Positive List. Where the Positive List contains more than one entry under a Schedule B number, the entry to be superseded is identified by a numerical reference enclosed in parentheses following the commodity description in the revised entry:

Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar-value limits	Validated license required
	Tires, tire casings and inner tubes, new and used (solid and pneumatic) (report scrap tires, scrap tire casings and scrap inner tubes, cut or uncut, under 261200):				
	Pneumatic tires and tire casings:				
266000	Truck and bus tires and tire casings: all sizes, combat or run-flat construction; all 9.00-13, 9.00-16 and 10.50-16; all sizes with 12.00 cross section or over; all sizes of 10.00 to, but not including 12.00 cross section with 14-ply rating and over, and all sizes of 7.00 to, but not including 10.00 cross section with 12-ply rating and over. (1) [18] [22]	No.	RUBR 10	250	RO
266000	Other truck and bus tires and tire casings. (2) [18] [22]	No.	RUBR 9	250	R
266430	Off-the-road tires and tire casings (except farm tractor and implement): all sizes, combat or run-flat construction: all 9.00-13, 9.00-16 and 10.50-16; all sizes with 12.00 cross section and over; all sizes of 10.00 to, but not including 12.00 cross section with 14-ply rating and over, and all sizes of 7.00 to, but not including 10.00 cross section with 12-ply rating and over. (1) [18] [22]	No.	RUBR 10	250	RO
266430	Other off-the-road tires and tire casings (except farm tractor and implement). (2) [18] [22]	No.	RUBR 9	250	R
266440	Farm tractor tires and tire casings.[18] [22]	No.	RUBR 9	250	R
266450	Farm implement tires and tire casings.[18] [22]	No.	RUBR 9	250	R
266490	Industrial tires and tire casings, all sizes with 12.00 cross section and over; all sizes of 10.00 to, but not including 12.00 cross section with 14-ply rating and over; and all sizes of 7.00 to, but not including 10.00 cross section with 12-ply rating and over. (1) [18] [22]	No.	RUBR 10	250	RO
266490	Other industrial tires and tire casings. (2) [18]	No.	RUBR 9	250	R
	Cordage, except of cotton or jute (report cotton in 301800 and jute in 321100):				
341100	Binder twine (hard and soft fiber) (report baler twine in 341909).[18] [22]	Lb.	TEXT 1	1,000	R
341400	Manila cordage, cord, and twine (report binder twine in 341100).[18] [22]	Lb.	TEXT 1	25	R
	Refined oils:				
503900	Naphtha in containers over 4 ounces; mineral spirits; solvents; and other finished light products (barrels of 42 gallons). (2) [22] [23]	Bbl.	PETR 1	*25	RO
505900	Petroleum products, n. e. c., except white wax tailings, formerly 504300 (specify by name) (report finished petroleum sprays in 820890 and 820900; jet fuels in 501800; motor additives, including those of petroleum origin in 829015).[18] [22]	Lb. or gal.	PETR	25	RO
	Asbestos:				
	Manufactures:				
545940	Brake lining, n. e. c., molded, semimolded, and woven (including sets), except brake blocks.[18] [22]	Lb.	TRANS 6	500	R
	Welding rods and wires, including brazing rods.				
619040	Cobalt (containing 15 percent or more cobalt by weight). (2) [1]	Lb.	MINL	100	RO
619040	Molybdenum. (4) [1]	Lb.	MINL	100	RO
619040	Tungsten, including tungsten carbide. (5) [1]	Lb.	MINL	100	RO
	Solders, except precious:				
619045	Tin (1) [1]	Lb.	NONF 1	500	RO
619045	Zinc (2) [1]	Lb.	NONF	500	R
	Metal powders:				
619153	Molybdenum [1]	Lb.	MINL	100	RO
619155	Tantalum [1]	Lb.	MINL	25	RO
619157	Tungsten [1]	Lb.	MINL	100	R

See footnotes at end of table.

Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar-value limits	Validated license required
	Metal powders—Continued				
619159	Chromium (1) [7] [18]	Lb.	NONF	25	RO
619159	Nickel-chrome-boron powder. (4) [1]	Lb.	NONF	100	RO
619159	Tin. (9) [1]	Lb.	NONF	500	RO
	Foil and leaf (less than .006 inch in thickness) (report paper-backed foil in 486500):				
619250	Tin foil. (4) [1]	Lb.	NONF 1	500	RO
	Metal manufactures, n. e. c., and parts, n. e. c.:				
	Other metals, except precious (specify by name and type of metal):				
619950	Tin shot. (8) [1]	Lb.	NONF 1	500	RO
622085	Ferromolybdenum (specify molybdenum content) [1]	Lb.	MINL	100	RO
622086	Ferrovanadium and other vanadium alloying materials containing over 6 percent vanadium (specify vanadium content).[1]	Lb.	MINL	100	RO
622095	Ferrotitanium and ferro-carbon-titanium (specify titanium content).[1]	Lb.	MINL	100	R
622096	Ferrotungsten (specify tungsten content) [1]	Lb.	MINL	100	R
622098	Ferrocolumbium (specify columbium content). (1) [1]	Lb.	MINL	100	RO
622098	Ferrocolumbium-tantalum (specify alloy content). (2) [1]	Lb.	MINL	100	RO
622098	Ferroselenium (specify selenium content) [6] [18] [24]	Lb.	MINL	25	RO
622098	Other ferroalloys (specify by name and alloy content). (4) [1]	Lb.	MINL	100	RO
641200	Copperweld rod for drawing (formerly 642500) [21]	Lb.	NONF 15	100	RO
647913	Copper-base alloy castings and forgings, rough and semi-finished (specify copper content). (1 and 2) [21]	Lb.	NONF	200	RO
650750	Lead slugs. (1) [1]	Lb.	NONF	500	R
654501	Nickel ore, concentrates, and matte [1]	Lb.	NONF	100	RO
654502	Spent nickel catalyst. (2) [1]	Lb.	NONF	100	RO
654504	Nickel metal sheets, plates, and strips. (1) [1]	Lb.	NONF	100	RO
654508	Nickel-chrome electric resistance wire, except insulated (report insulated wire in 709810-709885).[1]	Lb.	NONF	100	RO
654519	Nickel and nickel alloy semifabricated forms, n. e. c. (specify by name and nickel-content) (report cupro-nickel wire in 645710).[1]	Lb.	NONF	100	RO
656501	Tin alloy scrap (new and old) (including tin-base Babbitt metal dross and scrap and tin-base antifriction metal dross and scrap).[1]	Lb.	NONF 7	500	RO
656507	Tin ore and concentrates. (1) [1]	Lb.	NONF 7	500	RO
656507	Tin metal in ingots, pigs, bars, blocks, anodes, cathodes, slabs, and other crude forms (includes tin slugs). (2) [1]	Lb.	NONF 8	500	RO
656517	Tin-base Babbitt metal, except scrap and dross (50 percent or more of tin by weight) (report scrap and dross in 656501; lead-base Babbitt metal in 651516; Babbitt metal bearings in 709100-709200).[1]	Lb.	NONF 8	500	RO
656519	Tin pipe, plates, sheets, tubes, and other semifabricated forms (specify by name) (report collapsible tubes in 629950).[1]	Lb.	NONF 1	500	RO
	Beryllium:				
664505	Ores and concentrates [1]	Lb.	MINL	500	RO
	Bismuth:				
664510	Matte, slimes, residues, and base bullion [1]	Lb.	MINL	100	RO
664512	Metals and alloys [1]	Lb.	MINL	100	RO
	Cerium:				
664517	Other ores, metals, and alloys. (2) [1]	Lb.	MINL	100	RO
	Chromium and chromite:				
664522	Metal and chromium-bearing alloys in crude form, and scrap, containing 99 percent and over chromium content.[7] [18]	Lb.	MINL	25	RO
	Cobalt:				
664526	Cobalt dental alloys. (1) [1]	Lb.	MINL	100	RO
664526	Ores, concentrates, metal, and other alloys in crude form, and cobalt-bearing scrap metal (includes cobalt scrap containing 5 percent or more cobalt by weight). (2) [1]	Lb.	MINL	100	RO
664529	Semifabricated forms, n. e. c. (specify by name) [1]	Lb.	MINL	100	RO
	Columbium or niobium:				
664530	Ores and concentrates [1]	Lb.	MINL	100	RO
664533	Metals and alloys in crude form [1]	Lb.	MINL	100	RO
664535	Semifabricated forms, n. e. c. (specify by name) [1]	Lb.	MINL	100	RO
	Manganese:				
664541	Other manganese metals and alloys in crude form, and scrap (containing 10 percent or more manganese). (2) [1]	Lb.	MINL	100	RO
	Molybdenum:				
664550	Ores and concentrates (molybdenum content) [1]	C. lb.	MINL	500	RO
664551	Metal and alloys in crude form, and scrap [1]	Lb.	MINL	100	RO

Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar-value limits	Validated license required
	Molybdenum—Continued				
664553	Molybdenum wire [1]	Lb.	MINL	100	RO
664554	Semifabricated forms, n. e. c. (specify by name) [1]	Lb.	MINL	100	RO
	Tantalum:				
664560	Ores and concentrates (report slag in 664998) [1]	Lb.	MINL	100	RO
664562	Metal and alloys in crude form, and scrap (report slag in 664998) [1]	Lb.	MINL	100	RO
664563	Semifabricated forms, n. e. c., including rings and wire (specify by name) [1]	Lb.	MINL	100	RO
	Titanium:				
664570	Ores and concentrates (specify by name and state percentage of TiO_2) [1]	Lb.	MINL	100	RO
	Tungsten:				
664581	Metal and alloys in crude form, and scrap (specify by name and tungsten content) (include alloy steel scrap containing 1 percent or more tungsten by weight) [1]	Lb.	MINL	100	RO
664583	Metal and alloys in semifabricated forms, n. e. c. (specify by name and tungsten content) (report tool bit blanks, dies and inserts in 617960) [1]	Lb.	MINL	100	RO
	Vanadium (report ferrovanadium and other vanadium alloying materials containing over 6 percent vanadium in 622986; chemically pure grades of vanadium in 629970):				
664585	Vanadium ores and physical concentrates (non-chemical process) (specify V_2O_5 content) [1]	C. lb.	MINL	100	RO
664587	Other vanadium waste materials (specify V_2O_5 content). (2) [1]	C. lb.	MINL	100	RO
664588	Vanadium pentoxide, vanadic oxide, vanadium oxide, and vanadates (except chemically pure grades) specify V_2O_5 content) [1]	C. lb.	MINL	100	RO
	Zirconium:				
664596	Metal and alloys in crude form, and scrap [1]	Lb.	MINL	100	RO
664597	Semifabricated forms, n. e. c. (specify by name) [1]	Lb.	MINL	100	RO
	Nonferrous metals and alloys in crude form, scrap, and semifabricated forms, n. e. c. (specify by name):				
664998	Thermo bimetal, thermometal, and thermostatic metal. (12) [1]	Lb.	MINL	100	RO
664998	Other metals and alloys in crude form, scrap, and semifabricated forms, n. e. c., except crystalline silicon, and potassium metal. (14) [20]	Lb.	MINL	None	RO
	Tools or devices incorporating diamonds, not included elsewhere on the Positive List (see § 373.49 (c) of this subchapter) [1]	No. and carat.	TOOL	30	RO
	Welding sets:				
	Arc welders:				
700022	Alternating current type [18 22]	No.	ELME 4	None	R
701305	Electrical generating sets powered by Diesel engines (reporting switchgear equipment not designed as an integral component, whether or not shipped simultaneously with the generator set, in 702105–702800) [18 22]	No.	ELME 1	None	RO
	Electric bulbs and tubes (lamps), and parts (report bulb and tube blanks in 329300 and 329400):				
706590	Molybdenum filaments. (1) [1]	.....	MINL	100	RO
706590	Tungsten contacts and filaments. (2) [1]	.....	MINL	100	RO
707585	X-ray apparatus, and parts, n. e. c.: Tungsten X-ray targets. (4) [1]	.....	MINL	100	R
707808	Radio and television apparatus: Radio and television broadcast station transmitting equipment, and specially fabricated parts and accessories, n. e. c. (excludes closed circuit television equipment) (formerly 707807) [18 22]	.....	RARA 59	100	R
	Electronic-type components:				
707840	Tantalum rings, for radio transmitter and radio receiver tubes. (2) [1]	.....	MINL	100	RO
	Pole line, transmission, and distribution hardware, n. e. c., and specially fabricated parts, n. e. c.:				
709495	Other copper-base alloy solder lugs. (5) [1]	Lb.	NONF	200	RO
722040	Jacks for railway maintenance, with lifting capacity of 10 tons and over; and specially fabricated parts, n. e. c. [15]	.....	CONS 1	100	R
744610	Metalworking presses, except hand-powered, and specially fabricated parts, n. e. c (specify capacity in tons) (report forging presses in 744700; and metal powder presses in 775995) [18 22]	.....	TOOL	500	RO
	Food and beverage processing machines, and parts:				
780020	Milk vats, unlined (all steel grades) (formerly 618967) [18 22]	Lb.	STEE	1,000	RO

Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar-value limits	Validated license required
770790	Electrostatic precipitators, precipitron type, and specially fabricated parts, n. e. c. (formerly 770790 and 775360) [22]	.....	GIEQ 18	None	RO
	Separators and collectors, industrial process type, n. e. c., and specially fabricated parts, n. e. c. (specify by name) (report ore and coal separating machines in 730750; and electrostatic precipitators, precipitron type, in 770790):				
775360	Electrostatic precipitators, Cottrell type (formerly 770790) [18 22]	No.	ELME 1	None	R
775360	Parts, n. e. c., specially fabricated for Cottrell type precipitators (formerly 770790) [18 22]	.....	ELME 1	100	RO
775360	Dialysis equipment, and specially fabricated parts, n. e. c. (formerly 773055) [18 22]	.....	GIEQ 1	500	R
	Parts for commercial automobiles, trucks and busses:				
792620	Parts, n. e. c., specially fabricated, for spares, replacement, or manufacture into larger components (including bodies and knee-action springs, formerly 791220 and 791275), except: air cleaners; brake extension handles; bumpers; door locks; gas tank caps; horns; hub caps; hydraulic truck dumping hoists; oil filter clamps; oil filters; oil purifiers; oil rectifiers; parking lights; radiator caps; radiator ornaments; reflex signals, road traffic; stop lights; thermostats; third axle assemblies; windshield wipers; and specially fabricated parts for the excepted items [22 27]	.....	TRAN 8	500	R
796130	Railway motor coaches, self-propelled, new (formerly 796126) [18 22]	No.	TRAN 12	None	R
796130	Maintenance-of-way and yard cars, self-propelled, new (formerly 796128) [18 22]	No.	TRAN 12	None	R
796133	Other used and rebuilt self-propelled railway cars, except street, rapid transit and interurban cars. (1) [2 15]	No.	TRAN 12	None	R
796144	Maintenance-of-way and yard cars, new, except self-propelled (formerly 796138) [18 22]	No.	TRAN 12	None	R
796144	Other railway cars (not self-propelled), new, except street, rapid transit and interurban trail cars (specify type) [18 22]	No.	TRAN 12	None	R
	Chemical specialty compounds, n. e. c.:				
829990	Molybdenum lubricants (report molybdenum disulfide in powder form under 839900). (5) [1]	Lb.	SALT	100	RO
	Ammonium compounds, except fertilizers (report fertilizers and fertilizer materials in 880500–885100):				
	Ammonium compounds, n. e. c., (specify by name):				
839300	Ammonium molybdate. (1) [1]	Lb.	SALT	100	RO
	Other industrial chemicals:				
839900	Calcium molybdate. (3) [1]	Lb.	MINL	100	RO
839900	Molybdenum salts and compounds, n. e. c. (report molybdenum oxide, molybdenum trioxide and molybdic acid, except chemically pure grade, in 664550; report chemically pure grade in 829970). (20) [1]	Lb.	SALT 84	100	RO
	Explosives:				
860400	Dynamite [18]	Lb.	ORGN	100	RO
860700	Nitroglycerin explosives, except dynamite (report dynamite in 860400). (3) [18]	Lb.	ORGN	100	RO
860700	Other explosives, n. e. c. (including blasting agents) (specify by name). (4) [18]	Lb.	ORGN	None	RO
919069	Spectrophotometers except glossmeters and reflectometers (includes monochromators (formerly 919066), spectroscopes, and spectrometers, including X-ray types). (1) [18 22]	No.	SATE	None	RO
919066	Spectrographs. (11) [18]	No.	SATE	None	RO
919066	Parts, n. e. c., specially fabricated for spectrographs. (12) [18]	.....	SATE	25	RO

[1] The GLV dollar-value limit is increased.
[2] The GLV dollar-value limit is decreased, effective July 1, 1954.
[15] The letter "B" is added in the column headed "Commodity Lists," indicating that the commodity is subject to DL restrictions (see § 374.2 of this subchapter), and is excepted from the Time Limit licensing procedure (see Part 377 of this subchapter), effective July 24, 1954.
[18] The letter "B" is deleted in the column headed "Commodity Lists," indicating that the commodity is no longer excepted from the Time Limit licensing procedure (see Part 377 of this subchapter).
[20] The letter "G" is added in the column headed "Commodity Lists," indicating that the commodity may be exported under general license GLV to R and O destinations, only within the

See footnotes at end of table.

dollar-value limit specified on the Positive List (see § 371.10 (c) of this subchapter), effective July 24, 1954.

[14] The letter "G" is deleted in the column headed "Commodity Lists," indicating that the commodity may be exported to Group O destinations under general license GLV within the $500 dollar-value limit (see § 371.10 (c) of this subchapter).

[15] The destination control is changed from R to RO, effective July 1, 1954.

[16] The commodity description is revised without substantive change.

[17] Revised to conform with revisions in Schedule B, Statistical Classifications of Domestic and Foreign Commodities Exported from the United States as announced in P. B. B-7, issued June 25, 1954.

[18] All octenes are now included under this entry. By this revision octenes formerly included under Schedule B No. 505900 are subject to $1,000 GLV dollar-value limit to Mexico and are no longer subject to the IC/DV procedure.

[19] Ferroselenium is presently included in the last entry under Schedule B No. 622098.

[20] The GLV dollar-value limit for copper-base alloy castings and forgings, rough and semi-finished, other than brass and bronze is increased.

[21] Potassium metal in crude form, scrap, and semi-fabricated forms, n. e. c., is deleted.

[22] As a result of this revision knee-action springs and automobile bodies, formerly licensed in number of units, will be licensed in terms of total dollar value.

[23] Monochromators, and specially fabricated parts therefor, are now included under Schedule B No. 919060.

*The GLV dollar-value limit for shipments to Mexico is $1,000.

This amendment shall become effective as of 12:01 a. m., June 24, 1954, unless otherwise indicated in the footnotes.

Shipments of any commodities removed from general license to country Group R or Country Group O destinations as a result of changes set forth in Part 2 of this amendment, which were on dock, on lighter, laden aboard an exporting carrier, or in transit to a port of exit pursuant to actual order for export prior to 12:01 a. m., July 1, 1954, may be exported under the previous general license provisions up to and including July 24, 1954. Any such shipment not laden aboard the exporting carrier on or before July 24, 1954, requires a validated license for export.

(Sec. 3, 63 Stat. 7; 65 Stat. 43; 67 Stat. 62; 50 U. S. C. App. Sup. 2023. E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945 Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

LORING K. MACY,
Director,
Bureau of Foreign Commerce.

[F. R. Doc. 54-5001; Filed, July 1, 1954; 8:45 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

Subchapter A—Policies, Procedures, and Orders

[Docket 6127]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

MAIL TODAY CO.

Subpart—*Advertising falsely or misleadingly:* § 3.175 *Quality of product or service;* § 3.185 *Refunds, repairs, and replacements;* § 3.235 *Source or origin:* Maker; place: *Domestic product as imported;* § 3.240 *Special or limited offers:* § 3.250 *Success, use or standing.* Subpart—*Misbranding or mislabeling:* § 3.1325 *Source or origin:* Maker or seller; place: *Domestic product as imported.* Subpart—*Offering unfair, improper and deceptive inducements to purchase or deal:* § 3.2010 *Money-back guarantee;* § 3.2070 *Special offers, savings and discounts.* Subpart—*Passing off:* § 3.2105 *Passing off.* Subpart—*Simulating competitor or another or product thereof:* § 3.2245 *Trade name of competitor's or other's product.* Subpart—*Using misleading name*—Goods: § 3.2345 *Source or origin:* Maker: In connection with the offering for sale, sale, or distribution in commerce, of perfumes, hair preparations, or any other similar products: (1) Representing, directly or by implication, that the perfumes offered for sale: (a) Are made by the manufacturers of famous perfumes; (b) are the same quality perfumes as those advertised in leading fashion magazines; (c) are the same quality perfumes advertised to sell for $35 per bottle or for any other particular designated price, contrary to the fact; (2) representing that five million people have purchased perfumes from respondent or that any of respondent's products have been sold to any number of purchasers in excess of the number which, in fact, have purchased respondent's product; (3) representing directly or by implication: (a) That any offer is for a limited time only, when such offer is not in fact limited in point of time, but is made by respondent in the regular course of business; (b) that the purchase price of products sold by respondent will be refunded to dissatisfied customers when in fact respondent does not in all instances refund the purchase price; (4) using the words "Bouchet", "La Velle", "Michele", "Francois", "La Farge", or "Helene", or any other words indicating French origin or manufacture of perfume, without clearly and conspicuously stating in immediate connection and conjunction therewith that such products originated and are compounded in the United States; and (5) using the names "Christmas Eve", "Sensation", "Twilight in Paris", "Rhodesia", "Morocco", or "Indiscretion" as trade names for her perfumes; or using or simulating the trade names of any other product; prohibited.

(Sec. 6, 38 Stat. 722; 15 U. S. C. 46. Interprets or applies sec. 5, 38 Stat. 719; 15 U. S. C. 45) [Cease and desist order, Helen Wilson d. b. a. Mail Today Company, Detroit, Mich., Docket 6127, June 8, 1954]

In the Matter of Helen Wilson, an Individual Doing Business as Mail Today Company

This proceeding was heard by James A. Purcell, hearing examiner, upon the complaint of the Commission and respondent's default, under the provisions of Rule V (b) of the Commission's rules of practice pertaining thereto, it appearing that subsequent to the service of said complaint, a hearing for the taking of testimony and the reception of evidence was convened, following the service of ample notice upon the parties, in conformity with law; that respondent failed to file her answer to the complaint, pursuant to the provision of Rule VIII of said rules; failed to make appearance or to be represented at the time and place of said hearing; and did not in any wise convey or indicate her desire or intention to contest the charges of the complaint.

Thereafter the proceeding regularly came on for final consideration by said examiner, theretofore duly designated by the Commission, upon said complaint and default, and said examiner, having decided that the proceeding was in the public interest and having duly considered the entire record in the matter, made his initial decision, comprising certain findings as to the facts,[1] conclusion drawn therefrom,[1] and order to cease and desist.

Thereafter, no appeal having been filed from said initial decision of said hearing examiner as provided for in Rule XXII, nor any other action taken as thereby provided to prevent said initial decision becoming the decision of the Commission thirty days from service thereof upon the parties, said initial decision, including said order to cease and desist, accordingly, under the provisions of said Rule XXII became the decision of the Commission on June 8, 1954.

The said order to cease and desist is as follows:

It is ordered, That the respondent, Helen Wilson, an individual doing business under the name of Mail Today Company or under any other name, her agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of perfumes, hair preparations, or any other similar products, do forthwith cease and desist from:

1. Representing, directly or by implication, that the perfumes offered for sale—

(a) Are made by the manufacturers of famous perfumes;

(b) Are the same quality perfumes as those advertised in leading fashion magazines;

(c) Are the same quality perfumes advertised to sell for $35 per bottle or for any other particular designated price, contrary to the fact.

2. Representing that 5 million people have purchased perfumes from respondent or that of any of respondent's products have been sold to any number of purchasers in excess of the number which, in fact, have purchased respondent's product.

3. Representing directly or by implication:

(a) That any offer is for a limited time only, when such offer is not in fact limited in point of time, but is made by respondent in the regular course of business;

(b) That the purchase price of products sold by respondent will be refunded to dissatisfied customers when in fact respondent does not in all instances refund the purchase price;

4. Using the words Bouchet, La Velle, Michele, Francois, La Farge or Helene, or any other words indicating French origin or manufacture of perfume, without clearly and conspicuously stating in immediate connection and conjunction therewith that such products originated

[1] Filed as part of the original document.

and are compounded in the United States.

5. Using the names "Christmas Eve," "Sensation," "Twilight in Paris," "Rhodesia," "Morocco," or "Indiscretion" as trade names for her perfumes; or using or simulating the trade names of any other product.

By "Decision of the Commission and Order to File Report of Compliance", Docket 6127, June 21, 1954, which announced and decreed fruition of said initial decision, report of compliance was required as follows:

It is ordered, That the respondent herein shall, within sixty (60) days after service upon her of this order, file with the Commission a report in writing setting forth in detail the manner and form in which she has complied with the order to cease and desist.

Issued: June 21, 1954.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F. R. Doc. 54-5017; Filed, July 1, 1954; 8:46 a. m.]

[Docket 6152]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

AERATION PROCESSES, INC., ET AL.

Subpart—*Discriminating in price under section 2, Clayton Act, as amended*—Price discrimination under 2 (a): § 3.715 *Charges and price differentials;* § 3.725 *Cumulative quantity discounts and schedules.* In the sale of aerated food products in commerce, and on the part of respondent Aeration Processes, Inc., respondent Instantwhip-Bridgeport, Inc., respondent Instantwhip-Providence, Inc., respondent Instantwhip-Worcester, Inc., respondent Instantwhip-Baltimore, Inc., and their respective officers, and on the part of seven respondent individuals, and said respondents' agents, etc., discriminating in price by selling said aerated food products of like grade and quality to any purchaser at prices lower than those charged other purchasers when the respondents or any of them is in competition with any other seller in the sale of such products; prohibited.

(Sec. 6, 38 Stat. 722; 15 U. S. C. 46. Interpret or apply sec. 2, 38 Stat. 730, as amended; 15 U. S. C. 13) [Cease and desist order, Aeration Processes, Inc. (Columbus, Ohio) et al., Docket 6152, June 10, 1954]

In the Matter of Aeration Processes, Inc., a Corporation; Instantwhip-Bridgeport, Inc., a Corporation; Instantwhip-Providence, Inc., a Corporation; Instantwhip-Worcester, Inc., a Corporation; Instantwhip-Baltimore, Inc., a Corporation; G. Frederick Smith, an Individual; Allyne H. Smith, an Individual; John Elmer Jones, Sr., an Individual; John Elmer Jones, Jr., an Individual; Ernest R. Goldham, an Individual; R. A. Grieve, an Individual; and S. S. Oldham, an Individual

This proceeding was instituted by complaint which charged respondents with violation of subsection (a) of section 2 of the Clayton Act as amended by the Robinson-Patman Act.

It was disposed of, as announced by the Commission's "Notice", dated June 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 June 10, 1954 and ordered entered of record as the Commission's findings as to the facts,[1] conclusion,[1] and order in disposition of this proceeding.

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

It is ordered, That each of the respondents Aeration Processes, Inc., a corporation, Instantwhip-Bridgeport, Inc., a corporation, Instantwhip-Providence, Inc., a corporation, Instantwhip-Worcester, Inc., a corporation, Instantwhip-Baltimore, Inc., a corporation, and their respective officers, and G. Frederick Smith, Allyne H. Smith, John Elmer Jones, Sr., John Elmer Jones, Jr., Ernest R. Oldham, R. A. Grieve, and S. S. Oldham, individually, and said respondents' agents, representatives, and employees, directly or through any corporate or other device, in the sale of aerated food products in commerce, as "commerce" is defined in the said Clayton Act, do forthwith cease and desist from discriminating in price by selling said aerated food products of like grade and quality to any purchaser at prices lower than those charged other purchasers when the respondents or any of them is in competition with any other seller in the sale of such products.

It is further ordered, That 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 the order to cease and desist.

Issued: June 16, 1954.

By direction of the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F. R. Doc. 54-5016; Filed, July 1, 1954; 8:46 a. m.]

Subchapter B—Trade Practice Conference Rules

[File No. 21-270]

PART 111—FLAT GLASS MANUFACTURING AND DISTRIBUTING INDUSTRY

RESCISSION OF PART

Whereas, the Commission on July 23, 1936, promulgated trade practice rules for the Flat Glass Manufacturing and Distributing Industry which were codified in the Code of Federal Regulations (16 CFR Part 111); and

Whereas, said rules are incomplete and inadequate and the industry members are not presently interested in effecting a revision of such rules:

It is ordered, That the said rules be and the same are hereby rescinded.

Issued: June 29, 1954.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F. R. Doc. 54-5054; Filed, July 1, 1954; 8:53 a. m.]

[File No. 21-454]

PART 219—WATERPROOF PAPER INDUSTRY (ASPHALTIC TYPE)

PROMULGATION OF TRADE PRACTICE RULES

Due proceedings having been held under the trade practice conference procedure in pursuance of the Act of Congress approved September 26, 1914, as amended (Federal Trade Commission Act), and other provisions of law administered by the Commission;

It is now ordered, That the trade practice rules of Group I, as hereinafter set forth, which have been approved by the Commission in this proceeding, be promulgated as of July 2, 1954.

Statement by the Commission. Trade practice rules for the Waterproof Paper Industry (Asphaltic Type), as hereinafter set forth, are promulgated by the Federal Trade Commission under the trade practice conference procedure.

Members of the industry are persons, firms, corporations and organizations engaged in the manufacture, sale, offering for sale, or distribution of laminated paper products, the bond of which is asphalt or an asphaltic compound. The end use of these products is restricted primarily to packaging of manufactured products, or to specialized use in building construction, and but a negligible portion of the $50,000,000 annual sales is accomplished by means of retail sales to individual purchasers or consumers.

The rules are directed to prevention and elimination of various unfair trade practices and are issued in the interest of protecting the consumer and of maintaining fair competitive conditions within the industry. To this end, the rules provide a helpful guide to all members of the industry

Proceedings leading to establishment of these rules were instituted upon application from the representative industry association. General industry conferences were held under Commission auspices in Washington on June 18 and September 18, 1953, at which proposals for rules were submitted for consideration of the Commission and discussion by industry members. Thereafter, a draft of proposed rules was released by the Commission and public hearing thereon held in Washington on April 2, 1954, at which all interested or affected parties were afforded an opportunity to present their views, suggestions, or objections regarding the rules.

Following such hearing, and upon consideration of the entire matter, the Commission approved the Group I rules hereinafter set forth. No Group II rules have been included for the reason that the question of having provisions of this class

[1] Filed as part of the original document.

in trade practice rules for industries is presently undergoing study. If, after study, it is determined that Group II provisions may be included in rules promulgated for industries, opportunity will then be afforded to the members to add such Group II rules as are consistent with legal requirements and helpful to the industry and the public.

The rules as approved for the industry become operative thirty (30) days from the date of promulgation.

The rules. These rules promulgated by the Commission are designed to foster and promote the maintenance of fair competitive conditions in the interest of protecting industry, trade, and the public. It is to this end, and to the exclusion of any act or practice which fixes or controls prices through combination or agreement, or which unreasonably restrains trade or suppresses competition, or otherwise unlawfully injures, destroys, or prevents competition, that the rules are to be applied.

Sec.

AUTHORITY: §§ 219.0 to 219.17 issued under sec. 6, 38 Stat. 722; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45.

§ 219.0 *Industry definition.* As used in this part, the term "waterproof paper" makes reference to sheets of laminated paper, the bond of which is asphalt or an asphaltic compound, and sheets of paper infused or coated with asphalt or an asphaltic compound.

GROUP I

General statement. The unfair trade practices embraced in §§ 219.1 to 219.17 are considered to be unfair methods of competition, unfair or deceptive acts or practices, or other illegal practices, prohibited under laws administered by the Federal Trade Commission; and appropriate proceedings in the public interest will be taken by the Commission to prevent the use, by any person, partnership, corporation, or other organization subject to its jurisdiction, of such unlawful practices in commerce.

§ 219.1 *Selling below cost.* The practice of selling industry products at a price less than the cost thereof to the seller, with the purpose or intent, and where the effect may be, to injure, suppress, or stifle competition or tend to create a monopoly in the production or sale of such products, is an unfair trade practice. As used in this section, the term "cost" means the total cost to the seller, including the costs of acquisition, processing, preparation for marketing, sale, and delivery. [Rule 1]

§ 219.2 *False invoicing.* (a) Withholding from or inserting in invoices or sales slips any statements or information by reason of which omission or insertion a false record is made, wholly or in part, of the transactions represented on the face of such invoices or sales slips, with the effect of thereby misleading or deceiving purchasers, prospective purchasers, or the consuming public, is an unfair trade practice.

(b) The practice of delivering products in a number less than called for on the delivery record or invoice (so-called "short count"), with the capacity and tendency or effect of thereby misleading or deceiving the purchasing or consuming public, is an unfair trade practice. [Rule 2]

§ 219.3 *Prohibited discrimination* [1]—(a) *Prohibited discriminatory prices, or rebates, refunds, discounts, credits, etc., which effect unlawful price discrimination.* It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, to grant, or allow, secretly or openly, directly or indirectly, any rebate, refund, discount, credit, or other form of price differential, where such rebate, refund, discount, credit, or other form of price differential, effects a discrimination in price between different purchasers of goods of like grade and quality, where either or any of the purchases involved therein are in commerce, and where the effect thereof may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them: *Provided, however,*

(1) That the goods involved in any such transaction are sold for use, consumption, or resale within any place under the jurisdiction of the United States;

(2) That nothing contained in this paragraph shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered;

NOTE: *"Spindling" of orders.* This proviso shall not be construed as permitting the practice of allowing a price differential, whether in the form of a discount, rebate, or other form, through billing as a single order an aggregate of the amounts of two or more orders separately delivered, when such price differential is not justified by savings to the seller which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such products are to such purchasers sold or delivered.

(3) That nothing contained in this paragraph shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade;

(4) That nothing contained in this paragraph shall prevent price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

(b) *Prohibited brokerage and commissions.* It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, except for services rendered in connection with the sale or purchase of goods, wares, or merchandise, either to the other party to such transaction or to an agent, representative, or other intermediary therein where such intermediary is acting in fact for or in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is so granted or paid.

(c) *Prohibited advertising or promotional allowances, etc.* It is an unfair trade practice for any member of the industry engaged in commerce to pay or contract for the payment of advertising or promotional allowances or any other thing of value to or for the benefit of a customer of such member in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such member, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.

(d) *Prohibited discriminatory services or facilities.* It is an unfair trade practice for any member of the industry engaged in commerce to discriminate in

[1] As used in this section, the word "commerce" means "trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States."

favor of one purchaser against another purchaser or purchasers of a commodity bought for resale, with or without processing, by contracting to furnish or furnishing, or by contributing to the furnishing of, any services or facilities connected with the processing, handling, sale, or offering for sale of such commodity so purchased upon terms not accorded to all competing purchasers on proportionally equal terms.

(e) *Inducing or receiving an illegal discrimination in price.* It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, knowingly to induce or receive a discrimination in price which is prohibited by the foregoing provisions of this section.

(f) *Exemptions.* The inhibitions of this section shall not apply to purchases of their supplies for their own use by schools, colleges, universities, public libraries, churches, hospitals, and charitable institutions not operated for profit.

NOTE: In complaint proceedings charging discrimination in price or services or facilities furnished, and upon proof having been made of such discrimination, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged; and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however,* That nothing contained in this section shall prevent a seller rebutting the prima facie case thus made by showing that this lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor. See section 2-b, Clayton Act.

[Rule 3]

§ 219.4 *Substitution of products.* The practice of shipping or delivering products which do not conform to samples submitted, to specifications upon which the sale is consummated, or to representations made prior to securing the order, without the consent of the purchasers to such substitutions, or falsely representing the reason for making a substitution, with the capacity and tendency or effect of misleading or deceiving the purchasing or consuming public, is an unfair trade practice.

NOTE: Nothing in this section shall be construed as preventing the application of such tolerances as are agreed upon between buyer and seller or are otherwise deemed reasonable and proper and where no misrepresentation or deception of the purchasing public is practiced or promoted in relation to the product or its deviation from samples or specifications.

[Rule 4]

§ 219.5 *Push money.* It is an unfair trade practice for any industry member to pay or contract to pay anything of value to a salesperson employed by a customer of the industry member, as compensation for, or as an inducement to obtain, special or greater effort or service on the part of the salesperson in promoting the resale of products supplied by the industry member to the customer—

(a) When the agreement or understanding under which the payment or payments are made or are to be made is without the knowledge and consent of the salesperson's employer; or

(b) When the terms and conditions of the agreement or understanding are such that any benefit to the salesperson or customer is dependent on lottery or chance; or

(c) When any provision of the agreement or understanding requires or contemplates practices or a course of conduct unduly and intentionally hampering sales of products of competitors of an industry member; or

(d) When, because of the terms and conditions of the understanding or agreement, including its duration, or the attendant circumstances, the effect may be to substantially lessen competition or tend to create a monopoly; or

(e) When similar payments are not accorded to sales persons of competing customers on proportionally equal terms in compliance with section 2 (d) and (e) of the Clayton Act.

NOTE: Payments made by an industry member to a salesperson of a customer under any agreement or understanding that all or any part of such payments is to be transferred by the salesperson to the customer, or is to result in a corresponding decrease in the salesperson's salary, are not to be considered within the purview of this section 5, but are to be considered as subject to the requirements and provisions of section 2 (a) of the Clayton Act.

[Rule 5]

§ 219.6 *False and misleading price quotations, etc.* The publishing or circulating by any member of the industry of false or misleading price quotations, price lists, or terms or conditions of sale, with the capacity and tendency or effect of thereby misleading or deceiving members of the industry or purchasers or prospective purchasers, is an unfair trade practice. [Rule 6]

§ 219.7 *Deceptive use of trade or corporate names, trade-marks, etc.* The use of any trade name, corporate name, trade-mark, or other trade designation which has the capacity and tendency or effect of misleading or deceiving the purchasing or consuming public as to the name, nature, or origin of any product of the industry, or of any material used therein, or which is false or misleading in any other respect, is an unfair trade practice. [Rule 7]

§ 219.8 *Inducing breach of contract.* (a) Knowingly inducing or attempting to induce the breach of existing lawful contracts between competitors and their customers or their suppliers, or interfering with or obstructing the performance of any such contractual duties or services, under any circumstance having the capacity and tendency or effect of substantially injuring or lessening present or potential competition, is an unfair trade practice.

(b) Nothing in this section is intended to imply that it is improper for any industry member to solicit the business of a customer of a competing industry member; nor is the section to be construed as in anywise authorizing any agreement, understanding, or planned common course of action by two or more industry members not to solicit business from the customers of either of them, or from customers of any other industry member. [Rule 8]

§ 219.9 *Defamation of competitors or false disparagement of their products.* It is an unfair trade practice—

(a) To defame competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representations; or

(b) To falsely disparage a competitor's products, business methods, selling prices, values, credit terms, policies, or services. [Rule 9]

§ 219.10 *Commercial bribery.* It is an unfair trade practice for a member of the industry, directly or indirectly, to give, or offer to give, or permit or cause to be given, money or anything of value to agents, employees, or representatives of customers or prospective customers, or to agents, employees, or representatives of competitors' customers or prospective customers, without the knowledge of their employers or principals, as an inducement to influence their employers or principals to purchase or contract to purchase products manufactured or sold by such industry member or the maker of such gift or offer, or to influence such employers or principals to refrain from dealing in the products of competitors or from dealing or contracting to deal with competitors. [Rule 10]

§ 219.11 *Procurement of competitors' confidential information.* It is an unfair trade practice for any member of the industry to obtain information concerning the business of a competitor by bribery of an employee or agent of such competitor, by false or misleading statements or representations, by the impersonation of one in authority, or by any other unfair means, and to use the information so obtained in such manner as to injure said competitor in his business or to suppress competition or unreasonably restrain trade. [Rule 11]

§ 219.12 *Prohibited forms of trade restraints (unlawful price fixing, etc.)*[2] It is an unfair trade practice for any member of the industry, either directly or

[2] The inhibitions of this section are subject to Public Law 542, approved July 14, 1952, 66 Stat. 632 (the McGuire Act) which provides that with respect to a commodity which bears, or the label or container of which bears, the trade-mark, brand, or name of the producer or distributor of such commodity and which is in free and open competition with commodities of the same general class produced or distributed by others, a seller of such a commodity may enter into a contract or agreement with a buyer thereof which establishes a minimum or stipulated price at which such commodity may be resold by such buyer when such contract or agreement is lawful as applied to intrastate transactions under the laws of the State, Territory, or territorial jurisdiction in which the resale is to be made or to which the commodity is to be transported for such resale, and when such contract or agreement is not between manufacturers, or between wholesalers, or between brokers, or between factors, or between retailers, or between persons, firms, or corporations in competition with each other.

indirectly, to engage in any planned common course of action, or to enter into or take part in any understanding, agreement, combination, or conspiracy, with one or more members of the industry, or with any other person or persons, to fix or maintain the price of any goods or otherwise unlawfully to restrain trade; or to use any form of threat, intimidation, or coercion to induce any member of the industry or other person or persons to engage in any such planned common course of action, or to become a party to any such understanding, agreement, combination, or conspiracy. [Rule 12]

§ 219.13 *Enticing away employees of competitors.* It is an unfair trade practice for any member of the industry wilfully to entice away employees or sales representatives of competitors with the intent and effect or thereby unduly hampering or injuring competitors in their business and destroying or substantially lessening competition: *Provided*, That nothing in this section shall be construed as prohibiting employees from seeking more favorable employment, or as prohibiting employers from hiring or offering employment to employees of competitors in good faith and not solely for the purpose of inflicting injury on a competitor. [Rule 13]

§ 219.14 *Deception in marketing of industry products.* It is an unfair trade practice to make or publish, or cause to be made or published, in trade promotional literature, in advertising, in the form of a label or marking on an industry product, or otherwise, any statement or representation which directly, or by reason of concealment of material fact, has the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers concerning the grade, quality, use, size, composition and finish, strength, thickness, origin, preparation, manufacture, or distribution of any product of the industry, or which has the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers in any other material respect. [Rule 14]

§ 219.15 *Misrepresentation as to character of business.* It is an unfair trade practice for any industry member, in the course of or in connection with the distribution of industry products, to represent, directly or indirectly, that he is a manufacturer of industry products, or that he owns or controls a factory making such products, when such is not the fact, or in any other manner to misrepresent the character, extent, or type of his business. [Rule 15]

§ 219.16 *Misrepresenting products as conforming to standard.* Representing, through advertising, personal solicitation, or otherwise, that any product of the industry conforms to a standard recognized in or applicable to the industry when such is not the fact, is an unfair trade practice. [Rule 16]

§ 219.17 *Aiding or abetting use of unfair trade practices.* It is an unfair trade practice for any person, firm, or corporation to aid, abet, coerce, or induce another, directly or indirectly, to use or promote the use of any unfair trade practice specified in the foregoing sections in this part. [Rule 17]

COMMITTEE ON TRADE PRACTICES

§ 219.101 *Industry committee.* A committee on trade practices is hereby authorized to cooperate with the Federal Trade Commission and to perform such acts as may be legal and proper in the furtherance of fair competitive practices and in promoting the effectiveness of the rules.

Issued: June 29, 1954.

Promulgated by the Federal Trade Commission July 2, 1954.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F. R. Doc. 54-5018; Filed, July 1, 1954; 8:47 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

Subchapter A—Income and Excess Profits Taxes

[Regs. 130; T. D. 6076]

PART 40—EXCESS PROFITS TAX; TAXABLE YEARS ENDING AFTER JUNE 30, 1950

MISCELLANEOUS AMENDMENTS

On January 21, 1954, a notice of proposed rule making was published in the FEDERAL REGISTER (19 F. R. 383) to conform Regulations 130 (26 CFR Part 40) to sections 1, 2, 3, and 4 of Public Law 594, 82d Congress, approved July 21, 1952. After consideration of such relevant suggestions as were presented regarding the proposals, the amendments set forth below are hereby adopted:

PARAGRAPH 1. There is inserted immediately preceding § 40.433 (b)-1 the following:

PUBLIC LAW 594—82D CONGRESS APPROVED JULY 21, 1952

* * * * *

SEC. 4. Effective with respect to taxable years ending after June 30, 1950, section 433 (b) of the Internal Revenue Code (relating to the computation of average base period net income) is hereby amended by inserting at the end thereof two new paragraphs reading as follows:

(18) *Adjustment for base period losses from branch operations.* In the case of a taxpayer which during two or more such taxable years operated a branch at a loss, the excess profits net income for each such taxable year (determined without regard to this paragraph) shall be increased by the amount of the excess of such loss above the loss, if any, incurred by such branch during the taxable year for which the tax under this subchapter is being computed. As used in this paragraph, the term "branch" means a unit or subdivision of the taxpayer's business which was operated in a separate place from its other business and differed substantially from its other business with respect to character of products or services. A unit or subdivision of the taxpayer's business shall not be considered to differ substantially from the taxpayer's other business unless it is of a type classifiable by the Standard Industrial Classification Manual in a different major industry group or in a different subgroup of the taxpayer's major industry group than that in which its other business is so classifiable: *Provided, however*, That this paragraph shall not apply unless the sum of the net losses of such branch during the base period exceeded 15 per centum of the aggregate excess profits net income of the taxpayer during the base period. For the purposes of this paragraph, the aggregate excess profits net income of the taxpayer during the base period shall be the sum of its excess profits net income for all years in the base period, increased by the sum of the net losses of such branch during the base period.

(19) *Rules for application of paragraph (18).* For the purposes of paragraph (18):

(A) A branch shall be deemed to have been operated at a loss during a taxable year if the portion of the deductions under section 23 for such year which is determined, under regulations prescribed by the Secretary, to be the portion thereof properly allocable to the operation of such branch exceeds the portion of the gross income during the taxable year which is determined under such regulations to be the portion thereof properly allocable to the operation of such branch; and the amount of the loss shall be an amount equal to such excess.

(B) If the portion of the gross income determined to be properly allocable to the operation of the branch is a minus quantity, the amount of such excess shall be the sum of the deductions under section 23 determined to be properly allocable to the operation of the branch plus an amount equal to such minus quantity.

* * * * *

PAR. 2. There is inserted immediately after § 40.433 (b)-3 the following new section:

§ 40.433 (b)-4 *Base period losses from branch operations*—(a) *In general.* In the case of a taxpayer which during two or more taxable years in the base period operated a branch at a loss, section 433 (b) (18) provides an adjustment in computing the excess profits net income of the taxpayer for each taxable year in the base period during which such branch was operated at a loss. The excess profits net income of the taxpayer for any such taxable year in the base period (determined without regard to section 433 (b) (18)) shall be increased by the amount of the excess, if any, of (1) the loss incurred by the branch during the taxable year in the base period, over (2) the loss, if any, incurred by such branch during the taxable year for which the excess profits tax is being computed. The adjustment under section 433 (b) (18) shall not be made, however, unless the sum of the net losses of such branch during the base period, as determined under paragraph (c) (3) of this section, exceeded 15 percent of the aggregate excess profits net income of the taxpayer during the base period. For the purposes of section 433 (b) (18) and this section, the aggregate excess profits net income of the taxpayer during the base period shall be the sum of its excess profits net income for all taxable years in the base period, increased by the sum of the net losses of such branch during the base period.

(b) *Definition of "branch"*—(1) *In general.* The term "branch", as used in section 433 (b) (18) and this section, means a unit or subdivision of the taxpayer's business which (i) was operated in a separate place or places from its other business and (ii) differed substantially from its other business with respect to the character of products or services.

(2) *Separate location.* A unit or subdivision of the taxpayer's business shall

be considered as having been operated in a separate place or places from its other business only if there was a distinct and complete physical separation between the unit or subdivision and the taxpayer's other business.

(3) *Different products or services.* A unit or subdivision of the taxpayer's business shall not be considered to differ substantially from the taxpayer's other business with respect to the character of products or services unless the unit or subdivision is of a type properly classifiable by the Standard Industrial Classification Manual prepared by the Division of Statistical Standards of the Bureau of the Budget in a different major industry group or in a different subgroup of the taxpayer's major industry group than that in which its other business is so classifiable. A difference in classification by the Manual shall not necessarily constitute a substantial difference with respect to the character of products or services. Whether a unit or subdivision differs substantially from the taxpayer's other business with respect to the character of products or services is to be determined upon the particular facts in each case.

(c) *Computation of loss and sum of the net losses*—(1) *Allocation of gross income and deductions.* Items of gross income and deductions shall be allocated to the branch and to the taxpayer's other business in such manner as will clearly reflect the gross income and deductions properly attributable to such branch and to such other business.

(2) *Computation of loss.* The amount of the loss sustained by the branch during any taxable year shall be the excess, if any, of:

(i) The portion of the deductions under section 23 (not including the net operating loss deduction provided in section 23 (s)) for such year which is allocable to the branch under subparagraph (1) of this paragraph, taking into account any applicable adjustments under section 433 (a) or (b), over

(ii) The portion of the gross income for such year which is allocable to the branch under subparagraph (1) of this paragraph, taking into account any applicable adjustments under section 433 (a) or (b).

If the amount under subdivision (ii) of this subparagraph is a minus quantity, the amount of the loss shall be the sum of the amount under subdivision (i) of this subparagraph plus an amount equal to such minus quantity. If the amount under subdivision (i) of this subparagraph does not exceed the amount under subdivision (ii) of this subparagraph, then the amount by which the amount under subdivision (ii) of this subparagraph exceeds the amount under subdivision (i) of this subparagraph shall be considered the profits realized by the branch during the taxable year.

(3) *Computation of sum of the net losses.* The sum of the net losses of the branch during the entire base period shall be an amount equal to (i) the aggregate losses sustained by the branch during the base period minus (ii) the aggregate profits realized by the branch during the base period, computed as provided in subparagraphs (1) and (2) of this paragraph.

(d) *Statement required.* A taxpayer claiming the benefits of section 433 (b) (18) shall attach to its income tax return or claim for refund a statement setting forth fully all pertinent information necessary for the establishment of its eligibility and for the computation of the adjustment under such section.

PAR. 3. There is inserted immediately preceding § 40.457–1 the following:

PUBLIC LAW 594—82D CONGRESS APPROVED JULY 21, 1952

[SECTION 1.] * * * effective with respect to taxable years ending after June 30, 1950, section 457 of the Internal Revenue Code, as added by section 101 of the Excess Profits Tax Act of 1950, is hereby amended by changing its heading to read "Corporations Completing Contracts or Making Deposits Under Merchant Marine Act" and by adding to said section 457 the following new subsection:

(c) *Base period earnings credit for deposits under Merchant Marine Act, 1936.* The excess profits net income computed under section 433 (b) for any base period year shall be increased by the amount, if any, by which (1) the taxpayer's tax-deferred deposits of earnings, made in or accrued to reserve funds under section 607 of the Merchant Marine Act, 1936, in respect of such base period year, exceeds (2) the amount of such deposits of earnings for the taxable year. The Secretary shall provide, by regulation, for proper adjustment of the deposits made in or accrued to the reserve funds for any taxable year so as to exclude therefrom any amount payable for such year as reimbursement of operating-differential subsidy.

* * * * *

PAR. 4. Section 40.457–1 is amended by striking "457" in the first sentence of paragraph (a) and of paragraph (c) and in the first and second sentences of paragraph (d) and of paragraph (e) and by inserting in each case in lieu thereof "457 (a) and (b)".

PAR. 5. There is inserted immediately after § 40.457–1 the following new section:

§ 40.457–2 *Corporations making deposits under Merchant Marine Act of 1936*—(a) *In general.* Section 457 (c) is applicable to a taxpayer which has entered into a contract with the Federal Maritime Board or its predecessor, the United States Maritime Commission, pursuant to the Merchant Marine Act, 1936, as amended (hereinafter referred to as the act), which makes provision for the payment of an operating-differential subsidy to the taxpayer. Section 457 (c) provides that the excess profits net income of the taxpayer for any taxable year in the base period, computed under section 433 (b), shall be increased by the excess, if any, of (1) the taxpayer's tax-deferred deposits of earnings (as defined in paragraph (b) of this section) made in or accrued to the reserve funds under section 607 of the act in respect of such taxable year in the base period, over (2) the taxpayer's tax-deferred deposits of earnings (as defined in paragraph (b) of this section) made in or accrued to the reserve funds under such section 607 in respect of the taxable year for which the excess profits tax is being computed.

(b) *Tax-deferred deposits.* The term "tax-deferred deposits of earnings", for the purposes of section 457 (c) and this section, means the excess, if any, of (1) the amounts of ordinary income for any taxable year deposited by the taxpayer in either the capital reserve fund or the special reserve fund under section 607 of the act, to the extent that such amounts are treated as "tax-deferred" in a closing agreement entered into under section 3760 between the taxpayer and the Commissioner, over (2) the amount payable for such year by the taxpayer as reimbursement of operating-differential subsidy, as computed under paragraph (c) of this section. Ordinary income deposited in such reserve funds consists of the following items: (i) Mandatory deposits of the earnings from the operations of subsidized vessels and services incident thereto, including the excess of (*a*) the amounts which the United States Maritime Commission or the Maritime Administration requires the taxpayer to deposit for depreciation over (*b*) the amounts allowable as depreciation under section 23 (l), computed on the adjusted basis provided in section 113 (b); (ii) voluntary deposits of earnings; and (iii) interest earned on tax-deferred amounts in the capital reserve and special reserve funds. Excessive profits which the taxpayer is excused from depositing, to the extent such profits are withheld from the payment of operating-differential subsidy by the United States Maritime Commission or the Maritime Administration (as provided by Public Law 862, 80th Congress, 62 Stat. 1196, or any corresponding provisions of law subsequently enacted), shall be treated as if they were deposited in the special reserve fund. The deposit of amounts received from the United States Maritime Commission or the Maritime Administration which had previously been withheld from payment of operating-differential subsidy under the provisions of Public Law 862, 80th Congress, 62 Stat. 1196, or under any corresponding provisions of law subsequently enacted, shall be considered a deposit of earnings with respect to the taxable year in which actually deposited in the reserve fund. Tax-deferred deposits of earnings do not include amounts which would constitute capital gains under section 117, or would be treated as capital gains under section 117 (j), if currently taxable, even though such amounts are deposited in the reserve funds.

(c) *Adjustment for amounts payable as reimbursement of operating-differential subsidy.* (1) For the purpose of the adjustment of tax-deferred deposits referred to in paragraph (b) (2) of this section, the amount payable for any taxable year as reimbursement of operating-differential subsidy shall be the amount of excessive profits accruing for such year to the United States Maritime Commission or the Maritime Administration under sections 606 and 607 of the act. The amount of excessive profits so accruing for any taxable year shall be determined by reference to the recapturable profits account as properly recorded on the corporate books of account, taking into account the excess, if any, of (i) the balance of such account as of the close of such year, over (ii) the bal-

ance of such account as of the close of the preceding taxable year.

(2) In computing the excess under subparagraph (1) of this paragraph, the respective balances of the recapturable profits account shall be determined as of the close of the taxable year without regard to any events which happen after the close of such year and shall be further adjusted to eliminate any part of such balances attributable to any recapture period prior to the recapture period in which the taxable year falls.

(3) The recapturable profits account referred to in subparagraphs (1) and (2) of this paragraph is the "Recapturable Profits—Maritime Administration" account prescribed by the Maritime Administrator in the "Uniform System of Accounts for Maritime Carriers" (General Order No. 22, revised October 16, 1950) and, for the period prior to January 1, 1951, the "Recapture Profits—U. S. Maritime Commission" account prescribed by the United States Maritime Commission in the "Uniform System of Accounts for Operating-Differential Subsidy Contractors" (General Order No. 22, adopted February 4, 1938).

(4) The term "recapture period", as used in subparagraph (2) of this paragraph, means the period referred to in section 606 (5) of the act.

(d) *Statement required.* A taxpayer claiming the benefits of section 457 (c) shall attach to its income tax return or claim for refund a statement showing a complete computation of the amount of the adjustment under such section, including an itemized list of all deposits into the capital reserve fund and into the special reserve fund and a complete computation showing the amount payable as reimbursement of operating-differential subsidy.

PAR. 6. There is inserted immediately after § 40.452 (e)–1 the following:

PUBLIC LAW 594—82D CONGRESS
APPROVED JULY 21, 1952

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SEC. 2. Section 459 of the Internal Revenue Code (miscellaneous provisions relating to the computation of average base period net income) is hereby amended by adding at the end thereof the following new subsection:

(f) *Companies preserving defense capacity and increasing capacity for manufacturing peacetime products from certain strategic and critical metals*—(1) *Eligibility requirement.* In the case of a taxpayer which commenced business on or prior to January 1, 1936, and since such date has been primarily engaged in manufacturing, if—

(A) The percentage of the taxpayer's purchases of raw materials which were strategic and critical metals (as defined in paragraph (3)) was 80 per centum or more for each of the taxable years beginning with or within the taxpayer's base period;

(B) The taxpayer's average monthly excess profits net income (computed in the manner provided in section 443 (e)) for the period comprising all taxable years ending with or within the first twenty-four months of its base period was 250 per centum or more of the average monthly excess profits net income (so computed) of the taxpayer for the period comprising all taxable years ending with or within the last twenty-four months of its base period;

(C) The adjusted basis of the taxpayer's total facilities (as defined in section 444 (d)) as of the beginning of its base period (when added to the total facilities at such time of all corporations with which the taxpayer has the privilege under section 141 of filing a consolidated return for its first taxable year under this subchapter) did not exceed $10,000,000; and

(D) The adjusted basis of the taxpayer's total facilities (as defined in section 444 (d)) on the last day of its base period was 180 per centum or more of the adjusted basis of its total facilities on the first day of its base period.

the taxpayer's average base period net income determined under this subsection shall be the amount computed under paragraph (2).

(2) *Computation.* The average base period net income determined under this subsection for a taxpayer entitled to the benefits of this subsection shall be the amount computed under section 435 (e) (2) (E) and (F) except that there shall be substituted for the aggregate of the excess profits net income for each of the six months in the period beginning July 1, 1949, and ending December 31, 1949, an amount computed by multiplying the aggregate of the excess profits net income for each of the six months in the period beginning July 1, 1946 and ending December 31, 1946, by the per centum determined by dividing the adjusted basis of taxpayer's total facilities (as defined in section 444 (d)) on December 31, 1948, by the adjusted basis of its total facilities on the first day of its base period. The average base period net income computed under the preceding sentence shall not exceed 80 per centum of the excess profits tax net income for the taxpayer's first taxable year under this subchapter.

(3) *Definition of strategic and critical metals.* As used in this subsection, the term "strategic and critical metals" means copper and zinc which on January 1, 1945, had been determined by proper authority to be strategic and critical under the provisions of the Strategic and Critical Stock Piling Act and shall include scrap containing such metals.

SEC. 3. The amendment made by section 2 shall be applicable with respect to all taxable years ending after June 30, 1950.

* * * * *

§ 40.459 (f)–1 *Companies preserving defense capacity and increasing capacity for manufacturing peacetime products from certain strategic and critical metals*—(a) *In general.* A corporation which commenced business on or before January 1, 1936, which has been primarily engaged in manufacturing since January 1, 1936, and which satisfies all the requirements provided in subparagraphs (A) through (D) of section 459 (f) (1) may compute its average base period net income, for the purpose of computing its excess profits tax for any taxable year ending after June 30, 1950, under the provisions of section 459 (f) (2) and of paragraph (b) of this section instead of under any other applicable provision of the Code and regulations. The average base period net income computed under section 459 (f) (2), in the case of a taxpayer which meets the eligibility requirements provided in section 459 (f) (1), shall be used in computing the taxpayer's excess profits tax for any excess profits tax taxable year if the use of such average base period net income computed under section 459 (f) results in a lesser excess profits tax for such taxable year than would result from any other allowable computation of such tax. If the taxpayer computes its average base period net income under section 459 (f), the base period capital addition provided in section 435 (f) shall not be allowed in computing its excess profits credit. Thus, for example, if the use of the amount computed under section 435 (d) as the average base period net income together with the base period capital addition would result in a lesser excess profits tax for a taxable year than would result from the use of the amount computed under section 459 (f) as the average base period net income but without the base period capital addition, then in determining the excess profits tax for such taxable year the average base period net income shall be the amount computed under section 435 (d) and not the amount computed under section 459 (f), without regard to which of such amounts is the greater.

(b) *Computation of average base period net income under section 459 (f).* If a taxpayer may compute its average base period net income under section 459 (f), its average base period net income as computed under section 459 (f) (2) shall be the amount computed under section 435 (e) (2) (E) and (F) and under § 40.435–5 (a) (5) and (6) and (b), except that there shall be substituted for the aggregate of the excess profits net income for each of the six months in the period beginning July 1, 1949, and ending December 31, 1949, an amount computed by multiplying the aggregate of the excess profits net income for each of the six months in the period beginning July 1, 1946, and ending December 31, 1946, by the percent determined by dividing the adjusted basis of the taxpayer's total facilities (as defined in section 444 (d)) on December 31, 1948, by the adjusted basis of its total facilities on the first day of its base period. In no event, however, shall the average base period net income computed under section 459 (f) (2) exceed 80 percent of the taxpayer's excess profits net income for its first excess profits tax taxable year (that is, for its first taxable year ending after June 30, 1950).

(c) *Definition of strategic and critical metals.* The term "strategic and critical metals", for the purposes of section 459 (f) and of this section, means copper and zinc which on January 1, 1945, had been determined by proper authority to be strategic and critical under the provisions of the Strategic and Critical Stock Piling Act and shall also include scrap containing such metals, if such metals constitute a substantial portion of such scrap.

(d) *Date the taxpayer commenced business.* The date the taxpayer commenced business shall be determined, for the purposes of section 459 (f) and of this section, under the rules provided in the regulations promulgated under section 445, relating to the computation of average base period net income in the case of new corporations. See § 40.445–1 (a) (2).

(53 Stat. 32; 26 U. S. C. 62. Interpret or apply sec. 101, 64 Stat. 1137, as amended; 26 U. S. C. 433, 457)

[SEAL] T. COLEMAN ANDREWS,
Commissioner of Internal Revenue.

Approved: June 28, 1954.

M. B. FOLSOM,
Acting Secretary of the Treasury.

[F. R. Doc. 54-5047; Filed, July 1, 1954; 8:52 a. m.]

Subchapter C—Miscellaneous Excise Taxes

[T. D. 6075; Regs. 3, 4, 5, 7, 10, 11, 15, 16, 18, 23]

PART 178—PRODUCTION, FORTIFICATION, TAX-PAYMENT, ETC., OF WINES

PART 181—STILLS AND DISTILLING APPARATUS

PART 182—INDUSTRIAL ALCOHOL

PART 183—PRODUCTION OF DISTILLED SPIRITS

PART 184—PRODUCTION OF BRANDY

PART 185—WAREHOUSING OF DISTILLED SPIRITS

PART 187—DENATURATION OF RUM

PART 189—BOTTLING OF TAX-PAID DISTILLED SPIRITS

PART 190—RECTIFICATION OF SPIRITS AND WINES

PART 192—FERMENTED MALT LIQUORS

DECENTRALIZATION OF ASSESSMENT AND CLAIMS FUNCTIONS PERTAINING TO LIQUORS

The purpose of this Treasury decision is to amend regulations to conform to the delegation to Assistant Regional Commissioners, Alcohol and Tobacco Tax, of final authority with respect to (a) determination and assessment of tax liabilities, and (b) allowance or disallowance of claims for remission, abatement, and refund of taxes and penalties, and claims for redemption of stamps, pertaining to liquors, effected by IR-Mimeograph No. 232, dated July 6, 1953, and Amendment 1 thereto dated October 5, 1953. Accordingly, the following amendments to regulations are hereby adopted.

PARAGRAPH 1. Wherever the term "supervisor," "district supervisor" or "Assistant District Commissioner" appears in the sections of the regulations revised by this Treasury decision, such term is hereby amended to read "Assistant Regional Commissioner." Similarly, the term "collector" or "director" is hereby amended to read "District Director of Internal Revenue." "Assistant Regional Commissioner" means the Assistant Regional Commissioner, Alcohol and Tobacco Tax, who is responsible to, and functions under the direction and supervision of, the Regional Commissioner.

PAR. 2. Regulations 7 (26 CFR Part 178) are amended as follows:

(A) Section 178.364 is amended as follows:

(1) By striking the phrase "Under the law the Commissioner" in the first sentence and inserting in lieu thereof the following: "The Assistant Regional Commissioner".

(B) Section 178.374 is amended by striking the phrase "and will advise the Commissioner of their findings and recommendations relative to allowance or disallowance of the loss".

(C) Section 178.376 is amended as follows:

(1) By changing the headnote to read as follows: "§ 178.376 *Action on claim by Assistant Regional Commissioner.*"

(2) By striking the third sentence, which begins, "Upon completion" and inserting in lieu thereof the following: "Upon completion of his examination of the claim, the Assistant Regional Commissioner will allow or disallow the claim in accordance with existing law and regulations."

(D) Section 178.377, as amended by Treasury Decision 5575, is further amended as follows:

(1) By striking the phrase "advise the Commissioner of his findings and recommendation" and insert in lieu thereof the following: "allow or disallow the loss in accordance with existing law and regulations."

(E) Section 178.378, as amended by Treasury Decision 5575, is further amended as follows:

(1) By striking from the first sentence the phrase "by the Commissioner".

(2) By striking from the second sentence, which begins, "Losses in transit," the phrase "by the Commissioner".

(F) Section 178.399 is amended by striking from the fifth sentence, which begins, "Losses of wines", the phrase "by the Commissioner".

(G) Section 178.411 is amended by striking from the third sentence, which begins, "Where the stamps", the term "Commissioner" and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(H) Section 178.483b, as added by Treasury Decision 5798, is amended by striking from the second sentence, which begins, "Such claims", the phrase, "in duplicate," and inserting in lieu thereof the following: "(original only)".

(I) Section 178.484, as amended by Treasury Decision 5798, is further amended as follows:

(1) By striking from the second sentence, which begins, "Where losses", the phrase "in quadruplicate" and inserting in lieu thereof the following: "in triplicate".

(2) By striking from the third sentence, which begins, "The officer will prepare", the phrase "in triplicate" and inserting in lieu thereof the following: "in duplicate".

(3) By striking from the fifth sentence, which begins, "The officer will forward", the phrase "The officer will forward two copies of Form 1520 and two copies of the letter" and inserting in lieu thereof the following: "The officer will forward the originals of Form 1520 and of the letter".

(J) Section 178.486, as amended by Treasury Decision 5798, is further amended as follows:

(1) By changing the headnote to read as follows: "§ 178.486 *Action on claim by Assistant Regional Commissioner.*"

(2) By striking from the first sentence the phrase "forward the claim to the Commissioner, together with a statement setting out his recommendation and his reasons therefor, as expeditiously as possible," and inserting in lieu thereof the following: "then allow or disallow the claim in accordance with existing law and regulations."

(3) By striking the second sentence, which begins "The district supervisor will".

(K) Section 178.487, as amended by Treasury Decision 5798, is further amended by striking the phrase "by the Commissioner" in the third sentence.

(L) Section 178.498 is amended as follows:

(1) By striking the phrase "Where it appears that" in the first sentence and inserting in lieu thereof the following: "Where the Assistant Regional Commissioner finds that".

(2) By striking the phrase "the district supervisor will transmit all pertinent papers with appropriate recommendation to the Commissioner." in the first sentence and inserting in lieu thereof the following: "an assessment will be made against the winemaker in accordance with the prescribed procedure."

(3) By striking the second sentence, which begins "If tax is found".

PAR. 3. Regulations 23 (26 CFR Part 181) are hereby amended as follows:

(A) Section 181.69 is amended by striking the word "quadruplicate" in the first sentence and inserting in lieu thereof the following: "triplicate".

(B) Section 181.70 is amended as follows:

(1) By striking the word "deputy" wherever it appears and inserting in lieu thereof the following: "collection officer".

(2) By striking the word "three" in the third sentence and inserting in lieu thereof the following: "two".

(C) Section 181.74 is amended by striking from the second sentence, which begins, "He will", the phrase "remaining two copies" and inserting in lieu thereof the following: "original".

(D) Section 181.75 is amended to read as follows:

§ 181.75 *Action by district director.* The district director of internal revenue will immediately examine the claim for drawback on Form 1610, received from the collector of customs (§ 181.74), and if satisfied that the claim is a valid one, he will endorse his approval thereon and forward it, with the tax-paid stamps attached, to the Assistant Regional Commissioner, Alcohol and Tobacco Tax, for the region in which the claimant is located.

(E) Section 181.76 is amended as follows:

(1) By changing the headnote to read as follows: "§ 181.76 *Action by Assistant Regional Commissioner.*"

(2) By striking the word "Commissioner" in the first and second sentences and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(3) By striking from the first sentence the phrase "and schedule it for payment.".

PAR. 4. Regulations 3 (26 CFR Part 182) are amended as follows:

(A) Section 182.413 is amended as follows:

(1) By changing the headnote to read as follows: "§ 182.413 *Determination of tax liability.*"

(2) By striking the phrase "Under the law it is the duty of the Commissioner" in the first sentence and inserting in lieu thereof the following: "It is the duty of the Assistant Regional Commissioner".

(3) By striking the phrase "If the Commissioner" in the second sentence and inserting in lieu thereof the following: "If the Assistant Regional Commissioner".

(4) By striking the phrase "and make an assessment" in the second sentence and inserting in lieu thereof the following: ", whereupon an assessment will be made".

(B) Section 182.420 is amended as follows:

(1) By striking the phrase "he will report the same to the Commissioner," in the second sentence and inserting in lieu thereof the following: "an assessment will be made,".

(2) By striking the last sentence, which begins "If the district supervisor finds".

(C) Section 182.422 is amended as follows:

(1) By striking the phrase "the district supervisor will report to the Commissioner, in accordance with the prescribed assessment procedure, the amount found due for assessment." and inserting in lieu thereof the following: "an assessment will be made for the amount found due, in accordance with prescribed procedure."

(D) Section 182.574m, as added by Treasury Decision 5919, is amended as follows:

(1) By striking from the third sentence, which begins, "Where the stamps", the word "Commissioner" and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(E) Section 182.612 is amended as follows:

(1) By striking the word "Commissioner" and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(F) Section 182.617 is amended as follows:

(1) By striking the word "Commissioner" and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(G) Section 182.618 is amended as follows:

(1) By changing the headnote to read as follows "§ 182.618 *Tax to be assessed.*"

(2) By striking the phrase "the district supervisor will report the tax for assessment" and inserting in lieu thereof the following: "an assessment will be made".

(H) Section 182.631 is amended as follows:

(1) By striking the phrase "Under the law the tax on alcohol" and inserting in lieu thereof the following: "The tax on alcohol".

(2) By striking the word "Commissioner" and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(I) Section 182.639 is amended as follows:

(1) By striking the phrase "and will advise the Commissioner of his findings and recommendations relative to remission of the tax on the alcohol".

(J) Section 182.640 is amended as follows:

(1) By changing the headnote to read as follows: "§ 182.640 *Action on claim by Assistant Regional Commissioner.*"

(2) By striking from the second sentence, which begins, "Upon completion", the phrase "will forward one complete copy of the claim and accompanying papers, together with any pertinent reports and documentary evidence, to the Commissioner with his recommendation in respect to the allowance or disallowance of the claim." and inserting in lieu thereof the following: "will allow or disallow the claim in accordance with existing law and regulations."

(K) Section 182.771 is amended as follows:

(1) By striking the phrase "Under the law the tax on alcohol" and inserting in lieu thereof the following: "The tax on alcohol".

(2) By striking the word "Commissioner" and inserting in lieu thereof the following: "Assistant Regional Commissioner".

PAR. 5. Regulations 4 (26 CFR Part 183) are amended as follows:

(A) Section 183.454 is amended by striking the phrase "made by the Commissioner upon examination" and inserting in lieu thereof the following: "made as the result of examination".

(B) Section 183.554f, as added by Treasury Decision 5919, is amended by striking from the third sentence, which begins, "Where the stamps", the word "Commissioner" and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(C) Section 183.595 is amended by striking from the first sentence the word "Commissioner" and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(D) Section 183.599 is amended by striking the second sentence, which begins, "Whenever so required".

(E) Section 183.600 is amended as follows:

(1) By striking the word "district" in the first sentence and inserting in lieu thereof the following: "region".

(2) By striking from the second sentence, which begins, "Where a required", the phrase "the district supervisor will report the matter to the Commissioner." and inserting in lieu thereof the following: "an assessment will be made in accordance with prescribed procedure."

(F) Section 183.601 is amended by striking the phrase ", in duplicate," in the first sentence and inserting in lieu thereof the following: "(original only)".

(G) Section 183.603 is amended as follows:

(1) By changing the headnote to read as follows: "§ 183.603 *Action on claim by Assistant Regiondl Commissioner.*"

(2) By striking from the second sentence, which begins, "Upon completion", the phrase "forward the claim and accompanying papers, together with any pertinent reports and documentary evidence, to the Commissioner with his recommendation in respect to the allowance or disallowance of the claim." and inserting in lieu thereof the following: "allow or disallow the claim in accordance with existing law and regulations."

(H) Section 183.610 is amended as follows:

(1) By changing the headnote to read as follows "§ 183.610 *Determination of tax liability.*"

(2) By striking the phrase "Under the law it is the duty" in the first sentence and inserting in lieu thereof the following: "It is the duty".

(3) By striking the word "Commissioner" in the first and second sentences and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(4) By striking from the second sentence, which begins, "If the", the phrase "and make an assessment for the difference between the quantity reported and the quantity shown to have been actually produced, at the rate imposed by law." and inserting in lieu thereof the following: ", whereupon an assessment will be made, at the rate imposed by law, for the difference between the quantity reported and the quantity shown to have been actually produced.".

(I) Section 183.617 is amended as follows:

(1) By striking from the second sentence, which begins, "If, after consideration", the phrase "he will report the same to the Commissioner in accordance with the prescribed assessment procedure." and inserting in lieu thereof the following: "an assessment will be made in accordance with prescribed procedure.".

(2) By striking the third sentence, which begins, "If the district supervisor finds".

(J) Section 183.619 is amended as follows:

(1) By striking the phrase "the district supervisor will report to the Commissioner, in accordance with the prescribed assessment procedure, the amount found due for assessment." and inserting in lieu thereof the following: "an assessment will be made for the amount found due, in accordance with prescribed procedure.".

PAR. 6. Regulations 5 (26 CFR Part 184) are amended as follows:

(A) Section 184.499 is amended by striking the phrase "made by the Commissioner, upon examination" and inserting in lieu thereof the following: "made as the result of examination".

(B) Section 184.550 is amended as follows:

(1) By striking from the second sentence, which begins, "Where the distiller", the phrase "the tax will be reported by the district supervisor to the Commissioner for assessment," and inserting in lieu thereof the following: "an assessment will be made for the tax found due, in accordance with the prescribed procedure,".

(C) Section 184.594f, as added by Treasury Decision 5919, is amended as follows:

(1) By striking from the third sentence, which begins, "Where the stamps", the word "Commissioner" and inserting

in lieu thereof the following: "Assistant Regional Commissioner".

(D) Section 184.650 is amended by striking the word "Commissioner" in the first sentence and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(E) Section 184.654 is amended by striking the second sentence, which begins "Whenever so required".

(F) Section 184.655 is amended as follows:

(1) By striking the word "district" in the first sentence and inserting in lieu thereof the following: "region".

(2) By striking from the second sentence, which begins, "Where a required", the phrase "the district supervisor will report the matter to the Commissioner." and inserting in lieu thereof the following: "an assessment will be made in accordance with prescribed procedure.".

(G) Section 184.656 is amended by striking from the first sentence the phrase ", in duplicate," and inserting in lieu thereof the following: "(original only)".

(H) Section 184.658 is amended as follows:

(1) By changing the headnote to read as follows "§ 184.658 *Action on claim by Assistant Regional Commissioner.*"

(2) By striking from the second sentence, which begins, "Upon completion", the phrase "forward the claim and accompanying papers, together with any pertinent reports and documentary evidence, to the Commissioner with his recommendation in respect to the allowance or disallowance of the claim." and inserting in lieu thereof the following: "allow or disallow the claim in accordance with existing law and regulations.".

(I) Section 184.670 is amended as follows:

(1) By changing the headnote to read as follows: "§ 184.670 *Determination of tax liability.*"

(2) By striking the phrase "Under the law it is the duty" in the first sentence and inserting in lieu thereof the following: "It is the duty".

(3) By striking the word "Commissioner" in the first and second sentences and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(4) By striking from the second sentence, which begins, "If the", the phrase "make an assessment for the difference between the quantity reported and the quantity shown to have been actually produced, at the rate imposed by law." and inserting in lieu thereof the following: ", whereupon an assessment will be made, at the rate imposed by law, for the difference between the quantity reported and the quantity shown to have been actually produced.".

(J) Section 184.677 is amended as follows:

(1) By striking from the second sentence, which begins, "If, after consideration", the phrase "he will report the same to the Commissioner in accordance with the prescribed assessment procedure." and inserting in lieu thereof the following: "an assessment will be made, in accordance with prescribed procedure.".

(2) By striking the third sentence, which begins "If the district supervisor finds".

(K) Section 184.679 is amended to read as follows:

§ 184.679 *Distiller's failure to respond.* If the distiller fails to respond to the notice of proposed assessment within the time specified, an assessment will be made in the amount found due, in accordance with prescribed procedure.

PAR. 7. Regulations 10 (26 CFR Part 185) are amended as follows:

(A) Section 185.480 is amended as follows:

(1) By striking the phrase "The law provides that no tax" in the first sentence and inserting in lieu thereof the following: "No tax".

(2) By striking the word "Commissioner" in paragraph (a) and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(B) Section 185.482 is amended by striking the word "Commissioner" in the first sentence and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(C) Section 185.484 is amended by striking the phrase "district supervisor will forward a copy of the inspection gauge and copies of all reports and correspondence with his recommendation to the Commissioner." in the third sentence and the words "The Commissioner" at the beginning of the fourth sentence and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(D) Section 185.487 is amended by striking the phrase "notification to the Commissioner of the facts in the case will be withheld for a period not exceeding 15 days" under paragraph (e) in the second sentence and inserting in lieu thereof the following: "action will be withheld for a period not exceeding 30 days".

(E) Section 185.489 is amended by striking the phrase ", in duplicate," in the first sentence and inserting in lieu thereof the following: "(original only)".

(F) Section 185.491 is revoked.

(G) Section 185.492 is amended as follows:

(1) By changing the headnote to read as follows: § 185.492 *Action on claim by Assistant Regional Commissioner.*"

(2) By inserting immediately following the section headnote the following new sentence: "When a claim for remission of tax is received by the Assistant Regional Commissioner, he will carefully examine the same to see that all required information has been furnished and will cause such investigation to be made or require such additional evidence to be submitted as he may deem necessary."

(3) By striking the phrase "If the Commissioner" in the present first sentence and inserting in lieu thereof the following: "If the Assistant Regional Commissioner".

(4) By striking the phrase "instruct the district supervisor to" in the present first sentence.

(5) By striking the phrase "the district supervisor will furnish the collector of internal revenue with four copies of Form 1520 covering gauge of the distilled spirits, or Form 1519 if distilled spirits in cases are involved, showing the tax due, with a letter of transmittal requesting that the tax be assessed against the warehouseman." in the third sentence and inserting in lieu thereof the following: "an assessment will be made in accordance with prescribed procedure. At the time of referring the assessment to the District Director, the Assistant Regional Commissioner will furnish him four copies of Form 1520 (or Form 1519, as the case may be) covering gauge of the spirits."

(H) Section 185.493 is amended by striking the phrase "the district supervisor will report the matter to the Commissioner." and inserting in lieu thereof the following: "an assessment will be made in accordance with prescribed procedure."

(I) Section 185.494 is amended by striking the first sentence and inserting in lieu thereof the following new sentence: "If the entire contents of a container are lost and a claim for remission of the tax is allowed, the Assistant Regional Commissioner will take credit therefor in accordance with prescribed procedure."

(J) Section 185.678, as amended by Treasury decision 5919, is further amended as follows:

(1) By striking the word "Commissioner" in the third sentence and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(K) Section 185.796 is amended by striking the last sentence, which begins "The district supervisor will".

(L) Section 185.851 is amended by striking the third sentence, which begins "If Form 545" and inserting in lieu thereof the following: "If Form 545 shows a loss of spirits in transit, a claim for remission of the tax may be required in accordance with the provisions of § 185.482."

(M) Section 185.972 is amended by striking the word "Commissioner" in the proviso in the first sentence and inserting in lieu thereof the following: "Assistant Regional Commissioner".

PAR. 8. Regulations 16 (26 CFR Part 187) are amended as follows:

(A) Section 187.291 is amended by striking the phrase ", in duplicate," in the second sentence and inserting in lieu thereof the following: "(original only)".

(B) Section 187.293 is amended by striking the word "district" in the first sentence and inserting in lieu thereof the following: "region".

(C) Section 187.295 is amended by striking the phrase "and will advise the Commissioner of his findings and recommendation relative to the allowance or disallowance of the loss".

(D) Section 187.296 is amended by striking the second sentence, which begins "Upon completion" and inserting in lieu thereof the following: "Upon completion of the investigation, if any, the Assistant Regional Commissioner will allow or disallow the claim in accordance with existing law and regulations."

(E) Section 187.298 is amended by striking the phrase "the district supervisor will report the tax to the Commissioner for assessment, in accordance with prescribed assessment procedure." and inserting in lieu thereof the following: "an assessment will be made in accordance with prescribed procedure."

PAR. 9. Regulations 11 (26 CFR Part 189) are amended as follows:

(A) Section 189.241 is amended as follows:

(1) By striking the word "Commissioner" in the first sentence and inserting in lieu thereof the following: "Assistant Regional Commissioner".

PAR. 10. Regulations 15 (26 CFR Part 190) are amended as follows:

(A) Section 190.449 is amended as follows:

(1) By striking the phrase "the district supervisor will report the taxable excess to the Commissioner for assessment against the distiller or warehouseman who tax-paid the spirits" in the first sentence and inserting in lieu thereof the following: "tax on the excess quantity will be assessed against the distiller or warehouseman who taxpaid the spirits".

(2) By striking the phrase "determining and reporting the tax liability for assessment." in the second sentence and inserting in lieu thereof the following: "tax liability is determined and assessed."

(B) Section 190.720 is amended as follows:

(1) By striking the word "Commissioner" in the third sentence and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(C) Section 190.765 is amended as follows:

(1) By striking the word "Commissioner" in the first sentence and inserting in lieu thereof the following: "Assistant Regional Commissioner".

PAR. 11. Regulations 18 (26 CFR Part 192) are amended as follows:

(A) Section 192.367 is amended as follows:

(1) By striking the phrase "shall report promptly for assessment the amount of the tax due on the shortage." from the first sentence and inserting in lieu thereof the following: "tax due on the shortage will be collected in accordance with prescribed procedure."

(2) By striking the second sentence, which begins, "If shortages".

(B) Section 192.369 is amended by striking the word "Commissioner" in the first sentence and inserting in lieu thereof the following: "Assistant Regional Commissioner".

(C) Section 192.374 is amended by striking the phrase "Commissioner, through the supervisor for the district" and inserting in lieu thereof the following: "Assistant Regional Commissioner for the region".

(D) Section 192.378 is amended by striking the word "Commissioner" and inserting in lieu thereof the following: "Assistant Regional Commissioner".

Because the amendments made by this Treasury decision are of a technical and administrative character, and merely conform the regulations to the delegation of authority effected by IR-Mimeograph No. 232, dated July 6, 1953, it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitations of section 4 (c) of said act.

(53 Stat. 375, 467; 26 U. S. C. 3176, 3791)

[SEAL] T. COLEMAN ANDREWS,
Commissioner of Internal Revenue.

Approved: June 28, 1954.

M. B. FOLSOM,
Acting Secretary of the Treasury.

[F. R. Doc. 54-5046; Filed, July 1, 1954; 8:52 a. m.]

[T. D. 6074; Regs. 3]

PART 182—INDUSTRIAL ALCOHOL

MISCELLANEOUS AMENDMENTS

In order to eliminate certain restrictions, clarify the intent of the regulations, prescribe administrative procedure, and simplify and/or liberalize various requirements, Regulations 3 (26 CFR Part 182) are hereby amended as follows:

PARAGRAPH 1. Wherever the term "supervisor" or "district supervisor" appears in the sections of the regulations revised by this Treasury decision, such term is hereby amended to read "Assistant Regional Commissioner," and wherever the term "district" or "supervisory district" is used, such term is hereby amended to read "region." "Assistant Regional Commissioner" means the Assistant Regional Commissioner, Alcohol and Tobacco Tax, who is responsible to, and functions under the direction and supervision of the Regional Commissioner.

PAR. 2. Section 182.212, as amended by Treasury Decision 5711 and § 182.511a, as added by Treasury Decision 5748 and amended by Treasury Decision 5801, are revoked.

PAR. 3. Section 182.58 is amended as follows:

(A) By striking from the second sentence the words ", or storage tank,".

(B) By adding at the end of the section a new sentence to read "If more than one such storage tank is provided, each shall be given a serial number which shall appear on the sign."

PAR. 4. Section 182.60 is amended as follows:

(A) By striking from the second sentence the words ", or storage tank,".

(B) By adding at the end of the section a new sentence to read "If more than one such storage tank is provided, each shall be given a serial number which shall appear on the sign."

PAR. 5. Section 182.74, as last amended by Treasury Decision 5801, is further amended by inserting, immediately after the sixth sentence, which begins "Assistant Regional Commissioners may require such walks or landings," a new sentence to read as follows: "Upon approval of application therefor by the Assistant Regional Commissioner, tanks may be equipped with securely constructed vents, flame arresters, foam devices, etc., provided the construction is such as to effectively prevent abstraction of spirits."

PAR. 6. Section 182.80, as amended by Treasury Decision 5711, is further amended by inserting, immediately after the third sentence which begins "Each receiving tank must be equipped with", the following new sentences: "The receiving tanks must not be connected with each other, except that a connecting pipeline will be permitted between them in order to prevent loss of alcohol by overflow. Such connecting pipeline must be located as close to the top of each tank as the construction thereof will permit, and it must be closed and all connections therein brazed or welded to prevent abstraction of alcohol without showing evidence of tampering."

PAR. 7. Section 182.85, as last amended by Treasury Decision 5801, is further amended to read as follows:

§ 182.85 *Weighing tanks.* Where alcohol is to be removed by pipeline to tank cars for shipment, or to a denaturing plant on the same premises, or to a rectifying plant or tax-paid bottling house on contiguous premises, or to a tank truck for transfer in bond to another bonded warehouse (as authorized by § 182.550) or to a denaturing plant (as authorized by §§ 182.560 and 182.560a); or where alcohol is to be received in tank cars, or received in tank trucks from an industrial alcohol plant (as authorized by § 182.400) or from another bonded warehouse (as authorized by § 182.550), the proprietor of the warehouse must provide for use in weighing such alcohol one or more suitable weighing tanks, constructed and secured in accordance with the provisions of § 182.64.

PAR. 8. Section 182.94, as amended by Treasury Decision 5568, is further amended by inserting a period after the words "to contiguous premises" in the first sentence, and by striking therefrom the balance of the sentence, which reads "operated by the denaturer."

PAR. 9. Section 182.98, as amended by Treasury Decision 5884, is further amended by striking therefrom the second sentence which begins "Pipelines for the conveyance of specially denatured alcohol" and inserting in lieu thereof the following sentence: "Pipelines for the conveyance of specially denatured alcohol to contiguous premises and pipelines for the transfer of completely denatured alcohol to contiguous premises operated by the proprietor of the denaturing plant, shall be securely constructed and connected, and so arranged as to be exposed to view throughout their entire lengths: *Provided*, That such pipelines shall be equipped with a valve within the denaturing plant in order that the same may be locked with a Government lock when denatured alcohol is not being removed."

PAR. 10. Section 182.99, as last amended by Treasury Decision 5711, is further amended by striking the words "operated by him" from the first sentence thereof.

PAR. 11. Section 182.102, as last amended by Treasury Decision 5884, is further amended by striking the words "operated by him" from the first sentence thereof.

PAR. 12. Section 182.136 is amended by striking therefrom the word "triplicate" in the first sentence and by inserting in lieu thereof the word "quadruplicate".

PAR. 13. Section 182.164, as amended by Treasury Decision 5159, is further amended by striking the second sentence of paragraph (a) which begins "Such alcohol, when withdrawn by States" and by inserting in lieu thereof the following sentence: "Such alcohol, when withdrawn by States and Territories, or any municipal subdivision thereof, or the District of Columbia, must be used solely for mechanical and scientific purposes, and, except upon approval by the Commissioner, such use, or the use of any resulting product, must be confined to premises under the control of the State or Territory, or municipal subdivision thereof, or the District of Columbia: *Provided*, That tax-free alcohol withdrawn for use at hospitals, sanatoriums, clinics, colleges, and laboratories operated by States and Territories or any municipal subdivision theerof, or by the District of Columbia, may be used as provided in paragraph (b) of this section, and may, upon approval by the Commissioner, be used at premises other than those under the control of the State, Territory, or any municipal subdivision thereof, or the District of Columbia."

PAR. 14. Section 182.178 is amended by striking from the first sentence the words "to his permit premises from the premises of a carrier holding permit to transport." and by inserting in lieu thereof the following: "to his permit premises from the premises of the consignor or of a carrier holding permit to transport."

PAR. 15. Section 182.186 is amended by striking therefrom the words "Commissioner of Accounts, Section of Surety Bonds," immediately following the words "Form 356," and by striking therefrom the word "semiannually" immediately following the words "which is issued" and by inserting in lieu thereof the word "annually".

PAR. 16. Section 182.262 is amended by inserting imediately after the words "a description of the premises," in the second sentence of subparagraph (6) of paragraph (b), the following: "or in lieu thereof reference to the successor's Form 1431 describing such premises,".

PAR. 17. Section 182.263 is amended as follows:

(A) By adding, in the second sentence, the words "except as provided in § 182.263a" and the word "death" so that the sentence will read "Likewise, except as provided in § 182.263a, the death, bankruptcy or adjudicated insolvency of one or more of the copartners results in a dissolution of the partnership and, consequently, a change in proprietorship."

(B) By striking from the last sentence "§ 182.262 (b) (5)" and inserting in lieu thereof "§ 182.262 (b) (6)".

PAR. 18. A new section, § 182.263a is added, immediately after § 182.263, to read as follows:

§ 182.263a *Exception, changes in partnership.* Where, under the laws of the particular State, the partnership is not terminated on the death or insolvency of a partner, but continues until the winding up of the partnership affairs is completed, and the surviving partner has the exclusive right to the control and possession of the partnership assets for the purpose of liquidation and settlement, such surviving partner may continue to operate the industrial alcohol plant or bonded warehouse for such purpose under the prior qualification of the partnership, and the bond already on file will be considered sufficient, provided a consent of surety, wherein the surety and the surviving partner agree to remain liable on the bond, is filed. If such surviving partner acquires the business upon completion of the settlement of the partnership, he must qualify in his own name from the date of acquisition and give a new bond on Form 1432-A. The same rule shall apply where there is more than one surviving partner.

(53 Stat. 358, 364, 375; 26 U. S. C. 3105, 3124, 3176)

PAR. 19. Section 182.293, as amended by Treasury Decision 5801, is further amended by inserting, immediately after the first sentence thereof, a new sentence as follows: "The remaining copy of the statement of process will be forwarded to the storekeeper-gauger in charge for ready reference."

PAR. 20. Section 182.401b, as added by Treasury Decision 5788, is amended as follows:

(A) By striking the proviso from paragraph (b) and inserting in lieu thereof the following: "*Provided*, That the consignee may transport the alcohol from the premises of the consignor or from the premises of the delivering carrier at the place of destination, to his own premises, or, in the case of export, or use on vessels or aircraft, to the point of lading."

(B) By striking all of paragraph (c) and inserting in lieu thereof the following:

(c) Alcohol shipped in bond or tax-free in accordance with paragraphs (a) and (b) of this section must be transported by the proprietor of the industrial alcohol plant, the consignee, or the authorized carrier personally, or by some person regularly and exclusively in their employ, and the right to the possession of any vehicle used for such transportation must be vested in the vendor, vendee, or carrier.

(C) By inserting immediately after the words "and transported by him from the premises of the" in the second sentence of paragraph (d), the words "consignor or of the", so that the sentence will read "The consignee will likewise be responsible for the proper delivery to his permit premises of alcohol shipped to him in bond or tax-free and transported by him from the premises of the consignor or of the authorized carrier."

PAR. 21. Section 182.405, as last amended by Treasury Decision 6005, is further amended as follows:

(A) By striking from the first sentence the phrase "All alcohol" and inserting in lieu thereof the following: "Except as provided herein, all alcohol."

(B) By striking the word "bottles" from the fifth sentence thereof.

(C) By adding at the end thereof a new sentence as follows: "The Assistant Regional Commissioner may, in his discretion and upon application therefor by the proprietor, authorize the filling of tank ships or barges without transferring the alcohol to weighing tanks if the receiving tank has been accurately calibrated so that the actual gallonage of alcohol deposited into the tank ship or barge may be determined."

PAR. 22. Section 182.496, as amended by Treasury Decision 5788, is further amended as follows:

(A) By striking therefrom the second sentence, which begins "If the industrial alcohol plant" and by inserting in lieu thereof the following: "If the industrial alcohol plant or bonded warehouse is situated in another region, the Assistant Regional Commissioner authorizing the return will forward two copies of his letter of authority to the Assistant Regional Commissioner of such other region."

(B) By striking therefrom the words ", as provided in § 182.646." appearing at the end of the third sentence, and inserting a period in lieu thereof.

PAR 23. Section 182.512 is amended by striking the word "Commissioner" in the first sentence and by inserting in lieu thereof the words "Assistant Regional Commissioner".

PAR. 24. Section 182.514 as last amended by Treasury Decision 5748, is further amended to read as follows:

§ 182.514 *Tank trucks.* Tank trucks may be used for transporting undenatured ethyl alcohol, in bond or taxpaid, subject to the provisions of this part. Undenatured ethyl alcohol may be transported in bond by tank trucks only where suitable storage tanks are provided on the receiving bonded warehouse premises. Every tank truck used to transport undenatured ethyl alcohol must conform to the following requirements: The tank shall be securely and permanently attached to the frame or chassis of the truck or trailer and shall be securely constructed. Interior bulkheads or stiffeners must have proper drainage cut-outs. Outlets of each compartment must be so arranged that delivery of any compartment will not afford access to the contents of any other compartment. Manhole covers, outlet valves, and all other openings shall be equipped for sealing so as to prevent unauthorized access to the contents of the tank. Tanks shall be so constructed that they will completely drain the contents of each compartment, even when the ground is not perfectly level. Suitable ladders and catwalks, permanently attached, must be provided in order to permit ready examination of manholes and other openings. Each tank truck shall be equipped with a route board, at least 10 by 12 inches, constructed of substantial material and permanently attached thereto by roundheaded or carriage bolts, nutted and riveted, battered or welded. Provision will also be made for protection, against the weather, of the permit and label by the use of celluloid or equally substantial material. In the case of undenatured ethyl alcohol transported in bond, a copy of the basic permit (Form 145) under which transportation is authorized (as required by § 182.230) and the prescribed label (as required by § 182.521a) will be affixed to such route board. In the case of taxpaid alcohol, the tax-paid stamp or cer-

tificate will be attached to such route board. Provision shall be made for the proper grounding of tank trucks when filling or emptying. Serially numbered cap seals for use on such tank trucks shall be furnished by the Government and affixed by the storekeeper-gauger. Immediately after filling, such tank trucks shall be sealed in such a manner as will secure all openings affording access to the contents of the tank. Partial delivery, by meter or otherwise, will not be permitted. There shall be but one consignor per load and not less than the entire contents of any one compartment shall be delivered to any one consignee. Calibrated charts, prepared or certified by competent and recognized authorities or engineers, showing the capacity of each compartment in wine gallons for each inch of depth shall be carried in each truck.

PAR. 25. Section 182.527, as last amended by Treasury Decision 5711, is further amended by striking paragraph (b) and inserting in lieu thereof the following:

(b) Tax-paid and export stamps, after being affixed, will be immediately cancelled by the proprietor by stenciling or stamping thereon at least five fine parallel waved lines, long enough to extend beyond the top and bottom of the stamp. Such stencil or stamp shall be provided by the proprietor.

PAR. 26. Section 182.548, as amended by Treasury Decision 5748, is further amended as follows:

(A) By striking the proviso from paragraph (b) and inserting in lieu thereof the following: "*Provided*, That the consignee may transport the alcohol from the premises of the consignor or from the premises of the delivering carrier at the place of destination to his own premises, or, in the case of export or use on vessels and aircraft, to the point of lading."

(B) By striking paragraph (c) and inserting in lieu thereof the following:

(c) Alcohol shipped in bond or tax-free in accordance with paragraphs (a) and (b) of this section must be transported by the proprietor of the bonded warehouse, the consignee, or the authorized carrier personally, or by some person regularly and exclusively in their employ, and the right to the possession of any vehicle used for such transportation must be vested in the vendor, vendee, or carrier.

(C) By inserting immediately after the words "and transported by him from the premises of the" in the second sentence of paragraph (d), the words "consignor or from the premises of the", so that the sentence will read "The consignee will likewise be responsible for the proper delivery to his permit premises of alcohol shipped to him in bond or tax-free and transported by him from the premises of the consignor or from the premises of the authorized carrier."

PAR. 27. Section 182.574a, as amended by Treasury Decision 5801, is further amended by inserting, immediately after the words "certificate of taxpayment, Form 1595," in the fifth sentence, the words "or the cancelled distilled spirits excise tax stamps,".

PAR. 28. Section 182.574d, as amended by Treasury Decision 5788, is further amended by inserting a period after the words "attached to a package" in the second sentence, and by striking therefrom the balance of the sentence, which reads "and covered with a coating of transparent varnish, shellac, or lacquer to prevent any alteration thereof."

PAR. 29. Section 182.653 is amended by striking paragraph (c) and headnote and inserting in lieu thereof the following:

(c) *Permittees qualifying within a calendar month.* Where a new permittee qualifies within a calendar month, the withdrawal permit, Form 1450, will be modified to show the proportionate quantity of alcohol to which the permittee may be entitled for the balance of the month in which he qualifies, in addition to the quantity which may be procured during any one calendar month.

PAR. 30. Section 182.660, as amended by Treasury Decision 5159, is further amended as follows:

(A) By inserting the words "except upon approval of the Commissioner," immediately following the words "and scientific purposes, and,".

(B) By changing the period at the end thereof to a comma and by adding the following: "§ 182.662 or § 182.663, as the case may be, and may, with the approval of the Commissioner, be used at premises other than those under the control of the State, Territory, or municipal subdivision thereof, or the District of Columbia."

PAR. 31. Section 182.664, as amended by Treasury Decision 5788, is further amended to read as follows:

§ 182.664 *Return of tax-free alcohol to industrial alcohol plant or bonded warehouse.* Where tax-free alcohol, lawfully in the possession of a tax-free permittee, is found to be unsuitable for use, or where such permittee discontinues the use thereof, or where for any other legitimate reason such permittee desires so to do, such alcohol may be returned to the industrial alcohol plant or bonded warehouse from which received, for lawful disposition: *Provided*, That (a) consent of surety is filed on the bond (if any) of the tax-free permittee extending the terms thereof to cover the transportation of the alcohol to the plant or bonded warehouse, (b) the proprietor of such plant or bonded warehouse assents to such return, and (c) permission for such return is in each instance first obtained from the Assistant Regional Commissioner of the region in which the tax-free permittee is located. If the industrial alcohol plant or bonded warehouse is situated in another region, the Assistant Regional Commissioner authorizing the return will forward two copies of his letter of authority to the Assistant Regional Commissioner of the region in which the industrial alcohol plant or bonded warehouse is located, who will forward both copies to the storekeeper-gauger in charge of the plant or warehouse. Upon arrival of the alcohol, the storekeeper-gauger in charge will indicate the receipt thereof on both copies of the letter, and return one copy to each Assistant Regional Commissioner concerned. Should the alcohol not be reported received by the proprietor of the plant or warehouse in due time, the Assistant Regional Commissioner of the region in which the permittee is located will make appropriate investigation in respect thereto. Report of the return of the alcohol to the plant or bonded warehouse will be made by the tax-free permittee on his monthly report, Form 1451, by the proprietor of the industrial alcohol plant on his plant report, Form 1442, and by the warehouseman on his warehouse report, Form 1443–B.

PAR. 32. Section 182.677 is amended as follows:

(A) By striking the proviso from paragraph (a) and inserting in lieu thereof the following: "*Provided*, That consignees may transport completely denatured alcohol from the premises of the consignor or from the premises of the delivering carrier at the place of destination to their own premises."

(B) By striking the proviso from paragraph (b) and inserting in lieu thereof the following: "*Provided*, That specially denatured alcohol permittees may transport specially denatured alcohol from the premises of the consignor or from the premises of the delivering carrier at the place of destination to their own premises, or, in the case of export, to the point of lading."

(C) By inserting the word ", vendee," after the word "vendor", wherever it appears in paragraph (c).

(D) By inserting, immediately after the words "transported by him from the premises of the" in the second sentence of paragraph (d), the words "consignor or from the premises of the", so that the sentence will read: "The consignee will likewise be responsible for the proper delivery to his premises of completely or specially denatured alcohol transported by him from the premises of the consignor or from the premises of the authorized carrier."

PAR. 33. Section 182.719, as amended by Treasury Decision 5801, is further amended by striking therefrom paragraph (a) and inserting in lieu thereof the following: "(a) denaturing in packages will be permitted to the extent of preparing special formulas that are occasionally produced at the plant if such production does not, unless special permission is first obtained from the Assistant Regional Commissioner, exceed 10 packages (not exceeding 600 gallons in the aggregate) of any one formula on the same day: *Provided*, That specially denatured alcohol formulas 18, 24, 25 and 25 alternative, may, upon notice to the Assistant Regional Commissioner, be mixed in any quantity;".

PAR. 34. Section 182.729 is amended as follows:

(A) By striking the word "Commissioner" immediately following the words "special authorization granted by the", in the first sentence, and by inserting in lieu thereof the words "Assistant Regional Commissioner".

(B) By adding a new sentence at the end thereof, to read as follows: "The Assistant Regional Commissioner may authorize the removal of denatured alcohol in tank ships or barges by volumetric

determination without weighing such denatured alcohol."

PAR. 35. Section 182.730, as amended by Treasury Decision 5884, is further amended as follows:

(A) By striking therefrom the first sentence of paragraph (a) and by inserting in lieu thereof the following: "Pipelines constructed in conformity with the provisions of § 182.98 will be considered as approved containers only for the purpose of transferring specially denatured alcohol from the denaturing plant to contiguous bonded dealer premises or manufacturing premises covered by basic permit, Form 1476 or Form 1481, as the case may be."

PAR. 36. Section 182.749, as last amended by Treasury Decision 5801, is further amended by striking from the first sentence the words "and tank cars", immediately preceding the words "the proprietor will prepare two copies of Form 1467."

PAR. 37. Section 182.749a, as added by Treasury Decision 5788, is amended as follows:

(A) By striking therefrom the words "or in a tank car" immediately following the words "covering shipments in packages", in the first sentence.

(B) By striking the fifth sentence, which begins "Where packages bear evidence" and by inserting in lieu thereof the following: "Where packages bear evidence of having sustained losses in transit, the loss will be determined."

(C) By inserting, immediately after the sixth sentence, which begins "The storekeeper-gauger will make a report" the following new sentence: "The denatured alcohol will be deposited in accordance with § 182.752."

PAR. 38. Section 182.750, as last amended by Treasury Decision 5788, is further amended as follows:

(A) By striking therefrom the words "and tank cars" immediately preceding the words ", the proprietor will prepare three copies of Form 1467" in the first sentence.

(B) By striking therefrom the third sentence and by insering in lieu thereof the following: "The proprietor will give all copies to the storekeeper-gauger in charge who shall, at the time of shipment, forward one copy each of Forms 1467 and 1473 to the consignor Assistant Regional Commissioner, one copy each of Forms 1467 and 1473 to the consignee Assistant Regional Commissioner, one copy of Form 1467 and two copies of Form 1473 to the storekeeper-gauger in charge of the receiving denaturing plant, and return the remaining copy of Form 1473 to the proprietor for filing in accordance with § 182.788."

PAR. 39. Section 182.751, as amended by Treasury Decision 5788, is further amended as follows:

(A) By striking from the first sentence the words "or in a tank car" immediately following the words "covering shipments in packages".

(B) By striking therefrom the fifth sentence, which begins "Where packages bear evidence" and by inserting in lieu thereof the following: "Where packages bear evidence of having sustained losses in transit, the loss will be determined."

(C) By striking therefrom the eleventh sentence, which begins "The supervisor-consignee will execute" and by inserting in lieu thereof the following: "The consignee Assistant Regional Commissioner will execute his certificate of report of receipt in Part IV of both copies of Form 1473 and forward to the consignor Assistant Regional Commissioner the copy of Form 1473 sent to him at the time of shipment."

(D) By striking from the thirteenth sentence the words "supervisor-consignor" and by inserting in lieu thereof the words "consignor Assistant Regional Commissioner."

PAR. 40. Section 182.752a, as added by Treasury Decision 5788, is amended as follows:

(A) By inserting the words "tank cars or" in the first sentence, immediately following the words "When denatured alcohol is shipped in".

(B) By striking therefrom the third sentence and inserting in lieu thereof the following: "The proprietor will deliver all copies of Form 1473 to the storekeeper-gauger in charge who shall, at the time of shipment, send one copy to the Assistant Regional Commissioner of the region; mail two copies to the storekeeper-gauger in charge of the receiving denaturing plant in the case of tank car transfers, or in the case of tank truck transfers, mail one copy to the storekeeper-gauger in charge of the receiving denaturing plant, enclose one copy in a sealed envelope addressed to such storekeeper-gauger and give the same to the driver of the tank truck for delivery to the storekeeper-gauger in charge; and return the remaining copy to the proprietor for filing in accordance with § 182.788."

PAR. 41. Section 182.752b, as added by Treasury Decision 5788, is amended as follows:

(A) By striking the first two sentences and inserting in lieu thereof the following sentences: "Forms 1473, covering shipment in a tank car or tank truck, received by the storekeeper-gauger in charge of the receiving denaturing plant will be delivered to the proprietor. When the copy, or copies, sent by mail are received prior to the receipt of the alcohol, the storekeeper-gauger will make appropriate memorandum entry of the shipment before delivering such forms to the proprietor."

(B) By inserting the words "railroad tank car or" in the fifth sentence immediately after the words "Where the".

(C) By inserting, immediately after the seventh sentence, which begins "The storekeeper-gauger will make a report", a new sentence to read as follows: "The denatured alcohol will be deposited in accordance with § 182.752."

PAR. 42. Section 182.752c, as added by Treasury Decision 5788, is amended as follows:

(A) By striking the first sentence and inserting in lieu thereof the following: "When denatured alcohol is shipped in tank cars or tank trucks to another denaturing plant in a different region, the proprietor will prepare five copies of Form 1473 reporting the shipment."

(B) By striking the third sentence, which begins "The proprietor will deliver" and inserting in lieu thereof the following: "The proprietor will deliver all copies of Form 1473 to the storekeeper-gauger in charge who shall, at the time of shipment, forward one copy to the consignor Assistant Regional Commissioner; one copy to the consignee Assistant Regional Commissioner; mail two copies to the storekeeper-gauger in charge of the receiving denaturing plant in the case of tank car transfers, or in the case of tank truck transfers, mail one copy to the storekeeper-gauger in charge of the receiving denaturing plant, enclose one copy in a sealed envelope addressed to such storekeeper-gauger and give the same to the driver of the tank truck for delivery to the storekeeper-gauger in charge; and return the remaining copy to the proprietor for filing in accordance with § 182.788."

PAR. 43. Section 182.752d, as added by Treasury Decision 5788, is amended as follows:

(A) By striking the first two sentences and inserting in lieu thereof the following: "Forms 1473, covering shipment in a tank car or tank truck, received by the storekeeper-gauger in charge of the receiving denaturing plant will be delivered to the proprietor. Where the copy, or copies, sent by mail are received prior to the receipt of the alcohol, the storekeeper-gauger will make an appropriate memorandum entry of the shipment before delivering such forms to the proprietor."

(B) By inserting the words "railroad tank car or" immediately after the words "Where the" in the fifth sentence.

(C) By striking the eleventh sentence, which begins "The supervisor-consignee will execute" and by inserting in lieu thereof the following: "The consignee Assistant Regional Commissioner will execute his certificate of report of receipt in Part IV of both copies of Form 1473 and forward to the consignor Assistant Regional Commissioner the copy of Form 1473 sent to him at the time of shipment."

(D) By striking the thirteenth sentence, which begins "The supervisor-consignor will check Form 1473" and by inserting in lieu thereof the following: "The consignor Assistant Regional Commissioner will check Form 1473 sent to him at the time of shipment with the consignor's monthly report and if found to agree therewith he will initial Part II of the form."

PAR. 44. Section 182.753, as amended by Treasury Decision 5788, is further amended to read as follows:

§ 182.753 *General.* Dealers and users may purchase completely denatured alcohol for resale or for their own use. Transfers of completely denatured alcohol in bulk to a filling agency of the denaturer on premises contiguous to or in the immediate vicinity of his denaturing plant and the packaging and disposition of such completely denatured alcohol shall be governed by §§ 182.725, 182.727, 182.728, 182.730, 182.731, 182.732, 182.733, 182.734, 182.735, 182.736, 182.738, 182.741 and 182.742. Completely denatured alcohol removed from denaturing plants (other than by pipeline) must be transported in accordance with

§ 182.677. Form 1467 will be prepared in duplicate to cover the transfer by pipeline of completely denatured alcohol from the denaturing plant to a filling agency of the denaturer on premises contiguous to his denaturing plant. One copy will be sent to the Assistant Regional Commissioner and the remaining copy will be filed by the proprietor of the denaturing plant in accordance with § 182.788. Form 1473 will be prepared covering removals of completely denatured alcohol from the denaturing plant in tank trucks. In such case, Form 1473 will be modified to show shipment of completely denatured alcohol and will be prepared and disposed of in accordance with § 182.754b or § 182.754c, as the case may be.

PAR. 45. Section 182.754, as last amended by Treasury Decision 5884, is further amended by striking therefrom the fourth sentence, which begins "Specially denatured alcohol may also be removed", and by inserting in lieu thereof the following: "Specially denatured alcohol may also be removed by pipeline to contiguous bonded dealer premises or manufacturing premises covered by basic permit, Form 1476 or Form 1481, in accordance with the provisions of § 182.730 (a), if the receiving premises are equipped with suitable storage tanks."

PAR. 46. Section 182.788, as amended by Treasury Decision 5788, is further amended by striking from the third sentence the words "and tank cars" so that the sentence will read as follows: "In the case of transfer in packages of denatured alcohol between denaturing plants Forms 1467 with Forms 1473 attached will be filed in chronological order by months and in bound form as a permanent record."

PAR. 47. Section 182.806 is amended by striking paragraph (c) and the headnote of paragraph (c) and by inserting in lieu thereof the following:

(c) *Bonded dealers qualifying within a calendar month.* Where a new bonded dealer qualifies within a calendar month the withdrawal permit, Form 1477, will be modified to show the proportionate quantity of specially denatured alcohol to which the bonded dealer may be entitled for the balance of the month in which he qualifies, in addition to the quantity which may be procured during any one calendar month.

PAR. 48. Section 182.812, as amended by Treasury Decision 5568, is further amended by striking therefrom the first sentence and by inserting in lieu thereof the following: "Bonded dealers who receive specially denatured alcohol in tank cars, tank trucks, or by pipeline and transfer the same to storage tanks in their storerooms, as provided in § 182.811, may fill packages of such specially denatured alcohol."

PAR. 49. Section 182.829 is amended by striking paragraph (c) and the headnote of paragraph (c) and by inserting in lieu thereof the following:

(c) *Permittees qualifying within a calendar month.* Where new permittees qualify within a calendar month the withdrawal permit, Form 1485, will be modified to show the proportionate quantity of specially denatured alcohol to which the permittee may be entitled for the balance of the month in which he qualifies, in addition to the quantity which may be procured during any one calendar month.

PAR. 50. Section 182.908, as last amended by Treasury Decision 5748, is further amended by striking therefrom paragraph (a) and the headnote of paragraph (a) and by inserting in lieu thereof the following:

(a) *Tank trucks.* Shipment of alcohol or denatured alcohol in tank trucks may be made only when the premises of the consignee are equipped with a sufficient number of alcohol storage tanks for the storage of such alcohol and the consignee is otherwise authorized to receive such shipment.

PAR. 51. Section 182.938 is amended by striking therefrom the word "time" immediately after the words "shall stamp on each report or form the" and by inserting in lieu thereof the word "date".

PAR. 52. Section 182.963 is amended by striking therefrom the first sentence and by inserting in lieu thereof the following: "Assistant Regional Commissioners shall stamp on each report or form the date of receipt of the reports or forms by them from Government officers and permittees in accordance with the provisions of this part."

Because the amendments made by this Treasury decision are of a liberalizing character, it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitations of section 4 (c) of said act.

This Treasury decision shall be effective upon its publication in the FEDERAL REGISTER.

(53 Stat. 375; 26 U. S. C. 3176. Interpret or apply 53 Stat. 358, 365; 26 U. S. C. 3105, 3124)

[SEAL] T. COLEMAN ANDREWS,
Commissioner of Internal Revenue.

Approved: June 28, 1954.

M. B. FOLSOM,
Acting Secretary of the Treasury.

[F. R. Doc. 54-5045; Filed, July 1, 1954; 8:51 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 97—STAR, STEAMSHIP, AND STEAMBOAT ROUTES, AND VEHICLE SERVICE IN CITIES

COMBINATIONS TO PREVENT BIDDING

In § 97.31 *Combinations to prevent bidding,* designate the present text as paragraph (a) and add new paragraph (b) to read as follows:

(b) No proposal for the transportation of the mail shall be considered when accompanied by a bond executed on behalf of a surety by or through any organization of mail transportation contractors or an officer or employee of such organization, nor shall any such proposal be considered when a portion of the bond premium, a commission on the bond sale or any other thing of value accrues to any organization of mail transportation contractors, or officer or employee thereof as a result of the execution of the bond.

The foregoing amendment shall be effective September 1, 1954.

(R. S. 161, 396, 3944, as amended, 3945, as amended, 3946, as amended, 3949, as amended, 3950, sec. 1, 21 Stat. 374, as amended, secs. 304, 309, 42 Stat. 24, 25; 5 U. S. C. 22, 369; 39 U. S. C. 421, 425, 426, 427, 429, 432)

[SEAL] ABE MCGREGOR GOFF,
The Solicitor.

[F. R. Doc. 54-5019, Filed, July 1, 1954; 8:47 a. m.]

PART 120—OCEAN MAIL SERVICE

COMPENSATION FOR TRANSPORTATION OF FOREIGN MAILS

In § 120.7 *Compensation for transportation of foreign mails* amend paragraphs (b) and (c) to read as follows:

(b) *Definite rates.* Unless otherwise specially provided, payment shall be made for the transportation of United States mails and foreign closed transit mails on steamships of United States registry and foreign registry at the rates specified in the schedule indicated below:

Distance conveyed (nautical miles)	United States mails, including parcel post, on steamships of United States registry (cents per pound—net weights)	All mails, including parcel post, on steamships of foreign registry; and foreign closed transit mails, including parcel post, on steamships of United States registry (cents per pound—net weights)
Up to 300 miles	3.1	1.8
Over 300 up to 600 miles	3.1	2.5
Over 600 up to 1,000 miles	3.1	3.1
Over 1,000 up to 1,500 miles	3.6	3.6
Over 1,500 up to 2,000 miles	4.7	4.0
Over 2,000 up to 2,500 miles	4.7	4.4
Over 2,500 up to 3,000 miles	4.7	4.7
Over 3,000 up to 3,500 miles	5.0	5.0
Over 3,500 up to 4,000 miles	5.3	5.3
Over 4,000 up to 5,000 miles	5.6	5.6
Over 5,000 up to 6,000 miles	6.1	6.1
Over 6,000 up to 7,000 miles	6.5	6.5
Over 7,000 up to 8,000 miles	6.8	6.8
Over 8,000 miles	7.1	7.1

(c) *Exceptions to above rates.* As an exception to the rates specified in paragraph (b) of this section, payment for the mails which the United States is obligated to convey shall be made at the rates specified in the schedule indicated below in the following services:

(1) Mails, including parcel post, dispatched onward from Canal Zone ports to any other port.

(2) From any port in countries signatory to the conventions of the Postal Union of the Americas and Spain (except continental United States and Canada) to any other port; also from ports in countries not signatory to the conventions of the Postal Union of the Americas and Spain to any other port covering regular mails originating in signatory countries:

Distance conveyed (nautical miles)	All mails, including parcel post where conveyance is obligated (cents per pound—net weights)
Up to 300 miles	1.3
Over 300 up to 600 miles	2.0
Over 600 up to 1,000 miles	2.6
Over 1,000 up to 1,500 miles	3.1
Over 1,500 up to 2,000 miles	3.5
Over 2,000 up to 2,500 miles	3.9
Over 2,500 up to 3,000 miles	4.2
Over 3,000 up to 3,500 miles	4.5
Over 3,500 up to 4,000 miles	4.8
Over 4,000 up to 5,000 miles	5.1
Over 5,000 up to 6,000 miles	5.6
Over 6,000 up to 7,000 miles	6.0
Over 7,000 up to 8,000 miles	6.3
Over 8,000 miles	6.6

The foregoing amendment shall be effective August 1, 1954.

(R. S. 161, 396, 398, as amended, 4009, as amended, secs. 304, 309, 42 Stat. 24, 25; 5 U. S. C. 22, 369, 372, 39 U. S. C. 654)

[SEAL] ABE MCGREGOR GOFF, *The Solicitor.*

[F. R. Doc. 54-5110; Filed, July 1, 1954; 8:55 a. m.]

PART 125—MISCELLANEOUS

TRANSPORTATION AND PROTECTION OF MAILS BETWEEN POST OFFICE AND SHIPS

Amend § 125.5a *Transportation and protection of mails between post office and ships* to read as follows:

§ 125.5a *Transportation and protection of mails between post office and ships.* (a) Steamship companies shall be responsible for the transportation and protection of all outgoing mails, including parcel post and sacks containing empty sacks, from the post office to the transporting vessel.

(b) All incoming mails, including letter mails, parcel post and sacks containing empty sacks, are to be placed on the piers and delivered into the custody of agents of the postal service by the steamship companies for trucking to the post office; Provided that mails shall be so placed and delivered before making entry or breaking bulk and such handling shall be regarded as compliance with paragraph (a) of this section. Mails, including letter mails, parcel post and sacks containing empty sacks, waybilled to ports other than the first port of call of vessel in the United States shall be discharged at the first port of call if the vessel is scheduled to remain at said first port of call for more than 24 hours.

(c) Each vehicle used to transport mails between post offices and vessels, except the completely closed van type, the mail compartment of which must be locked or sealed, shall be provided with a man to ride on the rear and protect the mail. When a rack type truck is used the sacks shall be covered by a tarpaulin.

(d) The registered (red label) sacks shall be specially protected during transfer and on board vessels. The red label sacks shall be separately delivered to the steamship company's representative at the post office in the case of outgoing mails, and the incoming red label sacks shall be segregated on the piers by the steamship companies.

The foregoing amendment shall be effective August 1, 1954.

(R. S. 161, 396, secs. 304, 309, 42 Stat. 24, 25; 5 U. S. C. 22, 369)

[SEAL] ABE MCGREGOR GOFF, *The Solicitor.*

[F. R. Doc. 54-5111; Filed, July 1, 1954; 8:56 a. m.]

PART 127—INTERNATIONAL POSTAL SERVICE: POSTAGE RATES, SERVICE AVAILABLE AND INSTRUCTIONS FOR MAILING

MISCELLANEOUS AMENDMENTS

In Part 127 International Postal Service: Postage Rates, Service Available and Instructions for Mailing, 39 CFR Part 127, make the following changes:

a. In § 127.19 *Special delivery (exprès) service* amend the list of countries in paragraph (a) by inserting in proper alphabetical order "Belgian Congo".

b. In § 127.215 *Belgian Congo* amend paragraph (a) (4) to read as follows:

(4) *Special delivery.* Yes. (See § 127.19.)

c. In § 127.262 *Gibraltar* make the following changes:

1. Amend paragraph (a) (5) to read as follows:

(5) *Air mail service.* Postage rates: Letters and letter packages, 15 cents per half ounce. Single post cards and air letter sheets, 10 cents each. Other Postal Union articles, 45 cents for the first 2 ounces and 25 cents for each additional 2 ounces. (See § 127.20.)

2. In paragraph (b), insert the following immediately after the table of rates in subdivision (i) of subparagraph (1):

(ii) *Air parcel rates.* Rates \$0.75 first 4 ounces; \$0.50 each additional 4 ounces. Each air parcel must have affixed the blue Par Avion label (Form 2978). (See § 127.55 (b).)

d. In § 127.301 *Malta (including Gozo and Cumino Islands)* make the following changes:

1. Amend paragraph (a) (5) to read as follows:

(5) *Air mail service.* Postage rates: Letters and letter packages, 15 cents per half ounce. Single post cards and air letter sheets, 10 cents each. Other Postal Union articles, 45 cents for the first 2 ounces and 25 cents for each additional 2 ounces. (See § 127.20.)

2. In paragraph (b) (1), insert the following immediately after the table of rates in subdivision (i):

(ii) *Air parcel rates.* Rates \$1.10 first 4 ounces; \$0.50 each additional 4 ounces. Each air parcel must have affixed the blue Par Avion label (Form 2978). (See § 127.55 (b).)

(R. S. 161, 396, 398; secs. 304, 309, 42 Stat. 24, 25, 48 Stat. 943; 5 U. S. C. 22, 369, 372)

[SEAL] ABE MCGREGOR GOFF, *The Solicitor.*

[F. R. Doc. 54-5021; Filed, July 1, 1954; 8:48 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter I—Office of Defense Mobilization

[Defense Mobilization Order I-6 (Former DMO-29); Rescission]

DEFENSE RENTAL AREAS DIVISION

RESCISSION OF ORDER

Defense Mobilization Order I-6 (former DMO-29) dated August 3, 1953 (18 F. R. 4597), establishing the Defense Rental Areas Division and the position of Director of the Defense Rental Areas Division is hereby rescinded.

Dated: May 1, 1954.

OFFICE OF DEFENSE MOBILIZATION, ARTHUR S. FLEMMING, *Director.*

[F. R. Doc. 54-5105; Filed, June 30, 1954; 2:49 p. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

Appendix—Public Land Orders

[Public Land Order 979]

MONTANA

RESERVING CERTAIN PUBLIC LANDS IN CONNECTION WITH DODSON WATERFOWL MANAGEMENT AREA

Whereas the act of September 2, 1937 (50 Stat. 917; 16 U. S. C. 669-669j) provides for Federal aid to states in wildlife-restoration projects; and

Whereas the State of Montana has established a Federal-aid wildlife-restoration project and has acquired title to certain lands in Phillips County, Montana, which are administered by the State of Montana through its Department of Fish and Game as the Dodson Waterfowl Management Area; and

Whereas certain contiguous public lands possess wildlife value and could be administered advantageously in connection with the project; and

Whereas the act of March 10, 1934, as amended by the act of August 14, 1946 (48 Stat. 401, 60 Stat. 1080; 16 U. S. C. 661–666c) authorizes the Secretary of the Interior to cooperate with Federal, State, and other agencies in developing a nation-wide program of wildlife conservation and rehabilitation;

Now, therefore, by virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F. R. 4831) it is ordered as follows:

Subject to valid existing rights, the following-described public lands in Phillips County, Montana, are hereby withdrawn from all forms of appropriation under the public-land laws, including the mining laws but not the mineral-leasing laws, and reserved under the jurisdiction of the Department of the Interior, under such conditions as may be prescribed by the Secretary of the Interior, for use by the Department of Fish and Game of the State of Montana in connection with the Dodson Waterfowl Management Area.

MONTANA PRINCIPAL MERIDIAN

T. 31 N., R. 26 E.,
Sec. 23, SW¼NW¼, NE¼SW¼, and NW¼SE¼.

The areas described aggregate 120 acres.

This order shall be subject to existing withdrawals for reclamation purposes so far as they affect any of the above-described lands.

Notice of this withdrawal was published in the FEDERAL REGISTER of March 16, 1954 (19 F. R. 1442).

FRED G. AANDAHL,
Assistant Secretary of the Interior.

JUNE 25, 1954.

[F. R. Doc. 54-5013; Filed, July 1, 1954; 8:45 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Rules Amdt. 3-14]

PART 3—RADIO BROADCAST SERVICES

TABLE OF ASSIGNMENTS

In the matter of amendment of § 3.606 of the Commission's rules and regulations to effect an editorial change therein.

The Commission desires to make a change in Part 3—Radio Broadcast Services (Revised to June 30, 1953) to correct a typographical error in the TV channel assignments for Saginaw, Michigan, as set forth in § 3.606. The offset carrier designator for Channel 57 was inadvertently omitted when Part 3 was revised.

The amendment adopted herein is editorial in nature, and, therefore, prior publication of Notice of Proposed Rule Making under the provisions of section 4 of the Administrative Procedure Act is unnecessary, and the amendment may become effective immediately.

The amendment adopted herein is issued pursuant to authority contained in sections 4 (i), 5 (d) (1) and 303 (r) of the Communications Act of 1934, as amended, and paragraph F-6 of the Commission's Order Defining the Functions and Establishing the Organizational Structure of the Office of the Secretary, dated February 14, 1952, as amended.

It is ordered, This 29th day of June 1954, that, effective immediately, Part 3 of the Commission's rules and regulations is revised as set forth below:

Section 3.606 is amended to show the TV channel assignments for Saginaw, Michigan, to be 51–, 57–.

(Sec. 4, 48 Stat. 1066, as amended; 47 U. S. C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended, sec. 5, 66 Stat. 713; 47 U. S. C. 303, 155)

Released: June 29, 1954.

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

[F. R. Doc. 54-5049; Filed, July 1, 1954; 8:52 a. m.]

[Rules Amdt. 8-48]

PART 8—STATIONS ON SHIPBOARD IN THE MARITIME SERVICE

GENERAL EXEMPTION ORDERS

In the matter of amendment of Part 8 of the Commission's rules making certain editorial changes therein to include a list of the general exemptions issued by the Commission.

The Commission having under consideration the desirability of making certain editorial changes in Part 8 of its rules and regulations; and

It appearing that the amendments adopted herein are editorial in nature for the purpose of including in Part 8 of the Commission's rules a listing of the general exemptions issued by the Commission which are currently in force, and, therefore, prior publication of notice of proposed rule making under the provisions of section 4 of the Administrative Procedure Act is unnecessary, and the amendments may become effective immediately; and

It further appearing that the amendments adopted herein are issued pursuant to authority contained in sections 4 (i), 5 (d) (1) and 303 (r) of the Communications Act of 1934, as amended, and paragraph F-6 of the Commission's Order Defining the Functions and Establishing the Organizational Structure of the Office of the Secretary dated February 14, 1952, as amended

It is ordered, This 28th day of June 1954, that, effective immediately, Part 8 of the Commission's rules is amended as set forth below.

(Sec. 4, 48 Stat. 1066, as amended; 47 U. S. C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended, sec. 5, 66 Stat. 713; 47 U. S. C. 303, 155)

Released: June 28, 1954.

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

1. Amend § 8.49 by adding at the end of paragraph (b) the following Note:

NOTE: A list of general exemption orders is contained in Appendix IV to this part.

2. Add a new Appendix IV to Part 8 as follows:

APPENDIX IV—GENERAL EXEMPTION ORDERS ISSUED EXEMPTING SHIPS FROM COMPULSORY RADIO PROVISIONS

(1) Order, April 7, 1954, granting exemption, pursuant to section 352 (b) (3) of the Communications Act of 1934, as amended, to all United States passenger vessels of a tonnage of less than 100 gross tons, not subject to the radio provisions of the Safety Convention, from the provisions of Title III, Part II of the Communications Act of 1934, as amended, until May 13, 1955, when navigated on voyages in waters lying solely between Hog Island, Virginia, and Fire Island Light, New York: *Provided*, That in the course of the voyages the vessels will be navigated not more than 20 nautical miles from the nearest land.

This order superseded the Commission's order of April 14, 1953, which granted exemption to all United States passenger ships of less than 100 gross tons, not subject to the radio provisions of the Safety Convention, when navigated on voyages lying solely between Indian River Inlet, Delaware, and Fire Island Light, New York.

This exemption may be terminated by the Commission at any time without hearing if, in the Commission's discretion, the need for such action arises.

(2) Order, April 30, 1954, granting exemption, pursuant to section 352 (b) (3) of the Communications Act of 1934, as amended, to:

(a) All United States passenger vessels of a tonnage of less than 100 gross tons, not subject to the radio provisions of the Safety Convention, from the radio provisions of Title III, Part II of the Communications Act of 1934, as amended, for an additional period not to extend beyond May 13, 1955, when navigated on voyages in the open sea in waters lying between:

Point Conception, California, and Point Descanso or the Coronado Islands, Mexico; or

Hillsboro Light and Triumph Reef Beacon, Florida; or

Naples, Florida, and Brownsville, Texas; or

Salt Point and Point Sur, California;

Provided, That during the course of the voyages the vessels will be navigated not more than 20 nautical miles from the nearest land.

(b) All United States passenger vessels of a tonnage up to and including 15 gross tons, not subject to the radio provisions of the Safety Convention, from the radio provisions of Title III, Part II of the Communications Act of 1934, as amended, until May 13, 1955: *Provided*, That during the course of the voyages the vessels will be navigated not more than 20 nautical miles from the nearest land.

These exemptions may be terminated at any time without hearing, if in the Commission's discretion, the need for such action arises.

[F. R. Doc. 54-5050; Filed, July 1, 1954; 8:52 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 39]

INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1951

PROCEEDS FROM CERTAIN SPORTS PROGRAMS CONDUCTED FOR THE BENEFIT OF THE AMERICAN NATIONAL RED CROSS

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form in the attached appendix are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in sections 62 and 3791 of the Internal Revenue Code (53 Stat. 32, 467; 26 U. S. C. 62, 3791).

[SEAL] T. COLEMAN ANDREWS,
Commissioner of Internal Revenue.

In order to conform Regulations 118 (26 CFR Part 39) to sections 1, 2, and 3 of Public Law 465, 82d Congress, approved July 8, 1952 (relating to exclusion from gross income of proceeds of sports programs conducted for the American Red Cross), such regulations are amended as follows:

PARAGRAPH 1. There is inserted immediately preceding § 39.22 (c) the following:

§ 39.22 (b) (16)–1 *Proceeds from certain sports programs conducted for the benefit of the American National Red Cross*—(a) *In general.* Under section 22 (b) (16), a corporation primarily engaged in the furnishing of sports programs may exclude from its gross income amounts received as proceeds from a sports program conducted by such corporation if each of the following requirements is met:

(1) The corporation agrees in writing with the American National Red Cross after July 8, 1952, to conduct such sports program exclusively for the benefit of the American National Red Cross;

(2) The sports program is conducted after July 8, 1952;

(3) The corporation turns over to the American National Red Cross all the proceeds from such sports program, less only the expenses paid or incurred by such corporation which would not have been paid or incurred but for such sports program and which would be allowable as deductions under section 23 (a) (1) (A) but for the last sentence of such section; and

(4) The facilities of the corporation used in conducting such sports program are not regularly used during the taxable year for the conduct of sports programs to which section 22 (b) (16) applies.

(b) *Certain corporations ineligible.* Section 22 (b) (16) does not apply in the case of a corporation organized or operated primarily to conduct or furnish, or to participate in the conduct or furnishing of, one or more sports programs for the American National Red Cross.

(c) *Proceeds from a sports program.* The proceeds from a sports program conducted for the benefit of the American National Red Cross include all amounts received by the conducting corporation, irrespective of when received, on account of such sports program, which amounts would be includible in the gross income of such conducting corporation, except for the provisions of section 22 (b) (16). Where the activities carried on in connection with the sports program include the sale or rental of radio, television, or movie rights, refreshments, souvenirs, parking facilities, programs, advertising, or other goods and services, whether sold or rented directly or through concessionaries, the amounts received by the conducting corporation from such sports program include all amounts received from such activities, but only where such amounts would not have been received by the conducting corporation but for the presentation of the particular sports program. Where the conducting corporation receives payments for concessions on an annual or seasonal basis, and such payments are not increased because of the particular sports program, such payments are not considered as proceeds from such sports program, and any expenses paid or incurred by the conducting corporation on account of such concession operations are not deductible under section 22 (b) (16) (B) in determining the amount of the proceeds from such sports program which the conducting corporation is required to turn over to the American National Red Cross; nor are the proceeds of a sports program considered to include amounts received by the conducting corporation for the State and turned over to the State, such as taxes or the breakage on a pari-mutuel wagering pool.

(d) *Sports programs.* (1) Section 22 (b) (16) applies where the program furnished by the conducting corporation consists of sports events such as baseball, football, or basketball games, racing programs, or the like, but it does not apply to programs or events such as motion pictures, circuses, dance programs, or the like, which are primarily amusements rather than competitive athletic sporting events.

(2) A sports program includes all of the events normally making up a full program in the particular sport. A single race of a racing program consisting of more than one race would not constitute a sports program, nor would one baseball or basketball game of a doubleheader program constitute a sports program.

PAR. 2. Section 39.23 (a)–1 is amended by adding at the end thereof the following sentence: "In the case of any sports program to which section 22 (b) (16) applies, expenses described in section 22 (b) (16) (B) shall be allowable as deductions under section 23 (a) only to the extent that such expenses exceed the amount excluded from gross income under section 22 (b) (16)."

[F. R. Doc. 54-5044; Filed, July 1, 1954; 8:51 a. m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 51]

UNITED STATES STANDARDS FOR BUNCHED CARROTS [1]

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the revision of United States Standards for Bunched Carrots pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087 et seq., 7 U. S. C. 1621 et seq.) and the Department of Agriculture Appropriation Act, 1954 (Pub. Law 156, 83d Cong., approved July 28, 1953).

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

The proposed standards are as follows:

GRADES

Sec.
51.2455 U. S. No. 1.
51.2456 U. S. Commercial.

UNCLASSIFIED

51.2457 Unclassified.

APPLICATION OF TOLERANCES

51.2458 Application of tolerances.

LENGTH OF TOPS

51.2459 Length of tops.

STANDARD BUNCHES

51.2460 Standard bunches.

DEFINITIONS

51.2461 Similar varietal characteristics.
51.2462 Firm.
51.2463 Fairly clean.
51.2464 Fairly well colored.

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

Sec.
51.2465 Fairly smooth.
51.2466 Well formed.
51.2467 Damage.
51.2468 Fresh.
51.2469 Full tops.
51.2470 Diameter.
51.2471 Serious damage.

AUTHORITY: §§ 51.2455 to 51.2471 issued under sec. 205, 60 Stat. 1090, 7 U. S. C. 1624; Pub. Law 156, 83d Cong.

GRADES

§ 51.2455 *U. S. No. 1.* "U. S. No. 1" consists of carrots of similar varietal characteristics the roots of which are firm, fairly clean, fairly well colored, fairly smooth, well formed, and which are free from soft rot, and free from damage caused by freezing, growth cracks, sunburn, pithiness, woodiness, internal discoloration, oil spray, dry rot, other disease, insects or mechanical or other means. Bunches shall have tops which are fresh and free from decay and free from damage caused by freezing, seedstems, yellowing or other discoloration, disease, insects or mechanical or other means. Unless otherwise specified, the bunches shall have full tops and the length of tops shall be not more than 20 inches. (See § 51.2459.)

(a) *Size.* Unless otherwise specified, the diameter of each carrot shall be not less than three-fourths inch.

(b) *Tolerances.* In order to allow for variations incident to proper grading and handling the following tolerances shall be permitted:

(1) *For defects of roots.* 10 percent, by count, for carrot roots in any lot which fail to meet the requirements of the grade, other than for size: *Provided,* That not more than one-half of this amount, or 5 percent, shall be allowed for defects causing serious damage, including therein not more than one percent for carrot roots affected by soft rot;

(2) *For defects of tops.* 10 percent, by count, for bunches in any lot which fail to meet the requirements of the grade, including therein not more than 5 percent for decay;

(3) *For off-length tops.* 25 percent, by count, for bunches in any lot which have tops longer than the specified length; and,

(4) *For off-size roots.* 5 percent, by count, for carrot roots in any lot which are smaller than the specified minimum diameter, and 10 percent, by count, for carrot roots which are larger than any specified maximum diameter.

§ 51.2456 *U. S. Commercial.* "U. S. Commercial" consists of carrots which meet the requirements of U. S. No. 1 except for the increased tolerance for defects of the roots specified below:

(a) *Tolerances.* In order to allow for variations incident to proper grading and handling the following tolerances shall be permitted:

(1) *For defects of roots.* 20 percent, by count, for carrot roots in any lot which fail to meet the requirements of the grade, other than for size: *Provided,* That not more than one-half of this amount, or 10 percent, shall be allowed for defects causing serious damage, including therein not more than 1 percent for carrot roots affected by soft rot;

(2) *For defects of tops.* 10 percent, by count, for bunches in any lot which fail to meet the requirements of the grade, including therein not more than 5 percent for decay;

(3) *For off-length tops.* 25 percent, by count, for bunches in any lot which have tops longer than the specified length; and,

(4) *For off-size roots.* 5 percent, by count, for carrot roots in any lot which are smaller than the specified minimum diameter, and 10 percent, by count, for carrot roots which are larger than any specified maximum diameter.

UNCLASSIFIED

§ 51.2457 *Unclassified.* "Unclassified" consists of carrots which have not been classified in accordance with either of the foregoing grades. The term "unclassified" is not a grade within the meaning of these standards, but is provided as a designation to show that no grade has been applied to the lot.

APPLICATION OF TOLERANCES

§ 51.2458 *Application of tolerances.* (a) The contents of individual packages in the lot, based on sample inspection, are subject to the following limitations, provided the averages for the entire lot are within the tolerances specified for the grade:

(1) For a tolerance of 10 percent or more, individual packages in any lot shall have not more than one and one-half times the tolerance specified, except that at least one defective and one off-size specimen may be permitted in a package; and

(2) For a tolerance of less than 10 percent, individual packages in any lot shall have not more than double the tolerance specified except that at least one defective and one off-size specimen may be permitted in a package.

LENGTH OF TOPS

§ 51.2459 *Length of tops.* In addition to the statement of grade, the length of tops may be specified in accordance with the following length classifications:

Short	Medium	Long	Extra long
Under 12 inches.	12 to 16 inches, inclusive.	Over 16 to 20 inches, inclusive.	Over 20 inches.

STANDARD BUNCHES

§ 51.2460 *Standard bunches.* (a) When specified as "standard bunches" the carrots shall meet the following requirements:

(1) Each bunch of carrots including tops, shall weigh not less than 1 pound and contain at least 4 carrots;

(2) When the diameter of the smallest carrot in the bunch is less than 1¼ inches, not over one-fourth inch variation in the size of carrots in the bunch shall be permitted;

(3) When the diameter of the smallest carrot in the bunch is 1¼ to 1¾ inches, inclusive, not over three-eighths inch variation in the size of carrots in the bunch shall be permitted; and,

(4) When the diameter of the smallest carrot in the bunch is larger than 1¾ inches, not over one-half inch variation in the size of carrots in the bunch shall be permitted.

(b) In order to allow for variations incident to proper bunching not more than 10 percent, by count, of the bunches may fail to meet the requirements for standard bunches.

DEFINITIONS

§ 51.2461 *Similar varietal characteristics.* "Similar varietal characteristics" means that the carrots in any lot are of the same general type. For example, carrots with a short, but blunt growth, like the Oxheart variety, shall not be mixed with long or half-long carrots, like the Imperator or Danvers varieties.

§ 51.2462 *Firm.* "Firm" means that the carrot is not soft, flabby or shriveled.

§ 51.2463 *Fairly clean.* "Fairly clean" means that the individual carrot is reasonably free from dirt, stain or other foreign matter and that the general appearance of the carrots in the lot is not more than slightly affected.

§ 51.2464 *Fairly well colored.* "Fairly well colored" means that the carrot has an orange, orange red, or orange scarlet color, but not a pale orange or distinct yellow color.

§ 51.2465 *Fairly smooth.* "Fairly smooth" means that the carrot is not rough, ridged, or covered with secondary rootlets to the extent that the appearance is materially affected.

§ 51.2466 *Well formed.* "Well formed" means that the carrot is not forked, or misshapen to the extent that the appearance is more than slightly affected.

§ 51.2467 *Damage.* "Damage" means any defect which materially affects the appearance, or the edible shipping quality of the individual carrot root, or the general appearance of the carrot roots in the container, or causes a loss of more than 3 percent, by weight, in the ordinary preparation for use, or which materially affects the appearance or shipping quality of the tops. Any one of the following defects, or any combination of defects, the seriousness of which exceeds the maximum allowed for any one defect, shall be considered as damage:

(a) Growth cracks which are not shallow or not smooth, or which materially affect the appearance of the carrot;

(b) Sunburn which causes a loss of more than 3 percent, by weight, in the ordinary preparation for use, except that superficial light green color at the stem end which does not materially affect the apearance of the root shall be permitted; and,

(c) Yellowing or other discoloration or injury to the tops when the appearance of the bunch is materially affected. The appearance of the individual bunch shall be considered materially affected when the tops are trimmed to the extent that only a relatively few leaves remain. The appearance of bunches with tops having slight discoloration such as yellowing, browning or other abnormal color affecting a few leaflets shall not be considered materially affected if the tops as

a whole show a predominantly normal green color.

§ 51.2468 *Fresh.* "Fresh" means that the tops are not badly wilted.

§ 51.2469 *Full tops.* "Full tops" means that the leafstems have not been cut back, but dried or damaged leaves or leafstems may have been removed.

§ 51.2470 *Diameter.* "Diameter" means the greatest dimension of the root measured at right angles to the longitudinal axis.

§ 51.2471 *Serious damage.* "Serious damage" means any defect which seriously affects the appearance, or the edible or shipping quality of the individual carrot or the general appearance of the carrots in the container, or causes a loss of more than 20 percent, by weight, in the ordinary preparation for use.

Dated: June 29, 1954.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator,
Marketing Services.

[F. R. Doc. 54-5058; Filed, July 1, 1954; 8:54 a. m.]

[7 CFR Part 51]

UNITED STATES STANDARDS FOR CARROTS WITH SHORT TRIMMED TOPS [1]

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the revision of United States Standards for Carrots With Short Trimmed Tops pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087 et seq., 7 U. S. C. 1621 et seq.) and the Department of Agriculture Appropriation Act, 1954 (Pub. Law 156, 83d Cong., approved July 28, 1953).

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

The proposed standards are as follows:

GRADES

Sec.
51.2485 U. S. No. 1.
51.2486 U. S. Commercial.

UNCLASSIFIED

51.2487 Unclassified.

APPLICATION OF TOLERANCES

51.2488 Application of tolerances.

STANDARD SIZING

51.2489 Standard sizing.

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

DEFINITIONS

Sec.
51.2490 Similar varietal characteristics.
51.2491 Firm.
51.2492 Fairly clean.
51.2493 Fairly well colored.
51.2494 Fairly smooth.
51.2495 Well formed.
51.2496 Damage.
51.2497 Diameter.
51.2498 Serious damage.

AUTHORITY: §§ 51.2485 to 51.2498 issued under sec. 205, 60 Stat. 1090, 7 U. S. C. 1624; Pub. Law 156, 83d Cong.

GRADES

§ 51.2485 *U. S. No. 1.* "U. S. No. 1" consists of carrots of similar varietal characteristics the roots of which are firm, fairly clean, fairly well colored, fairly smooth, well formed, and which are free from soft rot and free from damage caused by freezing, growth cracks, sunburn, pithiness, woodiness, internal discoloration, oil spray, dry rot, other disease, insects or mechanical or other means. The carrots shall have leafstems which are free from decay and free from damage caused by freezing, seedstems, yellowing or other discoloration, disease, insects or mechanical or other means. The leafstems shall be cut back to not more than 4 inches in length.

(a) *Size.* Unless otherwise specified, the diameter of each carrot shall be not less than three-fourths inch.

(b) *Tolerances.* In order to allow for variations incident to proper grading and handling the following tolerances shall be permitted:

(1) *For defects of roots.* 10 percent, by count, for carrot roots in any lot which fail to meet the requirements of the grade, other than for size: *Provided,* That not more than one-half of this amount, or 5 percent, shall be allowed for defects causing serious damage, including therein not more than 1 percent for carrot roots affected by soft rot;

(2) *For defects of leafstems.* 10 percent, by count, for carrots in any lot which have leafstems which fail to meet the requirements of the grade, including therein not more than 5 percent for leafstems affected by decay;

(3) *For off-size roots.* 5 percent, by count, for carrot roots in any lot which are smaller than the specified minimum diameter, and 10 percent, by count, for carrot roots which are larger than any specified maximum diameter; and,

(4) *For off-length leafstems.* 10 percent, by count, for carrots in any lot which have leafstems longer than the specified maximum length.

§ 51.2486 *U. S. Commercial.* "U. S. Commercial" consists of carrots which meet the requirements of U. S. No. 1 except for the increased tolerance for defects of the roots specified below:

(a) *Tolerances.* In order to allow for variations incident to proper grading and handling the following tolerances shall be permitted:

(1) *For defects of roots.* 20 percent, by count, for carrot roots in any lot which fail to meet the requirements of the grade, other than for size: *Provided,* That not more than one-half of this amount, or 10 percent, shall be allowed for defects causing serious damage, including therein not more than 1 percent for carrot roots affected by soft rot;

(2) *For defects of leafstems.* 10 percent, by count, for carrots in any lot which have leafstems which fail to meet the requirements of the grade, including therein not more than 5 percent for leafstems affected by decay;

(3) *For off-size roots.* 5 percent, by count, for carrot roots in any lot which are smaller than the specified minimum diameter and 10 percent, by count, for carrot roots which are larger than any specified maximum diameter; and,

(4) *For off-length leafstems.* 10 percent, by count, for carrots in any lot which have leafstems longer than the specified maximum length.

UNCLASSIFIED

§ 51.2487 *Unclassified.* "Unclassified" consists of carrots which have not been classified in accordance with either of the foregoing grades. The term "unclassified" is not a grade within the meaning of these standards but is provided as a designation to show that no grade has been applied to the lot.

APPLICATION OF TOLERANCES

§ 51.2488 *Application of tolerances.* (a) The contents of individual packages in the lot, based on sample inspection, are subject to the following limitations, provided the averages for the entire lot are within the tolerances specified for the grade:

(1) For packages which contain more than 5 pounds and a tolerance of 10 percent or more is provided, individual packages in any lot shall have not more than one and one-half times the tolerance specified. For packages which contain more than 5 pounds and a tolerance of less than 10 percent is provided, individual packages in any lot shall have not more than double the tolerance specified except that at least one defective specimen shall be permitted in a package; and,

(2) For packages which contain 5 pounds or less, individual packages in any lot are not restricted as to the percentage of defects: *Provided,* That not more than one carrot which is frozen or affected by soft rot may be permitted in any package.

STANDARD SIZING

§ 51.2489 *Standard sizing.* (a) Carrots in packages of 2 pounds or less may be certified as "Standard Sizing", provided the variation in diameter of the carrots in any individual package is not more than three-eighths inch and the variation in length is not more than 2½ inches.

(b) Not more than 20 percent of the packages in any lot may contain carrots which fail to meet the requirements for "Standard Sizing".

DEFINITIONS

§ 51.2490 *Similar varietal characteristics.* "Similar varietal characteristics" means that the carrots in any lot are of the same general type. For example,

carrots with a short, but blunt growth, like the Oxheart variety, shall not be mixed with long or half-long carrots, like the Imperator or Danvers varieties.

§ 51.2491 *Firm.* "Firm" means that the carrot is not soft, flabby or shriveled.

§ 51.2492 *Fairly clean.* "Fairly clean" means that the individual carrot is reasonably free from dirt, stain or other foreign matter and that the general appearance of the carrots in the lot is not more than slightly affected.

§ 51.2493 *Fairly well colored.* "Fairly well colored" means that the carrot has an orange, orange red, or orange scarlet color, but not a pale orange or distinct yellow color.

§ 51.2494 *Fairly smooth.* "Fairly smooth" means that the carrot is not rough, ridged, or covered with secondary rootlets to the extent that appearance is materially affected.

§ 51.2495 *Well formed.* "Well formed" means that the carrot is not forked, or misshapen to the extent that the appearance is more than slightly affected.

§ 51.2496 *Damage.* "Damage" means any defect which materially affects the appearance, or the edible or shipping quality of the individual carrot root or the general appearance of the carrot roots in the container, or causes a loss of more than 3 percent, by weight, in the ordinary preparation for use, or which materially affects the appearance or shipping quality of the leafstems. Any one of the following defects, or any combination of defects, the seriousness of which exceeds the maximum allowed for any one defect, shall be considered as damage:

(a) Growth cracks which are not shallow or not smooth, or which materially affect the appearance of the carrot;

(b) Sunburn which causes a loss of more than 3 percent, by weight, in the ordinary preparation for use, except that superficial light green color at the stem end which does not materially affect the appearance of the root shall be permitted; and,

(c) Yellowing or other discoloration or injury to the leafstems when the appearance of the leafstems is materially affected.

§ 51.2497 *Diameter.* "Diameter" means the greatest dimension of the root measured at right angles to the longitudinal axis.

§ 51.2498 *Serious damage.* "Serious damage" means any defect which seriously affects the appearance, or the edible or shipping quality of the individual carrot or the general appearance of the carrots in the container, or causes a loss of more than 20 percent, by weight, in the ordinary preparation for use.

Dated: June 29, 1954.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator,
Marketing Services.

[F. R. Doc. 54-5057; Filed, July 1, 1954; 8:54 a. m.]

[7 CFR Part 927]

[Docket No. AO-71-A27]

HANDLING OF MILK IN NEW YORK METROPOLITAN MILK MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED AMENDMENT 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 New York metropolitan milk 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 publication of this decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. The hearing, on the record of which the findings, conclusions and proposed amendment hereinafter set forth were formulated, was held at Syracuse, New York on May 6, 1954, pursuant to notice issued on April 27, 1954 (19 F. R. 2521).

The only material issue presented on the record relates to amendment of the order so as to provide for appropriate classification and pricing of milk used in "half and half".

Findings and conclusions. It is concluded that the order should be amended to classify and price milk the butterfat from which is utilized in "half and half" the same as milk from which the butterfat is now utilized in cream; that is, in Class II if utilized in the marketing area and in Class III if utilized elsewhere. In addition, the order should be amended to make the fluid skim differential applicable to the skim milk derived from Class II or Class III milk utilized or disposed of in the form of "half and half" within the marketing area. For skim milk in "half and half" utilized or disposed of outside the marketing area, the fluid skim differential should not apply.

The Agriculture and Markets law of the State of New York was amended at the 1954 session of the New York State Legislature to define and authorize the sale of a product known as "half and half". The law, as so amended, defines such products as "a mixture of cream and milk or skimmed milk. This mixture shall contain not less than 10 percent of milk fat." Prior to the enactment of this law, the product now defined as "half and half" could not legally be sold in the State of New York.

The bill legalizing the sale of "half and half" in the State of New York was introduced and sponsored in the Legislature by the State of New York Joint Legislative Committee on Imitation Milk Products and Problems. The apparent primary objective of such committee in this connection was to stimulate the consumption of additional milk and butterfat in forms returning a higher price to producers than would be returned when otherwise utilized. It was indicated that, based on experience in other markets, the committee considered "half and half" to constitute a means of accomplishing that objective.

Proponents indicated at the hearing that they expect "half and half" to be offered for sale in consumer packages directly to consumers on retail routes and in stores and also in bulk or packaged form to such outlets as hotels and restaurants and there served as a mix for coffee, cereals, berries and other similar uses. For household use, the product apparently would be sold in competition with numerous other products certainly including milk and cream as such, as well as evaporated milk at least to the same extent as evaporated milk now competes with fresh milk and cream. For hotel and restaurant use, it was indicated that "half and half" would be in direct competition with numerous products and mixes prepared from a variety of ingredients including fluid milk, fluid cream, fluid skim milk, plain condensed milk, condensed skim milk, and evaporated milk. All of such ingredients are readily available for use by hotels and restaurants in preparing mixtures for the same uses as contemplated for "half and half".

It was proposed at the hearing that the milk equivalent of the butterfat in "half and half" sold outside the marketing area be classified in Class III, the same as when used in cream, on the basis that (1) pool handlers otherwise would not be able to compete with nonpool handlers who are in a position to buy milk for use in "half and half" at about the Class III price, or to buy cream and skim milk both from pool handlers and from other sources at about the same level as the Class III price, and (2) the same price for milk should apply whether a handler sold cream and skim milk or "half and half" as such. For "half and half" sold in the marketing area, it was proposed that the milk the butterfat from which is so used be priced at the Class II price and that no additional charge be made for the skim milk in the product on the basis that such pricing would be in line with important competing products such as plain condensed milk, condensed skim milk and evaporated milk. It was also contended, in support of this proposed pricing, that for "half and half" sold in place of competing products such as condensed and evaporated milk currently used in cereal and coffee mixtures, producers would gain by the amount of the difference between the Class II and Class III prices.

This proposed pricing for milk used for "half and half" sold in the marketing area appears not to reflect adequate consideration of the contemplated sale of "half and half" in competition with fluid milk, fluid cream and fluid skim milk.

If milk used in making "half and half" is priced so that sales of "half and half" displaced sales of fluid milk or fluid skim milk the return to producers would be reduced. For the year 1953, the class I–A, Class II and Class III prices averaged $5.23, $3.97 and $3.22, respectively. Between the Class I–A price and the Class II price, there was an average difference of $1.26. The average difference between the Class II price and the Class III price was 75 cents. Thus, at 1953 prices, a loss of about 60 pounds of fluid milk sales at the Class I–A price, resulting from the substitution of "half and half", would offset the gain resulting from the sale of 100 pounds of milk at the Class II price used in "half and half" which displaced sales of plain condensed or evaporated milk. While there is no experience in the market on which to base a determination, it appears reasonable to expect that "half and half" at least to some extent would displace sales of fluid whole milk and fluid skim milk if it is offered for sale at prices lower than would be charged for the required amounts of cream and skim milk or milk from which the customer could prepare his own mixture. In order to avoid a reduction in the return to producers resulting from any such shift to "half and half" by customers which otherwise would buy fresh fluid whole milk or skim milk, it is concluded that the ingredients for "half and half" should be priced so that "half and half", as far as the producer price is concerned, will compete with alternative products such as plain condensed and evaporated milk on about the same basis as fresh fluid cream and milk or skim milk when purchased separately.

As a means of attaining that objective, milk the butterfat from which leaves the plant in the form of "half and half" for use in the marketing area should be priced at the Class II price and the fluid skim differential should be paid on skim milk contained in "half and half" for use in the marketing area when the skim milk is derived from Class II or Class III milk. For the skim milk in fluid milk used at a plant in the marketing area to make "half and half" the fluid skim differential should not apply since an equivalent charge would be included in the Class I–A price paid for such milk.

Milk the butterfat from which is used in "half and half" distributed outside the marketing area should be priced at the Class III price for the reasons advanced by proponents and previously set forth herein. Since the fluid skim differential does not apply to skim milk for other fluid uses outside the marketing area (and no proposal to make it apply was considered on this record), there appears to be no justification for applying the fluid skim differential to skim milk used in "half and half" distributed outside the marketing area.

Effectuation of the conclusions herein set forth requires amendment not only of the Class II and Class III definitions (§ 927.37 (d) and (e) (1)) and the fluid skim differential provision (§ 927.44), but also of several other provisions of the order. Section 927.77 (cream payments) should be amended to make the payments now required when butterfat in storage cream is used in or assigned to sour cream or reconstituted cream apply also to butterfat in storage cream used in or assigned to "half and half" in the marketing area. "Half and half" is a fluid product similar in nature to those to which the payments required under §§ 927.78 and 927.79 apply when derived from milk received at a nonpool plant or from milk the source of which is not established. Accordingly, those sections should be amended by adding "half and half" to those products now listed. In addition, the term "half and half" should be added to the listings of Class I–A and Class II products which appear in §§ 927.7 (handler definition), 927.30 (basis of classification), 927.31 (burden of proof) and 927.35 (accounting procedure). Also, as in the case of other products named in the order, it will be necessary to formulate a specific definition of "half and half" under rules and regulations authorized pursuant to § 927.36.

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. Briefs were filed on behalf of interested persons. The briefs contained suggested findings of facts, conclusions, and arguments with respect to the proposals considered at the hearing. Every point covered in the briefs was carefully examined along with the evidence in the record in making the findings and reaching the conclusions hereinbefore set forth. To the extent that the suggested findings and conclusions are inconsistent with the findings and conclusions contained herein, the request to make such findings or to reach such conclusions is denied.

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

1. Add the term "half and half" immediately following the word "cream" in §§ 927.7, 927.30, 927.31 and 927.35 (a).

2. Amend § 927.37 (d) by adding the term "half and half" in two places immediately ahead of the term "fluid cream products".

3. Amend § 927.37 (e) (1) by adding the term "half and half", first, immediately following the words "in the form of cream", and, second, immediately following the words "which cream".

4. Amend § 927.44 to read as follows:

§ 927.44 *Fluid skim differential.* For skim milk derived from Class II or Class III milk which skim milk enters the marketing area in the form of milk, fluid skim milk, half and half, cream, or cultured milk drinks and there utilized or disposed of in the form of milk, fluid skim milk, half and half, or cultured milk drinks, and for all other skim milk derived from Class II or Class III milk which is not established to have been otherwise utilized or disposed of, the handler shall pay a fluid skim differential per hundredweight computed as follows: Deduct the price of Class II milk computed pursuant to § 927.40 (e) from the price for Class I–A milk computed pursuant to § 927.40 (a), and divide by 0.9125.

5. Amend § 927.77 by adding the term "half and half" immediately following the words "sour cream".

6. Amend § 927.78 by adding the term "half and half" first, immediately following the term "cream" in paragraph (a), second, immediately following the term "cream" in the proviso of subparagraph (b) (2), and third, within the parenthesis immediately ahead of the words "or in cultured milk drinks" in the last sentence of paragraph (b) (2) and (3).

7. Amend § 927.79 by adding the term "half and half" immediately following the term "cream" first, in paragraph (a), and second, in paragraph (b) (2).

Filed at Washington, D. C., this 29th day of June 1954.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator.

[F. R. Doc. 54–5062; Filed, July 1, 1954; 8:55 a. m.]

[7 CFR Part 951]

TOKAY GRAPES GROWN IN SAN JOAQUIN AND SACRAMENTO COUNTIES IN CALIFORNIA

EXPENSES AND FIXING OF RATE OF ASSESSMENT FOR 1954–55 SEASON

Consideration is being given to the following proposals which were submitted by the Industry Committee, established under the marketing agreement, as amended, and Order No. 51, as amended (7 CFR Part 951; 18 F. R. 4902); regulating the handling of Tokay grapes grown in San Joaquin and Sacramento Counties in California, as the agency to administer the terms and provisions thereof:

(a) That the Secretary of Agriculture find that expenses not to exceed $39,870.00 are likely to be incurred by said committee during the season beginning April 1, 1954, and ending March 31, 1955, both dates inclusive, for its maintenance and functioning under the aforesaid amended marketing agreement and order; and

(b) That the Secretary of Agriculture fix, as the share of such expenses which each handler who first ships grapes shall pay in accordance with the provisions of the aforesaid amended marketing agreement and order during the aforesaid season, the rate of assessment at $0.008 per standard package, or the equivalent thereof in weight, of Tokay grapes shipped by such handler during said season.

All persons who desire to submit written data, views, or arguments for consideration in connection with the aforesaid proposals may do so by mailing the same to the Director, Fruit and Vegetable Division, Agricultural Marketing Service, Room 2077, South Building, Washington 25, D. C., not later than the 10th day after the publication of this notice in the FEDERAL REGISTER.

Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order.

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

Dated: June 29, 1954.

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

[F. R. Doc. 54-5059; Filed, July 1, 1954; 8:54 a. m.]

[7 CFR Part 967]

[Docket No. AO 170-A8]

MILK IN THE SOUTH BEND-LA PORTE, INDIANA, MARKETING AREA

NOTICE OF HEARING ON PROPOSED AMENDMENTS TO TENTATIVELY APPROVED MARKETING AGREEMENT AND TO ORDER, AS AMENDED, REGULATING HANDLING

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held in The Gold Room, Oliver Hotel, South Bend, Indiana, on July 6, 1954, at 10:00 a. m., c. d. t.

The hearing is for the purpose of receiving evidence with respect to economic and marketing conditions which relate to the handling of milk for the South Bend-La Porte, Indiana, marketing area and to the proposed amendments set forth herein below, or modifications thereof, to the tentative marketing agreement as heretofore approved by the Secretary of Agriculture and to the order, as amended, regulating the handling of milk in the said marketing area. The amendments proposed have not received the approval of the Secretary of Agriculture.

The following amendments have been proposed:

By the Pure Milk Association:

1. Amend § 967.9 to include:

Producer means a dairy farmer whose milk is:

(a) Received at an approved plant in cans directly from the farm where produced, or

(b) Qualified to be received at an approved plant and is held at farm where produced in a bulk tank and delivered to a handler in bulk form.

2. Amend § 967.13 to include:

(e) Receives milk in bulk form from producers defined in § 967.9.

3. Amend §§ 967.51, 967.52, 967.70, 967.71 and 967.80 to provide for charging handlers, computation and payment to producers:

Bulk tank producers (§ 967.9) shall be paid 15 cents per hundredweight more than the uniform price otherwise determined.

4. Change § 967.51 (a) to read:

(a) To the basic formula price for 3.5 percent butterfat milk add the following amount for the delivery periods indicated, i. e.;

January through July, both inclusive, $1.00, and August through December, both inclusive, $1.30:

Provided, That such amount shall be increased or decreased, respectively, 3 cents for each full percent that the current supply-demand ratio is greater or less than 72 percent but such adjustment shall not exceed 24 cents.

By the Reliable Dairy Company, Inc., Suabedissen-Wittner Dairy, Inc., National Milk Company, Inc., Mishawaka Farmers Dairy, Inc., Fertile Acres Dairy, Indiana Dairy Company, Debeck's Sanitary Dairy, West End Dairy, Riverside Dairy Company, South Bend Pure Milk Company, Coussens Dairy, Oak Ridge Dairy and Creamery:

5. Amend § 967.51 (a) to read as follows:

(a) Add to the basic formula price (3.5 percent milk) the following amount for the delivery period indicated: May and June, $0.70; July through November, inclusive, $1.30; and December through April, inclusive, $0.80: *Provided*, That such Class I price differential shall be increased or decreased, respectively, 3 cents for each full percent that the current supply-demand ratio is greater or less than 72 percent.

By the Pure Milk Association:

6. Amend § 967.52 (c) to read:

(c) The price per hundredweight for milk of 3.5 percent butterfat content shall be the price announced by the market administrator of Order 41 for Class IV milk.

7. Include § 967.63 to read:

(a) *Computation of base.* For each of the months of April, May, June and July, the market administrator shall compute a base for each producer as follows, subject to the base rules:

(1) Divide the total pounds of milk received from each producer during the months of September, through December immediately preceding, by the number of days (not to be less than 75) such producer delivered milk to a pool plant or produced milk qualified to be so delivered:

Provided, That any producer for whom a base has been computed shall have the option upon notice in writing given to the market administrator before the end of January preceding, to relinquish his base for any current year and to be allotted a base calculated in the manner provided in subparagraph (2) of this paragraph.

(2) Any producer who has not established a base or who elects to relinquish his base provided in subparagraph (1) of this paragraph, shall be assigned a base for each of months of April, May, June and July, calculated by the market administrator as follows:

(i) From the total quantity of producer milk delivered during the preceding delivery period, subtract deliveries by producers who have not established a base or who have relinquished their base;

(ii) Determine the percentage that base milk is of the remainder as calculated in subparagraph (1) of this paragraph and deduct 15 for April, May and June, and 10 for July;

(iii) The resultant percentage shall be applied to each such producer's average daily deliveries.

(b) *Base rules.* Any base computed pursuant to the provision of this section shall be subject to the following rules:

(1) Any base computed pursuant to the provisions of paragraph (a) (1) of this section, shall be held in the name of the individual producer and may be transferred only at his option and subject to the other rules.

(2) A producer may transfer his base to another producer by giving notice in writing to the market administrator, provided that

(i) The milk to which the transferred base shall apply is produced on the same farm from which such base was earned; and

(ii) In the case of the death of a producer holding a base, such base may be so transferred upon notice in writing to the market administrator from any member of the deceased producer's immediate family.

(3) If a producer operates more than one farm he must establish a separate base with respect to milk from each farm, provided that if such a producer elects to relinquish an earned base with respect to milk from one farm, he must do so with respect to all farms.

(4) The market administrator shall notify each handler of the base of each producer then delivering milk to such

handler, each cooperative association of the base of each member of such cooperative association and each producer who is not a member of any cooperative association of the base of such producer, not later than the 15th day of March, each year.

8a. Include § 967.73 to read:

§ 967.73 *Determination of price for base milk and excess milk.* For each of the months of April, May, June and July, the price per hundredweight of excess milk shall be the price of Class II milk computed pursuant to § 967.52 for the respective month adjusted to the next full cent.

b. To § 967.80 add (d) to read:

(d) During each of the months of April, May, June and July, producers shall be paid for base and excess milk, respectively, the prices determined under § 967.73.

9a. Add § 967.15 to read:

(a) *Base.* "Base" means a quantity of milk, expressed in pounds per day, computed pursuant to § 967.63.

(b) *Base milk.* "Base milk" means milk received from a producer during any of the months of April, May, June or July, which is not in excess of such producer's base multiplied by the number of days' production which is received by a handler.

b. Add § 967.16 to read:

§ 967.16 *Excess milk.* "Excess milk" means milk received from a producer during any of the months of April, May, June and July in excess of base milk received from such producer during such month.

By the Dairy Division, Agricultural Marketing Service:

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

Copies of this notice of hearing and of the said order, as amended, may be procured from the Market Administrator, 407 Strauss Building, Fort Wayne 2, Indiana, or from the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., or may be there inspected.

Dated: June 29, 1954.

[SEAL] ROY W. LENNARTSON, *Deputy Administrator.*

[F. R. Doc. 54-5056; Filed, July 1, 1954; 8:54 a. m.]

NOTICES

DEPARTMENT OF THE TREASURY

Office of the Secretary

CHARTER OF FEDERAL FACILITIES CORPORATION

Whereas under Executive Order No. 10539, dated June 22, 1954, the Secretary of the Treasury is authorized and directed to cause to be organized a corporation under the authority of section 10 of the Rubber Act of 1948;

Now, therefore, it is stated that:

SECTION 1. For the purpose of producing and selling synthetic rubber and performing any other functions, as directed by the President or Congress, there is hereby created a corporation to be known as Federal Facilities Corporation (hereinafter referred to as the "Corporation"), which shall be an agency and instrumentality of the United States.

SEC. 2. The management of the Corporation shall be vested in an Administrator, who shall be appointed by and subject to the direction and supervision of the Secretary of the Treasury. The Administrator shall receive such salary as shall be fixed by the Secretary of the Treasury.

SEC. 3. The Corporation shall have succession until terminated by the President of the United States or by act of Congress.

SEC. 4. The principal office of the Corporation shall be located in the District of Columbia. The Corporation may establish agencies or branch offices in such other place or places as it may deem necessary or appropriate in the conduct of its business.

SEC. 5. The Corporation shall have power:

(a) To adopt, alter, and use a corporate seal.

(b) To make, enter into and perform such contracts or other transactions as may be necessary or appropriate in the conduct of its business and on such terms as it may deem appropriate.

(c) To acquire in any lawful manner, any property, real, personal or mixed, tangible or intangible, or any interest therein, with the right to hold, maintain, use and operate the same and to sell, lease, or otherwise dispose of the same at such time, in such manner, and to the extent deemed necessary or appropriate to transact and carry out the business of the Corporation.

(d) To sue and be sued, to complain and to defend, in any court of competent jurisdiction, State or Federal.

(e) To select, employ, appoint and fix and pay the compensation of such officers, employees, attorneys and agents, as shall be necessary for the transaction of the business of the Corporation, in accordance with laws applicable to the Corporation, including the Civil Service Laws and Classification Act, to vest them with such powers and duties as the Corporation may determine, to require bonds for the faithful performance of their duties and to pay the premiums therefor; and to contract for the services of and negotiate and pay the compensation of such consultants as shall be necessary for the transaction of the business of the Corporation.

(f) To prescribe, adopt, amend, and repeal, by-laws, rules and regulations governing the manner in which its business may be conducted.

(g) Subject to the Government Corporation Control Act and to pertinent provisions of law affecting Government Corporations, to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid.

(h) To use the United States Mails in the same manner as the executive departments of the Government.

(i) To use the funds, revenues and receipts of the Corporation, for the performance of its functions, including the payment of administrative expenses.

(j) To utilize the Federal Reserve Banks as custodians and fiscal agents in connection with performance of the functions of the Corporation and to reimburse such Federal Reserve Banks for such services in such manner as may be agreed upon.

(k) To utilize the available services and facilities of other agencies and instrumentalities of the Federal Government and to reimburse them in such manner as may be agreed upon.

(l) To take such actions and exercise such other powers as may be necessary or appropriate to carry out the purposes and functions of the Corporation.

SEC. 6. The Corporation shall assume at the close of June 30, 1954, the performance on behalf of the Government of all existing contracts and the exercise of all existing rights held by the Reconstruction Finance Corporation in connection with the Government's synthetic rubber and tin programs.

SEC. 7. The Corporation shall have, in the payment of debts out of bankrupt, insolvent, or decedents' estates, the priority under section 3466 of the Revised Statutes (31 U. S. C., Sec. 191).

SEC. 8. The Corporation shall issue to the Secretary of the Treasury, a certificate or certificates or other document or documents evidencing the ownership of the Corporation by the United States and acknowledging the receipt by the Corporation of and the responsibility and accountability for, assets, funds, documents, property and liabilities, assigned and transferred, in accordance with law or other authority, to the Corporation by the President, the Congress, or any instrumentality of the Government. Any funds surplus to the needs of the Corporation shall be paid into miscellaneous receipts of the Treasury, whenever and to the extent possible and appropriate and based upon the financial condition, duties, responsibilities, obligations and liabilities of the Corporation.

SEC. 9. No Administrator, officer, attorney, agent, employee or consultant of the Corporation shall participate in any manner, directly or indirectly, in the Corporation's deliberation upon or the determination of any matter affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.

SEC. 10. The Corporation shall be subject to the Government Corporation Control Act.

SEC. 11. If any provision of this Charter or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this Charter, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 12. The right to alter, amend or repeal this Charter is expressly reserved.

In witness whereof, the Secretary of the Treasury has executed this Charter under his official seal, this 30th day of June 1954.

[SEAL] G. M. HUMPHREY,
Secretary of the Treasury.

[F. R. Doc. 54-5109; Filed, June 30, 1954; 4:24 p. m.]

[Treasury Dept. Order 181]

ESTABLISHMENT OF OFFICES AND TRANSFER OF FUNCTIONS PERTAINING TO LIQUIDATION AND LENDING

By virtue of the authority vested in me as Secretary of the Treasury, including the authority in Reorganization Plan No. 26 of 1950, it is ordered as follows:

1. There are transferred to Assistant to the Secretary Robbins all of the functions of the Secretary of the Treasury under section 10 of the Reconstruction Finance Corporation Act, as amended.

2. There is established in the Office of the Secretary the Office of Defense Lending, at the head of which there shall be an Executive Director. The Office of Defense Lending shall consist of such personnel in addition to the Executive Director as may be assigned to it from time to time.

3. There are transferred to the Executive Director of the Office of Defense Lending all of the functions of the Secretary of the Treasury under section 409 of the Federal Civil Defense Act of 1950 and section 302 of the Defense Production Act of 1950, as amended.

4. The Executive Director of the Office of Defense Lending and the Administrator of the Federal Facilities Corporation shall report to Assistant to the Secretary Robbins, who shall report to the Deputy to the Secretary.

5. The Reconstruction Finance Corporation, the Office of Defense Lending, and the Federal Facilities Corporation shall be subject to the provisions of Department Circular No. 519, dated June 20, 1934, relating to the administration of legal activities by the General Counsel.

6. This order shall become effective July 1, 1954.

Dated: June 30, 1954.

[SEAL] G. M. HUMPHREY,
Secretary of the Treasury.

[F. R. Doc. 54-5129; Filed, July 1, 1954; 11:09 a. m.]

DEPARTMENT OF DEFENSE

Department of the Navy

ORGANIZATION STATEMENT

MISCELLANEOUS AMENDMENTS

In Organization Statement of the Department of the Navy published at 16 F. R. 12573–12590, delete section IV, under *Secretary of the Navy*, appearing at 16 F. R. 12574, section VII. B. (b) (2), (13) and (14) under *Bureau of Medicine and Surgery*, appearing at 16 F. R. 12581, section VII. G. *Bureau of Yards and Docks*, appearing at 16 F. R. 12585, as amended, 18 F. R. 3460, and insert the following in lieu thereof:

SEC. IV. *Secretary of the Navy.* The Naval Establishment is subject to the general direction and control of the President of the United States as Commander in Chief and of the Secretary of Defense as head of the Department of Defense. The immediate direction and control, however, are exercised by the Secretary of the Navy. The Secretary retains the general responsibility for supervision of all naval affairs while delegating certain responsibilities to his Civilian Executive Assistants and Naval Professional Assistants. The Secretary is directly responsible for the first of the four basic tasks or functions of the Navy Department, the task of policy control; additionally, he is directly concerned with relations with the public and principal Government officials, morale, and welfare matters. He communicates directly with all principal officials and officers of the Naval Establishment, as necessary or desirable, remaining available for direct consultation by such officials and officers. In the formulation and administration of naval policies, the Secretary avails himself of the advice and assistance of his Civilian Executive Assistants and of his Naval Professional Assistants: the Naval Command Assistant, the Marine Corps Command Assistant, the Commandant of the Coast Guard (when assigned to the Navy), and the Naval Technical Assistants.

During the temporary absence of the Secretary of the Navy, the Undersecretary of the Navy, the Assistant Secretary of the Navy, the Assistant Secretary of the Navy for Air, and the Chief of Naval Operations, in that order are next in succession to act as the Secretary of the Navy. In the absence of the Chief of Naval Operations, the Vice and Deputy Chiefs of Naval Operations are next in succession in accordance with relative rank.

SEC. VII *Naval Technical Assistants.*
* * *

B. *Bureau of Medicine and Surgery.*
* * *

(b) * * *

(2) It provides for the organization and administration of the naval medical and dental installations, including naval hospitals, naval medical centers, infirmaries, dispensaries, preventive medicine units, medical research units and laboratories, and technical schools for Medical Department personnel.

* * * * *

(13) It is responsible for medical and dental materials used in the Naval Establishment.

(14) It compiles and analyzes detailed statistical data on sickness, diseases and injuries.

* * * * *

G. *Bureau of Yards and Docks.* (a) The duties of the Bureau of Yards and Docks are performed under the authority of the Secretary of the Navy, and its orders are considered as emanating from him, and have full force and effect as such (5 Stat. 530; 5 U. S. C. 430). The Bureau is directed by the Chief of the Bureau of Yards and Docks who is appointed by the President by and with the advice and consent of the Senate for a term of four years (12 Stat. 510; 5 U. S. C. 432). The Deputy and Assistant Chief performs the duties of the Chief in the latter's absence (39 Stat. 558; 5 U. S. C. 445).

(b) The Bureau performs the following functions:

(1) The Bureau of Yards and Docks is responsible, with certain exceptions, for the design, planning, development, procurement, construction, alteration, and cost estimates, at all shore activities of the Naval Establishment, of public works, public utilities, construction, transportation, and weight-handling equipment (except that of the Marine Corps and such equipment as is assigned to another bureau or office), and similar responsibilities with respect to certain service craft to wit: floating dry docks, floating cranes, dredges, floating pile drivers and floating power barges. The Bureau also supervises the construction of private plant facilities and extensions financed with Naval funds.

(2) The Bureau is responsible also for the repair of the facilities enumerated above, when beyond the capacity of the local force employed, at all activities, with funds supplied by the bureau or office having management control; for determining and authorizing the rates of sale of utility services to private parties, coordinate branches of the Government, and welfare activities within the Naval Establishment; for the acquisition and disposal of real estate, and the maintenance of records thereof, except for Marine Corps leases, and the custody of real property no longer required for the use to which assigned; for making an annual survey of public works, public utilities, and construction, transportation, and weight-handling equipment at all shore activities of the Navy, and submitting appropriate recommendations in connection therewith to the responsible bureaus and offices having management control; for coordinating the procurement of utility services required by shore activities of the Naval Establishment; for maintaining liaison for the Depart-

ment of the Navy with all public and private interests in regard to offstation access roads, housing, and related community facilities and services serving the shore establishment; for maintaining a record of the location of all transportation and construction equipment of the Navy, and assigning Navy registration numbers thereto, except railroad cars registered in interchange service; for the development, procurement, and distribution of materials and appliances for defense ashore against chemical, biological, and radiological warfare, except instruments for detection, identification and/or measurement of radioactivity and biological agents; for supporting and administering the Department of the Navy Central Housing Office; and for making engineering feasibility studies including estimates of cost and recommended site locations of new, and expansion of existing shore facilities, from the basic planning criteria.

(3) The Bureau of Yards and Docks, with certain exceptions, exercises technical control of: the alteration, repair, upkeep and inspection of public works and public utilities, and the operating standards and procedures pertaining thereto; the repair, and upkeep of, and operating standards and procedures for, construction, transportation, and weight-handling equipment, except Marine Corps equipment and specialized equipment assigned for technical control to another bureau or office; civil engineering standards and procedures; fire prevention and fire protection at shore activities, except for aircraft crash fires and explosive and ammunition fires; organization, equipment, and operational procedures of the Naval construction forces; operation of automotive vehicles insofar as public laws pertain and the Secretary of the Navy directs; administration of all rental housing under the jurisdiction of the Navy Department; standard limitations of expenditures for repair and alteration of public quarters of the Navy, and for repair and replacement of furniture therein, including the preparation and promulgation of allowance lists of furniture for public quarters.

(4) The Bureau of Yards and Docks exercises management control, with certain exceptions, of those commands and organizations established as separate activities of the shore establishment whose primary functions are the organization and equipping of units of the Naval Construction Forces; and the procurement, receipt, preservation, storage, assembly, accounting for, issue, and shipment of Yards and Docks Advance Base component material and equipment; research, test, and development pertaining to public works construction materials, equipment and methods; representing the Bureau of Yards and Docks within a specifically prescribed geographic area; design, construction, alteration, inspection, repair, upkeep, and the administrative supervision of operations of public works and public utilities within the individual Naval Districts, and transportation, construction, and weight-handling equipment as assigned; administration of public works and public utilities design contracts and construction contracts; and inspection, operation, repair, and upkeep of the public works and public utilities, and construction, transportation and weight-handling equipment of various naval activities within a specifically prescribed geographic area. By principal categories, these activities are: District Public Works Offices, Naval Construction Battalion Centers, Public Works Centers, Overseas Divisions, Officers-in-Charge of Construction, and the Naval Civil Engineering Research and Evaluation Laboratory.

(5) The Bureau of Yards and Docks' responsibilities include technical assistance and advice to the Bureau of Naval Personnel in connection with the training of Construction Battalions, personnel known as "Seabees," and technical assistance and advice to the Chief of Naval Operations relative to the assignment and work of the "Seabees." It is responsible for the design and assembly at ports of embarkation and debarkation of all equipment and materials necessary for the operation of naval construction battalions at advance bases, and collaborates with the Bureau of Supplies and Accounts in the procurement of this equipment and materials.

(c) To perform the functions for which the Chief of the Bureau is responsible, the Bureau of Yards and Docks is organized as follows:

Chief of Bureau:
- Deputy and Assistant Chief of the Bureau:
  - Inspector General.
  - Counsel.
  - Comptroller.
  - Assistant Chief for Administration and Personnel.
  - Assistant Chief for Construction and Real Estate.
  - Assistant Chief for Maintenance and Materiel.
  - Assistant Chief for Planning and Design.

C. S. THOMAS,
Secretary of the Navy.

JUNE 24, 1954.

[F. R. Doc. 54-5040; Filed, July 1, 1954; 8:50 a. m.]

POST OFFICE DEPARTMENT

ASSISTANT POSTMASTER GENERAL, BUREAU OF TRANSPORTATION

DELEGATIONS OF AUTHORITY

1. Following are the texts of orders of the Postmaster General delegating certain authority to the Assistant Postmaster General, Bureau of Transportation:

[Order No. 55538]

FEBRUARY 8, 1954.

Pursuant to authority of section 1 (b) of Reorganization Plan No. 3 of 1949 (63 Stat. 1066), the Assistant Postmaster General, Bureau of Transportation (including any person acting as such officer) is hereby authorized to redelegate to such officers and employees under his jurisdiction as he shall designate, each to take final action in his own name, the authority vested in the Assistant Postmaster General, Bureau of Transportation, by Order No. 55064 dated March 5, 1953 (18 F. R. 8458), with respect to the handling of matters relating to the transportation of mail by star routes, but not including the award of contracts or the establishment of new star routes.

[Order No. 55586]

MARCH 23, 1954.

Pursuant to authority of section 1 (b) of Reorganization Plan No. 3 of 1949 (63 Stat. 1066), authority is hereby delegated as follows:

(1) To the Assistant Postmaster General, Bureau of Transportation (including any person acting as such officer) to redelegate to such officers and employees under his jurisdiction as he shall designate, each to take final action in his own name, the authority vested in the Assistant Postmaster General, Bureau of Transportation, by Order No. 55064 dated March 5, 1953 (18 F. R. 8458), with respect to the handling of matters relating to the transportation of mail by mail messenger routes, including the issuance of advertisements for bids, the acceptance of bids and designation of mail messengers, and the establishment, discontinuance and modification of mail messenger routes;

(2) To the Assistant Postmaster General, Bureau of Transportation (including any person acting as such officer), to redelegate to such officers and employees as he shall designate, each to take final action in his own name, the authority vested in the Assistant Postmaster General, Bureau of Transportation, by Order No. 55141 dated May 1, 1953 (18 F. R. 8458), with respect to the handling of matters relating to the transportation of mail by screen wagon routes, but not including the award of contracts or the establishment of new screen wagon routes.

2. The following are the texts of orders issued by the Assistant Postmaster General, Bureau of Transportation, redelegating certain authority delegated to him by the Postmaster General:

[Order No. 00468]

FEBRUARY 16, 1954.

Pursuant to authority of section 1 (b) of Reorganization Plan No. 3 of 1949 (63 Stat. 1066), and order of the Postmaster General No. 55538 dated February 8, 1954, the authority vested in the Assistant Postmaster General, Bureau of Transportation by Order No. 55064 dated March 5, 1953 (18 F. R. 8458), is redelegated to General Superintendents, Postal Transportation Service (including persons acting as such officers) to take final action in their own names with respect to the handling of matters relating to the transportation of mail by star routes; but not including the award of contracts, the establishment of new routes, the readjustment of compensation under Section 97.29 (b), Postal Laws and Regulations (39 CFR 397.29 (b)), and the handling of matters relating to the death or removal of star route contractors and subcontractors.

[Order No. 00471]

FEBRUARY 19, 1954.

Pursuant to authority of section 1 (b) of Reorganization Plan No. 3 of 1949 (63 Stat. 1066), and order of the Postmaster

General No. 55538 dated February 8, 1954, the authority vested in the Assistant Postmaster General, Bureau of Transportation by Order No. 55064 dated March 5, 1953 (18 F. R. 8458), is redelegated to the Director, Division of Highway Transportation (presently the Division of Highway and Contract Transportation), Bureau of Transportation (including the person acting as such officer) to take final action in his own name with respect to the handling of matters relating to the transportation of mail by star routes but not including the award of contracts or the establishment of new star routes.

[Order No. 00491]

APRIL 5, 1954.

Pursuant to authority of section 1 (b) of Reorganization Plan No. 3 of 1949, (63 Stat. 1066), and order of the Postmaster General No. 55586 dated March 23, 1954, the authority vested in the Assistant Postmaster General, Bureau of Transportation by Order No. 55064 dated March 5, 1953 and Order No. 55141 dated May 1, 1953 (18 F. R. 8458), is redelegated as follows:

(1) To the Director, Division of Highway Transportation (presently the Division of Highway and Contract Transportation), Bureau of Transportation (including the person acting as such officer) to take final action in his own name with respect to—

(A) The handling of matters relating to the transportation of mail by mail messengers, including the issuance of advertisements for bids, the acceptance of bids and designation of mail messengers, and the establishment, discontinuance and modification of mail messenger routes; and—

(B) the handling of matters relating to the transportation of mail by screen wagon routes, but not including the award of contracts or the establishment of new screen wagon routes.

(2) To the General Superintendents, Postal Transportation Service (including persons acting as such officers) to take final action in their own names with respect to the handling of matters relating to the transportation of mail by mail messengers on routes involving annual pay to contractors of $2,000 or less, including the issuance of advertisements for bids, the acceptance of bids and designation of mail messenger, and the establishment, discontinuance and modification of all such mail messenger routes.

(3) To the General Superintendents, Postal Transportation Service (including persons acting as such officers) to take final action in their own names with respect to the handling of matters relating to the transportation of mail by screen wagon routes; but not including the award of contracts, the establishment of new routes, the readjustment of compensation of the contractors (39 U. S. C. 434), and the handling of matters relating to the death or removal of screen wagon contractors and subcontractors.

(R. S. 161, 396; secs. 304, 309, 42 Stat. 24, 25, sec. 1 (b), 63 Stat. 1066; 5 U. S. C. 22, 133 Z-15, 369)

[SEAL] ABE MCGREGOR GOFF,
The Solicitor.

[F. R. Doc. 54-5020; Filed, July 1, 1954; 8:47 a. m.]

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

REGIONAL ADMINISTRATIVE OFFICER, REGION V (SAN FRANCISCO)

REDELEGATION OF AUTHORITY TO EXECUTE CERTAIN CONTRACTS AND AGREEMENTS WITH RESPECT TO ADMINISTRATIVE MATTERS

The Regional Administrative Officer, Region V (San Francisco), Office of the Administrator, Housing and Home Finance Agency, is hereby authorized to take the following action with respect to administrative matters within such Region:

Execute contracts and agreements for supplies, equipment, and services (except purely personal services) necessary for the operation and maintenance of field offices in the Region.

This supersedes an unpublished redelegation to the same effect dated October 10, 1951.

(Reorganization Plan No. 3 of 1947, 61 Stat. 954 (1947); 62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U. S. C., 1946 ed. Sup. V 1701c; Delegation of Authority, effective August 14, 1953, 18 F. R. 6812 (October 28, 1953))

Effective as of the 1st day of June 1954.

[SEAL] M. JUSTIN HERMAN,
Regional Representative, Region V.

[F. R. Doc. 54-5041; Filed, July 1, 1954; 8:50 a. m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

SULPHUR LEASING IN THE OUTER CONTINENTAL SHELF

NOTICE CALLING FOR NOMINATIONS FOR AREAS TO BE OFFERED

JUNE 30, 1954.

Pursuant to authority prescribed in 43 CFR 201.20, notice is hereby given that nomination of areas to be offered for sulphur leasing in the outer Continental Shelf off the States of Louisiana and Texas shall be submitted to the Director, Bureau of Land Management, Washington 25, D. C., not later than August 3, 1954, for the areas off Louisiana and not later than September 3, 1954, for areas off Texas. Copies of such nominations shall be sent to the Oil and Gas Supervisor, Geological Survey, Department of the Interior office, Room 1503, Masonic Temple Building, 333 St. Charles Avenue, New Orleans 12, Louisiana. Envelopes should be marked "Nominations for sulphur leasing in the outer Continental Shelf".

The areas must be identified by block numbers and name of areas as shown on the official leasing maps prepared by the Bureau of Land Management. Properly described subdivisions of blocks may be nominated. Reduced copies of such maps may be procured from the Bureau of Land Management, Washington 25, D. C., or from the Department of the Interior office in New Orleans, Louisiana. The official maps and reduced copies thereof, for areas off the State of Texas will not be available prior to August 1, 1954.

The areas selected by the Department of the Interior to be offered for competitive bidding will be published in the FEDERAL REGISTER and other publications after review of the nominations. The published notice of lease offer will state the conditions and terms for leasing (43 CFR 201.20) and the place, date, and hour at which the bids will be opened. Such dates have been tentatively set for October 13, 1954, for the bids received for areas off Louisiana and November 9, 1954, for the bids received for areas off the State of Texas.

W. G. GUERNSEY,
Acting Director.

[F. R. Doc. 54-5107; Filed, June 30, 1954; 2:49 p. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 6432]

NORTH CENTRAL AIRLINES, INC., SEGMENT 5, RENEWAL CASE

NOTICE OF ORAL ARGUMENT

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that oral argument in the above-entitled proceeding is assigned to be held on July 29, 1954, at 10:00 a. m. (daylight saving time), in room 5042, Commerce Building, Constitution Avenue, between Fourteenth and Fifteenth Streets NW., Washington, D. C., before the Board.

Dated at Washington, D. C., June 29, 1954.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 54-5055; Filed, July 1, 1954; 8:53 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-2456]

CUMBERLAND AND ALLEGHENY GAS CO.

NOTICE OF APPLICATION

JUNE 28, 1954.

Take notice that on June 7, 1954, Cumberland and Allegheny Gas Company (Applicant), a West Virginia corporation with its principal place of business at Pittsburgh, Pennsylvania, filed an application pursuant to the provisions of section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of approximately 5.35 miles of 6-inch gas transmission line from a connection with its existing 10-inch line No. 8,000 in Warren District,

Upshur County, West Virginia, to the City of Buckhannon, West Virginia.

Applicant states that the City of Buckhannon and surrounding area are presently supplied by 3-inch, 4-inch, 2-inch and 12-inch gathering lines in its Upshur County producing area, and that by reason of growing market requirements and declining production in the local area the proposed facilities are necessary to enable Applicant to provide adequate service for the 1954–55 and following winters. Applicant states that the 4-inch line presently serving Buckhannon will not be retired, but will remain in service as part of the field gathering system and to serve scattered rural customers.

The total estimated cost of the proposed facilities is $112,000. Applicant proposes to finance the construction by the issuance and sale of stock and notes to its parent company, the Columbia Gas System, Inc., or out of other funds on hand.

Applicant requests that the intermediate decision procedure be omitted and that its application be disposed of pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 16th day of July 1954. The application is on file with the Commission and available for public inspection.

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

[F. R. Doc. 54–5014; Filed, July 1, 1954; 8:45 a. m.]

[Docket No. G–2460]

NORTHERN NATURAL GAS CO.

NOTICE OF APPLICATION

JUNE 28, 1954.

Take notice that on June 16, 1954, Northern Natural Gas Company (Applicant), a Delaware corporation having its principal place of business at Omaha, Nebraska, filed an application pursuant to the provisions of section 7 of the Natural Gas Act, for a certificate of public convenience and necessity authorizing it to install on a temporary basis facilities necessary to enable it to inject natural gas into a potential gas storage area located in the vicinity of Redfield, Iowa, approximately 30 miles west of Des Moines, Iowa.

The facilities to enable such injection consist of approximately 1¼ miles of 6⅝-inch pipeline and a portable 550 hp. compressor unit with the necessary gas cleaner, measuring facilities, gas cooling equipment and appurtenant facilities. Applicant contemplates injecting approximately 8,500 Mcf of gas per day into the field for the purpose of further evaluation of the storage potentialities of the field.

The estimated cost of the facilities proposed to be constructed is $132,000. The 6⅝-inch line will extend from Applicant's Adel Dallas Center, and Redfield, Iowa, branch line to the storage field. The facilities will be financed from funds on hand.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 16th day of July 1954. The application is on file with the Commission and available for public inspection.

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

[F. R. Doc. 54–5015; Filed, July 1, 1954; 8:46 a. m.]

[Docket Nos. G–1445, G–1680]

MIDSOUTH GAS CO.

NOTICE OF ORDER ISSUING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

JUNE 28, 1954.

Notice is hereby given that on June 24, 1954, the Federal Power Commission issued its order adopted June 23, 1954, amending order of September 18, 1952 (17 F. R. 8598), issuing certificate of public convenience and necessity providing for the lease and operation of certain facilities in the above-entitled matters.

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

[F. R. Doc. 54–5025; Filed, July 1, 1954; 8:49 a. m.]

[Docket No. G–2078]

EAST TENNESSEE NATURAL GAS CO.

NOTICE OF ORDER EXTENDING STAY

JUNE 28, 1954.

Notice is hereby given that on June 24, 1954, the Federal Power Commission issued its order adopted June 23, 1954, in the above-entitled matter, extending stay until 30 days after the determination of the review proceedings pending in the United States Court of Appeals.

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

[F. R. Doc. 54–5026; Filed, July 1, 1954; 8:49 a. m.]

[Docket No. G–2275]

ATLANTIC SEABOARD CORP.

NOTICE OF ORDER APPROVING PROPOSED SETTLEMENT AND TERMINATING PROCEEDINGS

JUNE 28, 1954.

Notice is hereby given that on June 24, 1954, the Federal Power Commission issued its order adopted June 23, 1954, approving proposed settlement and terminating proceedings in the above-entitled matter.

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

[F. R. Doc. 54–5027; Filed, July 1, 1954; 8:49 a. m.]

[Docket Nos. G–2357, G–2417]

CONSOLIDATED GAS UTILITIES CORP. AND MISSISSIPPI RIVER FUEL CORP.

NOTICE OF FINDINGS AND ORDERS

JUNE 28, 1954.

In the matters of Consolidated Gas Utilities Corporation, Docket No. G–2357; Mississippi River Fuel Corporation, Docket No. G–2417.

Notice is hereby given that on June 24, 1954, the Federal Power Commission issued its orders adopted June 23, 1954, issuing certificates of public convenience and necessity in the above-entitled matters.

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

[F. R. Doc. 54–5028; Filed, July 1, 1954; 8:49 a. m.]

[Docket Nos. G–2392, G–2425]

KANSAS-NEBRASKA NATURAL GAS CO., INC., AND NORTH CENTRAL GAS CO.

ORDER CONSOLIDATING AND FIXING DATE OF HEARING

In the matters of Kansas-Nebraska Natural Gas Company, Inc., Docket No. G–2392; North Central Gas Company, Docket No. G–2425.

These proceedings are proper ones for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (f)) of the Commission's rules of practice and procedure, Applicant at Docket No. G–2392 having requested that its application filed on March 18, 1954, and supplemented on March 29, May 6, May 21 and 26, 1954, and Applicant at Docket No. G–2425 having requested that its application filed May 5, 1954, both filed pursuant to section 7 of the Natural Gas Act, involving authorization for facilities to provide service, as described in said applications, be heard under the shortened procedure provided by the aforesaid rule for noncontested proceedings, and no request to be heard, protest or petition having been filed subsequent to the giving of due notice of the filing of the application at Docket No. G–2392, including publication in the FEDERAL REGISTER on April 20, 1954 (19 F. R. 2278), and of similar notice and publication of notice on May 27, 1954, at Docket No. G–2425 (19 F. R. 3066).

The Commission finds: Good cause exists to consolidate the proceedings at Docket No. G–2392 and G–2425 for the purpose of hearing and disposition.

The Commission orders:

(A) The proceedings in Docket Nos. G–2392 and G–2425 be and the same are hereby consolidated for purposes of hearing and disposition.

(B) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing be held on July 15, 1954, at 9:30 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street, NW., Washington, D. C., concerning the

matters involved and the issues presented by the applications filed at Docket Nos. G–2392 and G–2425: *Provided, however,* That the Commission may, after a noncontested hearing, forthwith dispose of the proceedings pursuant to the provisions of § 157.20 of the Commission's rules and regulations and § 1.32 (b) of the Commission's rules of practice and procedure.

(C) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Adopted: June 25, 1954.

Issued: June 28, 1954.

By the Commission.

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

[F. R. Doc. 54–5029; Filed, July 1, 1954; 8:49 a. m.]

[Docket No. G–2412]

HOPE NATURAL GAS CO.

ORDER FIXING DATE OF HEARING

This proceeding is a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure, Applicant having requested that its application, filed April 26, 1954, pursuant to section 7 of the Natural Gas Act, for a certificate of public convenience and necessity authorizing the construction and operation of certain facilities subject to the jurisdiction of the Commission, be heard under the shortened procedure provided by the aforesaid rule for noncontested proceedings, no request to be heard, protest or petition having been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on May 6, 1954 (19 F. R. 2627).

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing be held on July 13, 1954, at 9:30 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by the application: *Provided, however,* That the Commission may, after a noncontested hearing, forthwith dispose of the proceedings pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Adopted: June 25, 1954.

Issued: June 28, 1954.

By the Commission.

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

[F. R. Doc. 54–5030; Filed, July 1, 1954; 8:49 a. m.]

OFFICE OF DEFENSE MOBILIZATION

[General Administrative Order VIII–1, Amdt. 1]

ESTABLISHING THE POSITION OF ASSISTANT DIRECTOR FOR STABILIZATION

General Administrative Order VIII–1, dated November 5, 1953 (18 F. R. 7623), establishing the position of Assistant Director for Stabilization is amended as follows:

1. The authority delegated to the Director of the Office of Defense Mobilization by Executive Order 10475 of July 3, 1953, Administration of the Housing and Rent Act of 1947, as amended, is hereby redelegated to the Assistant Director for Stabilization.

2. This amendment is effective May 1, 1954.

OFFICE OF DEFENSE MOBILIZATION,
ARTHUR S. FLEMMING, *Director.*

[F. R. Doc. 54–5106; Filed, June 30, 1954; 2:49 p. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 812–880]

UNITED STEEL WORKS CORP. (VEREINIGTE STAHLWERKE AKTIENGESELLSCHAFT)

APPLICATION FOR EXEMPTION BY DEPOSITARIES OF FUND

JUNE 28, 1954.

Notice is hereby given that The National City Bank of New York and Irving Trust Company, New York ("Depositaries"), as depositaries of a proposed fund of certain German corporate mortgage obligations, have filed a joint application, pursuant to section 6 (c) of the act, for exemption from all the provisions of the act, of the proposed fund which constitutes an investment company as defined in the act. There follows a summary statement of the application in respect of the background, purposes, terms and conditions of the proposed fund.

During 1926 and 1927, Vereinigte Stahlwerke Aktiengesellschaft ("USW"), a German corporation, or its predecessors, issued and sold in the United States certain United States dollar bonds which have been in default for many years. USW is in process of liquidation pursuant to Law No. 27 of the Allied High Commission for Germany, and a Plan for such liquidation has been adopted which will become effective upon issuance of an order of the Allied High Commission or an agency thereof.

The estimated liability of USW on its outstanding dollar bonds ranges from a minimum of $21,500,000 to a maximum of $25,000,000, which liability will not be definitively determined until the bonds have been validated pursuant to the German Validation Law for German Foreign Currency Bonds. Under the Plan nine separate German steel and coal companies which have or will succeed to part of the plant and property of USW will each issue and deposit with the Depositaries, in accordance with a Declaration and Agreement of Deposit ("Deposit Agreement"), their own several first mortgage obligations in varying principal amounts which in the aggregate will be between $21,500,000 and $25,000,000. The liability of each obligor company will be several and not joint and will be guaranteed by Kreditanstalt Fuer Weideraufbau ("Reconstruction Bank"), a public body organized under German statute. Such obligations will bear interest at 4⅞ percent per annum (6½ percent in the event of default) and will mature on January 1, 1973. However, various amortization payments have been provided which, in some respects are still in the process of negotiation and may result in an earlier maturity.

Upon deposit of the mortgage obligations, it is proposed that the Depositaries will issue undivided interests in each of such obligations, in the form of Participation Certificates (or Scrip for interests of less than $100) and for a period of approximately five years exchange such Participation Certificates or Scrip for validated dollar bonds, on a dollar for dollar basis, except for one issue of such dollar bonds which will be exchanged at 104.43 percent of their face amount.

Upon the effectiveness of the plan USW will be released from all liability with respect to its outstanding dollar bonds as and from January 1, 1953 and no holder of any such bond, except in certain cases of non-validation, will have any rights thereunder other than to surrender the same in exchange for Participation Certificates and Scrip to be issued by the Depositaries.

The application states that it is intended that the Participation Certificates will be listed on a national securiies exchange and an application for listing on the New York Stock Exchange will be filed prior to their issuance.

The Deposit Agreement provides, among other things, that the Depositaries are not trustees, except with respect to cash held for distribution; that they will distribute semi-annually all interest and principal amortization payments received by them; that they will have a lien on all funds for payment of their fees and expenses; that they will make certain reports to holders of Participation Certificates; and upon the happening of certain specified events they may declare default in the obligations and take certain remedial steps.

Section 6 (c) of the act provides that the Commission may by order conditionally or unconditionally exempt any person, security or transaction from any provision of the act and the rules and regulations thereunder if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the act.

The Depositaries seek an order of this Commission pursuant to section 6 (c) of the act exempting from all the provisions of the Act the proposed fund to be created under the Deposit Agreement and the various transactions and persons involved in its organization, the issuance

of securities under the Deposit Agreement and in general the carrying out of the terms of the Plan and the Agreement. The application indicates that although the proposed fund may fall within the definition of an "investment company," because of the singular nature of the Deposit Agreement and the proposed fund and securities created thereunder, it is not the kind of investment company contemplated to be regulated under the Investment Company Act. The application points out that few if any substantive provisions of the act would apply and that, accordingly, it is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the act for an order to be entered granting the requested relief.

Notice is further given that any interested person may not later than July 20, 1954, at 5:30 p. m., submit to the Commission in writing any facts bearing on the desirability of a hearing on the matter and may request that a hearing be held, such request stating the nature of his interest, the reasons for such request, and the issues, if any, of fact or law proposed to be controverted, or he may request to be notified if the Commission should order a hearing thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after such date, the application may be granted as provided in Rule N-5 of the rules and regulations promulgated under the act.

By the Commission.

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

[F. R. Doc. 54-5022; Filed, July 1, 1954; 8:48 a. m.]

[File No. 70-3269]

METROPOLITAN EDISON CO. AND GENERAL PUBLIC UTILITIES CORP.

NOTICE OF FILING REGARDING ISSUANCE AND SALE OF COMMON STOCK OF PUBLIC UTILITY SUBSIDIARY OF REGISTERED HOLDING COMPANY, AND ACQUISITION THEREOF BY PARENT

JUNE 28, 1954.

Notice is hereby given that General Public Utilities Corporation ("GPU"), a registered holding company, and its public-utility subsidiary, Metropolitan Edison Company ("Meted"), have filed an application pursuant to the Public Utility Holding Company Act of 1935 ("act"), and have designated sections 6 (b), 9 and 10 of said act, and Rule U-50 (a) (3) promulgated thereunder as applicable to the proposed transactions, which are summarized as follows:

Meted presently has issued and outstanding 457,500 shares of common stock of a stated value of $26,073,400 all of which is held by GPU. Meted proposes to issue and sell to GPU, and GPU proposes to purchase from Meted, 20,500 additional shares of Meted's no-par common stock for a purchase price of $100 per share or an aggregate purchase price of $2,050,000. The proceeds from the sale of such additional shares of common stock will be used by Meted to meet in part the requirements of its construction program.

The application states that the issuance and sale of common stock by Meted will be expressly authorized by the Pennsylvania Public Utility Commission.

Notice is further given that any interested person may, not later than July 16, 1954, at 5:30 p. m., e. d. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said filing which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after July 16, 1954, such application may be granted as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rules U-20 and U-100 thereof.

By the Commission.

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

[F. R. Doc. 54-5023; Filed, July 1, 1954; 8:48 a. m.]

[File No. 70-3270]

CONSOLIDATED NATURAL GAS CO.

NOTICE OF FILING REGARDING ISSUANCE AND SALE AT COMPETITIVE BIDDING OF PRINCIPAL AMOUNT OF DEBENTURES

JUNE 28, 1954.

Notice is hereby given that Consolidated Natural Gas Company ("Consolidated"), a registered holding company, has filed a declaration with this Commission pursuant to section 7 of the Public Utility Holding Company Act of 1935 and Rule U-50 thereunder regarding the proposed issuance and sale, pursuant to the competitive bidding requirements of Rule U-50, of $25,000,000 principal amount of -- percent Debentures due 1978.

The Debentures will be issued pursuant to an Indenture to be dated August 1, 1954 between Consolidated and The Hanover Bank, Trustee. The interest rate (which shall be a multiple of ⅛ of 1 percent) and the price to be paid to Consolidated (which shall be not less than 100 percent nor be more than 102.75 percent of the principal amount exclusive of accrued interest) will be fixed by the competitive bidding.

Consolidated anticipates issuing its invitation for bids on or about July 15, 1954 and receiving such bids on or about July 27, 1954.

The proceeds from the sale of the Debentures, along with other cash resources of Consolidated, will be used to redeem, in accordance with their terms and for the consideration specifically designated therein, Consolidated's outstanding $25,000,000 issue of 3⅞ percent Debentures due 1978.

It is represented that no State commission or Federal commission other than this Commission has jurisdiction in respect of the proposed transaction. Fees and expenses of Consolidated are estimated as follows:

Filing fee, Securities and Exchange Commission	$2,600
Printing of registration statement, prospectus, indenture, temporary and definitive debentures, and other documents	44,000
Trustee's charges in connection with the authentication and issuance of temporary and definitive debentures	15,750
Legal fees and expenses	1,500
Accountants' fees and expenses	1,000
Engineering fees and expenses	2,500
Original issue tax	27,500
Listing fee of New York Stock Exchange	3,000
Other miscellaneous expenses	1,500
Total expenses	99,350

The fees and disbursements of Cahill, Gordon, Reindel & Ohl counsel to the underwriters, the amounts of which have not been supplied, are to be paid by the successful bidders.

Consolidated has requested that the Commission's order herein be entered on or about July 15, 1954, and that it become effective upon issuance.

Notice is further given that any interested person may, not later than July 13, 1954 at 5:30 p. m., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law, if any, raised by said declaration which he desires to controvert, or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after said date the declaration, as filed or as amended, may be permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transaction as provided in Rule U-20 (a) and Rule U-100 thereof.

By the Commission.

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

[F. R. Doc. 54-5024; Filed, July 1, 1954; 8:48 a. m.]

[File No. 54-169]

MARKET STREET RAILWAY CO.

MEMORANDUM OPINION AND SUPPLEMENTAL ORDER RELEASING JURISDICTION OVER FEE AND EXPENSES FOR LEGAL SERVICES

JUNE 25, 1954.

We are here concerned with an amended application for approval of a fee and reimbursement of expenses of Flynn, Clerkin & Hansen ("Flynn") for legal services rendered on behalf of Standard Gas and Electric Company

("Standard Gas"), a registered holding company, in connection with a plan filed pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 ("act") involving, among other things, the settlement of an open account indebtedness due Standard Gas from its former nonutility subsidiary, Market Street Railway Company. In various orders heretofore entered herein jurisdiction was reserved with respect to all fees and expenses paid or to be paid for services rendered in connection with these proceedings. In connection with a previous opinion involving this matter we indicated our approval of a requested fee to Flynn in the amount of $10,000 for services rendered and to be rendered in these proceedings.[1] At the time of the request neither Flynn nor Standard Gas anticipated that the firm would be called upon to render services to the extent they were subsequently required because of extended litigation regarding the plan.[2]

After the services were concluded, Flynn requested approval of an aggregate fee and expenses in the amounts of $28,500 and $3,960.06, respectively. Standard Gas has agreed to these amounts and has already paid all of the said expenses and $22,000 with respect to the fee, including the $10,000 which we heretofore approved in 1949. Upon reconsideration of the record as supplemented to disclose the additional services performed, we see no objection to the payment of the fee and expenses in the amounts for which approval is requested.

It appearing to the Commission in the light of the entire record that the allowance sought by Flynn is reasonable and for necessary services, that an order should be entered approving and directing the payment thereof by Standard Gas, and that the jurisdiction heretofore reserved with respect to such fee and expenses should be released:

It is ordered, That the application, as amended, for an allowance for services and reimbursement of expenses filed by Flynn, Clerkin & Hansen be, and hereby is, approved, and Standard Gas and Electric Company is directed to pay the amounts hereinabove specified to the extent any portion thereof has not heretofore been paid.

It is further ordered, That the jurisdiction heretofore reserved herein with respect to the fee and expenses of Flynn, Clerkin & Hansen be, and the same hereby is, released.

By the Commission.

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

[F. R. Doc. 54-4989; Filed, June 30, 1954; 8:49 a. m.]

[1] Market Street Railway Company, Holding Company Act Release No. 9376 (Sept. 30, 1949).

[2] For a detailed description of this subsequent litigation see Market Street Railway Company, Holding Company Act Release No. 10172 (Oct. 24, 1950); Cogan v. S. E. C. et al., 201 F. 2d 78 (C. A. 9, 1952).

[File No. 70-3259]

ARKANSAS POWER & LIGHT CO. AND MIDDLE SOUTH UTILITIES, INC.

ORDER REGARDING ISSUE AND SALE OF COMMON STOCK BY SUBSIDIARY AND ACQUISITION THEREOF BY PARENT COMPANY

JUNE 25, 1954.

Middle South Utilities, Inc. ("Middle South"), a registered holding company, and its subsidiary, Arkansas Power & Light Company ("Arkansas"), a public-utility company, have filed with this Commission an application-declaration pursuant to section 6 (b), 9 (a), 10 and 12 of the Public Utility Holding Company Act of 1935 and Rule U-43 thereunder with respect to proposed transactions, which are summarized as follows:

Arkansas has authorized 5,000,000 shares of Common Stock, of which 4,660,000 shares, having a par value of $12.50 per share, are outstanding. All of such outstanding shares are owned by Middle South. Arkansas proposes to issue and sell to Middle South for $4,000,000 in cash, and Middle South proposes to acquire, an aggregate of 320,000 additional shares of Arkansas' said Common Stock. The cash so received by Arkansas will be employed by it for the purpose of financing in part its business as a public utility.

The issuance and sale of the Common Stock have been expressly authorized by the Arkansas Public Service Commission, a State Commission of the State in which Arkansas is organized and doing business, and the only regulatory body, other than this Commission, having jurisdiction over the proposed transactions.

The fees and expenses in connection with the proposed transactions are stated to be minor and nominal. It is requested that the order herein be made effective upon issuance.

Due notice of the filing of said application-declaration having been given in the manner prescribed by Rule U-23, and no hearing having been requested of or ordered by the Commission; the Commission finding that the applicable standards of the act and the rules promulgated thereunder are satisfied, that no terms or conditions, other than those prescribed in Rule U-24, need be imposed, and that the application-declaration, as amended, should be granted and permitted to become effective forthwith:

It is ordered, That said application-declaration, as amended, be, and the same hereby is, granted and permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

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

[F. R. Doc. 54-4988; Filed, June 30, 1954; 8:48 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 29421]

GRAVEL FROM DICKASON PIT, IND., TO ROSSVILLE, ILL.

APPLICATION FOR RELIEF

JUNE 28, 1954.

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

Filed by: R. G. Raasch, Agent, for and on behalf of the Chicago & Eastern Illinois Railroad Company.

Commodities involved: Gravel, carloads.

From: Dickason Pit, Ind.

To: Rossville, Ill.

Grounds for relief: Competition with motor carriers, and market competition.

Schedules filed containing proposed rates: C. & E. I. R. R. Co.'s tariff I. C. C. No. 144, supp. No. 36.

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

By the Commission.

[SEAL] GEORGE W. LAIRD, *Secretary.*

[F. R. Doc. 54-4997; Filed, June 30, 1954; 8:51 a. m.]