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Washington, Wednesday, August 14, 1957

## TITLE 3—THE PRESIDENT EXECUTIVE ORDER 10724

### ESTABLISHING A CAREER EXECUTIVE COMMITTEE

By virtue of the authority vested in me by the laws of the United States, including section 1753 of the Revised Statutes (5 U. S. C. 631) and the Civil Service Act of January 16, 1883 (22 Stat. 403), and as President of the United States, it is ordered as follows:

**SECTION 1.** There is hereby established a Career Executive Committee (hereinafter referred to as the Committee) which shall be composed of five members, not more than three of whom shall be members of the same political party and one of whom shall be designated by the President as Chairman of the Committee, as follows:

(a) Three members appointed by the President.

(b) A representative of the United States Civil Service Commission.

(c) A representative of the President's Advisory Committee on Government Organization.

**Sec. 2.** After taking into consideration the views of the departments and agencies and making such inquiries as it deems appropriate, the Committee shall develop specific recommendations with respect to the establishment of a Career Executive Program within the civil-service system. The Committee shall prepare proposed legislation, Executive orders, and regulations necessary to establish a clear policy and plan for the operation of the Career Executive Program recommended by the Committee.

**Sec. 3.** The objectives of the Career Executive Program recommended by the Committee shall be to facilitate the more efficient operations of the Federal Government through:

(a) Improvement of the Civil Service system to better meet the special needs and problems of the Federal Government in the selection, compensation and effective use of its top career civil servants.

(b) Making the civil service more attractive as a career to able men and women.

(c) Providing for the planned development of employees at all levels to

increase the number of individuals qualified to meet the standards of the Career Executive Program.

**SEC. 4.** The Committee shall develop its recommendations in accordance with sound merit-system principles, and shall be guided by the following:

(a) All selections and promotions should be on a merit basis and no political test or qualification shall be required or given consideration.

(b) High qualitative standards should be applied for selection and promotion requiring appropriate training and experience in the field or departmental service and in staff or operating positions.

(c) Only career civil servants should be eligible for participation.

(d) Selection into the Career Executive Program (1) should be from among employees who have experience of an administrative or managerial nature, rather than those having highly specialized backgrounds whose work has not regularly required the application of either administrative experience or knowledge, and (2) for an initial period of appropriate duration should be from among career civil servants in Grades GS-16, GS-17, and GS-18.

**Sec. 5.** Subject to law, the heads of departments and agencies shall cooperate with and assist the Committee in carrying out the provisions of this order.

**Sec. 6.** The Civil Service Commission may furnish the Committee with the necessary space, facilities, and personnel to carry out the provisions of this order, in consonance with section 214 of the act of May 3, 1945, 59 Stat. 134 (31 U. S. C. 691).

**Sec. 7.** The members of the Committee provided for in section 1 (a) of this order shall serve without compensation, but may receive transportation and per diem allowances as authorized by law for persons serving without compensation. The other members of the Committee shall serve without additional compensation.

**Sec. 8.** The Committee shall report to the President not later than November 1, 1957, and shall include in its report

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the views of the departments and agencies consulted.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,

August 12, 1957.

[F. R. Doc. 57-6702; Filed, Aug. 12, 1957; 3:44 p. m.]

**RULES AND REGULATIONS**

**TITLE 7—AGRICULTURE**

**Chapter VIII—Commodity Stabilization Service (Sugar), Department of Agriculture**

**Subchapter B—Sugar Requirements and Quotas**  
[Sugar Reg. 811, Amdt. 7]

**PART 811—CONTINENTAL SUGAR REQUIREMENTS AND AREA QUOTAS**

**MISCELLANEOUS AMENDMENTS**

**Basis and purpose.** The purpose of Sugar Regulation 811 is to determine, pursuant to section 201 of the Sugar Act of 1948, as amended (hereinafter called the act), the amount of sugar needed to meet the requirements of consumers in the continental United States for the calendar year 1957 and to establish, pursuant to sections 202, 204 and 411 of the act sugar quotas and prorations for the supplying areas in terms of short tons of sugar, raw value, equal to the quantity determined by the Secretary of Agriculture to be needed in 1957 and prescribe the time in which quotas may be filled. This regulation also establishes pursuant to section 207 of the act the quantity of quota that may be filled by direct-consumption sugar and pursuant to section 208, quotas of liquid sugar which may be entered into the continental United States.

The act requires that the Secretary shall revise the determination of sugar requirements at such times during the calendar year as may be necessary. It now appears that a decrease in the estimate of requirements for the calendar year 1957 is necessary. The purpose of this amendment is to make such determination conform to the requirements indicated on the basis of the factors specified in section 201 of the act, as amended, and give effect to the revised determination.

The purpose of this action, also, is to further amend § 811.93 (21 F. R. 10332; 22 F. R. 369, 423, 3751, 4360, 4466, 4847, 5785) to determine and prorate deficits

in the quotas for Hawaii, Puerto Rico and the Virgin Islands for 1957 as established in § 811.91, as amended herein.

The quotas and prorations established herein differ from those in effect under Sugar Regulation 811, Amendment 6 (22 F. R. 5785). To permit all areas to adjust their marketing plans and to accomplish the marketing of their revised quotas or prorations in an orderly manner, it is essential that this amendment be made effective immediately. Therefore, it is hereby determined and found that compliance with the notice, procedure and effective date requirements of the Administrative Procedure Act (60 Stat. 237; 5 U. S. C. 1001), is impracticable, unnecessary and contrary to the public interest. The amendments made herein shall become effective upon publication in the FEDERAL REGISTER.

By virtue of the authority vested in the Secretary of Agriculture by the Sugar Act of 1948, as amended (61 Stat. 922, 65 Stat. 318, 7 U. S. C. 1100, Public Law 545, 84th Congress), and the Administrative Procedure Act (60 Stat. 237), §§ 811.90, 811.91 (a), 811.92 and 811.93 of Sugar Regulation 81, as amended (21 F. R. 10332; 22 F. R. 369, 423, 3751, 4360, 4466, 4847, 5785) are further amended to read as hereinafter set forth.

1. Section 811.90 is amended to read:

§ 811.90 *Sugar requirements, 1957.* The amount of sugar needed to meet the requirements of consumers in the continental United States for the calendar year 1957 is hereby determined to be 9,200,000 short tons, raw value.

2. Section 811.91 (a) is amended to read:

§ 811.91 *Quotas for domestic areas.* (a) For the calendar year 1957 quotas for sugar to be brought into or marketed for consumption in the continental United States from domestic areas are established, pursuant to section 202 of the act, in column (1) and the amounts of such quotas for offshore areas that may be filled by direct-consumption

sugar are established, pursuant to section 207 of the act, in column (2) as follows:

[Short tons, raw value]		
Area	Quota	Direct-consumption limit
	(1)	(2)
Domestic beet sugar	1,998,717	No limit.
Mainland cane sugar	615,024	No limit.
Hawaii	1,115,479	31,403.
Puerto Rico	1,166,375	136,113.
Virgin Islands	15,905	0.

3. Section 811.92 is amended to read:

§ 811.92 *Quotas for foreign countries.* For the calendar year 1957, quotas for sugar to be imported into the continental United States for consumption therein from foreign countries are established, pursuant to section 202 of the act, in column (1) and the amount of each such quota that may be filled by direct-consumption sugar is established, pursuant to section 207 of the act, in column (2) as follows:

[Short tons, raw value]		
Country	Quotas	Direct-consumption limit
	(1)	(2)
Republic of the Philippines	980,000	59,920
Cuba	3,060,475	375,000
Peru	86,867	9,827
Dominican Republic	71,557	8,761
Mexico	54,009	15,914
Nicaragua	12,879	10,494
Haiti	6,597	6,597
Netherlands	3,592	3,592
China	3,505	3,505
Panama	3,505	3,505
Costa Rica	3,498	3,498
Canada	631	631
United Kingdom	516	516
Belgium	182	182
British Guiana	84	84
Hong Kong	3	3
All other	0	0

4. Section 811.93 is amended to read:

§ 811.93 *Determination and proration of area deficits and adjusted quotas—(a) Deficit in quotas established in § 811.91.* It is hereby determined, pursuant to subsection (a) of section 204 of the act, that for the calendar year 1957 Hawaii, Puerto Rico and the Virgin Islands will be unable by 15,479, 246,375 and 905 short tons of sugar, raw value, respectively, to market the quotas established for such areas in § 811.91, as amended.

(b) *Quotas in effect upon proration of deficits in parts of quotas established pursuant to section 202 (a) (2).* The part of the deficits determined in paragraph (a) of this section applicable to that portion of the quotas in § 811.91 established pursuant to the provisions of section 202 (a) (2) of the act, which amounts to 102,759 short tons, raw value, is hereby prorated on the basis of the quotas established in § 811.91 to domestic areas to the extent each such area is able to supply additional quantities. The quotas for such areas in effect upon publication of this paragraph in the FEDERAL REGISTER shall be those established in § 811.91 plus the quantities prorated herein, as follows:

[Short tons, raw value]

Area	Prorated herein	Quotas including prorations herein
Domestic beet sugar.....	78,579	2,077,296
Mainland cane sugar.....	24,180	639,204
Hawaii.....	0	1,115,479
Puerto Rico.....	0	1,166,375
Virgin Islands.....	0	15,905

(c) *Quotas in effect upon prororation of deficits in part of quotas otherwise established.* Immediately after the quotas established in paragraph (b) of this section become effective, the quantity by which the deficit determined in paragraph (a) of this section exceeds the quantity prorated in paragraph (b) of this section, which amounts to 160,000 short tons, raw value, is hereby prorated on the basis of the quotas in effect pursuant to paragraph (b) of this section for domestic areas and pursuant to § 811.92 for Cuba, to the domestic areas able to supply additional sugar and Cuba. Thereupon, the following quotas shall be in effect, such quotas consisting of those established in paragraph (b) of this section for domestic areas and in § 811.92 for Cuba plus the quantities prorated in this paragraph:

[Short tons, raw value]

Area	Prorated herein	Quotas including prorations herein and in par. (b)
Domestic beet sugar.....	57,533	2,134,829
Mainland cane sugar.....	17,704	656,908
Hawaii.....	0	1,115,479
Puerto Rico.....	0	1,166,375
Virgin Islands.....	0	15,905
Cuba.....	84,763	3,145,238

Quotas for foreign countries other than Cuba remain as established in § 811.92.

## STATEMENT OF BASES AND CONSIDERATIONS

*Requirements.* On July 5 the estimate of consumers' sugar requirements (total quotas) was increased 200,000 tons to a total of 9,300,000 short tons, raw value. That increase in total quotas was not occasioned by the prospect that the sugar would be consumed in 1957 but rather to provide quota to sellers willing to bring forth current supplies needed to check an unwarranted increase in prices. The price of raw sugar, duty paid at New York, had risen from an average of 6.13 cents during the first four months of the year to 6.60 cents, largely in response to an increase in world market prices from 3.25 cents per pound in early November 1956 to a high of 6.85 cents on April 22, 1957.

Since the end of June raw sugar prices have been declining. On August 8 the world market price was 4.10 cents per pound, or 2.05 cents lower than at the beginning of July and 2.75 cents below the high registered on April 22. The domestic price was 6.15 cents per pound, duty paid, or .45 cent per pound below the high of July 5.

Adequate supplies of sugar are now on offer in the domestic market and in view of the reversed price trend in the world market, upward pressure on the domestic

price has been removed. Accordingly, total quotas are hereby reduced 100,000 tons to 9,200,000 short tons, raw value.

*Quotas.* The quotas established in §§ 811.91 and 811.92 were determined in compliance with the specific procedures provided in section 202 of the act for translating the total sugar requirements into quotas for individual areas and countries.

The amounts of the quotas which may be filled by direct-consumption sugar were established pursuant to section 207 of the act, which specifies the quantity for some countries and provides the procedures for determining the others.

The deficits in the quotas for Hawaii, Puerto Rico and the Virgin Islands are determined in § 811.93 (a) on the basis of their respective abilities to market sugar in 1957 and the quotas for those areas as amended in § 811.91.

Accordingly, deficits of 15,479, 246,375 and 905 short tons, raw value, respectively, in the mainland quotas for Hawaii, Puerto Rico, and the Virgin Islands were determined. All of the deficits for Hawaii and the Virgin Islands and 86,375 short tons, raw value, of the deficit for Puerto Rico are within that portion of the respective quotas established in § 811.91 pursuant to section 202 (a) (2) of the act and the remaining 160,000 short tons, raw value, of the deficit for Puerto Rico is applicable to that portion of the quota established pursuant to section 202 (a) (1) of the act. Thus, pursuant to section 204 (a) of the act 102,759 tons representing the section 202 (a) (2) portions of the deficit are prorated to domestic areas, to the extent each such area is able to market additional sugar, on the basis of quotas for such areas as established in § 811.91, as amended, and 160,000 tons are prorated to domestic areas, able to market the additional sugar, and to Cuba on the basis of the quotas in effect after prororation of the 102,759 tons.

Despite these prorations of deficits, the quotas for Hawaii, Puerto Rico and the Virgin Islands remain in effect at the levels provided for in § 811.91, as amended, as provided for in section 204 (c) of the act.

(Sec. 403, 61 Stat. 932; 7 U. S. C. 1153. Interpret or apply secs. 202, 204; 61 Stat. 924, 925; 7 U. S. C. 1112, 1114)

Done at Washington, D. C., this 9th day of August 1957.

[SEAL]

TRUE D. MORSE,  
Acting Secretary.[F. R. Doc. 57-6674; Filed, Aug. 13, 1957;  
8:55 a. m.]

## Chapter XI—Agricultural Conservation Program Service, Department of Agriculture

## PART 1101—NATIONAL AGRICULTURAL CONSERVATION

## SUBPART—1958

The soil and water resources of the farm and ranch lands of our Nation must be protected and conserved. This is essential in order that farms and ranches

will continue to have the capacity to produce sufficient food and other raw materials to meet the future needs of the Nation.

All the people of this Nation, not the farmers and ranchers alone, have a stake in, and a part of the responsibility for protecting and conserving, our farm and ranch lands. Recognizing this, the Congress appropriates funds to share with farmers and ranchers the cost of carrying out needed soil and water conservation measures. The Agricultural Conservation Program is a means of making this Federal cost-sharing available to farmers and ranchers.

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1101.978 Practice C-11: Shaping or land grading to permit effective surface drainage.  
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1101.980 Practice C-13: Leveling land for more efficient use of irrigation water and to prevent erosion.  
1101.981 Practice C-14: Constructing or lining dams, pits, or ponds for irrigation water.  
1101.982 Practice C-15: Lining irrigation ditches to prevent erosion and loss of water by seepage.  
1101.983 Practice C-16: Constructing spreader ditches or dikes to divert and spread water to prevent erosion, to permit beneficial use of runoff, or to replenish ground water supply.

CONSERVATION PRACTICES WITH BENEFITS OF LIMITED DURATION; GENERALLY REQUIRING PERIODIC REPETITION

Practices Primarily for Establishing Temporary Protective Vegetative Cover

- Sec.  
1101.985 Practice D-1: Establishment of vegetative cover for winter protection from erosion.  
1101.986 Practice D-2: Establishment of vegetative cover for summer protection from erosion.  
1101.987 Practice D-3: Establishment of vegetative cover for green manure and for protection from erosion.  
1101.988 Practice D-4: Establishment of vegetative cover to protect cropland throughout the 1958 crop year.

Practices Primarily for the Temporary Protection of Soil from Wind and Water Erosion

- 1101.990 Practice E-1: Stubble mulching to improve soil permeability and to protect soil from wind and water erosion.  
1101.991 Practice E-2: Initial establishment of contour farming operations on nonterraced land to protect soil from wind or water erosion.  
1101.992 Practice E-3: Wind erosion control operations in serious wind erosion areas.

CONSERVATION PRACTICES WITH LIMITED AREA APPLICABILITY

Practices to Meet Special County Conservation Needs

- 1101.994 Practice F-1: Special conservation practices.  
1101.995 Practice F-2: County conservation practices.  
1101.996 Practice F-3: Practices to meet new conservation problems.

AUTHORITY: §§ 1101.900 to 1101.996 issued under sec. 4, 49 Stat. 164; 16 U. S. C. 590d. Interpret or apply secs. 7-17, 49 Stat. 1148, as amended, 71 Stat. 329; 16 U. S. C. 590g-590q.

INTRODUCTION

§ 1101.900 *Introduction.* (a) Through the 1958 Agricultural Conservation Program (referred to in this subpart as the "1958 program") administered by the Department of Agriculture, the Federal Government will share with farmers and ranchers in the continental United States the cost of carrying out approved soil and water conservation practices in accordance with the provisions contained in this subpart and such modifications thereof as may hereafter be made.

(b) Information with respect to the several practices for which costs will be shared when carried out on a particular farm or ranch, and the exact specifications and rates of cost-sharing for such practices, may be obtained from the county committee for the county in which the farm or ranch is located or from the State committee.

GENERAL PROGRAM PRINCIPLES

§ 1101.901 *General program principles.* The 1958 National Agricultural Conservation Program has been developed and is to be carried out on the basis of the following general principles:

(a) The national program contains broad authorities to help meet the varied soil and water conservation problems of the Nation. State and county committees and participating agencies shall design a program for each State and county. Such programs should include any additional limitations and restrictions necessary for the maximum conservation accomplishment in the area. The programs should be confined to the soil and water conservation practices on which Federal cost-sharing is most needed in order to achieve the maximum conservation benefit in the State or county.

(b) The State and county programs should be designed to encourage those soil and water conservation practices which provide the most enduring conservation benefits practicably attainable in 1958 on the lands where they are to be applied.

(c) Costs will be shared with a farmer or rancher only on satisfactorily performed soil and water conservation practices for which Federal cost-sharing was requested by the farmer or rancher before the conservation work was begun.

(d) Costs should be shared only on soil and water conservation practices which it is believed farmers or ranchers would not carry out to the needed extent without program assistance. In no event should costs be shared on practices except those which are over and above those farmers or ranchers would be compelled to perform in order to secure a crop.

(e) The rates of cost-sharing in a county or State are to be the minimum required to result in substantially increased performance of needed soil and water conservation practices within the limits prescribed in the national program.

(f) The purpose of the program is to help achieve additional conservation on land now in agricultural production rather than to bring more land into agricultural production. The program is not applicable to the development of new or additional farmland by measures such as drainage, irrigation, and land clearing. Such of the available funds that cannot be wisely utilized for this purpose will be returned to the public treasury.

(g) If the Federal Government shares the cost of the initial application of soil and water conservation practices which farmers and ranchers otherwise would not perform but which are essential to sound soil and water conservation, the farmers and ranchers should assume responsibility for the upkeep and maintenance of those practices through their life span. The State and county programs shall specify the life spans of the practices contained in §§ 1101.952 and 1101.957, and other practices for which the measures involved might be used in connection with normal maintenance. State groups may specify life spans for other practices if needed to facilitate the administration of the program. Cost shares are not applicable, after they are initially utilized, to undertake a practice during its normal life span unless the practice has failed to serve for its normal life span due to conditions beyond the control of the farm or ranch operator.

## DISTRIBUTION OF FUNDS

§ 1101.902 *State funds.* Funds available for conservation practices will be distributed among States on the basis of conservation needs, but the proportion allocated for use in any State shall not be reduced more than 15 percent from its proportionate 1957 distribution.

§ 1101.903 *County funds.* The State committee will allocate the funds available for conservation practices among the counties within the State consistent with the needs for enduring conservation in the counties within the State and will give particular consideration to the furtherance of watershed conservation programs sponsored by local people and organizations.

## STATE AND COUNTY AGRICULTURAL CONSERVATION PROGRAMS

§ 1101.904 *Agencies to participate in development of State programs.* (a) A State agricultural conservation program (referred to in this subpart as "State program") shall be developed in each State in accordance with the provisions contained in this subpart and such modifications thereof as may hereafter be made. The program shall be developed by the State ACP Development Group which shall consist of the State committee (including the State Director of Extension), the State Conservationist of the Soil Conservation Service, and the Forest Service official having jurisdiction of farm forestry in the State. The President of the Land-Grant College and the State Director of the Farmers Home Administration shall be invited to designate representatives to counsel with the group in the formulation of the State program. The chairman of the State committee shall invite representatives of the State Soil Conservation Committee (Board or Commission), the State Agricultural Extension Service, and other State and Federal agricultural agencies to participate in the deliberations on the State program.

(b) The program for the State shall be that recommended by the State ACP Development Group and approved by the Administrator, ACPS, after obtaining the recommendations of the Soil Conservation Service and the Forest Service.

§ 1101.905 *Agencies to participate in development of county programs.* (a) A county agricultural conservation program (referred to in this subpart as "county program") shall be developed in each county in accordance with the provisions of the State program and such modifications thereof as may be made. The county program shall be developed by the County ACP Development Group which shall consist of the county committee, the designated representative of the Soil Conservation Service in the county, and the Federal Forest Service representative having jurisdiction of farm forestry in the county. The County ACP Development Group, working with the community committeemen, the governing body of the Soil Conservation District, the farm forestry representatives of the State, the County Agricultural Extension Agent for the

county (if he is not included in the foregoing group as ex officio member of the county committee), and the County Supervisor of the Farmers' Home Administration, shall develop recommendations for the county program.

(b) The program for the county then shall be formulated by the County ACP Development Group in consultation with the governing body of the Soil Conservation District on the overall conservation problems in the county and, especially, on the work plans of the Soil Conservation District and of the Federal agencies involved to assure the most effective use of the available technical assistance and funds for cost-sharing. The program as formulated shall be recommended to the State committee for approval by the State ACP Development Group, and upon such approval shall become the 1958 program for the county. The program recommendation shall be signed by the chairman of the county committee, the Soil Conservation Service technician, and the Forest Service representative where present in the county, and shall state that the program was developed in consultation with the governing body of the Soil Conservation District, if any, or shall state that the governing body was invited to participate in developing the program but did not accept.

§ 1101.906 *Selection of practices.* Practices to be included in the State program or in the county program shall be only those practices for which cost-sharing is essential to permit accomplishment of needed conservation work which would not otherwise be carried out.

§ 1101.907 *Adaptation of practices.* (a) The practices included in the State program must meet all conditions and requirements of the national program. Additional conditions and requirements may be included where necessary for effective use in meeting the conservation problems in the State.

(b) The practices included in the county program must meet all conditions and requirements of the State program. Additional conditions and requirements may be included where necessary for effective use in meeting the conservation problems in the county.

§ 1101.908 *Practice specifications.* (a) Minimum specifications which practices must meet to be eligible for Federal cost-sharing shall be set forth in the State handbook or in the county program, or be incorporated therein by specific reference to a standard publication or other written document containing such specifications.

(b) For practices involving the establishment or improvement of vegetative cover, the specifications shall include, where appropriate, liming, fertilization, and seeding rates, eligible seeds and mixtures, seeding dates, requirements for cultural operations and inoculation, and other steps essential to the successful establishment or improvement of the vegetative cover. Eligible seeds and mixtures shall include a legume or legumes where recommended for inclusion by the State Experiment Station. For

mechanical or construction type practices, the specifications shall include, where appropriate, the types and sizes of material, installation or construction requirements, and other steps essential to the proper functioning of the structure. For other practices, the specifications shall include those steps essential to the successful performance of the practice.

(c) Practice specifications shall provide minimum performance requirements which will qualify the practice for cost-sharing and, where applicable, may also provide maximum limits of performance which will be eligible for cost-sharing. The minimum performance requirements established for a practice shall represent those levels of performance which are necessary to assure a satisfactory practice. The maximum limits of performance for cost-sharing established for a practice shall represent those levels of performance which are needed in order for the practice to be most effective in meeting the conservation problem and which are not in excess of levels for which cost-sharing can be justified.

§ 1101.909 *Use of liming materials and commercial fertilizers for vegetative cover.* (a) For practices which authorize Federal cost-sharing for applications of liming materials and commercial fertilizers, the minimum application, and maximum application where applicable, on which cost-sharing is authorized shall, in each case, be determined on the basis of a current soil test: *Provided, however,* That if the State ACP Development Group determines that available facilities are not adequate to permit the desired use of these practices under the program, it shall authorize, to the extent necessary, an alternative basis for determination by the county committee of such applications. Such alternative basis shall be such as to insure beneficial use of Federal cost-sharing approved and shall be formulated by the State ACP Development Group in full consultation with the representatives of the State and Federal agencies participating in the development of the State program.

(b) The application of liming materials contained in commercial fertilizers, rock phosphate, or basic slag will not qualify for Federal cost-sharing. The application of manure will not qualify for Federal cost-sharing; however, manure may be used, where applicable, to meet all or a part of the fertilizer requirement for a practice.

§ 1101.910 *Responsibility for technical phases of practices.* (a) The Soil Conservation Service is responsible for the technical phases of the practices contained in §§ 1101.956, 1101.963, and 1101.971 to 1101.983. This responsibility shall include (1) a finding that the practice is needed and practicable on the farm, (2) necessary site selection, other preliminary work, and layout work of the practice, (3) necessary supervision of the installation, and (4) certification of performance. For the practice contained in § 1101.968, the Soil Conservation Service is responsible (1) for determining that the practice is needed and

practicable on the farm, and (2) for necessary site selection, other preliminary work, and layout work of the practice. For the practices contained in §§ 1101.962, 1101.964, and 1101.970, the Soil Conservation Service is responsible for determining that the practice is needed and practicable on the farm. In addition, upon agreement of the State committee and the State Conservationist of the Soil Conservation Service, responsibility for all or part of the unassigned technical phases of these or other practices may be assigned to the Soil Conservation Service for all counties in the State or for specified counties. The State Conservationist of the Soil Conservation Service may utilize assistance from private, State, or Federal agencies in carrying out these assigned responsibilities. These assigned responsibilities will not apply in counties with respect to which the Administrator, ACPS, and the Administrator, SCS, agree that it would not be administratively practicable for the Soil Conservation Service to discharge these responsibilities. In such counties, these responsibilities shall be assumed by the county committees. The Soil Conservation Service will utilize to the full extent available resources of the State forestry agencies in carrying out its assigned responsibilities for the practice contained in § 1101.956.

(b) The Forest Service is responsible for the technical phases of the practices contained in §§ 1101.955 and 1101.966. This responsibility shall include (1) providing necessary specialized technical assistance, (2) development of specifications for forestry practices, and (3) working through State and county committees, determining performance in meeting these specifications. The Forest Service may utilize assistance from private, State, or Federal agencies in carrying out these assigned responsibilities, but services of State forestry agencies will be utilized to the full extent such services are available.

§ 1101.911 *Rates of cost-sharing.* (a) The maximum Federal cost-share for each practice shall be the percentage of the average cost of performing the practice considered necessary to obtain the needed performance of the practice, but which will be such that the farmer or rancher will make a substantial contribution to the cost of performing the practice. Rates of cost-sharing shall not be in excess of 50 percent of the average cost of performing the practices, except that:

(1) For the practices contained in §§ 1101.953 to 1101.956, 1101.966, 1101.968, 1101.969, 1101.971 to 1101.974, and 1101.983, which have long lasting conservation benefits and from which the returns to the farmer or rancher are remote, the State ACP Development Group may establish rates of cost-sharing in excess of 50 percent of the average cost of performing the practices.

(2) Upon justification by the State ACP Development Group and approval of the Administrator, ACPS, rates of cost-sharing in excess of 50 percent of the average cost of performing the practices may be established for other practices having long lasting conservation

benefits and from which the returns to the farmer or rancher are remote.

(3) Upon justification by the State and County ACP Development Groups, the Administrator, ACPS, may approve a rate of cost-sharing for one or more additional practices in a county in excess of 50 percent of the average cost of performing the practice, but only if the increased rate of cost-sharing is essential to introduce a greatly needed new conservation practice into the county or to bring about a greatly needed increase in the extent to which the practice otherwise would be carried out.

(b) For the purpose of establishing rates of cost-sharing, the average cost of performing a practice may be the average cost for a State, a county, a part of a county, or a farm or ranch, as determined by the State committee.

(c) The rates of cost-sharing for practices included in the county program may be lower than the rates approved for general use in the State.

§ 1101.912 *Items of cost on which rates of cost-sharing may be based.* Except as otherwise provided by the wording of the practices or elsewhere in this subpart, the cost of any direct and significant factor in the performance of a practice may be considered in establishing the rate of cost-sharing for the practice.

§ 1101.913 *State handbooks, bulletins, instructions, and forms.* The Administrator, ACPS, is authorized to prepare and issue State handbooks, bulletins, instructions, and forms required in administering the 1958 program. Copies of State handbooks, bulletins, instructions, and forms containing detailed information with respect to the 1958 program as it applies to specific States, counties, areas, and farms and ranches will be available in the office of the State committee and the office of the county committee. Persons wishing to participate in the program should obtain from the State committee or county committee all information needed in order to comply with all provisions of the program.

APPROVAL OF CONSERVATION PRACTICES ON INDIVIDUAL FARMS OR RANCHES

§ 1101.914 *Opportunity for requesting cost-sharing.* Each farmer or rancher shall be given an opportunity to request that the Federal Government share in the cost of those practices on which he considers he needs such assistance in order to permit their performance on his farm or ranch. The county committee, taking into consideration the farmer's or rancher's request and any conservation plan developed by the farmer or rancher with the assistance of any State or Federal agency, shall direct the available funds for cost-sharing to those farms and ranches and to those practices where cost-sharing is considered most essential to the accomplishment of the basic conservation objective of the Department—the use of each acre of agricultural land within its capabilities and the treatment of each acre in accordance with its need for protection and improvement.

§ 1101.915 *Prior request for cost-sharing.* Costs will be shared only for those

practices, or components of practices, for which cost-sharing is requested by the farmer or rancher before performance thereof is started, except that for the practices contained in §§ 1101.992 and 1101.996, the Administrator, ACPs, may authorize the acceptance of requests for cost-sharing filed within a reasonable period after performance thereof is started, such period to be stated in the practice wording. For practices for which (a) approval was given under the 1957 Agricultural Conservation Program, (b) performance was started but not completed during the 1957 program year, and (c) the county committee believes the extension of the approval to the 1958 program is justified under the 1958 program regulations and provisions, the filing of the request for cost-sharing under the 1957 program may be regarded as meeting the requirement of the 1958 program that a request for cost-sharing be filed before performance of the practice is started.

§ 1101.916 *Method and extent of approval.* The county committee, in accordance with a method approved by the State committee, will determine the extent to which Federal funds will be made available to share the cost of each approved practice on each farm or ranch, taking into consideration the county allocation, the conservation problems in the county and of the individual farm or ranch, and the conservation work for which requested Federal cost-sharing is considered by the county committee as most needed in 1958. The method approved shall provide for the issuance of notices of approval showing for each approved practice the number of units of the practice for which the Federal Government will share in the cost and the amount of the Federal cost-share for the performance of that number of units of the practice. To the extent practicable, notices of approved practices shall be issued before performance of the practices is started. No practice may be approved for cost-sharing except as authorized by the national, State, or county program, or in accordance with procedures incorporated therein. Available funds for cost-sharing shall not be allocated on a farm or acreage-quota basis, but shall be directed to the accomplishment of the most enduring conservation benefits attainable.

§ 1101.917 *Initial establishment or installation of practices.* Federal cost-sharing may be authorized under the 1958 program only for the initial establishment or installation of the practices contained in this subpart. The initial establishment or installation of a practice, for the purposes of the 1958 program, shall be deemed to include the replacement, enlargement, or restoration of practices for which cost-sharing has been allowed, if all of the following conditions exist:

(a) Replacement, enlargement, or restoration of the practice is needed to meet the conservation problem.

(b) The failure of the original practice was not due to the lack of proper maintenance by the current operator.

(c) The county committee believes that the replacement, enlargement, or restoration of the practice merits consideration under the program to an equal extent with other practices for which cost-sharing has not been allowed under a previous program.

§ 1101.918 *Repair, upkeep, and maintenance of practices.* Federal cost-sharing is not authorized for repairs or for normal upkeep or maintenance of any practice.

§ 1101.919 *Pooling agreements.* Farmers or ranchers in any local area may agree in writing, with the approval of the county committee, to perform designated amounts of practices which, by conserving or improving the agricultural resources of the community, will solve a mutual conservation problem on the farms of the participants. For purposes of eligibility for cost-sharing, practices carried out under such an approved written agreement will be regarded as having been carried out on the farms or ranches of the persons who performed the practices.

#### PRACTICE COMPLETION REQUIREMENTS

§ 1101.922 *Completion of practices.* Federal cost-sharing for the practices contained in this subpart is conditioned upon the performance of the practices in accordance with all applicable specifications and program provisions. Except as provided in §§ 1101.923 to 1101.925, practices must be completed during the program year in order to be eligible for cost-sharing.

§ 1101.923 *Practices substantially completed during program year.* Approved practices may be deemed, for purposes of payment of cost-shares, to have been carried out during the 1958 program year, if the county committee determines that they are substantially completed by the end of the program year. However, no cost-shares for such practices shall be paid until they have been completed in accordance with all applicable specifications and program provisions, except as provided in § 1101.924.

§ 1101.924 *Practices requiring more than one program year for completion.* Cost-shares approved under the 1958 program will not be considered as earned until all components of the approved practices are completed in accordance with all applicable specifications and program provisions. Cost-shares for completed components may be paid only after the practice is substantially completed, and only on the condition that the farmer or rancher will complete the remaining components of the practice within the time prescribed by the county committee which will afford the farmer or rancher a fair and reasonable opportunity to complete them, unless prevented from doing so for reasons beyond his control and regardless of whether cost-sharing therefor is offered, or refund the cost-shares paid to him. If an approved practice is not substantially completed by the end of the 1958 program year, the practice may be considered for reapproval under the 1959 program.

§ 1101.925 *Practices involving the establishment or improvement of vegetative cover.* Costs for practices involving the establishment or improvement of vegetative cover, including trees, may be shared even though a good stand is not established, if the county committee determines, in accordance with standards approved by the State committee, that the practice was carried out in a manner which would normally result in the establishment of a good stand, and that failure to establish a good stand was due to weather or other conditions beyond the control of the farm or ranch operator. The county committee may require as a condition of cost-sharing in such cases that the area be reseeded or replanted, or that other needed protective measures be carried out. Cost-sharing in such cases may be approved also for repeat applications of measures previously carried out or for additional eligible measures. Cost-sharing for such measures shall be approved to the extent such measures are needed to assure a good stand even though less than that required by the applicable practice wording for initial approvals.

§ 1101.926 *Failure to meet minimum requirements.* Notwithstanding other provisions of the 1958 program, costs may be shared for practices treating with the establishment or improvement of vegetative cover for the performance actually rendered even though the minimum requirements with regard to the rate of seeding or the application of liming materials or commercial fertilizers are not met, if the farmer or rancher establishes to the satisfaction of the county committee and the State committee or its designee (a) that he made every reasonable effort to meet the minimum requirements, and (b) that the practice as performed adequately meets the conservation problem.

#### FEDERAL COST-SHARES

§ 1101.927 *Conservation materials and services—(a) Availability.* (1) Part or all of the Federal cost-share for an approved practice may be in the form of conservation materials or services furnished through the program for use in carrying out the practice. Materials or services may not be furnished to persons who are indebted to the Federal Government, as indicated by the register of indebtedness maintained in the office of the county committee, except in those cases where the agency to which the debt is owed waives its rights to setoff in order to permit the furnishing of materials and services.

(2) Title to any material furnished through the program shall vest in the Federal Government until the material is applied or planted, or all charges for the material are satisfied.

(b) *Cost to farmer or rancher.* The farmer or rancher will pay that part of the cost of the material or service, as established under instructions issued by the Administrator, ACPs, which is in excess of the Federal cost-share attributable to the use of the material or service or, upon request by the farmer or rancher and approval by the county committee, the farmer or rancher will pay that part

of the cost of the material or service which is in excess of the farmer's or rancher's Federal cost-share for all components of the practice which will likely be completed during the program year. The Federal cost-share increase on the amount of the Federal cost-share so determined may be advanced as a credit against that part of the cost of the material or service required to be paid by the farmer or rancher.

(c) *Discharge of responsibility for materials and services.* (1) The person to whom a material or service is furnished under the 1958 program will be relieved of responsibility for the material or service upon determination by the county committee that the material or service was used for the purpose for which it was furnished and that any other components of the practice, on which the amount of the Federal cost-share advance toward the cost of the material or service was determined, have been carried out in accordance with all applicable specifications and program provisions. If the person uses any material or service for any purpose other than that for which it was furnished, he shall be indebted to the Federal Government for that part of the cost of the material or service borne by the Federal Government and shall pay such amount to the Treasurer of the United States direct or by withholdings from Federal cost-shares otherwise due him under the program.

(2) Any person to whom materials are furnished shall be responsible to the Federal Government for any damage to the materials, unless he shows that the damage was caused by circumstances beyond his control. If materials are abandoned or not used during the program year, they may, in accordance with instructions issued by the Administrator, ACPs, be transferred to another person or otherwise disposed of at the expense of the person who abandoned or failed to use the material, or be retained by the person for use in a subsequent program year.

§ 1101.928 *Practices carried out with State or Federal aid.* The total extent of any practice performed shall be reduced for the purpose of computing cost-shares by the percentage of the total cost of the items of performance on which costs are shared which the county committee determines was furnished by a State or Federal agency. Materials or services furnished through the 1958 program, materials or services furnished by any agency of a State to another agency of the same State, or materials or services furnished or used by a State or Federal agency for the performance of practices on its land shall not be regarded as State or Federal aid for the purposes of this section.

§ 1101.929 *Division of Federal cost-shares—(a) Federal cost-shares.* The Federal cost-share attributable to the use of conservation materials or services shall be credited to the person to whom the materials or services are furnished. Other Federal cost-shares shall be credited to the person who carried out the practices by which such other Federal

cost-shares are earned. If more than one person contributed to the carrying out of such practices, the Federal cost-share shall be divided among such persons in the proportion that the county committee determines they contributed to the carrying out of the practices. In making this determination, the county committee shall take into consideration the value of the labor, equipment, or material contributed by each person toward the carrying out of each practice on a particular acreage, and shall assume that each contributed equally unless it is established to the satisfaction of the county committee that their respective contributions thereto were not in equal proportion. The furnishing of land or the right to use water will not be considered as a contribution to the carrying out of any practice.

(b) *Death, incompetency, or disappearance.* In case of death, incompetency, or disappearance of any person, any Federal share of the cost due him shall be paid to his successor, determined in accordance with the provisions of the regulations in ACP-122, as amended (Part 1108 of this chapter).

§ 1101.930 *Increase in small Federal cost-shares.* The sum of the Federal cost-shares computed for any person with respect to any farm or ranch under the Agricultural Conservation Program and the Naval Stores Conservation Program shall be increased as follows: *Provided, however,* That in the event legislation is enacted which repeals or amends the authority for making such increases, the Secretary may, in such manner and at such time as is consistent with such legislation, discontinue such increases:

(a) Any Federal cost-share amounting to \$0.71 or less shall be increased to \$1.

(b) Any Federal cost-share amounting to more than \$0.71, but less than \$1, shall be increased by 40 percent.

(c) Any Federal cost-share amounting to \$1 or more shall be increased in accordance with the following schedule:

Amount of cost-share computed:	Increase in cost-share
\$1 to \$1.99	\$.40
\$2 to \$2.99	.80
\$3 to \$3.99	1.20
\$4 to \$4.99	1.60
\$5 to \$5.99	2.00
\$6 to \$6.99	2.40
\$7 to \$7.99	2.80
\$8 to \$8.99	3.20
\$9 to \$9.99	3.60
\$10 to \$10.99	4.00
\$11 to \$11.99	4.40
\$12 to \$12.99	4.80
\$13 to \$13.99	5.20
\$14 to \$14.99	5.60
\$15 to \$15.99	6.00
\$16 to \$16.99	6.40
\$17 to \$17.99	6.80
\$18 to \$18.99	7.20
\$19 to \$19.99	7.60
\$20 to \$20.99	8.00
\$21 to \$21.99	8.20
\$22 to \$22.99	8.40
\$23 to \$23.99	8.60
\$24 to \$24.99	8.80
\$25 to \$25.99	9.00
\$26 to \$26.99	9.20
\$27 to \$27.99	9.40
\$28 to \$28.99	9.60
\$29 to \$29.99	9.80
\$30 to \$30.99	10.00

Amount of cost-share computed—Continued	Increase in cost-share
\$31 to \$31.99	\$10.20
\$32 to \$32.99	10.40
\$33 to \$33.99	10.60
\$34 to \$34.99	10.80
\$35 to \$35.99	11.00
\$36 to \$36.99	11.20
\$37 to \$37.99	11.40
\$38 to \$38.99	11.60
\$39 to \$39.99	11.80
\$40 to \$40.99	12.00
\$41 to \$41.99	12.10
\$42 to \$42.99	12.20
\$43 to \$43.99	12.30
\$44 to \$44.99	12.40
\$45 to \$45.99	12.50
\$46 to \$46.99	12.60
\$47 to \$47.99	12.70
\$48 to \$48.99	12.80
\$49 to \$49.99	12.90
\$50 to \$50.99	13.00
\$51 to \$51.99	13.10
\$52 to \$52.99	13.20
\$53 to \$53.99	13.30
\$54 to \$54.99	13.40
\$55 to \$55.99	13.50
\$56 to \$56.99	13.60
\$57 to \$57.99	13.70
\$58 to \$58.99	13.80
\$59 to \$59.99	13.90
\$60 to \$185.99	14.00
\$186 to \$199.99	( <sup>1</sup> )
\$200 and over	( <sup>2</sup> )

<sup>1</sup> Increase to \$200.  
<sup>2</sup> No increase.

§ 1101.931 *Maximum Federal cost-share limitation.* (a) The total of all Federal cost-shares under the 1958 program to any person with respect to farms, ranching units, and turpentine places in the United States (including Alaska, Hawaii, Puerto Rico, and the Virgin Islands) for approved practices which are not carried out under pooling agreements shall not exceed the sum of \$2,500, and for all approved practices, including those carried out under pooling agreements, shall not exceed the sum of \$10,000.

(b) All or any part of any Federal cost-share which otherwise would be due any person under the 1958 program may be withheld, or required to be refunded, if he has adopted, or participated in adopting, any scheme or device, including the dissolution, reorganization, revival, formation, or use of any corporation, partnership, estate, trust, or any other means, designed to evade, or which has the effect of evading, the provisions of this section.

§ 1101.932 *Persons eligible to file application for payment of Federal cost-shares.* Any person who, as landlord, tenant, or sharecropper on a farm or ranch, bore a part of the cost of an approved conservation practice is eligible to file an application for payment of the Federal cost-share due him.

§ 1101.933 *Time and manner of filing application and required information.* (a) It shall be the responsibility of persons participating in the program to submit to the county office forms and information needed to establish the extent of the performance of approved conservation practices and compliance with applicable program provisions. Time limits with regard to the submission of such forms and information shall be established where necessary for efficient administration of the program. Such time

limits shall afford a full and fair opportunity to those eligible to file the forms or information within the period prescribed. At least 2 weeks' notice to the public shall be given of any general time limit prescribed. Such notice shall be given by mailing notice to the office of each county committee and making copies available to the press. Other means of notification, including radio announcements and individual notices to persons affected, shall be used to the extent practicable. Notice of time limits which are applicable to individual persons, such as time limits for reporting performance of approved practices, shall be issued in writing to the persons affected. Exceptions to time limits may be made in cases where failure to submit required forms and information within the applicable time limits is due to reasons beyond the control of the farmer or rancher.

(b) Payment of Federal cost-shares will be made only upon application submitted on the prescribed form to the county office by December 31, 1959, or such earlier date as is prescribed by the Administrator, ACPS. Any application for payment may be rejected if any form or information required of the applicant is not submitted to the county office within the applicable time limit.

§ 1101.934 *Appeals.* (a) Any person may, within 15 days after notice thereof is forwarded to or made available to him, request the county committee or State committee in writing to reconsider its recommendation or determination in any matter affecting the right to or the amount of his Federal cost-shares with respect to the farm or ranch. The county committee or State committee shall notify him of its decision in writing within 15 days after receipt of written request for reconsideration. If the person is dissatisfied with the decision of the county committee, he may, within 15 days after the decision is forwarded to or made available to him, appeal in writing to the State committee. The State committee shall notify him of its decision in writing within 30 days after the submission of the appeal. If he is dissatisfied with the decision of the State committee, he may, within 15 days after its decision is forwarded to or made available to him, request the Administrator, ACPS, to review the decision of the State committee. The decision of the Administrator, ACPS, shall be final. Written notice of any decision rendered under this section by the county or State committee shall also be issued to each other landlord, tenant, or sharecropper on the farm or ranch who may be adversely affected by the decision.

(b) Appeals considered under this section shall be decided in accordance with the provisions of this subpart and of the applicable State and county programs on the basis of the facts of the individual case: *Provided*, That the Secretary, upon the recommendation of the Administrator, ACPS, and the State and county committees, may waive the requirements of any such provision, where not prohibited by statute, if, in his judgment, such waiver under all the circumstances is justified to permit a proper disposition

of an appeal where the farmer, in reasonable reliance on any instruction or commitment of any member, employee, or representative of a State or county committee, in good faith performed an eligible conservation practice and such performance reasonably accomplished the purpose of the practice.

#### GENERAL PROVISIONS RELATING TO FEDERAL COST-SHARING

§ 1101.935 *Compliance with regulatory measures.* Persons who carry out conservation practices under the 1958 program shall be responsible for obtaining the authorities, rights, easements, or other approvals necessary to the performance and maintenance of the practices in keeping with applicable laws and regulations. The person with whom the cost of the practice is shared shall be responsible to the Federal Government for any losses it may sustain because he infringes on the rights of others or fails to comply with applicable laws or regulations.

§ 1101.936 *Maintenance of practices.* The sharing of costs, by the Federal Government, for the performance of approved conservation practices on any farm or ranch under the 1958 program will be subject to the condition that the person with whom the costs are shared will maintain such practices throughout their normal life span in accordance with good farming practices as long as the land on which they are carried out is under his control.

§ 1101.937 *Practices defeating purposes of programs.* If the county committee finds, with the concurrence of the State committee, that any person has adopted or participated in any practice which tends to defeat the purposes of the 1958 or any previous program, including, but not limited to, failure to maintain, in accordance with good farming practices, practices carried out under a previous program, it may withhold, or require to be refunded, all or any part of the Federal cost-share which otherwise would be due him under the 1958 program.

§ 1101.938 *Depriving others of Federal cost-share.* If the State committee finds that any person has employed any scheme or device (including coercion, fraud, or misrepresentation), the effect of which would be or has been to deprive any other person of the Federal cost-share due that person under the program, it may withhold, in whole or in part, from the person participating in or employing such a scheme or device, or require him to refund in whole or in part, the Federal cost-share which otherwise would be due him under the 1958 program.

§ 1101.939 *Filing of false claims.* If the State committee finds that any person has knowingly filed claim for payment of the Federal cost-share under the program for practices not carried out, or for practices carried out in such a manner that they do not meet the required specifications therefor, such person shall not be eligible for any Federal cost-share under the 1958 program and shall refund all amounts that may have been paid to him under the 1958 pro-

gram. The withholding or refunding of Federal cost-shares will be in addition to and not in substitution of any other penalty or liability which might otherwise be imposed.

§ 1101.940 *Misuse of purchase orders.* If the State committee finds that any person has knowingly used a purchase order issued to him for conservation materials or services for a purpose other than that for which it was issued, and that such misuse of the purchase order tends to defeat the purpose for which it was issued, such person shall not be eligible for any Federal cost-share under the 1958 program and shall refund all amounts that may have been paid to him under the 1958 program. The withholding or refunding of Federal cost-shares will be in addition to and not in substitution of any other penalty or liability which might otherwise be imposed.

§ 1101.941 *Federal cost-shares not subject to claims.* Any Federal cost-share, or portion thereof, due any person shall be determined and allowed without regard to questions of title under State law; without deduction of claims for advances (except as provided in § 1101.942, and except for indebtedness to the United States subject to setoff under orders issued by the Secretary (Part 1109 of this chapter)); and without regard to any claim or lien against any crop, or proceeds thereof, in favor of the owner or any other creditor.

§ 1101.942 *Assignments.* Any person who may be entitled to any Federal cost-share under the 1958 program may assign his right thereto, in whole or in part, as security for cash loaned or advances made for the purpose of financing the making of a crop in 1958, including the carrying out of soil and water conservation practices. No assignment will be recognized unless it is made in writing on Form ACP-69 and in accordance with the regulations issued by the Secretary (Part 1110 of this chapter).

#### DEFINITIONS

§ 1101.945 *Definitions.* For the purposes of the 1958 program:

(a) "Secretary" means the Secretary of Agriculture of the United States or any officer or employee of the Department to whom authority has been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(b) "Administrator, ACPS," means the Administrator of the Agricultural Conservation Program Service.

(c) "State" means any one of the continental United States.

(d) "State committee" means the persons in the State designated by the Secretary as the Agricultural Stabilization and Conservation State committee.

(e) "County" means parish or county.

(f) "County committee" means the persons elected within a county as the county committee pursuant to regulations governing the selection and functions of Agricultural Stabilization and Conservation county and community committees.

(g) "Person" means an individual, partnership, association, corporation, estate, or trust, or other business enter-

prise, or other legal entity (and, wherever applicable, a State, a political subdivision of a State, or any agency thereof) that, as landlord, tenant, or sharecropper, participates in the operation of a farm or ranch.

(h) "Farm" or "ranch" means that area of land considered as a farm under the current definition of farm applicable to marketing quota and acreage allotment programs (Part 718 of this title (22 F. R. 3747)).

(i) "Cropland" means that land considered as cropland under the current definition of cropland applicable to marketing quota and acreage allotment programs (Part 718, of this title (22 F. R. 3747)).

(j) "Program year" means the period, designated in the State handbook, during which conservation practices, or components thereof, must be carried out to be eligible for cost-sharing. The program year may begin on or after July 1, 1957, and end not later than December 31, 1958.

#### AUTHORITY, AVAILABILITY OF FUNDS, AND APPLICABILITY

§ 1101.946 *Authority.* The program contained in this subpart is approved pursuant to the authority vested in the Secretary of Agriculture under sections 7-17 of the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 1148; 16 U. S. C. 590g-590q), and the Department of Agriculture and Farm Credit Administration Appropriation Act, 1958.

§ 1101.947 *Availability of funds.* (a) The provisions of the 1958 program are necessarily subject to such legislation as the Congress of the United States may hereafter enact; the paying of the Federal cost-shares provided in this subpart is contingent upon such appropriation as the Congress may hereafter provide for such purpose; and the amounts of such Federal cost-shares will necessarily be within the limits finally determined by such appropriation.

(b) The funds provided for the 1958 program will not be available for paying Federal cost-shares for which applications are filed in the county office after December 31, 1959.

§ 1101.948 *Applicability.* (a) The provisions of the 1958 program contained in this subpart are not applicable to (1) any department or bureau of the United States Government or any corporation wholly owned by the United States; (2) noncropland owned by the United States which was acquired or reserved for conservation purposes, or which is to be retained permanently under Government ownership, including, but not limited to, grazing lands administered by the Forest Service of the United States Department of Agriculture, or by the Bureau of Land Management (including lands administered under the Taylor Grazing Act) or the Fish and Wildlife Service of the United States Department of the Interior, except as indicated in paragraph (b) (7) of this section; (3) nonprivate persons for performance on any land owned by the United States or a corporation wholly owned by it; and

(4) farms outside the continental United States.

(b) The program is applicable to (1) privately owned lands; (2) lands owned by a State or political subdivision or agency thereof; (3) lands owned by corporations which are partly owned by the United States, such as production credit associations; (4) lands temporarily owned by the United States or a corporation wholly owned by it, which were not acquired or reserved for conservation purposes, including lands administered by the Farmers Home Administration, the Federal Farm Mortgage Corporation, the United States Department of Defense, or by any other Government agency designated by the Administrator, ACPS; (5) any cropland farmed by private persons which is owned by the United States or a corporation wholly owned by it; (6) Indian lands, except that where grazing operations are carried out on Indian lands administered by the Department of the Interior, such lands are within the scope of the program only if covered by a written agreement approved by the Department of the Interior giving the operator an interest in the grazing and forage growing on the land and a right to occupy the land in order to carry out the grazing operations; and (7) noncropland owned by the United States for performance by private persons of conservation practices which directly conserve or benefit nearby or adjoining privately owned lands of such persons who maintain and use such federally owned noncropland under agreement with the Federal agency having jurisdiction thereof.

#### CONSERVATION PRACTICES

##### CONSERVATION PRACTICES WITH ENDURING BENEFITS; WHERE PROPERLY APPLIED AND MAINTAINED

##### *Practices Primarily for Establishment of Permanent Protective Cover*

§ 1101.949 *Practice A-1: Initial establishment of a permanent vegetative cover in orchards and vineyards for control or erosion.* Volunteer stands and acreages cut for hay are not eligible for cost-sharing.

§ 1101.950 *Practice A-2: Initial establishment of a permanent vegetative cover for soil protection or as a needed land-use adjustment.* This practice is applicable only to land which should be established in permanent vegetative cover for protection against wind or water erosion, and to cropland which, as a part of a needed land-use adjustment, is being shifted to permanent protective vegetative cover other than as a part of a regular crop rotation. This practice is not applicable to land occupied by a merchantable stand of timber or pulpwood, or to land which, if cleared, would be suitable for continued production of cultivated crops. Federal cost-sharing may be approved for constructing fences where fences are necessary to protect the seeded area and only for the extent necessary to fence that area. Federal cost-sharing for fences shall be limited to permanent fences, excluding boundary and road fences.

§ 1101.951 *Practice A-3: Establishment of additional acreages of vegetative cover in crop rotation to retard erosion and to improve soil structure, permeability, or water-holding capacity.* This practice is applicable only to land which needs such cover to retard erosion or to improve soil structure, permeability, or water-holding capacity. Federal cost-sharing will be limited to that acreage which the county committee determines represents a desirable increase over what would be the normal plantings of eligible crops on the farm in 1958 under the normal crop rotation for the farm. In making this determination, consideration should be given to the need for this practice on cropland which the farmer or rancher intends to divert from the production of crops for which allotments are established for the farm for 1958.

§ 1101.952 *Practice A-4: Initial treatment of farmland to permit the use of legumes and grasses for soil improvement and protection.* This practice is applicable only to farmland devoted in 1958 to legumes (other than vegetable or truck crops, soybeans, mungbeans, and peanuts) or perennial grasses, and to farmland which the county committee determines will be devoted to such eligible uses in 1959. Federal cost-sharing will be limited to the application of liming materials, rock phosphate, and gypsum. Other forms of phosphate materials are eligible for cost-sharing under other practices involving the establishment or improvement of vegetative cover. Cost-shares paid or advanced for materials applied under this practice will not be considered as earned unless the land is devoted to eligible grasses and legumes at the time the materials are applied or is seeded to eligible grasses and legumes in 1958 or 1959, unless the farmer is prevented from seeding the eligible grasses and legumes within such period because of conditions beyond his control.

§ 1101.953 *Practice A-5: Initial establishment of contour stripcropping to protect soil from wind or water erosion.* All cultural operations must be performed as nearly as practicable on the contour. The crop stubble or crop residue must be left standing over winter, or a winter cover crop established, or necessary protective tillage operations carried out, on acreage devoted to row crops. Federal cost-sharing may be authorized for removing stone walls or hedgerows where such removal is necessary to the establishment of an effective contour stripcropping system.

§ 1101.954 *Practice A-6: Initial establishment of field stripcropping to protect soil from wind or water erosion.* The crop stubble or crop residue must be left standing over winter, or a winter cover crop established, or necessary protective tillage operations carried out, on acreage devoted to row crops.

§ 1101.955 *Practice A-7: Initial establishment of a stand of trees or shrubs on farmland for purposes other than the prevention of wind or water erosion.* No Federal cost-sharing will be allowed for

planting orchard trees, or for plantings for ornamental purposes. If shrubs are used, those that benefit wildlife should be given preference wherever practicable. Plantings must be protected from fire and grazing. Federal cost-sharing may be authorized for clearing land occupied largely by scrubby brush of no economic value to permit planting of desirable tree species. Technical assistance must be utilized to determine the suitability of the land for clearing and the measures necessary to prevent erosion. Federal cost-sharing for fencing shall be limited to permanent fences needed to protect the planted area from grazing, excluding boundary and road fences.

§ 1101.956 *Practice A-8: Initial establishment of a stand of trees or shrubs on farmland to prevent wind or water erosion.* Prevention of wind or water erosion on farmland is defined as the use of (a) windbreaks, (b) shelterbelts, (c) gully stabilization, and (d) stabilization of streambanks. The use of this practice should include considerations of enhancement to wildlife habitat.

*Practices Primarily for Improvement and Protection of Established Vegetative Cover*

§ 1101.957 *Practice B-1: Improvement of an established vegetative cover for soil or watershed protection.* This practice is applicable only to land in permanent vegetative cover which needs more than normal maintenance measures in order to provide adequate soil or watershed protection. The improvement measures approved for cost-sharing shall be those which will extend materially the life of the vegetative cover. Federal cost-sharing may not be approved for normal maintenance measures such as annual topdressings with fertilizer or other mineral elements. This practice is not applicable to land on which the needed improvement measures will constitute complete reestablishment of the vegetative cover.

§ 1101.958 *Practice B-2: Improvement of vegetative cover on rangeland by artificial reseeding or deferred grazing.* No Federal cost-sharing will be allowed if it is determined that any area seeded is grazed before the stand is well established or that any rangeland in the unit is overgrazed.

§ 1101.959 *Practice B-3: Controlling competitive shrubs to permit growth of adequate desirable vegetative cover for soil protection on range or pasture land.* On areas where it is determined that the control of competitive shrubs will reduce the vegetative cover to such an extent as to induce erosion, the practice will not be approved unless followed by seeding or other approved erosion control measures.

§ 1101.960 *Practice B-4: Furrowing, chiseling, ripping, scarifying, pitting, or listing noncrop grazing land to prevent soil loss, retard runoff, and improve water penetration.* The operation must be performed as nearly as practicable on the contour.

§ 1101.961 *Practice B-5: Constructing wells for livestock water as a means of protecting vegetative cover.* The wells must be at locations which will bring about the desired protection of vegetative cover through proper distribution of grazing or better grassland management. Adequate storage facilities must be provided. Pumping equipment must be installed, except for artesian wells. No Federal cost-sharing will be allowed for wells constructed primarily for the use of headquarters, or for costs other than for constructing or deepening wells and for water storage facilities.

§ 1101.962 *Practice B-6: Developing springs or seeps for livestock water as a means of protecting vegetative cover.* The springs or seeps must be at locations which will bring about the desired protection of vegetative cover through proper distribution of grazing or better grassland management.

§ 1101.963 *Practice B-7: Constructing or sealing dams, pits, or ponds as a means of protecting vegetative cover.* The dams, pits, or ponds must be at locations which will bring about the desired protection of vegetative cover through proper distribution of grazing or better grassland management.

§ 1101.964 *Practice B-8: Installing pipelines for livestock water as a means of protecting vegetative cover.* The pipelines must deliver water to locations which will bring about the desired protection of vegetative cover through proper distribution of grazing or better grassland management.

§ 1101.965 *Practice B-9: Constructing permanent fences as a means of protecting vegetative cover.* This practice may be approved only where fencing will contribute to better distribution of livestock and seasonal use of the forage. Fences between pasture and other land will not qualify for cost-sharing.

§ 1101.966 *Practice B-10: Improvement of a stand of forest trees on farmland.* Federal cost-sharing may be allowed for any of the following measures: (a) Thinning, (b) pruning crop trees, (c) release of desirable tree seedlings by removing or killing competing and undesirable vegetation, (d) site preparation for natural reseeding, (e) fencing, and (f) erosion control measures on logging roads and trails. The area must be protected from fire. Where seedlings are present or needed, the area must be protected from grazing. Federal cost-sharing for site preparation will be limited to areas which have a sufficient number of desirable seed trees for natural reseeding, which will not restock unless brush, dense litter, and other material on the forest soil is broken up or removed so that soil is exposed, and on which the seed trees will be left until the area is restocked. Technical assistance shall be utilized, if available; otherwise the practice must be carried out in accordance with approved technical forestry standards. Federal cost-sharing for fencing shall be limited to permanent fences needed to protect the area from grazing, excluding boundary and road fences.

*Practices Primarily for the Conservation and Disposal of Water*

§ 1101.968 *Practice C-1: Initial establishment of permanent sod waterways to dispose of excess water without causing erosion.*

§ 1101.969 *Practice C-2: Initial establishment of permanent vegetation as protection against erosion.* Federal cost-sharing will be limited to the establishment of permanent vegetation on gullies, dams, dikes, levees, ditch banks, farm roadsides, filter strips, and field borders. Consideration should be given to choice of plants favorable to wildlife.

§ 1101.970 *Practice C-3: Initial establishment of orchards, vineyards, bush fruits, strawberries, or perennial vegetables on the contour to prevent erosion.* All cultural operations must be performed as nearly as practicable on the contour.

§ 1101.971 *Practice C-4: Constructing terraces to detain or control the flow of water and check soil erosion.* Necessary protective outlets or waterways must be provided. Federal cost-sharing may be authorized for removing stone walls or hedgerows where such removal is necessary to the establishment of an effective terrace system. Costs of construction may include necessary leveling and filling to permit installation of an effective system.

§ 1101.972 *Practice C-5: Constructing diversion terraces, ditches, or dikes to intercept runoff and divert excess water to protected outlets.* Necessary protective outlets or waterways must be provided. Federal cost-sharing may be authorized for removing stone walls or hedgerows where such removal is necessary to the establishment of an effective terrace system. Costs of construction may include necessary leveling and filling to permit installation of an effective system.

§ 1101.973 *Practice C-6: Constructing erosion control, detention, or sediment retention dams to prevent or heal gully- ing or to retard or reduce runoff of water.*

§ 1101.974 *Practice C-7: Constructing channel lining, chutes, drop spillways, pipe drops, drop inlets, or similar structures for the protection of outlets and water channels that dispose of excess water.*

§ 1101.975 *Practice C-8: Streambank or shore protection, channel clearance, enlargement or realignment, or construction of floodways, levees, or dikes, to prevent erosion or flood damage to farmland.* This practice shall not be approved in cases where there is any likelihood that it will create an erosion or flood hazard to other adjacent land, or where its primary purpose is to bring new land into agricultural production.

§ 1101.976 *Practice C-9: Constructing permanent open drainage systems to dispose of excess water.* Federal cost-sharing may be authorized for clearing the necessary minimum width right-of-way. Federal cost-sharing may be authorized for the spreading of spoil banks where this is necessary for the effective utilization

tion of the drainage system. No Federal cost-sharing will be allowed for ditches, the primary purpose of which is to bring new land into agricultural production. This practice is not applicable to land other than that devoted to the production of cultivated crops or crops normally seeded to hay or pasture during at least 2 of the 5 years preceding that in which the practice is applied; provided, however, that upon a showing by a farmer applicant for this practice that the land on which the practice is to be applied was in cultivated crops, tame hay, or seeded pasture 2 years out of 10 years preceding the application applied for, he may be allowed cost-shares as to such land. The installation of this practice on eligible land shall not be ineligible for cost-shares because its use results in incidental drainage on ineligible land. No Federal cost-shares are allowable for cleaning a ditch, installing crossing structures, or for other structures primarily for the convenience of the farm operator. In the installation of drainage systems, due consideration shall be given to the maintenance of wildlife habitat.

§ 1101.977 *Practice C-10: installing underground drainage systems to dispose of excess water.* No Federal cost-sharing will be allowed for systems, the primary purpose of which is to bring new land into agricultural production. This practice is not applicable to land other than that devoted to the production of cultivated crops or crops normally seeded to hay or pasture during at least 2 of the 5 years preceding that in which the practice is applied; provided, however, that upon a showing by a farmer applicant for this practice that the land on which the practice is to be applied was in cultivated crops, tame hay, or seeded pasture 2 years out of 10 years preceding the application applied for, he may be allowed cost-shares as to such land. The installation of this practice on eligible land shall not be ineligible for cost-shares because its use results in incidental drainage on ineligible land. In the installation of drainage systems, due consideration shall be given to the maintenance of wildlife habitat.

§ 1101.978 *Practice C-11: Shaping or land grading to permit effective surface drainage.* No Federal cost-sharing will be allowed for any shaping or grading which is performed through farming operations in connection with land preparation for planting or cultivation of crops. No Federal cost-sharing will be allowed for shaping or land grading on land which was not devoted to the production of cultivated crops or crops normally seeded for hay or pasture in the area during at least 2 of the last 5 years.

§ 1101.979 *Practice C-12: Reorganizing irrigation systems to conserve water and prevent erosion.* The practice must be carried out in accordance with a reorganization plan approved by the responsible technician. No Federal cost-sharing will be allowed for cleaning a ditch, or for structures installed for crossings, or for other structures primarily for the convenience of the farm operator, or for portable pipe. No Federal cost-sharing will be allowed for re-

organizing an irrigation system if the primary purpose of the reorganization is to bring additional land under irrigation, or for reorganizing a system which was not in use during at least 2 of the last 5 years.

§ 1101.980 *Practice C-13: Leveling land for more efficient use of irrigation water and to prevent erosion.* No Federal cost-sharing will be allowed for floating or restoration of grade; however, the leveling operation may be completed over a period of more than one program year on a component basis where the size of cuts and fills is such that a heavy leveling operation will be needed following settlement of the original fills. No Federal cost-sharing will be allowed for leveling land if the primary purpose of the leveling is to bring into agricultural production land which was not devoted to the production of cultivated crops or crops normally seeded for hay or pasture in the area during at least 2 of the last 5 years. The leveling must be carried out in accordance with a plan approved by the responsible technician.

§ 1101.981 *Practice C-14: Constructing or lining dams, pits, or ponds for irrigation water.* The purpose of this practice is to conserve agricultural water or to provide water necessary for the conservation of soil resources. No Federal cost-sharing will be allowed for constructing or lining dams, pits, or ponds, the primary purpose of which is to bring into agricultural production land which was not devoted to the production of cultivated crops or crops normally seeded for hay or pasture in the area during at least 2 of the last 5 years.

§ 1101.982 *Practice C-15: Lining irrigation ditches to prevent erosion and loss of water by seepage.* This practice is limited to ditches that are properly located and constructed as a part of an existing irrigation system.

§ 1101.983 *Practice C-16: Constructing spreader ditches or dikes to divert and spread water to prevent erosion, to permit beneficial use of runoff, or to replenish ground water supply.*

CONSERVATION PRACTICES WITH BENEFITS OF LIMITED DURATION; GENERALLY REQUIRING PERIODIC REPETITION

*Practices Primarily for Establishing Temporary Protective Vegetative Cover*

§ 1101.985 *Practice D-1: Establishment of vegetative cover for winter protection from erosion.* A good stand and good growth must be obtained in sufficient time to protect the area in the fall and winter of 1957 or 1958 and must be maintained on the land to a date specified in the county program. Pasturing consistent with good management may be permitted, but none of the growth may be harvested for hay or seed, except that the State committee may authorize the harvesting of the growth for hay or silage in areas where it determines that a serious shortage of hay or silage exists due to adverse weather conditions and the growth harvested is needed for use on farms in the area. Volunteer stands will not qualify for cost-sharing. The

Federal cost-share for this practice shall not be in excess of 50 percent of the average cost of seed and fertilizer. The quantity of fertilizer, if any, on which costs are shared shall be only that quantity needed for successful establishment of the cover crop.

§ 1101.986 *Practice D-2: Establishment of vegetative cover for summer protection from erosion.* A good stand and good growth must be obtained and left on the land or turned under. Pasturing consistent with good management may be permitted, but none of the growth may be harvested for hay or seed, except that the State committee may authorize the harvesting of the growth for hay or silage in areas where it determines that a serious shortage of hay or silage exists due to adverse weather conditions and the growth harvested is needed for use on farms in the area. Volunteer stands will not qualify for cost-sharing. The Federal cost-share for this practice shall not be in excess of 50 percent of the average cost of seed and fertilizer. The quantity of fertilizer, if any, on which costs are shared shall be only that quantity needed for successful establishment of the cover crop.

§ 1101.987 *Practice D-3: Establishment of vegetative cover for green manure and for protection from erosion.* Federal cost-sharing will be limited to acreages of biennial or perennial legumes or perennial grasses, or mixtures of such legumes with adapted grasses, seeded during the 1958 program year. A good stand and good growth must be obtained. Pasturing consistent with good management may be permitted, but none of the growth may be harvested for hay or seed, except that the State committee may authorize the harvesting of the growth for hay or silage in areas where it determines that a serious shortage of hay or silage exists due to adverse weather conditions and the growth harvested is needed for use on farms in the area. Volunteer stands will not qualify for cost-sharing. The Federal cost-share for this practice shall not be in excess of 50 percent of the average cost of seed and fertilizer. The quantity of fertilizer, if any, on which costs are shared shall be only that quantity needed for successful establishment of the green manure or cover crop.

§ 1101.988 *Practice D-4: Establishment of vegetative cover to protect cropland throughout the 1958 crop year.* This practice is applicable only to cropland which is being shifted for the entire 1958 crop year from crop production to green manure or cover crops. Eligible seedings may consist of single seedings or successive seedings of grasses, legumes, small grains, or other crops which will provide adequate soil protection for the required period. Where annuals alone are used, at least two successive seedings must be made. Pasturing consistent with good management may be permitted. No crop may be harvested for seed in 1958. No annual crop seeded in the fall of 1958 may be harvested for seed in 1959 if such seeding is one of the two required seedings of such annual crops. No crop may

be harvested for hay or silage in 1958, and no annual crop seeded in the fall of 1958 may be harvested for hay or silage in 1959 if such seeding is one of the two required seedings of such annual crops, except that the State committee may authorize the harvesting of the growth for hay or silage in areas where it determines that a serious shortage of hay or silage exists due to adverse weather conditions and the growth harvested is needed for use on farms in the area. One of the two required seedings of annuals may be a volunteer seeding which provides adequate soil protection, but no Federal cost-sharing may be allowed for the volunteer seeding.

*Practices Primarily for the Temporary Protection of Soil From Wind and Water Erosion*

§ 1101.990 *Practice E-1: Stubble mulching to improve soil permeability and to protect soil from wind and water erosion.* Tillage operations must be such as to leave sufficient crop or weed residue on the surface or mixed in the upper part of the soil to provide protection against wind and water erosion.

§ 1101.991 *Practice E-2: Initial establishment of contour farming operations on nonterraced land to protect soil from wind or water erosion.* All cultural operations must be performed as nearly as practicable on the contour. The crop stubble or crop residue must be left standing over winter, or a winter cover crop established, or necessary protective tillage operations carried out, on acreage devoted to row crops. This practice is not applicable on any acreage for which Federal cost-sharing is approved under § 1101.953. Federal cost-sharing may be authorized for removing stone walls or hedgerows where such removal is necessary to the establishment of an effective contour farming system.

§ 1101.992 *Practice E-3: Wind erosion control operations in serious wind erosion areas.* Applicable only in areas where the Administrator, ACPS, upon the recommendation of the State committee and the designated representatives of the Soil Conservation Service and the Forest Service at the State level, determines there is a serious wind erosion problem for 1958. Eligible operations shall be confined to those having the most enduring benefits practicably attainable under existing conditions.

CONSERVATION PRACTICES WITH LIMITED AREA APPLICABILITY

*Practices to Meet Special County Conservation Needs*

§ 1101.994 *Practices F-1: Special conservation practices.* Consistent with the principles set forth in § 1101.901, the county committee and designated representatives of the Soil Conservation Service and the Forest Service at the county level may recommend, and the State committee and designated representatives of the Soil Conservation Service and the Forest Service at the State level may approve, for use in a county, practices included in this subpart for which there is need locally on a substantial number of farms but which are not se-

lected for use in the State. Such approval shall be subject to review by the Administrator, ACPS, as to compliance with the provisions contained in this subpart.

§ 1101.995 *Practice F-2: County conservation practices.* Consistent with the principles set forth in § 1101.901, the Administrator, ACPS, may approve for use in a county, practices which are not included in this subpart which are needed to meet particular conservation problems in the county. Such approval may be given only upon the recommendation of the State and county committees and designated representatives of the Soil Conservation Service and the Forest Service at both the county and State levels, and upon their finding (a) that the conservation problem exists on a substantial number of farms in the county, (b) that the practices contained in this subpart will not provide adequate treatment of the problem, (c) that the proposed practice will adequately meet the problem, (d) that the proposed practice would not be performed without Federal cost-sharing, (e) that the proposed practice will provide the most enduring solution to the problem practicably attainable under existing circumstances, (f) that the proposed practice is one on which the offering of financial assistance is fully justified as being in the public interest, and (g) that the proposed practice meets the standards and requirements of comparable practices contained in this subpart. Costs will not be shared under this practice for elements of performance for which cost-sharing is specifically precluded by the wording of a similar practice or elsewhere in this subpart. Approval by the Administrator, ACPS, of a practice for one county does not constitute authority for extending the practice to other counties without such approval.

§ 1101.996 *Practice F-3: Practices to meet new conservation problems.* Consistent with the principles set forth in § 1101.901, the Administrator, ACPS, may approve for use in a county, practices for the treatment of critical conservation problems, primarily those which have arisen subsequent to the initiation of the program in the county. Such approval may be given only upon the recommendation of the State and county committees and designated representatives of the Soil Conservation Service and the Forest Service at both the county and State levels, and upon their finding (a) that the conservation problem exists on a substantial number of farms in the county, (b) that the practices contained in this subpart will not provide adequate treatment of the problem, (c) that the proposed practice will adequately meet the problem, (d) that the proposed practice would not be performed without Federal cost-sharing, (e) that the offering of Federal cost-sharing for the proposed practice is justified as within the scope of national conservation objectives, (f) that adequate facilities, including technical services, will be available to permit the practice to be carried out effectively, and (g) that treatment of the problem cannot

be safely delayed until a subsequent program.

Done at Washington, D. C., this 9th day of August 1957.

[SEAL]

E. L. PETERSON,  
Assistant Secretary.

[F. R. Doc. 57-6671; Filed, Aug. 13, 1957; 8:54 a. m.]

## TITLE 17—COMMODITY AND SECURITIES EXCHANGES

### Chapter II—Securities and Exchange Commission

#### PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

##### REGISTRATION OF BROKERS AND DEALERS; PRESERVATION OF RECORDS AND REPORTS OF CERTAIN STABILIZING ACTIVITIES

On May 10, 1957, the Securities and Exchange Commission announced that it had under consideration certain proposed amendments to its Rules 15b-8 and 17a-5 (17 CFR 240.15b-8 and 240.17a-5) under the Securities Exchange Act of 1934. (See Securities Exchange Act Release No. 5515.) The Commission has considered all the views and comments received on the proposals and has adopted the amendments in the form stated below.

1. Rule 17a-5—Amendment of paragraph (a). Paragraph (a) of § 240.17a-5 designates the members, brokers and dealers required to file reports containing the information called for by Form X-17A-5 and specifies the time when such reports must be filed. As amended, it provides that a report must be filed as of a date within each calendar year, except that the first report (by others than successors) must be as of a date not less than one nor more than five months after the member, broker or dealer becomes subject to the rule; reports must be filed not more than 45 days after the date of the report; and reports may not be as of dates within four months of each other. A member, broker or dealer who succeeds to and continues the business of a predecessor need not file a report as of that year if the predecessor has filed a report as of that year. The reports must be filed in duplicate original with the Regional Office of the Commission in which the member, broker, or dealer has his or its principal office.

2. Amendment of paragraph (b) (1). Paragraph (b) (1) of the rule describes the circumstances under which a report must be certified. As amended, it provides that every report required to be filed on Form X-17A-5 must be certified by a certified public accountant or a public accountant who is in fact independent, unless one of three exemptions from this requirement is available. The first exemption is available to a member of a national securities exchange who, from the date of his previous report, has not transacted a business in securities directly with or for others than members, has not carried any margin account, credit balance or security for any person other than a general partner, and has

not been required to file a certified financial statement with any national securities exchange. The second exemption is available to a broker who, from the date of his previous report, has limited his securities business to soliciting subscriptions as an agent for issuers, has transmitted funds and securities promptly and has not otherwise held funds or securities for or owed money or securities to customers (i. e. one who would have been exempt during that entire period from the Commission's aggregate-indebtedness-net-capital § 240.15c3-1 (Rule 15c3-1) by reason of paragraph (b) (1) thereof). The third exemption is available to a broker or dealer who, from the date of his last report, has limited his securities business to buying and selling evidences of indebtedness secured by liens on real estate and has not carried margin accounts, credit balances or securities for securities customers.

A booklet entitled "Audits of Brokers and Dealers in Securities", recently issued by the Special Committee on Auditing Procedure of the American Institute of Accountants should fill the need for an authoritative guide to accountants in this specialized field of auditing. It describes the special accounting records used by brokers and dealers, and the auditing procedures and forms of reports to be used in connection with the examination of their books and records.

Rule 15b-8. Since the proposed revision of Rule 17a-5 exempts successor broker-dealers from filing a Form X-17A-5 report for any calendar year as of which a predecessor filed a report, paragraph (a) of § 240.15b-8 (Rule 15b-8) has been amended so that every broker-dealer filing an application for registration will be required to file with his application for registration the financial statement required by this rule. This does not have to be a certified financial statement, however.

**Effective date.** The amendment to Rule 15b-8 is effective September 15, 1957. The amendment to Rule 17a-5 is effective November 15, 1957. This latter amendment has not been made effective until November 15, 1957, so that members, brokers and dealers who have not been required to file certified reports under Rule 17a-5 and want to be able to file an uncertified report for the year 1957 will be able to have that report prepared and filed by that time. Reports filed after November 15, 1957, even as of a date within 1957, will have to comply with the certification requirements set out in the amended rule.

**Statutory basis.** The Securities and Exchange Commission, acting pursuant to the provisions of the Securities Exchange Act of 1934, particularly sections 3 (b), 15 (b), 17 (a) and 23 (a) thereof, and deeming such action necessary and appropriate in the public interest, for the protection of investors, and to carry out its functions under the Act, hereby amends Rules 15b-8 and 17a-5 (17 CFR 240.15b-8 and 240.17a-5) as stated below:

**Text of amended rules.** The text of paragraphs (a) and (b) (1) of § 240.17a-5 as amended is as follows:

§ 240.17a-5 *Reports to be made by certain exchange members, brokers and dealers—(a) Filing reports.* (1) This rule shall apply to every member of a national securities exchange who transacts a business in securities directly with or for others than members of a national securities exchange, every broker or dealer (other than a member) who transacts a business in securities through the medium of any member of a national securities exchange, and every broker or dealer registered pursuant to section 15 of the act.

(2) Every member, broker or dealer subject to this rule shall file reports of financial condition containing the information required by Form X-17A-5, as follows: (i) A report shall be filed as of a date within each calendar year, except that (a) the first such report of a member, broker or dealer (other than one succeeding to and continuing the business of another member, broker or dealer) shall be as of a date not less than one nor more than five months after the date on which such member, broker or dealer becomes subject to this rule (in the case of a registered broker or dealer this shall be the date the registration becomes effective) and (b) a member, broker or dealer succeeding to and continuing the business of another member, broker or dealer need not file a report as of a date in the calendar year in which the succession occurs if the predecessor member, broker or dealer has filed a Form X-17A-5 report in compliance with this rule as of a date in such calendar year; (ii) such reports shall be filed not more than 45 days after the date of the report of financial condition; and (iii) reports for any two consecutive years shall not be as of dates within four months of each other. The reports provided for in this rule shall be filed in duplicate original with the Regional Office of the Commission for the region in which the member, broker or dealer has his or its principal place of business.

(b) *Nature and form of reports.* Each report of financial condition filed pursuant to paragraph (a) of this section shall be prepared and filed in accordance with the following requirements:

(1) The report of a member, broker or dealer shall be certified by a certified public accountant or a public accountant who shall be in fact independent: *Provided, however,* That such report need not be certified if, since the date of the previous financial statement or report filed pursuant to § 240.15b-8 or this section, (i) said member has not transacted a business in securities directly with or for other than members of a national securities exchange; has not carried any margin account, credit balance or security for any person other than a general partner; and has not been required to file a certified financial statement with any national securities exchange; or (ii) his or its securities business has been limited to acting as broker (agent) for the issuer in soliciting subscriptions for securities of such issuer, said broker has promptly transmitted to such issuer all funds and promptly delivered to the subscriber all securities received in connection therewith, and said broker has not

otherwise held funds or securities for or owed money or securities to customers; or (iii) his or its securities business has been limited to buying and selling evidences of indebtedness secured by mortgage, deed of trust, or other lien upon real estate or leasehold interests, and said broker or dealer has not carried any margin account, credit balance, or security for any securities customer. A member, broker or dealer who files a report which is not certified shall include in the oath or affirmation required by paragraph (b) (2) of this section a statement of the facts and circumstances relied upon as a basis for exemption from the certification requirements.

The text of paragraph (a) of § 240.15b-8, as amended, is as follows:

§ 240.15b-8 *Statement of financial condition to be filed with application for registration as a broker or dealer.* (a) Every broker or dealer who files an application for registration on Form BD shall file with such application, in duplicate original, a statement of financial condition in such detail as will disclose the nature and amount of assets and liabilities and the net worth of such broker or dealer (securities of such broker or dealer or in which such broker or dealer has an interest shall be listed in a separate schedule and valued at the market) as of a date within 30 days of the date on which such statement is filed. Attached to such statement shall be an oath or affirmation that such statement is true and correct to the best knowledge and belief of the person making such oath or affirmation. The oath or affirmation shall be made before a person duly authorized to administer such oath or affirmation. If the broker or dealer is a sole proprietorship, the oath or affirmation shall be made by the proprietor; if a partnership, by a general partner; if a corporation, by a duly authorized officer.

(Sec. 23, 48 Stat. 901 as amended; 15 U. S. C. 78 w)

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

AUGUST 8, 1957.

[F. R. Doc. 57-6643; Filed, Aug. 13, 1957; 8:48 a. m.]

## TITLE 26—INTERNAL REVENUE, 1954

### Chapter I—Internal Revenue Service, Department of the Treasury

#### Subchapter A—Income Tax

[T. D. 6247]

#### PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

##### REAL PROPERTY SUBDIVIDED FOR SALE

On June 29, 1956, notice of proposed rule making regarding the regulations for taxable years beginning after December 31, 1953, and ending after August 16, 1954, except as otherwise provided, under section 1237, relating to real property subdivided for sale, of the Internal Reve-

nue Code of 1954, as amended, was published in the FEDERAL REGISTER (21 F. R. 4817). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the following regulations are hereby adopted:

Sec.

1.1237 Statutory provisions; real property subdivided for sale.

1.1237-1 Real property subdivided for sale.

AUTHORITY: §§ 1.1237 and 1.1237-1 issued under sec. 7805, 68A Stat. 917; 26 U. S. C. 7805.

§ 1.1237 Statutory provisions; real property subdivided for sale.

Sec. 1237. *Real property subdivided for sale—(a) General.* Any lot or parcel which is part of a tract of real property in the hands of a taxpayer (including corporations only if no shareholder directly or indirectly holds real property for sale to customers in the ordinary course of trade or business and only in the case of property described in the last sentence of subsection (b) (3)) shall not be deemed to be held primarily for sale to customers in the ordinary course of trade or business at the time of sale solely because of the taxpayer having subdivided such tract for purposes of sale or because of any activity incident to such subdivision or sale, if

(1) Such tract, or any lot or parcel thereof, had not previously been held by such taxpayer primarily for sale to customers in the ordinary course of trade or business (unless such tract at such previous time would have been covered by this section) or, in the same taxable year in which the sale occurs, such taxpayer does not so hold any other real property; and

(2) No substantial improvement that substantially enhances the value of the lot or parcel sold is made by the taxpayer on such tract while held by the taxpayer or is made pursuant to a contract of sale entered into between the taxpayer and the buyer. For purposes of this paragraph, an improvement shall be deemed to be made by the taxpayer if such improvement was made by:

(A) The taxpayer or members of his family (as defined in section 267 (c) (4)), by a corporation controlled by the taxpayer, or by a partnership which included the taxpayer as a partner; or

(B) A lessee, but only if the improvement constitutes income to the taxpayer; or

(C) Federal, State, or local government, or political subdivision thereof, but only if the improvement constitutes an addition to basis for the taxpayer; and

(3) Such lot or parcel, except in the case of real property acquired by inheritance or devise, is held by the taxpayer for a period of 5 years.

(b) *Special rules for application of section—(1) Gains.* If more than 5 lots or parcels contained in the same tract of real property are sold or exchanged, gain from any sale or exchange (which occurs in or after the taxable year in which the sixth lot or parcel is sold or exchanged) of any lot or parcel which comes within the provisions of paragraphs (1), (2) and (3) of subsection (a) of this section shall be deemed to be gain from the sale of property held primarily for sale to customers in the ordinary course of the trade or business to the extent of 5 percent of the selling price.

(2) *Expenditures of sale.* For the purpose of computing gain under paragraph (1) of this subsection, expenditures incurred in connection with the sale or exchange of any lot or parcel shall neither be allowed as a deduction in computing taxable income, nor treated as reducing the amount realized on such sale or exchange; but so much of such expenditures as does not exceed the portion of gain deemed under paragraph (1) of this subsection to be gain from the sale of

property held primarily for sale to customers in the ordinary course of trade or business shall be so allowed as a deduction, and the remainder, if any, shall be treated as reducing the amount realized on such sale or exchange.

(3) *Necessary improvements.* No improvement shall be deemed a substantial improvement for purposes of subsection (a) if the lot or parcel is held by the taxpayer for a period of 10 years and if:

(A) Such improvement is the building or installation of water, sewer, or drainage facilities or roads (if such improvement would except for this paragraph constitute a substantial improvement);

(B) It is shown to the satisfaction of the Secretary or his delegate that the lot or parcel, the value of which was substantially enhanced by such improvement, would not have been marketable at the prevailing local price for similar building sites without such improvement; and

(C) The taxpayer elects, in accordance with regulations prescribed by the Secretary or his delegate, to make no adjustment to basis of the lot or parcel, or of any other property owned by the taxpayer, on account of the expenditures for such improvements. Such election shall not make any item deductible which would not otherwise be deductible.

The requirements of subparagraphs (B) and (C) shall not apply in the case of property acquired through the foreclosure of a lien thereon which secured the payment of an indebtedness to the taxpayer or (in the case of a corporation) to a creditor who has transferred the foreclosure bid to the taxpayer in exchange for all of its stock and other consideration and in the case of property adjacent to such property if 80 percent of the real property owned by the taxpayer is property described in the first part of this sentence.

(c) *Tract defined.* For purposes of this section, the term "tract of real property" means a single piece of real property, except that 2 or more pieces of real property shall be considered a tract if at any time they were contiguous in the hands of the taxpayer or if they would be contiguous except for the interposition of a road, street, railroad, stream, or similar property. If, following the sale or exchange of any lot or parcel from a tract of real property, no further sales or exchanges of any other lots or parcels from the remainder of such tract are made for a period of 5 years, such remainder shall be deemed a tract.

(d) *Effective date.* This section shall apply only with respect to sales of property occurring after December 31, 1953, except that, for purposes of subsection (c) (defining tract of real property) and for determining the number of sales under paragraph (1) of subsection (b), all sales of lots and parcels from any tract of real property during the period of 5 years before December 31, 1953, shall be taken into account, except as provided in subsection (c).

[Sec. 1237 as amended by Public Law 495 (84th Cong.) for taxable years beginning after December 31, 1954.]

§ 1.1237-1 *Real property subdivided for sale—(a) General rule—(1) Introductory.* This section provides a special rule for determining whether the taxpayer holds real property primarily for sale to customers in the ordinary course of his business under section 1221 (1). This rule is to permit taxpayers qualifying under it to sell real estate from a single tract held for investment without the income being treated as ordinary income merely because of subdividing the tract or of active efforts to sell it. The rule is not applicable to dealers in real

estate or to corporations, except a corporation making such sales in a taxable year beginning after December 31, 1954, if such corporation qualifies under the provisions of paragraph (c) (5) (iv) of this section.

(2) *When subdividing and selling activities are to be disregarded.* When its conditions are met, section 1237 provides that if there is no other substantial evidence that a taxpayer holds real estate primarily for sale to customers in the ordinary course of his business, he shall not be considered a real estate dealer holding it primarily for sale merely because he has (i) subdivided the tract into lots (or parcels) and (ii) engaged in advertising, promotion, selling activities or the use of sales agents in connection with the sale of lots in such subdivision. Such subdividing and selling activities shall be disregarded in determining the purpose for which the taxpayer held real property sold from a subdivision whenever it is the only substantial evidence indicating that the taxpayer has ever held the real property sold primarily for sale to customers in the ordinary course of his business.

(3) *When subdividing and selling activities are to be taken into account.* When other substantial evidence tends to show that the taxpayer held real property for sale to customers in the ordinary course of his business, his activities in connection with the subdivision and sale of the property sold shall be taken into account in determining the purpose for which the taxpayer held both the subdivided property and any other real property. For example, such other evidence may consist of the taxpayer's selling activities in connection with other property in prior years during which he was engaged in subdividing or selling activities with respect to the subdivided tract, his intention in prior years (or at the time of acquiring the property subdivided) to hold the tract primarily for sale in his business, his subdivision of other tracts in the same year, his holding other real property for sale to customers in the same year, or his construction of a permanent real estate office which he could use in selling other real property. On the other hand, if the only evidence of the taxpayer's purpose in holding real property consisted of not more than one of the following, in the year in question, such fact would not be considered substantial other evidence:

(i) Holding a real estate dealer's license;

(ii) Selling other real property which was clearly investment property;

(iii) Acting as a salesman for a real estate dealer, but without any financial interest in the business; or

(iv) Mere ownership of other vacant real property without engaging in any selling activity whatsoever with respect to it.

If more than one of the above exists, the circumstances may or may not constitute substantial evidence that the taxpayer held real property for sale in his business, depending upon the particular facts in each case.

(4) *Section 1237 not exclusive.* (i) The rule in section 1237 is not exclusive in its application. Section 1237 has no application in determining whether or not real property is held by a taxpayer primarily for sale in his business if any requirement under the section is not met. Also, even though the conditions of section 1237 are met, the rules of section 1237 are not applicable if without regard to section 1237 the real property sold would not have been considered real property held primarily for sale to customers in the ordinary course of his business. Thus, the district director may at all times conclude from convincing evidence that the taxpayer held the real property solely as an investment. Furthermore, whether or not the conditions of section 1237 are met, the section has no application to losses realized upon the sale of realty from subdivided property.

(ii) If, owing solely to the application of section 1237, the real property sold is deemed not to have been held primarily for sale in the ordinary course of business, any gain realized upon such sale shall be treated as ordinary income to the extent provided in section 1237 (b) (1) and (2) and paragraph (e) of this section. Any additional gain realized upon the sale shall be treated as gain arising from the sale of a capital asset or, if the circumstances so indicate, as gain arising from the sale of real property used in the trade or business as defined in section 1231 (b) (1). For the relationship between sections 1237 and 1231, see paragraph (f) of this section.

(5) *Principal conditions of qualification.* Before section 1237 applies, the taxpayer must meet three basic conditions, more fully explained later: He cannot have held any part of the tract at any time previously for sale in the ordinary course of his business, nor in the year of sale held any other real estate for sale to customers; he cannot make substantial improvements on the tract which increase the value of the lot sold substantially; and he must have owned the property 5 years, unless he inherited it. However, the taxpayer may make certain improvements if they are necessary to make the property marketable if he elects neither to add their cost to the basis of the property, or of any other property, nor to deduct the cost as an expense, and he has held the property at least 10 years. If the requirements of section 1237 are met, gain (but not more than 5 percent of the selling price of each lot) shall be treated as ordinary income in and after the year in which the sixth lot or parcel is sold.

(b) *Disqualification arising from holding real property primarily for sale—* (1) *General rule.* Section 1237 does not apply to any transaction if the taxpayer either—

(i) Held the lot sold (or the tract of which it was a part) primarily for sale in the ordinary course of his business in a prior year, or

(ii) Holds other real property primarily for sale in the ordinary course of his business in the same year in which such lot is sold.

Where either of these elements is present, section 1237 shall be disregarded in

determining the proper treatment of any gain arising from such sale.

(2) *Method of applying general rule.* For purposes of this paragraph, in determining whether the lot sold was held primarily for sale in the ordinary course of business in a prior year, the principles of section 1237 shall be applied, whether or not section 1237 was effective for such prior year, if the sale of the lot occurs after December 31, 1953, or, in the case of a corporation meeting the requirements of paragraph (c) (5) (iv) of this section, if the sale of the lot occurs in a taxable year beginning after December 31, 1954. Whether, on the other hand, the taxpayer holds other real property for sale in the ordinary course of his business in the same year such lot was sold shall be determined without regard to the application of section 1237 to such other real property.

(3) *Attribution rules with respect to the holding of property.* The taxpayer is considered as holding property which he owns individually, jointly, or as a member of a partnership. He is not generally considered as holding property owned by members of his family, an estate or trust, or a corporation. See, however, paragraph (c) (5) (iv) (c) of this section for an exception to this rule. The purpose for which a prior owner held the lot or tract, or his activities, are immaterial except to the extent they indicate the purpose for which the taxpayer has held the lot or tract. See paragraph (d) of this section for rules relating to the determination of the period for which the property is held. The principles of this subparagraph may be illustrated by the following example:

*Example.* A dealer in real property held a tract of land for sale to customers in the ordinary course of his business for 5 years. He then made a gift of it to his son. As a result of the operation of section 1223 (2) the son will have held the property for the period of time required by section 1237. However, he will not qualify for the benefits of section 1237 because, there being no evidence to the contrary, the circumstances involved establish that the son holds the property for sale to customers, as did his father.

(c) *Disqualification arising from substantial improvements—* (1) *General rule.* Section 1237 will not apply if the taxpayer or certain others make improvements on the tract which are substantial and which substantially increase the value of the lot sold. Certain improvements are not substantial within the meaning of section 1237 (a) (2) if they are necessary to make the lot marketable at the prevailing local price and meet the other conditions of section 1237 (b) (3). See subparagraph (5) of this paragraph.

(2) *Improvements made or deemed to be made by the taxpayer.* Certain improvements made by the taxpayer or made under a contract of sale between the taxpayer and the buyer make section 1237 inapplicable.

(i) For the purposes of section 1237 (a) (2) the taxpayer is deemed to have made any improvements on the tract while he held it which are made by:

(a) The taxpayer's whole or half brothers and sisters, spouse, ancestors, and lineal descendants,

(b) A corporation controlled by the taxpayer. A corporation is controlled by the taxpayer if he controls, as the result of direct ownership, constructive ownership, or otherwise, more than 50 percent of the corporation's voting stock.

(c) A partnership of which the taxpayer was a member at the time the improvements were made.

(d) A lessee if the improvement takes the place of a payment of rental income. See section 109 and the regulations thereunder.

(e) A Federal, State, or local government, or political subdivision thereof, if the improvement results in an increase in the taxpayer's basis for the property, as it would, for example, from a special tax assessment for paving streets.

(ii) The principles of subdivision (i) of this subparagraph may be illustrated by the following example:

*Example.* A held a tract of land for 3 years during which he made substantial improvements thereon which substantially enhanced the value of every lot on the tract. A then made a gift of the tract to his son. The son made no further improvements on the tract, but held it for 3 years and then sold several lots therefrom. The son is not entitled to the benefits of section 1237 since under section 1237 (a) (2) he is deemed to have made the substantial improvements made by his father, and under section 1223 (2) he is treated as having held the property for the period during which his father held it. Thus, the disqualifying improvements are deemed to have been made by the son while the tract was held by him. See paragraph (d) of this section for rules relating to the determination of the period for which the property is held.

(iii) The taxpayer is also charged with making any improvements made pursuant to a contract of sale entered into between the taxpayer and the buyer. Therefore, the buyer, as well as the taxpayer, may make improvements which prevent the application of section 1237.

(a) If a contract of sale obligates either the taxpayer or the buyer to make a substantial improvement which would substantially increase the value of the lot, the taxpayer may not claim the application of section 1237 unless the obligation to improve the lot ceases (for any reason other than that the improvement has been made) before or within the period, prescribed by section 6511, within which the taxpayer may file a claim for credit or refund of an overpayment of his tax on the gain from the sale of the lot. The following example illustrates this rule:

*Example.* In 1956, A sells several lots from a tract he has subdivided for sale. Section 1237 would apply to the sales of these lots except that in the contract of sale, A agreed to install sewers, hard surface roads, and other utilities which would increase the value of the lots substantially. If in 1957, instead of requiring the improvements, the buyer releases A from this obligation, A may then claim the application of section 1237 to the sale of lots in 1956 in computing his income tax for 1956, since the period of limitations in which A may file a claim for credit or refund of an overpayment of his 1956 income tax has not expired.

(b) An improvement is made pursuant to a contract if the contract imposes an obligation on either party to make the improvement, but not if the contract

merely places restrictions on the improvements, if any, either party may make. The following example illustrates this rule:

*Example.* B sells several lots from a tract which he has subdivided. Each contract of sale prohibits the purchaser from building any structure on his lot except a personal residence costing \$15,000 or more. Even if the purchasers build such residences, that does not preclude B from applying section 1237 to the sales of such lots, since the contracts did not obligate the purchasers to make any improvements.

(iv) Improvements made by a bona fide lessee (other than as rent) or by others not described in section 1237 (a) (2) do not preclude the use of section 1237.

(3) *When improvements substantially enhance the value of the lot sold.* Before a substantial improvement will preclude the use of section 1237, it must substantially enhance the value of the lot sold.

(i) The increase in value to be considered is only the increase attributable to the improvement or improvements. Other changes in the market price of the lot, not arising from improvements made by the taxpayer, shall be disregarded. The difference between the value of the lot, including improvements, when the improvement has been completed and an appraisal of its value if unimproved at that time, will disclose the value added by the improvements.

(ii) Whether improvements have substantially increased the value of a lot depends upon the circumstances in each case. If improvements increase the value of a lot by 10 percent or less, such increase will not be considered as substantial, but if the value of the lot is increased by more than 10 percent, then all relevant factors must be considered to determine whether, under such circumstances, the increase is substantial.

(iii) Improvement may increase the value of some lots in a tract without equally affecting other lots in the same tract. Only the lots whose value was substantially increased are ineligible for application of the rule established by section 1237.

(4) *When an improvement is substantial.* To prevent the application of section 1237, the improvement itself must be substantial in character. Among the improvements considered substantial are shopping centers, other commercial or residential buildings, and the installation of hard surface roads or utilities such as sewers, water, gas, or electric lines. On the other hand a temporary structure used as a field office, surveying, filling, draining, leveling and clearing operations, and the construction of minimum all-weather access roads, including gravel roads where required by the climate, are not substantial improvements.

(5) *Special rules relating to substantial improvements.* Under certain conditions a taxpayer, including a corporation to which subdivision (iv) of this subparagraph applies, may obtain the benefits of section 1237 whether or not substantial improvements have been made. In addition, an individual taxpayer may, under certain circumstances,

elect to have substantial improvements treated as necessary and not substantial.

(i) *When an improvement is not considered substantial.* An improvement will not be considered substantial if all of the following conditions are met:

(a) The taxpayer has held the property for 10 years. The full 10-year period must elapse, whether or not the taxpayer inherited the property. Although the taxpayer must hold the property 10 years, he need not hold it for 10 years after subdividing it. See paragraph (d) of this section for rules relating to the determination of the period for which the property is held.

(b) The improvement consists of the building or installation of water, sewer, or drainage facilities (either surface, sub-surface, or both) or roads, including hard surface roads, curbs, and gutters.

(c) The district director with whom the taxpayer must file his return is satisfied that, without such improvement, the lot sold would not have brought the prevailing local price for similar building sites.

(d) The taxpayer elects, as provided in subdivision (iii) of this subparagraph, not to adjust the basis of the lot sold or any other property held by him for any part of the cost of such improvement attributable to such lot and not to deduct any part of such cost as an expense.

(ii) *Meaning of "similar building site".* A "similar building site" is any real property in the immediate vicinity whose size, terrain, and other characteristics are comparable to the taxpayer's property. For the purpose of determining whether a tract is marketable at the prevailing local price for similar building sites, the taxpayer shall furnish the district director with sufficient evidence to enable him to compare (a) the value of the taxpayer's property in an unimproved state with (b) the amount for which similar building sites, improved by the installation of water, sewer, or drainage facilities or roads, have recently been sold, reduced by the present cost of such improvements. Such comparison may be made and expressed in terms of dollars per square foot, dollars per acre, or dollars per front foot, or in any other suitable terms depending upon the practice generally followed by real estate dealers in the taxpayer's locality. The taxpayer shall also furnish evidence, where possible, of the best bona fide offer received for the tract or a lot thereof just before making the improvement, to assist the district director in determining the value of the tract or lot if it had been sold in its unimproved state. The operation of this subdivision and subdivision (i) of this subparagraph may be illustrated by the following examples:

*Example (1).* A has been offered \$500 per acre for a tract without roads, water, or sewer facilities which he has owned for 15 years. The adjacent tract has been subdivided and improved with water facilities and hard surface roads, and has sold for \$4,000 per acre. The estimated cost of roads and water facilities on the adjacent tract is \$2,500 per acre. The prevailing local price for similar building sites in the vicinity would be \$1,500 per acre (i. e., \$4,000 less \$2,500). If A installed roads and water facilities at a cost of \$2,500 per acre, his tract would sell for approximately \$4,000 per acre.

Under section 1237 (b) (3) the installation of roads and water facilities does not constitute a substantial improvement if A elects to disregard the cost of such improvements (\$2,500 per acre) in computing his cost or other basis for the lots sold from the tract, and in computing his basis for any other property owned by him.

*Example (2).* Assume the same facts as in example (1) of this subdivision except that A can obtain \$1,600 per acre for his property without improvements. The installation of any substantial improvements would not constitute a necessary improvement under section 1237 (b) (3), since the prevailing local price could have been obtained without any improvement.

*Example (3).* Assume the same facts as in example (1) of this subdivision except that the adjacent tract has also been improved with sewer facilities, the present cost of which is \$1,200 per acre. The installation of the substantial improvements would not constitute a necessary improvement under section 1237 (b) (3) on A's part, since the prevailing local price (\$4,000 less the sum of \$1,200 plus \$2,500, or \$300) could have been obtained by A without any improvement.

(iii) *Manner of making election.* The election required by section 1237 (b) (3) (C) shall be made as follows:

(a) The taxpayer shall submit:

(1) A plat showing the subdivision and all improvements attributable to him.

(2) A list of all improvements to the tract, showing:

(i) The cost of such improvements.

(ii) Which of the improvements, without regard to the election, he considers "substantial" and which he considers not "substantial."

(iii) Those improvements which are substantial to which the election is to apply, with a fair allocation of their cost to each lot they affect, and the amount by which they have increased the values of such lots.

(iv) The date on which each lot was acquired and its basis for determining gain or loss, exclusive of the cost of any improvements listed in subdivision (iii) of this subdivision.

(3) A statement that he will neither deduct as an expense nor add to the basis of any lot sold, or of any other property, any portion of the cost of any substantial improvement which substantially increased the value of any lot in the tract and which either he listed pursuant to subdivision (2) (iii) of this subdivision or which the district director deems substantial.

(b) The election and the information required under subdivision (a) of this subdivision shall be submitted to the district director—

(1) With the taxpayer's income tax return for the taxable year in which the lots subject to the election were sold, or

(2) In the case of a return filed prior to the publication in the FEDERAL REGISTER of the regulations under section 1237 following their adoption, either with a timely claim for refund, where the benefits of section 1237 have not been claimed on such return, or, independently, within 90 days after such adoption, where such benefits have been claimed, or

(3) If there is an obligation to make disqualifying improvements outstanding when the taxpayer files his return, with a formal claim for refund at the time of

the release of the obligation, if it is then still possible to file a timely claim.

(c) Once made, the election as to the necessary improvement costs attributable to any lot sold shall be irrevocable and binding on the taxpayer unless the district director assesses an income tax as to such lot as if it were held for sale in the ordinary course of taxpayer's business. Under such circumstances, in computing gain, the cost or other basis shall be computed without regard to section 1237.

(iv) *Exceptions with respect to "necessary" improvements and certain corporations.* For taxable years beginning after December 31, 1954, individual taxpayers and certain corporations may obtain the benefits of section 1237 without complying with the provisions of subdivisions (i) (c) and (d), (ii), and (iii) of this subparagraph if the requirements of section 1237 are otherwise met and if—

(a) The property in question was acquired by the taxpayer through the foreclosure of a lien thereon,

(b) The lien foreclosed secured the payment of an indebtedness to the taxpayer or (in the case of a corporation) secured the payment of an indebtedness to a creditor who has transferred the foreclosure bid to the taxpayer in exchange for all of the stock of the corporation and other consideration, and

(c) In the case of a corporate taxpayer, no shareholder of the corporation holds real property for sale to customers in the ordinary course of his trade or business or holds a controlling interest in another corporation which actually so holds real property, or which, but for the application of this subdivision (iv), would be considered to so hold real property.

Thus, in the case of such property, it is not necessary for the taxpayer to satisfy the district director that the property would not have brought the prevailing local price without improvements or to elect not to add the cost of the improvements to his basis. In addition, if 80 percent or more of the real property owned by a taxpayer is property to which this subdivision applies, the requirements of subdivisions (a) and (b) of this subdivision need not be met with respect to property adjacent to such property which is also owned by the taxpayer.

(d) *Holding period required.*—(1) *General rules.* To apply section 1237, the taxpayer must either have inherited the lot sold or have held it for 5 years. Generally, the provisions of section 1223 are applicable in determining the period for which the taxpayer has held the property. The provisions of this subparagraph may be illustrated by the following examples:

*Example (1).* A held a tract of land for 3 years under circumstances otherwise qualifying for section 1237 treatment. He made a gift of the tract to B at a time when the fair market value of the tract exceeded A's basis for the tract. B held the tract for 2 more years under similar circumstances. B then sold 4 lots from the tract. B is entitled to the benefits of section 1237 since under section 1223 (2) he held the lots for 5 years and all the other requirements of section 1237 are met.

*Example (2).* C purchased all the stock in a corporation in 1955. The corporation purchased an unimproved tract of land in 1957.

In 1961 the corporation was liquidated under section 333 and C acquired the tract of land. For purposes of section 1237, C's holding period commenced on the date the corporation actually acquired the land in 1957 and not on the date C purchased the stock.

(2) *Rules relating to property acquired upon death.* If the taxpayer inherited the property there is no 5-year holding period required under section 1237. However, any holding period required by any other provision of the Internal Revenue Code of 1954, such as section 1222, is nevertheless applicable. For purposes of section 1237, neither the survivor's one-half of community property, nor property acquired by survivorship in a joint tenancy, is property acquired by devise or inheritance. The holding period for the surviving joint tenant begins on the date the property was originally acquired.

(e) *Tax consequences if section 1237 applies.*—(1) *Introductory.* Where there is no substantial evidence other than subdivision and related selling activities that real property is held for sale in the ordinary course of taxpayer's business and section 1237 applies, section 1237 (b) (1) provides a special rule for computing taxable gain. For the relationship between sections 1237 and 1231, see paragraph (f) of this section.

(2) *Characterization of gain and its relation to selling expenses.* (i) When the taxpayer has sold less than 6 lots or parcels from the same tract up to the end of his taxable year, the entire gain will be capital gain. (Where the land is used in a trade or business, see paragraph (f) of this section.) In computing the number of lots or parcels sold, two or more contiguous lots sold to a single buyer in a single sale will be counted as only one parcel. The following example illustrates this rule:

*Example.* A meets all the conditions of section 1237 in subdividing and selling a single tract. In 1956 he sells 4 lots to B, C, D, and E. In the same year F buys 3 adjacent lots. Since A has sold only 5 lots or parcels from the tract, any gain A realizes on the sales will be capital gain.

(ii) If the taxpayer has sold the sixth lot or parcel from the same tract within the taxable year, then the amount, if any, by which 5 percent of the selling price of each lot exceeds the expenses incurred in connection with its sale or exchange, shall, to the extent it represents gain, be ordinary income. Any part of the gain not treated as ordinary income will be treated as capital gain. (Where the land is used in a trade or business, see paragraph (f) of this section.) Five percent of the selling price of each lot sold from the tract in the taxable year the sixth lot is sold and thereafter is, to the extent it represents gain, considered ordinary income. However, all expenses of sale of the lot are to be deducted first from the 5 percent of the gain which would otherwise be considered ordinary income, and any remainder of such expenses shall reduce the gain upon the sale or exchange which would otherwise be considered capital gain. Such expenses cannot be deducted as ordinary business expenses from other income. The 5-percent rule applies to all lots sold from the tract in

the year the sixth lot or parcel is sold. Thus, if the taxpayer sells the first 6 lots of a single tract in one year, 5 percent of the selling price of each lot sold shall be treated as ordinary income and reduced by the selling expenses. On the other hand, if the taxpayer sells the first 3 lots of a single tract in 1955, and the next 3 lots in 1956, only the gain realized from the sales made in 1956 shall be so treated. For the effect of a 5-year interval between sales, see paragraph (g) (2) of this section. The operation of this subdivision may be illustrated by the following examples:

*Example (1).* Assume the selling price of the sixth lot of a tract is \$10,000, the basis of the lot in the hands of the taxpayer is \$5,000, and the expenses of sale are \$750. The amount of gain realized by the taxpayer is \$4,250, of which the amount of ordinary income attributable to the sale is zero, computed as follows:

Selling price.....	\$10,000
Basis.....	5,000
<hr/>	
Excess over basis.....	5,000
5 percent of selling price.....	\$500
Expenses of sale.....	750
<hr/>	
Amount of gain realized treated as ordinary income.....	0
Excess over basis.....	5,000
5 percent of selling price.....	\$500
Excess of expenses over 5 percent of selling price.....	250
<hr/>	
	750
<hr/>	
Amount of gain realized from sale of property not held for sale in ordinary course of business.....	4,250

*Example (2).* Assume the same facts as in Example (1), except that the expenses of sale of such sixth lot are \$300. The amount of gain realized by the taxpayer is \$4,700, of which the amount of ordinary income attributable to the sale is \$200, computed as follows:

Selling price.....	\$10,000
Basis.....	5,000
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Excess over basis.....	5,000
5 percent of selling price.....	\$500
Expenses of sale.....	300
<hr/>	
Amount of gain realized treated as ordinary income.....	200
Excess over basis.....	5,000
5 percent of selling price.....	\$500
Excess of expenses over 5 percent of selling price.....	0
<hr/>	
	500
<hr/>	
Amount of gain realized from sale of property not held for sale in ordinary course of business.....	4,500

(iii) In the case of an exchange, the term "selling price" shall mean the fair market value of property received plus any sum of money received in exchange for the lot. See section 1031 for those exchanges in which no gain is recognized. For the purpose of subsections (b) and (c) of section 1237 and paragraphs (e) and (g) of this section, an exchange shall be treated as a sale or exchange whether or not gain or loss is recognized with respect to such exchange.

(f) *Relationship of section 1237 and section 1231.* Application of section 1237 to a sale of real property may, in some cases, result in the property being treated as real property used in the trade

or business, as described in section 1231 (b) (1). Thus, assuming section 1237 is otherwise applicable, if the lot sold would be considered property described in section 1231 (b) (1) except for the fact that the taxpayer subdivided the tract of which it was a part, then evidence of such subdivision and connected sales activities shall be disregarded and the lot sold shall be considered real property used in the trade or business. Under such circumstances, any gain or loss realized from the sale shall be treated as gain or loss arising from the sale of real property used in the trade or business.

(g) *Definition of "tract"*—(1) *Aggregation of properties.* For the purposes of section 1237, the term "tract" means either (i) a single piece of real property or (ii) two or more pieces of real property if they were contiguous at any time while held by the taxpayer, or would have been contiguous but for the interposition of a road, street, railroad, stream, or similar property. Properties are contiguous if their boundaries meet at one or more points. The single piece of contiguous properties need not have been conveyed by a single deed. The taxpayer may have assembled them over a period of time and may hold them separately, jointly, or as a partner, or in any combination of such forms of ownership.

(2) *When a subdivision will be considered a new tract.* If the taxpayer sells or exchanges no lots from the tract for a period of 5 years after the sale or exchange of at least 1 lot in the tract, then the remainder of the tract shall be deemed a new tract for the purpose of counting the number of lots sold from the same tract under section 1237 (b) (1). The pieces in the new tract need not be contiguous. The 5-year period is measured between the dates of the sales or exchanges.

(h) *Effective date.* This section shall apply only to gain realized on sales made after December 31, 1953, or, in the case of a person meeting the requirements of paragraph (c) (5) (iv) of this section, if the sale of the lot occurs in a taxable year beginning after December 31, 1954. Pursuant to section 7851 (a) (1) (C), the regulations prescribed in this section (other than subdivision (iv) of paragraph (c) (5)) shall also apply to taxable years beginning before January 1, 1954, and ending after December 31, 1953, and to taxable years beginning after December 31, 1953, and ending before August 17, 1954, although such years are subject to the Internal Revenue Code of 1939. Irrespective of whether the taxable year involved is subject to the Internal Revenue Code of 1939 or 1954, sales or exchanges made before January 1, 1954, shall be taken into account to determine whether: (1) No sales or exchanges have been made for 5 years, under section 1237 (c), and (2) more than 5 lots or parcels have been sold or exchanged from the same tract, under Section 1237 (b) (1). Thus, if the taxpayer sold 5 lots from a single tract in 1950, and another lot is sold in 1954, the lot sold in 1954 constitutes the "sixth lot" sold from the original tract. On the other hand, if the first 5 lots were sold in 1948, the sale made in 1954 shall

be deemed to have been made from a new tract.

[SEAL] RUSSELL C. HARRINGTON,  
*Commissioner of Internal Revenue.*

Approved: August 8, 1957.

DAN THROOP SMITH,  
*Deputy to the Secretary.*

[F. R. Doc. 57-6661; Filed, Aug. 13, 1957;  
8:52 a. m.]

Subchapter E—Alcohol, Tobacco, and Other  
Excise Taxes  
[T. D. 6248]

PART 270—CIGARS AND CIGARETTES—MANUFACTURERS, IMPORTERS, AND DEALERS  
AMOUNT OF MANUFACTURERS' BONDS AND MISCELLANEOUS AMENDMENTS

On December 31, 1955, a notice of proposed rulemaking with respect to regulations designated as Part 270 of Title 26 (1954) of the Code of Federal Regulations was published in the FEDERAL REGISTER (20 F. R. 10163). The purposes of the proposal were to prescribe that packages of imported cigars and cigarettes bear a warning similar to that required on packages of domestic cigars and cigarettes with respect to the reuse of tax stamps on the packages and destruction of the stamps when the packages are emptied; to prescribe provisions relating to cigars removed from customs bonded manufacturing warehouses, class 6, for consumption in the United States; and to clarify the provisions relating to the amount of bonds required of manufacturers of cigars and cigarettes. After consideration of all such relevant matter as was presented by interested persons relating to the rules proposed, and in order to make certain other changes which are of a liberalizing nature or which relate merely to form and not to substance, the amendments to 26 CFR (1954) Part 270, set forth below, are hereby adopted.

PARAGRAPH 1. Section 270.89 is amended by deletion of the expression "1939" and insertion, in lieu thereof, of the expression "1954".

PAR. 2. Section 270.122 is amended by deletion, in the first sentence, of the words "equal to" and insertion, in lieu thereof, of the words "not less than".

PAR. 3. Section 270.127 is amended by deletion of the expression "date of approval", where it appears the first time in the first sentence, and insertion, in lieu thereof, of the expression "effective date".

PAR. 4. Section 270.128 is amended by deletion, in the second sentence, of the expression "who has accepted such security".

This Treasury decision shall be effective on the first day of the first month which begins not less than 30 days following the date of publication in the FEDERAL REGISTER.

(68A Stat. 917; 26 U. S. C. 7805)

[SEAL] RUSSELL C. HARRINGTON,  
*Commissioner of Internal Revenue.*

Approved: August 8, 1957.

DAN THROOP SMITH,  
*Deputy to the Secretary.*

[F. R. Doc. 57-6662; Filed, Aug. 13, 1957;  
8:52 a. m.]

## TITLE 14—CIVIL AVIATION

### Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 205]

#### PART 608—RESTRICTED AREAS

##### ALTERATIONS

The restricted area alterations appearing hereinafter have been coordinated with the civil operators involved, the Army, the Navy, and the Air Force, through the Air Coordinating Committee, Airspace Panel, and are adopted to become effective when indicated in order to promote safety of the flying public. Since a military function of the United States is involved, compliance with the notice, procedure and effective date, provisions of section 4 of the Administrative Procedure Act is not required.

Part 608 is amended as follows:

1. Section 608.11, the Fort McClellan, Alabama, area (R-131) amended December 14, 1955 in 20 F. R. 9341, is further amended by changing the "Designated Altitudes" column to read: "Surface to 24,000 feet MSL".

2. Section 608.11, the Fort Rucker (formerly called Camp Rucker), Alabama, area (R-156 formerly D-156) amended October 31, 1951 in 16 F. R. 11066, is further amended by changing the "Designated Altitudes" column to read: "Surface to 24,000 feet MSL".

3. Section 608.19, the Fort Gordon (formerly called Camp Gordon), Georgia, area (R-385) amended March 24, 1956 in 21 F. R. 1819, is further amended by changing the "Designated Altitudes" column to read: "Surface to 24,000 feet MSL".

4. Section 608.31, the Grand Marais, Minnesota, area (R-187) amended July 26, 1956 in 21 F. R. 5619, is further amended by changing the "Description by Geographical Coordinates" column to read: "From latitude 47°04'00", longitude 90°35'00"; to latitude 47°28'00", longitude 89°30'00"; to latitude 47°50'00", longitude 89°46'00"; to latitude 47°37'00", longitude 90°24'00"; to latitude 47°22'00", longitude 90°50'00".

5. Section 608.48, the Fort Jackson, South Carolina, area (R-114) amended May 19, 1956 in 21 F. R. 3309, is further amended by changing the "Designated Altitudes" column to read: "Surface to 24,000 feet MSL".

6. Section 608.55, the Yakima, Washington, area (R-247) amended April 3, 1956 in 21 F. R. 2125, is further amended by changing the "Controlling Agency" column to read: "Commanding Officer, Yakima Firing Center, Washington".

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

This amendment shall become effective on August 14, 1957.

[SEAL] JAMES T. PYLE,  
*Administrator of Civil Aeronautics.*

AUGUST 7, 1957.

[F. R. Doc. 57-6653; Filed, Aug. 13, 1957;  
8:50 a. m.]

**TITLE 6—AGRICULTURAL CREDIT**

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

**Subchapter D—Regulations Under Soil Bank Act**

**PART 485—SOIL BANK**

**SUBPART—ACREAGE RESERVE PROGRAM**

**SUPPLEMENT I—WINTER WHEAT**

The regulations in §§485.370 to 485.373 contain specific provisions applicable to winter wheat and supplement the general regulations governing the 1958 acreage reserve part of the Soil Bank Program.

- Sec. 485.370 National acreage reserve goal for wheat.
- 485.371 Maximum acreage limitations on extent of participation.
- 485.372 Closing date for filing agreements.
- 485.373 County rates of compensation per acre.

**AUTHORITY:** §§ 485.370 to 485.373 issued under sec. 124, 70 Stat. 198; 7 U. S. C. 1812. Interpret or apply secs. 101-107, 114-126, 70 Stat. 188; 7 U. S. C. 1801-1813, 1821-1824, 1831.

§ 485.370 *National acreage reserve goal for wheat.* There is hereby established a 1958 national acreage reserve goal for wheat of 7,000,000 to 9,000,000 acres.

§ 485.371 *Maximum acreage limitations on extent of participation.* There are no additional maximum acreage limitations on the extent of participation beyond those maximum limits set forth in § 485.308 of the regulations containing the general provisions governing the 1958 acreage reserve part of the Soil Bank Program.

§ 485.372 *Closing date for filing agreements.* (a) The closing date for filing an agreement with respect to winter wheat shall be October 4, 1957.

(b) (1) If a farm is in an area in which wheat is normally planted in the fall, as determined by the county committee, and no wheat was planted on the farm in the spring of 1955, 1956 or 1957, (acreage placed in the 1957 acreage reserve program for spring wheat shall be considered as planted to wheat for purposes of this section), the producers if they wish to participate in the 1958 acreage reserve program for wheat must file an agreement with the county committee not later than the date specified in paragraph (a) of this section.

(2) If a farm is in an area in which wheat is normally planted in the fall, but wheat was planted on the farm in the spring of 1955, 1956 or 1957, the producers may participate with respect to winter wheat by filing an agreement to winter wheat by filing an agreement on or before the closing date specified in paragraph (a) of this section, or may participate in the program for spring wheat by filing an agreement on or before the closing date specified in the supplement applicable to spring wheat.

§ 485.373 *County rate of compensation per acre.* The county rates of compensation per acre for wheat are specified below:

**1958 ACREAGE RESERVE PROGRAM—COUNTY RATE OF COMPENSATION PER ACRE—WHEAT**

ARKANSAS			
County	Rate per acre	County	Rate per acre
Arkansas	\$23	Lincoln	\$22
Ashley	25	Little River	18
Baxter	17	Logan	19
Benton	21	Lonoke	22
Boone	19	Madison	20
Carroll	19	Marion	15
Chicot	24	Miller	20
Clark	17	Mississippi	28
Clay	20	Monroe	22
Cleburne	16	Montgomery	17
Conway	20	Newton	17
Craighead	20	Ouachita	16
Crawford	23	Perry	19
Crittenden	28	Phillips	24
Cross	27	Poinsett	25
Desha	28	Polk	14
Drew	23	Pope	20
Faulkner	22	Prairie	20
Franklin	21	Pulaski	24
Fulton	16	Randolph	20
Garland	15	St. Francis	28
Greene	19	Saline	17
Hempstead	18	Scott	20
Hot Spring	17	Searcy	14
Howard	17	Sebastian	18
Independence	20	Sevier	18
Izard	15	Sharp	16
Jackson	20	Stone	15
Jefferson	23	Van Burean	14
Johnson	17	Washington	20
Lafayette	21	White	19
Lawrence	19	Woodruff	22
Lee	25	Yell	18

CALIFORNIA			
County	Rate per acre	County	Rate per acre
Alameda	\$29	Placer	\$20
Alpine	35	Plumas	20
Amador	28	Riverside	21
Butte	26	Sacramento	38
Calaveras	24	San Benito	25
Colusa	31	San Bernardino	34
Contra Costa	30	San Diego	23
El Dorado	22	San Joaquin	27
Fresno	43	San Luis Obispo	20
Glenn	28	San Mateo	29
Imperial	52	Santa Barbara	23
Inyo	28	Santa Clara	29
Kern	17	Santa Cruz	30
Kings	35	Shasta	14
Lake	32	Sierra	21
Lassen	17	Siskiyou	20
Los Angeles	12	Solano	37
Madera	19	Sonoma	26
Marin	31	Stanislaus	31
Mariposa	26	Sutter	43
Mendocino	26	Tehama	23
Merced	30	Trinity	24
Modoc	20	Tulare	21
Mono	22	Tuolumne	23
Monterey	24	Ventura	26
Napa	38	Yola	39
Orange	20	Yuba	21

COLORADO			
County	Rate per acre	County	Rate per acre
Adams	\$22	Grand	\$19
Alamosa	26	Huerfano	15
Arapahoe	19	Jackson	21
Archuleta	23	Jefferson	29
Baca	13	Kiowa	12
Bent	15	Kit Carson	15
Boulder	25	La Plata	23
Chaffee	27	Larimer	21
Cheyenne	13	Las Animas	11
Conejos	28	Lincoln	14
Costilla	26	Logan	21
Crowley	12	Mesa	24
Custer	17	Moffat	19
Delta	34	Montezuma	17
Dolores	15	Montrose	36
Douglas	21	Morgan	18
Eagle	39	Otero	27
Elbert	15	Ouray	21
El Paso	13	Phillips	25
Fremont	18	Pitkin	29
Garfield	24	Prowers	15

COLORADO—continued			
County	Rate per acre	County	Rate per acre
Pueblo	\$15	Sedgwick	\$28
Rio Blanco	21	Teller	19
Rio Grande	31	Washington	19
Routt	22	Weid	20
Saguache	27	Yuma	21
San Miguel	21		

DELAWARE			
County	Rate per acre	County	Rate per acre
Kent	\$25	Sussex	\$23
New Castle	29		

GEORGIA			
County	Rate per acre	County	Rate per acre
Appling	\$18	Johnson	\$16
Atkinson	17	Jones	21
Baker	17	Lamar	18
Baldwin	17	Laurens	20
Banks	20	Lee	26
Barrow	19	Lincoln	17
Bartow	23	Lowndes	17
Ben Hill	17	Lumpkin	18
Berrien	20	McDuffie	16
Bibb	23	Macon	22
Bleckley	17	Madison	20
Brooks	17	Marion	18
Bryan	19	Meriwether	22
Bulloch	21	Miller	21
Burke	18	Mitchell	23
Butts	22	Monroe	22
Calhoun	19	Montgomery	19
Candler	20	Morgan	20
Carroll	21	Murray	21
Catoosa	20	Muscogee	17
Chattooga	18	Newton	20
Cherokee	23	Oconee	21
Clarke	20	Oglethorpe	19
Clay	16	Paulding	19
Clayton	19	Peach	25
Cobb	20	Pickens	20
Coffee	18	Pierce	19
Colquitt	21	Pike	24
Columbia	15	Polk	21
Coweta	18	Pulaski	22
Crawford	23	Putnam	20
Crisp	22	Quitman	21
Dade	19	Rabun	19
Dawson	20	Randolph	18
Decatur	19	Richmond	16
De Kalb	20	Rockdale	18
Dodge	15	Schley	19
Dooley	22	Screven	19
Dougherty	28	Seminole	21
Douglas	19	Spalding	23
Early	29	Stephens	19
Effingham	18	Stewart	19
Elbert	20	Sumter	26
Emanuel	16	Talbot	21
Evans	21	Taliaferro	15
Fannin	17	Tattnall	15
Fayette	21	Taylor	19
Floyd	21	Telfair	20
Forsyth	20	Terrell	22
Franklin	21	Thomas	20
Fulton	24	Tift	19
Gilmer	18	Toombs	20
Glascok	16	Towns	20
Gordon	19	Treutlen	18
Grady	23	Troup	19
Greene	16	Turner	18
Gwinnett	20	Twiggs	18
Habersham	21	Union	22
Hall	20	Upson	22
Hancock	16	Walker	21
Haralson	19	Walton	21
Harris	16	Warren	19
Hart	23	Washington	18
Heard	22	Webster	19
Henry	21	Wheeler	16
Houston	26	White	20
Irwin	21	Whitfield	20
Jackson	21	Wilcox	18
Jasper	21	Wilkes	17
Jefferson	21	Winson	21
Jenkins	15	Worth	21

IDAHO			
County	Rate per acre	County	Rate per acre
Ada	\$43	Bannock	\$24
Adams	24	Bear Lake	20

RULES AND REGULATIONS

IDAHO—continued

County	Rate per acre	County	Rate per acre
Benewah	\$34	Idaho	\$35
Bingham	36	Jefferson	40
Blaine	32	Jerome	52
Boise	27	Kootenai	26
Bonner	23	Latah	37
Bonneville	29	Lemhi	41
Boundary	38	Lewis	39
Butte	29	Lincoln	43
Camas	19	Madison	29
Canyon	53	Minidoka	45
Caribou	24	Nez Perce	40
Cassia	35	Oneida	23
Clark	17	Owyhee	53
Clearwater	32	Payette	43
Custer	42	Power	21
Elmore	30	Teton	23
Franklin	27	Twin Falls	56
Fremont	28	Valley	24
Gem	43	Washington	26
Gooding	44		

ILLINOIS

County	Rate per acre	County	Rate per acre
Adams	\$32	Lee	\$36
Alexander	24	Livingston	35
Bond	31	Logan	37
Boone	36	McDonough	34
Brown	32	McHenry	36
Bureau	36	McLean	37
Calhoun	31	Macon	38
Carroll	33	Macoupin	35
Cass	35	Madison	31
Champaign	38	Marion	26
Christian	37	Marshall	36
Clark	27	Mason	32
Clay	24	Massac	25
Clinton	29	Menard	36
Coles	34	Mercer	30
Cook	35	Monroe	31
Crawford	25	Montgomery	35
Cumberland	30	Morgan	37
De Kalb	38	Moultrie	36
De Witt	36	Ogle	35
Douglas	39	Peoria	36
Du Page	38	Perry	25
Edgar	35	Platt	39
Edwards	26	Pike	31
Effingham	29	Pope	24
Fayette	28	Pulaski	24
Ford	36	Putnam	35
Franklin	26	Randolph	28
Fulton	33	Richland	24
Gallatin	27	Rock Island	30
Greene	33	St. Clair	32
Grundy	37	Saline	26
Hamilton	25	Sangamon	36
Hancock	33	Schuyler	34
Hardin	24	Scott	33
Henderson	32	Shelby	32
Henry	34	Stark	38
Iroquois	38	Stephenson	33
Jackson	25	Tazewell	35
Jasper	26	Union	26
Jefferson	26	Vermilion	37
Jersey	32	Wabash	27
Jo Davless	30	Warren	34
Johnson	22	Washington	29
Kane	39	Wayne	25
Kankakee	36	White	25
Kendall	39	Whiteside	35
Knox	35	Will	38
Lake	35	Williamson	24
La Salle	37	Winnebago	33
Lawrence	27	Woodford	35

INDIANA

County	Rate per acre	County	Rate per acre
Adams	\$32	Clinton	\$34
Allen	33	Crawford	23
Bartholomew	28	Davless	27
Benton	38	Dearborn	25
Blackford	29	Decatur	26
Boone	32	DeKalb	30
Brown	22	Delaware	30
Carroll	33	Dubois	25
Cass	33	Elkhart	32
Clark	25	Fayette	26
Clay	25	Floyd	27

INDIANA—continued

County	Rate per acre	County	Rate per acre
Fountain	\$32	Franklin	25
Franklin	25	Fulton	32
Fulton	32	Gibson	29
Gibson	29	Grant	33
Grant	33	Greene	26
Greene	26	Hamilton	31
Hamilton	31	Hancock	30
Hancock	30	Harrison	24
Harrison	24	Hendricks	29
Hendricks	29	Henry	29
Henry	29	Howard	36
Howard	36	Huntington	33
Huntington	33	Jackson	26
Jackson	26	Jasper	34
Jasper	34	Jay	29
Jay	29	Jefferson	25
Jefferson	25	Jennings	25
Jennings	25	Johnson	29
Johnson	29	Knox	29
Knox	29	Kosciusko	33
Kosciusko	33	Lagrange	32
Lagrange	32	Lake	35
Lake	35	La Porte	32
La Porte	32	Lawrence	26
Lawrence	26	Madison	34
Madison	34	Marion	29
Marion	29	Marshall	33
Marshall	33	Martin	22
Martin	22	Miami	34
Miami	34	Monroe	24
Monroe	24	Montgomery	32
Montgomery	32	Morgan	36
Morgan	36	Newton	36
Newton	36	Noble	33
Noble	33		

IOWA

County	Rate per acre	County	Rate per acre
Adair	\$23	Jefferson	\$23
Adams	24	Johnson	25
Allamakee	29	Jones	30
Appanoose	21	Keokuk	25
Audubon	24	Kossuth	28
Benton	29	Lee	23
Black Hawk	22	Linn	29
Boone	28	Louisa	28
Bremer	24	Lucas	22
Buchanan	23	Lyon	24
Buena Vista	24	Madison	25
Butler	23	Mahaska	25
Calhoun	26	Marion	25
Carroll	24	Marshall	28
Cass	26	Mills	30
Cedar	32	Mitchell	25
Cerro Gordo	26	Monona	23
Cherokee	25	Monroe	21
Chickasaw	23	Montgomery	30
Clarke	20	Muscatine	26
Clay	24	O'Brien	22
Clayton	28	Osceola	21
Clinton	30	Page	29
Crawford	26	Palo Alto	18
Dallas	26	Plymouth	24
Davis	23	Pocahontas	21
Decatur	23	Polk	30
Delaware	32	Pottawattamie	25
Des Moines	30	Poweshiek	23
Dickinson	20	Ringgold	24
Dubuque	29	Sac	23
Emmet	21	Scott	30
Fayette	24	Shelby	25
Floyd	22	Sioux	24
Franklin	26	Story	30
Fremont	30	Tama	26
Greene	24	Taylor	23
Grundy	27	Union	21
Guthrie	23	Van Buren	24
Hamilton	25	Wapello	25
Hancock	27	Warren	27
Hardin	22	Washington	26
Harrison	25	Wayne	22
Henry	26	Webster	26
Howard	26	Winnebago	28
Humboldt	24	Winneshiek	25
Ida	22	Woodbury	22
Iowa	26	Worth	25
Jackson	26	Wright	29
Jasper	28		

KANSAS

County	Rate per acre	County	Rate per acre
Allen	\$29	Linn	\$29
Anderson	30	Logan	17
Atchison	30	Lyon	29
Barber	16	McPherson	23
Barton	18	Marion	23
Bourbon	28	Marshall	26
Brown	31	Meade	15
Butler	24	Miami	30
Chase	29	Mitchell	18
Chautauqua	26	Montgomery	27
Cherokee	26	Morris	25
Cheyenne	22	Morton	14
Clark	16	Nemaha	29
Clay	23	Neosho	28
Cloud	19	Ness	16
Coffey	30	Norton	21
Comanche	16	Osage	30
Cowley	25	Osborne	17
Crawford	27	Ottawa	21
Decatur	23	Pawnee	16
Dickinson	23	Phillips	17
Doniphan	31	Pottawatomie	27
Douglas	31	Pratt	17
Edwards	16	Rawlins	24
Elk	28	Reno	21
Ellis	16	Republic	21
Ellsworth	20	Rice	21
Finney	19	Riley	27
Ford	16	Rooks	17
Franklin	30	Rush	16
Geary	29	Russell	17
Gove	17	Saline	22
Graham	17	Scott	20
Grant	15	Sedgwick	21
Gray	15	Seward	14
Greeley	16	Shawnee	31
Greenwood	27	Sheridan	20
Hamilton	16	Sherman	20
Harper	18	Smith	17
Harvey	22	Stafford	17
Haskell	15	Stanton	17
Hodgeman	15	Stevens	14
Jackson	28	Sumner	21
Jefferson	30	Thomas	21
Jewell	18	Trego	17
Johnson	30	Wabaunsee	29
Kearny	17	Wallace	16
Kingman	17	Washington	23
Kiowa	17	Wichita	18
Labette	27	Wilson	28
Lane	18	Woodson	28
Leavenworth	30	Wyandotte	30
Lincoln	18		

KENTUCKY

County	Rate per acre	County	Rate per acre
Adair	\$21	Fleming	\$24
Allen	21	Franklin	25
Anderson	22	Fulton	25
Ballard	23	Gallatin	23
Barren	22	Garrard	22
Bath	25	Grant	26
Boone	24	Graves	23
Bourbon	28	Grayson	20
Boyd	23	Green	21
Boyle	25	Greenup	20
Bracken	25	Hancock	23
Breckenridge	22	Hardin	22
Bullitt	24	Harrison	26
Butler	20	Hart	21
Caldwell	24	Henderson	26
Calloway	22	Henry	25
Campbell	26	Hickman	24
Carlisle	23	Hopkins	23
Carroll	24	Jackson	19
Carter	21	Jefferson	29
Casey	21	Jessamine	25
Christian	25	Kefton	24
Clark	27	Knox	17
Clay	18	Larue	22
Clinton	21	Laurel	20
Crittenden	22	Lawrence	20
Cumberland	19	Lee	19
Davies	25	Lewis	21
Edmonson	20	Lincoln	23
Elliott	20	Livingston	21
Estill	20	Logan	26
Fayette	29	Lyon	24

KENTUCKY—continued

County	Rate per acre	County	Rate per acre
McCracken	\$23	Pulaski	\$21
McLean	23	Rockertson	24
Madison	24	Rockcastle	22
Marion	21	Rowan	20
Marshall	20	Russell	20
Martin	20	Scott	26
Mason	25	Shelby	25
Meade	22	Simpson	26
Mercer	24	Spencer	23
Metcalfe	21	Taylor	22
Monroe	19	Todd	26
Montgomery	26	Trigg	24
Morgan	20	Trimble	25
Muhlenberg	22	Union	25
Nelson	23	Warren	25
Nicholas	26	Washington	23
Ohio	20	Wayne	24
Oldham	28	Webster	23
Owen	25	Whitley	19
Pendleton	25	Wolfe	18
Powell	19	Woodford	27

MARYLAND

County	Rate per acre	County	Rate per acre
Allegany	\$21	Howard	\$28
Anne Arundel	19	Kent	28
Baltimore	27	Montgomery	28
Calvert	19	Prince Georges	19
Caroline	23	Queen Annes	25
Carroll	27	St. Marys	22
Cecil	28	Somerset	26
Charles	21	Talbot	27
Dorchester	26	Washington	27
Frederick	27	Wicomico	22
Garrett	25	Worcester	25
Harford	30		

MICHIGAN

County	Rate per acre	County	Rate per acre
Alcona	\$28	Lake	\$25
Alger	24	Lapeer	33
Allegan	30	Leelanau	24
Alpena	31	Lenawee	35
Antrim	25	Livingston	32
Arenac	31	Luce	17
Baraga	25	Mackinac	19
Barry	31	Macomb	31
Bay	35	Manistee	21
Benzie	19	Marquette	27
Berrien	32	Mason	30
Branch	31	Mecosta	29
Calhoun	32	Menominee	31
Cass	30	Midland	35
Charlevoix	26	Missaukee	24
Cheboygan	26	Monroe	34
Chippewa	19	Montcalm	32
Clare	30	Montmorency	27
Clinton	33	Muskegon	28
Crawford	18	Newaygo	29
Delta	29	Oakland	33
Dickinson	29	Oceana	29
Eaton	34	Ogemaw	29
Emmet	24	Ontonagon	17
Genesee	32	Osceola	26
Gladwin	29	Osceola	21
Gogebic	15	Osego	22
Grand Traverse	25	Ottawa	30
Gratiot	36	Presque Isle	29
Hillsdale	31	Roscommon	22
Houghton	21	Saginaw	36
Huron	35	St. Clair	32
Ingham	35	St. Joseph	30
Ionia	32	Sanilac	32
Iosco	27	Schoolcraft	22
Iron	19	Shiawassee	33
Isabella	34	Tuscola	36
Jackson	31	Van Buren	30
Kalamazoo	33	Washtenaw	33
Kalkaska	18	Wayne	32
Kent	30	Wexford	24

MINNESOTA

County	Rate per acre	County	Rate per acre
Aitkin	\$20	Carlton	\$19
Anoka	21	Carver	33
Becker	21	Cass	19
Beltrami	21	Chippewa	20
Benton	18	Chisago	20
Big Stone	19	Clay	23
Blue Earth	28	Clearwater	22
Brown	22	Cottonwood	24

MINNESOTA—continued

County	Rate per acre	County	Rate per acre
Crow Wing	\$19	Nobles	\$21
Dakota	25	Norman	22
Dodge	27	Olmstead	25
Douglas	22	Otter Trail	20
Faribault	26	Pennington	22
Fillmore	24	Pine	20
Freeborn	26	Pipestone	20
Goodhue	25	Polk	23
Grant	19	Pope	19
Houston	25	Ramsey	25
Hubbard	20	Red Lake	22
Isanti	20	Redwood	22
Itasca	21	Renville	23
Jackson	24	Rice	28
Kanabec	20	Rock	21
Kandiyohi	20	Roseau	23
Kittson	22	Saint Louis	22
Koochiching	19	Sherburne	30
Lac Qui Parle	19	Sibley	28
Lake of the Woods	22	Stearns	21
Le Sueur	28	Steele	28
Lincoln	20	Stevens	20
Lyon	21	Swift	19
McLeod	30	Todd	20
Mahnomen	22	Traverse	19
Marshall	24	Wabasha	24
Martin	26	Wadena	18
Meeker	25	Waseca	28
Mille Lacs	23	Washington	24
Morrison	21	Watsonwan	22
Mower	25	Wilkin	20
Murray	21	Winona	26
Nicollet	27	Wright	30
		Yellow Medicine	19

MISSOURI

County	Rate per acre	County	Rate per acre
Adair	\$31	Johnson	\$29
Andrew	33	Knox	27
Atchison	29	Laclede	26
Audrain	31	Lafayette	33
Barry	26	Lawrence	27
Barton	26	Lewis	29
Bates	28	Lincoln	30
Benton	25	Linn	31
Bollinger	21	Livingston	33
Boone	29	McDonald	23
Buchanan	34	Macon	30
Butler	27	Madison	23
Caldwell	31	Maries	26
Callaway	31	Marion	30
Camden	24	Mercer	29
Cape Girardeau	30	Miller	29
Carroll	33	Mississippi	29
Carter	22	Moniteau	29
Cass	30	Monroe	30
Cedar	25	Montgomery	31
Charlton	33	Morgan	27
Christian	28	New Madrid	32
Clark	28	Newton	27
Clay	35	Nodaway	30
Clinton	33	Oregon	22
Cole	27	Osage	30
Cooper	30	Ozark	18
Crawford	26	Pemiscot	32
Dade	30	Perry	29
Dallas	26	Pettis	30
Davies	29	Phelps	27
De Kalb	31	Pike	31
Dent	23	Platte	34
Douglas	19	Polk	28
Dunklin	28	Pulaski	22
Franklin	31	Putnam	29
Gasconade	28	Ralls	32
Gentry	31	Randolph	29
Greene	29	Ray	34
Grundy	27	Reynolds	23
Harrison	29	Ripley	18
Henry	27	St. Charles	35
Hickory	23	St. Clair	27
Holt	30	St. Francois	28
Howard	32	St. Louis	31
Howell	19	Ste. Genevieve	31
Iron	23	Saline	30
Jackson	34	Schuyler	28
Jasper	29	Scotland	26
Jefferson	26	Scott	26

MISSOURI—continued

County	Rate per acre	County	Rate per acre
Shannon	\$21	Vernon	\$27
Shelby	29	Warren	30
Stoddard	26	Washington	31
Stone	27	Wayne	24
Sullivan	28	Webster	26
Taney	20	Worth	27
Texas	23	Wright	24

MONTANA

County	Rate per acre	County	Rate per acre
Beaverhead	\$23	Madison	\$23
Big Horn	23	Meagher	18
Blaine	20	Mineral	23
Broadwater	24	Missoula	24
Carbon	23	Musselshell	17
Carter	13	Park	23
Cascade	25	Petroleum	15
Chouteau	25	Phillips	18
Custer	15	Pondera	28
Daniels	17	Powder River	16
Dawson	15	Powell	23
Deer Lodge	31	Prairie	15
Fallon	14	Ravall	33
Fergus	20	Richland	18
Flathead	29	Roosevelt	18
Gallatin	28	Rosebud	17
Garfield	14	Sanders	22
Glacier	25	Sheridan	18
Golden Valley	17	Silver Bow	22
Granite	22	Stillwater	20
Hill	20	Sweet Grass	18
Jefferson	21	Teton	27
Judith Basin	19	Toole	23
Lake	24	Treasure	20
Lewis and Clark	22	Valley	17
Liberty	20	Wheatland	17
Lincoln	20	Wibaux	16
McCone	15	Yellowstone	23

NEBRASKA

County	Rate per acre	County	Rate per acre
Adams	\$23	Jefferson	\$26
Antelope	19	Johnson	27
Arthur	13	Kearney	23
Banner	28	Keith	27
Blaine	14	Keya Paha	16
Boone	22	Kimball	23
Box Butte	26	Knox	21
Boyd	15	Lancaster	28
Brown	15	Lincoln	22
Buffalo	21	Logan	16
Burt	32	Loup	17
Butler	27	McPherson	13
Cass	31	Madison	25
Cedar	21	Merrick	22
Chase	26	Morrill	23
Cherry	12	Nance	22
Cheyenne	29	Nemaha	29
Clay	23	Nuckolls	22
Colfax	27	Otoe	30
Cuming	31	Pawnee	27
Custer	21	Perkins	27
Dakota	27	Phelps	25
Dawes	26	Pierce	24
Dawson	21	Platte	26
Deuel	29	Polk	26
Dixon	24	Redwillow	25
Dodge	31	Richardson	29
Douglas	31	Rock	15
Dundy	24	Saline	26
Fillmore	24	Sarpy	31
Franklin	23	Saunders	31
Frontier	24	Scotts Bluff	23
Furnas	24	Seward	29
Gage	27	Sheridan	22
Garden	28	Sherman	19
Garfield	16	Sioux	21
Gosper	25	Stanton	27
Greeley	19	Thayer	24
Hall	22	Thomas	14
Hamilton	25	Thurston	28
Harlan	25	Valley	19
Hayes	24	Washington	32
Hitchcock	24	Wayne	27
Holt	15	Webster	22
Hooker	14	Wheeler	17
Howard	22	York	26

RULES AND REGULATIONS

NEW JERSEY

County	Rate per acre	County	Rate per acre
Atlantic	\$20	Middlesex	\$33
Bergen	29	Monmouth	33
Burlington	33	Morris	32
Camden	29	Ocean	30
Cape May	24	Passaic	29
Cumberland	31	Salem	33
Essex	32	Somerset	30
Gloucester	28	Sussex	33
Hunterdon	32	Union	33
Mercer	33	Warren	33

NEW MEXICO

County	Rate per acre	County	Rate per acre
Bernalillo	\$9	Otero	\$17
Catron	8	Quay	9
Chaves	19	Rio Arriba	7
Colfax	10	Roosevelt	9
Curry	11	Sandoval	13
DeBaca	15	San Juan	19
Eddy	27	San Miguel	12
Grant	23	Santa Fe	7
Guadalupe	10	Sierra	23
Harding	8	Socorro	6
Hidalgo	26	Taos	20
Lea	8	Torrence	6
Lincoln	7	Union	9
McKinley	9	Valencia	12
Mora	12		

NEW YORK

County	Rate per acre	County	Rate per acre
Albany	\$35	Onelda	\$37
Allegany	33	Onondaga	37
Broome	34	Ontario	37
Cattaraugus	32	Orange	34
Cayuga	37	Orleans	36
Chautauqua	32	Oswego	31
Chemung	35	Otsego	35
Chenango	35	Putnam	36
Clinton	26	Rensselaer	35
Columbia	36	Rockland	35
Cortland	36	St. Lawrence	25
Delaware	34	Saratoga	35
Dutchess	36	Schenectady	34
Erle	33	Schoharie	35
Essex	27	Schuyler	35
Franklin	26	Seneca	36
Fulton	32	Steuben	33
Genesee	37	Suffolk	35
Greene	34	Sullivan	34
Herkimer	35	Tioga	35
Jefferson	24	Tompkins	35
Lewis	30	Ulster	35
Livingston	37	Warren	27
Madison	37	Washington	34
Monroe	37	Wayne	36
Montgomery	34	Westchester	35
Nassau	35	Wyoming	37
Niagara	32	Yates	37

NORTH CAROLINA

County	Rate per acre	County	Rate per acre
Alamance	\$25	Davie	\$24
Alexander	22	Duplin	28
Alleghany	29	Durham	25
Anson	22	Edgecombe	28
Ashe	26	Forsyth	27
Avery	24	Franklin	25
Beaufort	27	Gaston	24
Bertie	25	Gates	23
Bladen	25	Graham	22
Brunswick	27	Granville	25
Buncombe	26	Greene	26
Burke	24	Guilford	27
Cabarrus	22	Halifax	23
Caldwell	24	Harnett	26
Camden	25	Haywood	26
Carteret	23	Henderson	26
Caswell	25	Hertford	22
Catawba	24	Hoke	24
Chatham	23	Hyde	25
Cherokee	22	Iredell	25
Chowan	25	Jackson	24
Clay	20	Johnston	28
Cleveland	26	Jones	27
Columbus	27	Lee	27
Craven	24	Lenoir	28
Cumberland	26	Lincoln	25
Currituck	27	McDowell	22
Davidson	26	Macon	24

NORTH CAROLINA—continued

County	Rate per acre	County	Rate per acre
Madison	\$23	Rowan	\$26
Martin	27	Rutherford	25
Mecklenburg	23	Sampson	27
Mitchell	22	Scotland	22
Montgomery	21	Stanly	22
Moore	22	Stokes	25
Nash	31	Surry	27
New Hanover	26	Swain	24
Northhampton	23	Transylvania	26
Onslow	26	Tyrrell	24
Orange	25	Union	24
Pamlico	28	Vance	25
Pasquotank	27	Wake	27
Pender	28	Warren	25
Perquimans	26	Washington	25
Person	24	Watauga	27
Pitt	28	Wayne	28
Polk	24	Wilkes	26
Randolph	24	Wilson	30
Richmond	19	Yadkin	27
Robeson	26	Yancey	24
Rockingham	27		

NORTH DAKOTA

County	Rate per acre	County	Rate per acre
Adams	\$13	McLean	\$15
Barnes	18	Mercer	15
Benson	16	Morton	14
Billings	13	Mountrall	16
Bottineau	17	Nelson	16
Bowman	13	Oliver	15
Burke	17	Pembina	23
Burleigh	14	Pierce	15
Cass	21	Ramsey	17
Cavaller	19	Ramson	15
Dickey	13	Renville	18
Divide	16	Richland	17
Dunn	15	Rollette	16
Eddy	14	Sargent	14
Emmons	13	Sheridan	14
Foster	16	Sioux	12
Golden Valley	16	Slope	13
Grand Forks	21	Stark	15
Grant	12	Steele	19
Griggs	17	Stutsman	16
Hettinger	14	Towner	17
Kidder	12	Trall	22
La Moure	14	Walsh	21
Logan	13	Ward	18
McHenry	15	Wells	15
McIntosh	12	Williams	18
McKenzie	17		

OHIO

County	Rate per acre	County	Rate per acre
Adams	\$22	Henry	\$35
Allen	33	Highland	23
Ashland	31	Hocking	23
Ashtabula	28	Holmes	31
Athens	25	Huron	32
Auglaize	32	Jackson	23
Belmont	31	Jefferson	31
Brown	22	Knox	27
Butler	26	Lake	29
Carroll	31	Lawrence	23
Champaign	31	Licking	27
Clark	31	Logan	30
Clermont	23	Lorain	29
Clinton	27	Lucas	37
Columbiana	33	Madison	30
Coshocton	29	Mahoning	32
Crawford	32	Marion	31
Cuyahoga	30	Medina	31
Darke	30	Meigs	24
Defiance	30	Mercer	32
Delaware	28	Miami	30
Erie	35	Monroe	28
Fairfield	28	Mongomery	29
Fayette	28	Morgan	27
Franklin	30	Morrow	27
Fulton	36	Muskingum	27
Gallia	23	Noble	27
Geauga	30	Ottawa	31
Greene	28	Paulding	29
Guernsey	26	Perry	27
Hamilton	28	Pickaway	27
Hancock	33	Pike	22
Hardin	32	Portage	31
Harrison	31	Preble	28

OHIO—continued

County	Rate per acre	County	Rate per acre
Putnam	\$33	Tuscarawas	\$31
Richland	30	Union	29
Ross	25	Van Wert	34
Sandusky	34	Vinton	23
Scioto	24	Warren	26
Seneca	32	Washington	26
Shelby	31	Wayne	33
Stark	33	Williams	32
Summit	32	Wood	35
Trumbull	30	Wyandot	32

OKLAHOMA

County	Rate per acre	County	Rate per acre
Adair	\$18	Le Flore	\$19
Alfalfa	18	Lincoln	17
Atoka	16	Logan	17
Beaver	12	Love	15
Beckham	13	McClain	17
Blaine	17	McCurtain	16
Bryan	16	McIntosh	18
Caddo	17	Major	15
Canadian	18	Marshall	14
Carter	15	Mayes	21
Cherokee	17	Murray	17
Choctaw	17	Muskogee	17
Cimarron	10	Noble	17
Cleveland	18	Nowata	23
Coal	16	Okfuskee	17
Comanche	15	Oklahoma	18
Cotton	15	Okmulgee	17
Craig	23	Osage	22
Creek	17	Ottawa	24
Custer	15	Pawnee	19
Delaware	23	Payne	16
Dewey	14	Pittsburg	16
Ellis	11	Pontotoc	17
Garfield	19	Pottawatomie	18
Garvin	18	Pushmataha	16
Grady	18	Roger Mills	11
Grant	18	Rogers	21
Greer	13	Seminole	18
Harmon	13	Sequoyah	20
Harper	13	Stephens	15
Haskell	18	Texas	13
Hughes	18	Tillman	19
Jackson	16	Tulsa	22
Jefferson	13	Wagoner	22
Johnston	15	Washington	23
Kay	22	Washita	15
Kingfisher	17	Woods	15
Kiowa	15	Woodward	11

OREGON

County	Rate per acre	County	Rate per acre
Baker	\$35	Lane	\$28
Benton	32	Linn	30
Clackamas	35	Malheur	43
Columbia	33	Marion	36
Crook	47	Morrow	28
Deschutes	41	Multnomah	35
Douglas	24	Polk	34
Gilliam	32	Sherman	35
Grant	27	Umatilla	35
Harney	18	Union	37
Jackson	31	Wallowa	28
Jefferson	37	Wasco	34
Josephine	24	Washington	38
Klamath	23	Wheeler	25
Lake	21	Yamhill	36

PENNSYLVANIA

County	Rate per acre	County	Rate per acre
Adams	\$27	Columbia	\$27
Allegheny	27	Crawford	27
Armstrong	27	Cumberland	28
Beaver	28	Dauphin	27
Bedford	27	Delaware	34
Berks	29	Elk	27
Blair	29	Erie	27
Bradford	28	Fayette	26
Bucks	30	Forest	26
Butler	27	Franklin	28
Cambria	26	Fulton	25
Cameron	25	Greene	26
Carbon	26	Huntingdon	26
Centre	29	Indiana	26
Chester	34	Jefferson	27
Clarion	26	Junata	26
Clearfield	26	Lackawanna	26
Clinton	27	Lancaster	34

PENNSYLVANIA—continued

County	Rate per acre	County	Rate per acre
Lawrence	\$28	Potter	\$29
Lebanon	31	Schuylkill	26
Lehigh	29	Snyder	26
Luzerne	26	Somerset	27
Lycoming	28	Sullivan	27
McKean	26	Susquehanna	26
Mercer	27	Tioga	26
Mifflin	28	Union	28
Monroe	27	Venango	27
Montgomery	30	Warren	26
Montour	26	Washington	28
Northampton	30	Wayne	26
Northumberland	26	Westmoreland	27
Perry	27	Wyoming	27
Philadelphia	33	York	31
Pike	26		

SOUTH CAROLINA

County	Rate per acre	County	Rate per acre
Abbeville	\$19	Greenwood	\$22
Alken	18	Hampton	23
Allendale	23	Horry	23
Anderson	22	Jasper	22
Bamberg	20	Kershaw	20
Barnwell	20	Lancaster	23
Beaufort	22	Laurens	22
Berkeley	22	Lee	26
Calhoun	25	Lexington	19
Charleston	23	McCormick	19
Cherokee	22	Marion	23
Chester	22	Marlboro	24
Chesterfield	20	Newberry	21
Clarendon	25	Oconee	22
Colleton	23	Orangeburg	22
Darlington	23	Pickens	20
Dillon	26	Richland	22
Dorchester	23	Saluda	20
Edgefield	22	Spartanburg	21
Fairfield	20	Sumter	26
Florence	25	Union	20
Georgetown	25	Williamsburg	24
Greenville	21	York	22

SOUTH DAKOTA

County	Rate per acre	County	Rate per acre
Aurora	\$14	Jackson	\$13
Beadle	13	Jerauld	13
Bennett	22	Jones	13
Bon Homme	14	Kingsbury	14
Brookings	17	Lake	16
Brown	13	Lawrence	17
Brule	14	Lincoln	17
Buffalo	13	Lyman	13
Butte	16	McCook	14
Campbell	13	McPherson	12
Charles Mix	15	Marshall	14
Clark	14	Meade	13
Clay	19	Mellette	14
Codington	15	Miner	13
Cerson	12	Minnehaha	14
Custer	13	Moody	17
Davison	15	Pennington	13
Day	13	Perkins	12
Deuel	16	Potter	12
Dewey	12	Roberts	15
Douglas	14	Sanborn	13
Edmunds	12	Shannon	23
Fall River	17	Spink	13
Faulk	12	Stanley	14
Grant	15	Sully	14
Gregory	15	Todd	14
Haakon	15	Tripp	15
Hamlin	16	Turner	15
Hand	13	Union	19
Hanson	15	Walworth	13
Harding	12	Washabaugh	17
Hughes	13	Yankton	16
Hutchinson	14	Ziebach	12
Hyde	13		

TENNESSEE

County	Rate per acre	County	Rate per acre
Anderson	\$22	Carroll	\$19
Bedford	18	Carter	26
Benton	17	Cheatham	23
Bledsoe	17	Chester	20
Blount	23	Claiborne	21
Bradley	19	Clay	16
Campbell	21	Cocke	21
Cannon	16	Coffee	20

TENNESSEE—continued

County	Rate per acre	County	Rate per acre
Crockett	\$18	Madison	\$19
Cumberland	17	Marion	18
Davidson	20	Marshall	17
Decatur	15	Mauzy	21
De Kalb	16	Meigs	19
Dickson	18	Monroe	20
Dyer	22	Montgomery	24
Fayette	10	Moore	19
Fentress	19	Morgan	20
Franklin	24	Obion	22
Gibson	17	Overton	19
Giles	18	Perry	14
Grainger	22	Pickett	19
Greene	22	Polk	18
Grundy	23	Putnam	17
Hambien	26	Rhea	19
Hamilton	21	Roane	18
Hancock	20	Robertson	25
Hardeman	19	Rutherford	19
Hardin	15	Scott	19
Hawkins	19	Sequatchie	18
Haywood	23	Sevier	22
Henderson	17	Shelby	22
Henry	21	Smith	14
Hickman	16	Stewart	19
Houston	20	Sullivan	25
Humphreys	17	Sumner	19
Jackson	14	Tipton	24
Jefferson	25	Trousdale	17
Johnson	23	Union	20
Knox	23	Van Buren	20
Lake	24	Warren	20
Lauderdale	21	Washington	26
Lawrence	18	Wayne	16
Lewis	16	Weakley	19
Lincoln	18	White	20
Loudon	20	Williamson	19
McMinn	19	Wilson	17
McNairy	19		
Macon	17		

TEXAS

County	Rate per acre	County	Rate per acre
Anderson	\$13	Deaf Smith	\$15
Andrews	10	Delta	17
Archer	12	Denton	19
Armstrong	12	De Witt	12
Atascosa	12	Dickens	11
Austin	12	Dimmit	13
Bailey	13	Donley	11
Bandera	12	Eastland	12
Bastrop	12	Edwards	10
Baylor	14	Ellis	16
Bee	12	Erath	12
Bell	14	Falls	13
Bexar	12	Fannin	17
Blanco	13	Fisher	9
Borden	8	Floyd	13
Bosque	14	Foard	14
Bowie	14	Gaines	8
Brazos	12	Garza	10
Briscoe	13	Gillespie	12
Brown	11	Glasscock	9
Burleson	12	Goliad	12
Burnet	12	Gonzales	12
Caldwell	12	Gray	12
Callahan	10	Grayson	17
Carson	12	Guadalupe	12
Castro	18	Hale	19
Chambers	12	Hall	12
Cherokee	14	Hamilton	12
Childress	12	Hansford	12
Clay	13	Hardeman	13
Cochran	12	Harris	13
Coke	8	Hartley	12
Coleman	10	Haskell	12
Collin	19	Hays	13
Collingsworth	12	Hemphill	12
Comal	12	Henderson	14
Comanche	12	Hill	13
Concho	9	Hockley	12
Cooke	19	Hood	12
Coryell	12	Hopkins	14
Cottle	12	Houston	14
Crosby	12	Howard	10
Culberson	14	Hudspeth	14
Dallam	11	Hunt	18
Dallas	18	Hutchinson	12
Dawson	10	Irion	10

TEXAS—continued

County	Rate per acre	County	Rate per acre
Jack	\$12	Potter	\$12
Jackson	13	Presidio	14
Jeff Davis	14	Rains	14
Johnson	15	Randall	11
Jones	11	Real	12
Karnes	12	Red River	14
Kaufman	16	Reeves	14
Kendall	12	Roberts	19
Kent	11	Rockwall	17
Kerr	13	Runnels	9
Kimble	10	San Saba	13
King	12	Schleicher	9
Knox	14	Scurry	8
Lamar	17	Shackelford	11
Lamb	22	Sherman	12
Lampasas	12	Somervell	12
Limestone	12	Stephens	11
Lipscomb	12	Sterling	8
Live Oak	12	Stonewall	11
Llano	12	Sutton	10
Lubbock	14	Swisher	17
Lynn	12	Tarrant	16
McCulloch	11	Taylor	9
McFennan	14	Terry	12
Martin	10	Throckmorton	13
Mason	12	Titus	13
Maverick	13	Tom Green	10
Medina	12	Travis	12
Menard	10	Uvalde	12
Midland	11	Van Zandt	13
Milam	13	Victoria	12
Mills	12	Waller	13
Mitchell	8	Ward	14
Montague	13	Wharton	12
Moore	12	Wheeler	11
Motley	11	Wichita	16
Navarro	16	Wilbarger	17
Nolan	8	Williamson	13
Ochiltree	13	Wilson	12
Oldham	12	Wise	16
Palo Pinto	11	Wood	14
Parker	12	Yoakum	11
Parmer	17	Young	12
Pecos	14	Zavala	13

UTAH

County	Rate per acre	County	Rate per acre
Beaver	\$32	Piute	\$33
Box Elder	21	Rich	22
Cache	25	Salt Lake	25
Carbon	31	San Juan	15
Daggett	34	Sanpete	24
Davis	39	Sevier	36
Duchesne	30	Summit	30
Emery	31	Tooele	16
Garfield	26	Utah	30
Grand	24	Utah	24
Iron	21	Wasatch	40
Juab	16	Washington	16
Kane	19	Wayne	36
Millard	17	Weber	38
Morgan	30		

VIRGINIA

County	Rate per acre	County	Rate per acre
Accomac	\$26	Dinwiddle	\$27
Albemarle	27	Essex	26
Alleghany	24	Fairfax	28
Amelia	27	Fauquier	27
Amherst	25	Floyd	25
Appomattox	27	Fluvanna	27
Augusta	28	Franklin	27
Bath	24	Frederick	27
Bedford	25	Giles	24
Bland	25	Gloucester	24
Botetourt	26	Goochland	27
Brunswick	27	Grayson	23
Buchanan	23	Greene	25
Buckingham	26	Greensville	24
Campbell	26	Halifax	26
Caroline	28	Hampton	27
Carroll	24	Hanover	27
Charles City	30	Henrico	29
Charlotte	27	Henry	24
Chesterfield	26	Highland	25
Clarke	29	Isle of Wight	28
Craig	26	James City	27
Culpeper	27	King and Queen	25
Cumberland	26	King George	28
Dickenson	23	King William	25

## RULES AND REGULATIONS

## VIRGINIA—continued

County	Rate per acre	County	Rate per acre
Lancaster	\$27	Princess Anne	\$29
Lee	23	Pulaski	26
Loudoun	29	Rappahannock	26
Louisa	26	Richmond	29
Lunenburg	27	Roanoke	29
Madison	25	Rockbridge	26
Mathews	24	Rockingham	28
Mecklenburg	26	Russell	25
Middlesex	25	Scott	24
Montgomery	27	Shenandoah	27
Nansemond	29	Smyth	26
Nelson	25	Southampton	27
New Kent	25	Spotsylvania	27
Norfolk	29	Stafford	27
Northampton	27	Surry	26
Northumberland	29	Sussex	26
Nottoway	29	Tazewell	25
Orange	28	Warren	27
Page	28	Warwick	29
Patrick	26	Washington	26
Pittsylvania	26	Westmoreland	30
Powhatan	27	Wise	23
Prince Edward	27	Wythe	26
Prince George	25	York	27
Prince William	28		

## WASHINGTON

County	Rate per acre	County	Rate per acre
Adams	\$29	Lewis	\$35
Asotin	29	Lincoln	34
Benton	26	Mason	39
Chelan	21	Okanogan	22
Clallam	49	Pacific	40
Clark	32	Pend Oreille	24
Columbia	28	Pierce	34
Cowlitz	31	San Juan	38
Douglas	25	Skagit	51
Ferry	24	Skamania	28
Franklin	29	Snohomish	43
Garfield	41	Spokane	32
Grant	29	Stevens	29
Grays Harbor	39	Thurston	33
Island	52	Walla Walla	37
Jefferson	44	Whatcom	44
Kittitas	42	Whitman	41
Klickitat	28	Yakima	38

## WEST VIRGINIA

County	Rate per acre	County	Rate per acre
Barbour	\$24	Mineral	\$25
Berkeley	25	Monongalia	26
Boone	21	Monroe	26
Braxton	23	Morgan	23
Brooke	30	Nicholas	27
Cabell	20	Ohio	28
Calhoun	18	Pendleton	25
Clay	18	Pleasants	23
Doddridge	24	Pocahontas	28
Fayette	23	Preston	26
Gilmer	22	Putnam	22
Grant	25	Raleigh	22
Greenbrier	28	Randolph	28
Hampshire	25	Ritchie	22
Hancock	30	Roane	20
Hardy	25	Summers	23
Harrison	25	Taylor	23
Jackson	23	Tucker	26
Jefferson	26	Tyler	23
Kanawha	22	Upshur	26
Lewis	24	Wayne	21
Lincoln	22	Webster	19
Marion	26	Wetzel	22
Marshall	25	Wirt	25
Mason	24	Wood	23
Mercer	24	Wyoming	20

## WISCONSIN

County	Rate per acre	County	Rate per acre
Adams	\$20	Dodge	\$34
Ashland	20	Door	28
Barron	24	Douglas	22
Bayfield	22	Dunn	25
Brown	29	Eau Claire	23
Buffalo	27	Florence	21
Burnett	20	Fond du Lac	35
Calumet	32	Forest	21
Chippewa	22	Grant	30
Clark	26	Green	33
Columbia	29	Green Lake	26
Crawford	28	Iowa	29
Dane	34	Iron	21

## WISCONSIN—continued

County	Rate per acre	County	Rate per acre
Jackson	\$25	Price	\$23
Jefferson	34	Racine	35
Juneau	24	Richland	28
Kenosha	35	Rock	33
Kewaunee	30	Rusk	19
La Crosse	26	St. Croix	24
Lafayette	30	Sauk	28
Langlade	27	Sawyer	19
Lincoln	25	Shawano	29
Manitowoc	33	Sheboygan	34
Marathon	27	Taylor	23
Marinette	25	Trempealeau	27
Marquette	22	Vernon	30
Milwaukee	33	Vilas	23
Monroe	26	Walworth	34
Oconto	27	Washburn	19
Oneida	22	Washington	34
Outagamie	31	Waukesha	32
Ozaukee	34	Waupaca	28
Pepin	25	Waushara	21
Pierce	26	Winnebago	33
Polk	22	Wood	25
Portage	20		

## WYOMING

County	Rate per acre	County	Rate per acre
Albany	\$14	Natrona	\$18
Big Horn	32	Niobrara	17
Campbell	20	Park	33
Carbon	14	Platte	21
Converse	17	Sheridan	24
Crook	20	Sublette	16
Fremont	33	Sweetwater	19
Goshen	21	Teton	22
Hot Springs	29	Uinta	19
Johnson	20	Washakie	30
Laramie	21	Weston	20
Lincoln	19		

Issued at Washington, D. C., this 6th day of August 1957.

[SEAL]

TRUE D. MORSE,  
Acting Secretary.[F. R. Doc. 57-6575; Filed, Aug. 13, 1957;  
8:45 a. m.]

## TITLE 32—NATIONAL DEFENSE

Chapter VII—Department of the  
Air Force

## Subchapter G—Personnel

## PART 878—DECORATIONS AND AWARDS

## HONORS AND CEREMONIES

In Part 878, sections formerly designated as §§ 878.1 to 878.35 are revised to read as follows:

Sec.	
878.1	Purpose and policy.
878.2	Eligibility.
878.3	Number of decorations.
878.4	Recommendations.
878.5	Posthumous, missing-in-action, and prisoner-of-war awards.
878.6	Decorations carrying additional pay.
878.7	Decorations awarded by foreign governments.
878.8	Awards to citizens of foreign nations in peacetime.
878.9	Supplying and replacing decorations.
878.10	Decorations for use in exhibitions.
878.11	Manufacture, sale, and possession of decorations.
878.12	Military decorations.
878.13	Civilian decorations.

AUTHORITY: §§ 878.1 to 878.13 issued under sec. 8012, 70A Stat. 488; 10 U. S. C. 8012.  
Source: AFR 900-7, July 16, 1957.

§ 878.1 *Purpose and policy.* The Air Force awards decorations to individuals to recognize acts of bravery, outstanding achievements, and periods of meritorious

service which they perform on behalf of the United States. The nature and magnitude of the act, achievement, or service for which recognition is to be given will determine the type of decoration awarded.

§ 878.2 *Eligibility.* The eligibility of a person to receive a decoration depends upon four factors:

(a) The nature and magnitude of the act achievement, or service. Sections 878.12 and 878.13 explain which types of acts, achievements, and services are considered worthy of recognition.

(b) The appropriateness of the award. When determining appropriateness, the recommending individual and awarding authority will consider the circumstances under which the act or service was performed, or the achievement realized.

(c) The relationship of the person to the Air Force.

(1) With the exception of the National Security Medal, civilian decorations are not awarded to United States military personnel for an act or service performed as a military member.

(2) Members of the Reserve components not on active duty with the Air Force but in attendance at authorized periods of training are eligible for award of the Distinguished Flying Cross, the Soldier's Medal, the Air Medal, and the Commendation Ribbon, provided that the requirements for these decorations are otherwise fulfilled. Additionally, members of the Reserve components of the Air Force not on active duty may be awarded the Commendation Ribbon for outstanding accomplishments of continuing value to the Air Force. For awards of the Commendation Ribbon under this particular provision, the accomplishment must be sufficiently distinctive to exceed by comparison that rendered by other Reservists performing similar acts or services.

(d) The manner in which the person performed subsequent military service. For an award to be made, his military service must have been honorable following the act or service by which he distinguished himself.

§ 878.3 *Number of decorations.* No limitation is placed on the number of decorations that may be awarded an individual. However, only one award of a decoration will be made for the same act, achievement or period of meritorious service. Also, in most cases, only one basic award of a decoration will be made. Oak-leaf clusters are awarded in lieu of additional awards of the same medal unless otherwise indicated in §§ 878.1 to 878.13. Awards of oak-leaf clusters to the same person for the same decoration are numbered progressively and worn on the suspension ribbon and ribbon bar. The oak-leaf clusters are issued in two sizes—large and small. The large size is worn on the suspension ribbon and the small size on the ribbon bar. A silver oak-leaf cluster is worn in lieu of five bronze clusters.

§ 878.4 *Recommendations—(a) General.* (1) Before recommending an individual for a decoration, commanders will consider the factors which govern his eligibility, as listed in § 878.2. If more

than one person participated in the same act or service, or was responsible for the realization of a single achievement, the contribution of each participant may be combined into one recommendation, provided that each person is being recommended for the same decoration. By the same token, only one proposed citation need be prepared, unless the contribution of each person differs as to degree of participation in the act, achievement, or service. In that case, a separate citation will be prepared for each person concerned to accompany the recommendation. Recommendations for the award of civilian decorations will be submitted in the same manner and forwarded through the same channels as those for military decorations.

(2) The reassignment of a supervisor or commander is not a basis for initiating recommendations for awards to his subordinates.

(3) When a recommendation for the award of a decoration is disapproved, the awarding authority will reconsider the recommendation to determine whether the award of a lesser decoration is appropriate.

(4) Recommendations previously disapproved by the awarding authority may be submitted for reconsideration only if new evidence is furnished.

(b) *Time limitations.* (1) Time limitations are based generally upon law (10 U. S. C. 8744). Recommendations for the award of military decorations must be in official channels within 2 years of the date of the act, achievement, or service performed.

(2) A request for reconsideration of a recommendation must be in official channels within 2 years of the date of the act, achievement, or service performed.

(3) Recommendations which were in official channels within the prescribed time limitations but lost or not acted upon may be resubmitted, provided that the original recommendation was submitted as the result of an act or service performed after September 2, 1945. This provision, however, excludes the Medal of Honor, Distinguished Service Cross and the Distinguished Service Medal, since there is no provision in law for such a waiver as to those medals if the time limitations provided for in 10 U. S. C. 8744 are exceeded. In each case, a certificate or sworn affidavit attesting to the fact that the original recommendation was placed in official channels, accompanied by a copy of the original recommendation, if available, or the reconstituted substance of the original recommendation, must be submitted.

(c) *Who may submit recommendations.* A recommendation for the award of a decoration may be initiated by any person having knowledge of the act, achievement, or service believed to warrant the award. Recommendations initiated by the person's commander or supervisor at the time of the act, achievement, or service was performed are preferred.

(d) *Where to send recommendations.* Recommendations will be sent promptly to the awarding authority through com-

mand channels. Each commander or deputy commander will personally endorse them. Comments and/or alternate recommendations by intermediate commanders are encouraged as they are helpful to the awarding authority in making a final determination. The opinion of an intermediate commander that a recommendation should be disapproved will in no case constitute authority for the return of the recommendation to the initiator. In such cases, the commander will forward the recommendation to the awarding authority, recommending disapproval. Recommendations requiring Department of the Air Force approval will be forwarded in an original and one copy to: The Director of Military Personnel, Headquarters, USAF, Attn: Personnel Services Division, Washington 25, D. C.

(e) *Recommendations based on meritorious service.* Recommendations for awards for meritorious service are based upon a completed period of service. Such recommendations will be initiated only when an individual has or is being reassigned or when the specific duty for which recommended has terminated. However, recommendations based upon completing a specific assignment or project, separate and distinct from regularly assigned duties, and recommendations based upon an act of heroism may be initiated notwithstanding completion of duty assignment. Such awards will not preclude later submission of a recommendation for recognition of meritorious performance of normal duty upon termination of assignment. In instances where it is definitely established that a person will be reassigned, retired, or separated on a specific date and presentation is desired before the individual's departure, a recommendation may be initiated before the date of reassignment, retirement, or separation. The recommendation should include the termination date of the assignment and the new duty station, if applicable. Such recommendations should be initiated 60 days in advance of the termination date to permit normal processing by the awarding authority.

§ 878.5 *Posthumous, missing-in-action, and prisoner-of-war awards*—(a) *Posthumous.* Next of kin are entitled to receive decorations earned but not presented due to the decease of the recipient. The next of kin listed in the order of precedence are: Widow, widower, eldest son, eldest daughter, father, mother, eldest brother, eldest sister, eldest grandchild.

(1) All requests for authority to make posthumous presentations of decorations to eligible next of kin, other than the order listed in this paragraph, will be forwarded to: The Director of Military Personnel, Headquarters USAF, Attn: Personnel Services Division, Washington 25, D. C. Complete background information will accompany such requests.

(2) Duplicate medals will be furnished cost free to the parent(s) of the deceased when decorations are posthumously presented to the widow or widower.

(b) *Missing in action and prisoner of war.* All elements of decorations earned

but not presented to personnel who later become missing or prisoners of war will be forwarded to: The Director of Military Personnel, Headquarters USAF, Attn: Personnel Services Division, Washington 25, D. C. Awards of this nature will not, in any instance, be publicized until a final determination of the recipient's status is officially announced by Headquarters USAF.

§ 878.6 *Decorations carrying additional pay*—(a) *Decorations for extraordinary heroism.* The pay authorized for retired persons by section 8914 of Title 10, United States Code (70A Stat. 550), will be increased by 10 percent for any airman who is credited with extraordinary heroism in line of duty. The determination of the Secretary of the Air Force regarding such increases in pay will be final.

(b) *Medal of Honor.* A person awarded the Medal of Honor, who has been honorably discharged from the service, may, upon reaching the age of 65, make application to have his name entered upon the Medal of Honor Roll (established by the Act of April 27, 1916, 39 Stat. 54, as amended; 38 U. S. C. 391-391). Application should be made in writing to Headquarters USAF and must include the full personal signature of applicant. Persons whose names are placed on the Roll are certified to the Veterans' Administration as being entitled to receive a special pension of \$10 a month, for life, payable monthly by the Veterans' Administration.

§ 878.7 *Decorations awarded by foreign governments*—(a) *Official acceptance must be authorized by Congress.* Although token acceptance by an Air Force member of a decoration presented by a foreign government is permissible, as explained in paragraph (b) of this section, he may not retain or wear the decoration without an authorization of Congress (Clause 8, Section 9, Article I, of the United States Constitution). If Congress gives its authorization, the acceptance then becomes official. Congressional authorization was given United States military personnel to accept decorations proffered by friendly foreign governments in recognition of service performed during the periods listed in this paragraph. However, the award must have been presented before the termination date of the applicable Public Law as indicated:

(1) *World War II.* December 7, 1941 through December 31, 1946 (Pub. Law 314, 80th Congress, expired July 24, 1948).

(2) *Berlin airlift.* June 26, 1948 through September 30, 1949 (Pub. Law 503, 81st Congress, expired September 20, 1951).

(3) *Korean operation.* June 27, 1950 through July 27, 1954 (Pub. Law 354, 83d Congress, expired July 27, 1955).

(b) *Participation in presentation ceremonies.* If a member is advised that a friendly foreign nation wishes to award him a decoration and that his presence is desired at a formal presentation ceremony, he may participate in the ceremony and make a token acceptance of the decoration without the consent of

Congress. The receipt of the decoration at the ceremony will not, however, constitute an official acceptance. As explained in paragraph (a) of this section, the acceptance will not be official until it is authorized by Congress. The individual will request his authorization immediately following the ceremony. The request will be submitted as explained in paragraph (c) of this section. No foreign decoration (includes a foreign aviation badge), ribbon, or other device will be worn before Congressional authorization. In no case will a member make a token acceptance of a decoration offered by a foreign nation without diplomatically advising an appropriate representative of that nation of the requirements of the Constitution cited in paragraph (a) of this section.

(c) *Requesting Congressional authorization.* Congressional authorization is requested through Headquarters USAF. The member will send all elements of the award, including the medal, badge, appurtenances, and the original certificates and allied documents to: The Director of Military Personnel, Headquarters USAF, Attn: Personnel Services Division, Washington 25, D. C.

(Persons are not authorized to reproduce and/or retain duplicates of the award documents.) Elements of the award will be sent by letter of transmittal. The letter will contain the full name and service number of the member; the name of the award and the country offering it; and the Air Force organization and duty assignment of the member at the time he performed that act or service recognized by the decoration. The date and place of the presentation and the name of the person who made it will also be included. Headquarters USAF will forward the decoration to the Department of State, where it will be held pending authorization by Congress for the member to accept it. If the member should die during the period the decoration is held by the Department of State, Headquarters USAF will withdraw the decoration and will send it to the legal next of kin.

(d) *Notification to member when Congress authorizes official acceptance.* When Congress authorizes official acceptance, Headquarters USAF will withdraw the decoration from the Department of State and forward it to the member.

(e) *Acceptance by Military Assistance Program personnel.* Members of Military Assistance Advisory Groups, Aid Missions, and all other personnel directly involved in the administration of the Military Assistance Program are authorized to receive foreign awards only for acts or services in connection with actual combat operations or peacetime heroism associated with saving of life. In no other case are they authorized to receive decorations from foreign governments or participate in presentation ceremonies such as those described in paragraph (b) of this section.

(1) *Decorations to members of the Reserve components of the Air Force.* Members of the Reserve components of the Air Force not on active duty and not holding an office of profit or trust under the United States Government may,

without specific consent of the Congress, accept foreign decorations: *Provided*, That the award is not made in recognition of service performed while the member was on active duty with the Armed Forces of the United States. While on inactive status, the holding of a Reserve commission is not considered as placing the holder in an office of profit or trust.

(2) *Decorations to retired personnel.* A retired member of a Reserve component of the Air Force or a retired airman of the Regular Air Force, not holding an office of profit or trust under the United States Government, may, without specific consent of the Congress, accept foreign decorations, provided that the decorations are not proffered in recognition of service performed while the member was on active duty with the Armed Forces of the United States. Retired officers of the Regular Air Force are considered as occupying an office of profit or trust under the United States Government and may not accept foreign awards without the consent of the Congress. Token acceptance is permissible, but elements of the award must be forwarded in accordance with paragraph (c) of this section.

(3) *Decoration awaiting Congressional approval for personnel honorably discharged from the Air Force.* Congressional approval is not required to accept and wear foreign decorations by personnel who have been honorably discharged from all components of the Air Force, provided that they have acquired no new office of profit or trust under the United States. Persons may obtain their awards by sending a request to: The Director of Military Personnel, Headquarters USAF, Attn: Personnel Services Division, Washington 25, D. C. A signed statement certifying that the person is not employed in any capacity with the United States Government must accompany each request.

(4) *Posthumous awards of foreign decorations to former members of the Air Force.* The approval of Congress is unnecessary in cases where a foreign decoration is awarded posthumously to a former member of the Armed Forces of the United States.

§ 878.8 *Awards to citizens of foreign nations in peacetime—(a) Type of service recognized.* The award of United States decorations to members of the armed forces of foreign nations in peacetime is permitted to recognize:

(1) Service of marked international significance where the interests of the United States are involved.

(2) Service which has aided the United States in furthering its national policies.

(3) Service which has furthered the interest of the security of the United States, or of any nation allied or associated with the United States, during a period of national emergency declared by the President.

(b) *Appropriate award.* The Legion of Merit, in four degrees, or the Medal of Freedom, in four degrees, is considered the appropriate award for recognition of the services described in paragraph (a) of this section when these meet the

standards prescribed for such awards by the Department of the Air Force.

(c) *Special instructions on submitting recommendations.* (1) Recommendations for awards to foreign persons will contain a statement indicating that the award, if approved, will conform with the awards policy of the nation concerned. Those recommendations originating from field commanders will also include a statement that the proposed award has been coordinated with the senior commanders of the other United States services in the area or theater.

(2) Recommendations for awards to members of the armed forces of foreign nations, initiated by commanders of organizations performing temporary duty in overseas theaters, will be processed for comment through the respective area commander and the headquarters of the major air command concerned. The recommendations will then be sent to the parent command headquarters for comment and forwarded to Headquarters USAF for final action.

(3) Full justification will accompany recommendations for awards of the Legion of Merit in the degree of Chief Commander before referral to Headquarters USAF for action by the awarding authority.

§ 878.9 *Supplying and replacing decorations—(a) Supply.* Engraved or plain medals and appurtenances are supplied by requisition through supply channels. Copies of general orders are not required to initiate requisitions for medals and appurtenances for presentation purposes.

(b) *Replacement.* (1) A member of the Air Force on active duty or a member of a Reserve component of the Air Force may have a lost or destroyed decoration replaced without charge if the decoration was lost or destroyed through no fault or neglect on his part. Replacement will be made upon application to the commander having custody of the member's field personnel records. Persons not on active duty and not members of a Reserve component of the Air Force and the next of kin of deceased personnel may request replacement of decorations by sending applications to: The Director, Air Force Records Center, 9700 Page Boulevard, St. Louis 14, Missouri.

(2) Recipients of decorations may also request replacement of certificates. Such requests should also be addressed to the Director of the Air Force Records Center. A copy of the general orders announcing the award, if available, or the authority for the award, should accompany each request.

(3) The Air Force neither stocks nor issues miniature medals and ribbon bars. They may be purchased from commercial dealers in military insignia.

§ 878.10 *Decorations for use in exhibitions—(a) By public institutions and patriotic societies.* Upon approval by the Secretary of the Air Force, sample decorations for exhibit purposes may be furnished at cost price, including charges for packing, transportation, and engraving each decoration with the words "Exhibition Only." Sample decorations will be furnished only to museums; libraries; and historical, numismatic, and military

societies and institutions of such public nature as to assure an opportunity for the public to view them under circumstances beneficial to the Air Force.

(b) *By United States military organizations and United States governmental agencies outside the Department of Defense.* Upon approval by the Secretary of the Air Force, sample decorations may be furnished, without charge for display at the headquarters of a major air command and at such other Air Force activities as approved by the major air commander. In like manner, they may be furnished for public display purposes to United States governmental agencies not under military jurisdiction.

(c) *Where to send requests.* All requests for decorations for exhibit or display will be submitted to: The Director of Military Personnel, Headquarters USAF, Attn: Personnel Services Division, Washington 25, D. C., for approval by the Secretary of the Air Force.

§ 878.11 *Manufacture, sale, and possession of decorations.* By law (18 U. S. C. 701 and 704), the manufacture, sale, or possession of any United States Air Force decoration or device, or the pictorial representation in regulation size of such decoration or device, is prohibited unless authorized by the Department of the Air Force.

§ 878.12 *Military decorations—(a) Medal of Honor.* The Medal of Honor is the highest United States decoration. The present Medal of Honor was established by an act of Congress on July 9, 1918, and is awarded pursuant to section 8741 of Title 10, United States Code (70A Stat. 540).

(1) *Description.* The Medal of Honor is a gold star centered with the head of Minerva and surrounded with green enamel laurel leaves suspended by two links from a bar bearing the inscription "Valor," which is surmounted by an eagle. The medal has a collar-type ribbon made of light blue silk. Above the suspension hook there is an octagon of the same material with 13 white stars.

(2) *Eligibility.* The medal is awarded to any person who, while an officer or airman in the Air Force, in conflict with an enemy of the United States, distinguishes himself conspicuously by gallantry and intrepidity at the risk of his life above and beyond the call of duty. Each recommendation for the Medal of Honor must incontestably prove that the self-sacrifice or personal bravery involved conspicuous risk of life, the omission of which could not justly cause censure.

(3) *Awarding authority.* The Department of the Air Force.

(4) *General.* (i) The medal is awarded in the name of Congress. However, it should not be confused with specially enacted Congressional medals. The President of the United States usually presents the medal.

(ii) Persons awarded the medal, whether in the service or not, are authorized space-available transportation on military aircraft, including scheduled flights, within the continental limits of the United States. Proper identification will be presented as well as valid authorization card issued by the Air Force.

When transportation is furnished by MATS scheduled aircraft, only the presentation of proper identification is required.

(b) *Distinguished Service Cross.* The Distinguished Service Cross was established by an Act of Congress on July 9, 1918, and is awarded pursuant to section 8742 of Title 10, United States Code (70A Stat. 540).

(1) *Description.* The Distinguished Service Cross is a bronze cross on which is centered an eagle over a wreath. The ribbon is predominantly dark blue, with edgings of red separated from the blue by white lines.

(2) *Eligibility.* The decoration is awarded to any person who, while serving in any capacity with the Air Force, distinguishes himself by extraordinary heroism in connection with military operations against an armed enemy of the United States. The act of heroism performed must involve a risk of life so extraordinary as to set the person apart from his comrades.

(3) *Awarding authority.* The Department of the Air Force. This authority is delegated to major air commanders during wartime. All awards of the Distinguished Service Cross to foreign persons are reserved to the Department of the Air Force.

(c) *Distinguished Service Medal.* The Distinguished Service Medal was established by an Act of Congress on July 9, 1918, and is awarded pursuant to section 8743 of Title 10, United States Code (70A Stat. 540).

(1) *Description.* The Distinguished Service Medal is an inscribed circle of blue enamel supporting the coat of arms of the United States. The ribbon is predominantly white and banded in red; the red separated from the white by blue lines.

(2) *Eligibility.* The medal is awarded to any person serving in any capacity with the Air Force who distinguishes himself by exceptionally meritorious service to the Government in a duty of great responsibility. During wartime, a duty of great responsibility is one that involves the exercise of authority or judgment in matters which decide the successful outcome of a major military operation. In peacetime, it is a duty that involves the exercise of authority or judgment in matters of marked national or international significance. Superior performance of normal duties will not in itself justify an award of the medal. Civilians and foreign nationals are eligible for the Distinguished Service Medal only under exceptional circumstances.

(3) *Awarding authority.* The Department of the Air Force.

(d) *Silver Star.* The Silver Star was established by an Act of Congress on July 9, 1918 and is awarded pursuant to section 8746 of Title 10, United States Code (70A Stat. 541).

(1) *Description.* The Silver Star is a small silver star within a wreath centered on a larger star of gold-colored metal. The ribbon has a center band of red flanked by equal bands of white; the white bands are flanked by equal blue bands having borders of white lines with blue edgings.

(2) *Eligibility.* This decoration is awarded to any person who, while serving in any capacity with the Air Force, distinguishes himself by gallantry in action against an enemy of the United States. Gallantry in action means heroism of high degree involving risk of life.

(3) *Awarding authority.* The Department of the Air Force. This authority is delegated down to commanders of numbered air forces during wartime.

(e) *Legion of Merit.* The Legion of Merit was established by an Act of Congress on July 20, 1942 and is awarded pursuant to section 1121 of Title 10, United States Code (70A Stat. 88).

(1) *Description.* The Legion of Merit is a five-rayed white enamel pronged star on a green wreath with crossed arrows. The cloud and stars of the coat of arms of the United States are displayed in the center. The ribbon is red-purple with white edges.

(2) *Eligibility.* The decoration is awarded to military personnel of the United States and friendly foreign nations who distinguish themselves by exceptionally meritorious conduct in the performance of outstanding service to the United States. In peacetime, awards to members of the Air Force are generally limited to recognizing services of marked national or international significance where the interests of the United States are involved; services which have aided the United States in furthering its national policies; or services which have furthered the interests of the security of the United States. Superior performance of normal duties will not alone justify an award of this decoration. Awards to United States military personnel are made without degree. Awards to personnel of foreign armed forces are made in the Degrees of Chief Commander, Commander, Officer, and Legionnaire.

(i) The Degrees of Chief Commander and Commander are comparable to awards of the Distinguished Service Medal to United States personnel. Degrees of Officer and Legionnaire are comparable to awards of the Legion of Merit to United States personnel. Award of the Degree of Chief Commander to foreign nationals is usually reserved for Heads of State; the Degree of Commander, for persons who are the equivalent of a United States Military Chief of Staff or higher (but not including Heads of State); the Degree of Officer, for General Officers (Flag Rank Personnel) below the equivalent of a United States Military Chief of Staff; and the Degree of Legionnaire, for all other foreign personnel.

(ii) When the decoration is awarded more than once to a member of a friendly foreign nation, subsequent awards are never made in a degree lower than the one originally awarded. Holders of awards in the degree of Chief Commander, Commander, or Officer are given duplicate awards. Additional awards in the degree of Legionnaire are indicated by oak-leaf clusters.

(iii) The design of the decoration varies according to the degree in which awarded. It is designed as a breast decoration when awarded in the degree of Chief Commander; a collar decoration

when awarded in the degree of Commander; and as a chest decoration when awarded in the degrees of Officer and Legionnaire.

(3) *Awarding authority*—(i) *To United States personnel.* Department of the Air Force. This authority is delegated to major air commanders during wartime.

(ii) *To foreign persons.* The President (Degree of Chief Commander) and the Secretary of Defense (Degrees of Commander, Officer, and Legionnaire). Awards to foreign personnel require diplomatic and interdepartmental processing before final action by the awarding authority.

(f) *Distinguished Flying Cross.* The Distinguished Flying Cross was established by an Act of Congress on July 2, 1926 and is awarded pursuant to section 8749 of Title 10, United States Code (70A Stat. 541).

(1) *Description.* The Distinguished Flying Cross is a bronze cross with rays on which is displayed a propeller. The ribbon is predominantly blue, with a narrow band of red, bordered by white lines in the center. The edges of the ribbon are outlined with equal bands of white inside blue.

(2) *Eligibility.* The decoration is awarded to any member of the Armed Forces of the United States or a friendly foreign nation who, while serving in any capacity with the Air Force, distinguishes himself by heroism or extraordinary achievement while participating in aerial flight. Both heroism and achievement must be entirely distinctive, involving operations that are not routine.

(3) *Awarding authority.* The Department of the Air Force. This authority is delegated down to commanders of numbered air forces during wartime.

(g) *Soldier's Medal.* The Soldier's Medal was established by an Act of Congress on July 2, 1926 and is awarded pursuant to section 8750 of Title 10, United States Code (70A Stat. 542).

(1) *Description.* The Soldier's Medal is a bronze octagon displaying an eagle in relief with fasces and stars. The ribbon has 13 narrow stripes, seven white and six red, in the center. The 13 stripes are flanked by broad bands of blue.

(2) *Eligibility.* The medal is awarded to any member of the Armed Forces of the United States or a friendly foreign nation who, while serving in any capacity with the Air Force, distinguishes himself by heroism involving voluntary risk of life under conditions other than those of conflict with an armed enemy of the United States. The saving of a life or the success of the voluntary heroic act is not essential.

(3) *Awarding authority.* The Department of the Air Force. This authority is delegated down to commanders of numbered air forces during wartime.

(h) *Bronze Star Medal.* The Bronze Star Medal was established by Executive Order 9419, February 4, 1944 (9 F. R. 1495).

(1) *Description.* The Bronze Star Medal is a bronze star bearing in the center a smaller star of the same color. The ribbon is predominantly red with a

white-edged narrow blue band in the center and white lines at each edge.

(2) *Eligibility.* The medal is awarded to any person who, while serving in any capacity with the Air Force, distinguishes himself either by heroism in surface combat against an armed enemy of the United States or by meritorious achievement or meritorious service, not involving participation in aerial flight, but in connection with military operations against an enemy.

(3) *Awarding authority.* The Department of the Air Force. The authority to award the medal to United States personnel is delegated down to commanders of air divisions during wartime. Also, during wartime, the authority to award the medal to personnel of foreign nations is delegated to oversea major air commanders.

(4) *General.* (i) When awarded for heroism, the Bronze Star Medal is marked by a bronze letter "V" (for valor) clasped to the suspension ribbon and ribbon bar. Only one such "V" is authorized; additional awards are designated by oak-leaf clusters.

(ii) The Bronze Star Medal may be awarded, upon application, to those members of the Armed Forces of the United States who have been previously awarded the Combat Infantryman or Medical Badge for exemplary conduct in ground combat against an armed enemy between December 7, 1941 and September 2, 1945, inclusive. The individual's authority to wear one of the badges must be indicated in the application. All applications will be sent to: The Director of Military Personnel, Headquarters USAF, Attn: Personnel Services Division, Washington 25, D. C., for forwarding to the Department of the Army. The Department of the Army must approve all awards of this type.

(i) *Air Medal.* The Air Medal was established by Executive Order 9158, May 11, 1942 (7 F. R. 3541) as amended by Executive Order 9242-A, September 11, 1942 (7 F. R. 7874).

(1) *Description.* The Air Medal is a bronze compass rose displaying an eagle in flight bearing lightning flashes. The ribbon is predominantly blue with two orange-gold bands just inside the edges.

(2) *Eligibility.* The medal is awarded to any person who, while serving in any capacity with the Air Force, distinguishes himself by meritorious achievement while participating in aerial flight. It may be awarded to recognize single acts of merit or sustained operational activities against an armed enemy of the United States.

(3) *Awarding authority.* The Department of the Air Force. This authority is delegated down to commanders of air divisions during wartime.

(j) *Commendation Ribbon.* The Commendation Ribbon was established by the Secretary of War (War Department Circular 377, 1945).

(1) *Description.* The Commendation Ribbon consists of a ribbon and medallion. The medallion is a bronze hexagon bearing eagle, shield and arrows from the seal of the Department of Defense. The ribbon is medium green with white edges and five white lines in the center.

(2) *Eligibility.* The decoration is awarded to members of the Armed Forces of the United States who, while serving in any capacity with the Air Force, distinguish themselves by meritorious achievement or meritorious service. The degree of merit need not be unique, but it must be distinctive. Acts of courage which do not meet the voluntary risk of life requirements for the Soldier's Medal may be considered for award of a Commendation Ribbon.

(3) *Awarding authority.* The authority to award the Commendation Ribbon to persons below brigadier general is delegated to major air commanders. These commanders may further delegate this authority to commanders of numbered air forces and to commanders in the grade of major general or higher of other organizations. During wartime, authority to award the Commendation Ribbon may be delegated down to commanders of air divisions.

(4) Letters of commendation can no longer be converted to the Commendation Ribbon decoration.

(k) *Purple Heart.* The Purple Heart, established by General George Washington in 1782, was reestablished by War Department General Orders No. 3, 1932.

(1) *Description.* The Purple Heart is a heart-shaped pendant of purple enamel bearing a gold replica of the head of General Washington, in relief, and the Washington shield. The shield is in colors. The ribbon is dark purple with white edges.

(2) *Eligibility.* The decoration is awarded to members of the Armed Forces of the United States and to civilian citizens of the United States who, while serving with the Air Force, are wounded in action against an armed enemy of the United States or as a direct result of a hostile act of such enemy. A wound is defined as an injury to any part of the body from an outside force, element or agent. A physical lesion is not required. The wound must have necessitated treatment by medical personnel, and evidence of such treatment must have been made a matter of official record during the period of hostilities or within 6 months thereafter. Not more than one award will be made for multiple wounds received at the same instant. Indirect results of enemy action, such as disease, exposure, frostbite, and personal injury not directly attributable to an act of the enemy, are not a basis for an award.

(3) *Awarding authority.* The Department of the Air Force. This authority is delegated down to commanders of groups or comparable organizations during wartime. The Department of the Air Force will make awards to repatriated prisoners of war and posthumous awards to Air Force personnel killed in action.

(4) *General.* Available facts and evidence may be submitted to: The Director of Military Personnel, Headquarters USAF, Attn: Personnel Services Division, Washington 25, D. C., for evaluation if a person:

(1) Believes he meets the qualifying criteria for the Purple Heart but through unusual circumstances was not authorized the award.

(ii) Who was awarded the Purple Heart for meritorious achievement or service during World War II believes that a more appropriate decoration should be substituted for it.

§ 878.13 *Civilian decorations*—(a) *Medal for Merit.* The Medal for Merit was established by an Act of Congress on July 20, 1942, and is awarded pursuant to section 1122, of Title 10, United States Code (70A Stat. 88). It is not currently being awarded as explained in subparagraph (3) of this paragraph. This award is comparable to the Distinguished Service Medal.

(1) *Description.* The Medal for Merit is a bronze eagle upon a circle of blue enamel with white stars. The ribbon is magenta silk with two white lines in the center.

(2) *Eligibility.* The medal was awarded to civilians who distinguished themselves by exceptionally meritorious conduct in the performance of outstanding services.

(3) *Awarding authority.* The President of the United States. Awards of the Medal for Merit are not being made at this time, and will not be until directed by the President.

(4) *General.* In the past, awards to foreign civilians have been limited to those of the Allied Nations of World War II.

(b) *President's Certificate of Merit.* The President's Certificate of Merit was established by Executive Order 9734, June 6, 1946 (11 F. R. 6225) as amended. It is not currently being awarded as explained in subparagraph (3) of this paragraph.

(1) *Description.* This award consists solely of a certificate signed by the President of the United States.

(2) *Eligibility.* The Certificate was awarded to any civilian who performed a meritorious act or service aiding the United States or its Allies during World War II. The merit was of high degree.

(3) *Awarding authority.* The President of the United States. Awards are not being made at this time, and will not be until directed by the President.

(c) *National Security Medal.* The National Security Medal was established by Executive Order 10431, January 19, 1953 (18 F. R. 437).

(1) *Description.* The National Security Medal is a blue enamel compass rose surrounded by red enamel oval, bearing at the top the inscription "United States of America" and, at the bottom, "National Security." The red enamel oval is inclosed within a laurel wreath of gold finished bronze. On top of the laurel wreath there is an American bald eagle with wings raised, facing toward the left.

(2) *Eligibility.* The medal is awarded to any person, including citizens of foreign nations and members of the Armed Forces of the United States, for distinguished achievement or outstanding contribution on or after July 26, 1947 in the field of intelligence relating to the national security. This contribution may consist of either exceptionally meritorious service performed in a position of high responsibility or of an act of valor requiring personal courage of a high

degree and complete disregard of personal safety.

(3) *Awarding authority.* The President of the United States, or his designee for that purpose.

(4) *General.* Recommendations for award of the National Security Medal may be submitted to: The Director of Military Personnel, Headquarters USAF, Attn: Personnel Services Division, Washington 25, D. C., for transmittal to the Executive Secretary of the National Security Council. They may be initiated by any person having personal knowledge of the facts of the exceptionally meritorious conduct or act of valor, either as an eyewitness or from the testimony of others who have personal knowledge or were eye-witnesses. Complete documentation, including where necessary, certificates, affidavits, or sworn transcripts of testimony will accompany the recommendation. Each recommendation will show the exact status of the individual at the time he performed the act or service, including information regarding his citizenship and employment.

(d) *Medal of Freedom.* The Medal of Freedom was established by Executive Order 9586, July 6, 1945, (10 F. R. 8523) as amended by Executive Order 10336, April 5, 1952, (17 F. R. 2957).

(1) *Description.* The Medal of Freedom is a circular bronze medallion bearing the head of the goddess of freedom. The ribbon is red silk with four white lines in the center.

(2) *Eligibility.* The medal may be awarded to any person not hereinafter specifically excluded, who, on or after December 7, 1941, has performed a meritorious act or service which has either:

(i) Aided the United States in the prosecution of a war against an enemy, or

(ii) Aided any nation engaged with the United States in the prosecution of a war against a common enemy, or

(iii) Furthered the interests of the security of the United States or of any nation allied or associated with the United States during any period of national emergency declared by the President or the Congress, and for which act or service the award of any other United States medal or decoration is considered inappropriate.

The Medal of Freedom may be awarded by or at the discretion of the President of the United States, without regard to existence of a state of war or national emergency, for the performance of a meritorious act or service in the interests of the security of the United States. It is not awarded to citizens of the United States for acts or services performed within the continental limits of the United States. Also, it is not awarded to members of the Armed Forces of the United States.

(3) *Awarding authority*—(i) *During wartime and national emergencies.* Department of the Air Force.

(ii) *During peacetime.* The President, or by his direction.

(4) *General.* (i) Awards to civilians and military personnel of foreign nations are made in the following degrees, which

are comparable to the military decorations indicated:

(a) *Gold Palm.* Legion of Merit, Chief Commander.

(b) *Silver Palm.* Legion of Merit, Commander.

(c) *Bronze Palm.* Legion of Merit, Officer or Legionnaire.

(d) *Without Palm.* Bronze Star Medal. Awards to citizens of the United States are made without reference to degree. The medal is issued without Palm.

(ii) Not more than one Medal of Freedom will be awarded to any one person. Additional awards are indicated by an appropriate device, as follows:

(a) *To foreign persons.* By an additional palm of the same degree, a palm representing a higher degree, or, when award is without palm, a bronze oak-leaf cluster.

(b) *To United States citizens.* By a bronze oak-leaf cluster.

(c) *Department of Defense Certificate of Appreciation.* The present Department of Defense Certificate of Appreciation was established by DOD Directive 1432.1, September 17, 1956, to provide for distinctive recognition of valuable public service in the national interest.

(1) *Description.* This award consists of a certificate signed by the Secretary of Defense; a medal and a lapel button.

(2) *Eligibility.* The Certificate of Appreciation is awarded to any civilian, not deriving his principal livelihood from Government employment, who has rendered exceptionally meritorious civilian service to the Department of Defense as a whole, the Office of the Secretary of Defense, or to more than one of the military departments, at any time since July 26, 1947. The service rendered must have been motivated by patriotism, good citizenship, and a sense of public responsibility, and must have been performed at considerable personal sacrifice and inconvenience. The certificate will not be awarded to groups or organizations nor to employees of other Government agencies.

(3) *Awarding authority.* The Secretary of Defense.

(4) *General.* (i) In all cases, an accompanying medal is awarded with the certificate. The front of the medal bears the central portion of the Department of Defense seal encircled by a wreath of laurel. On the back is the following inscription:

To  
(Space for Name)  
For Distinguished  
Public Service to  
The Department  
Of Defense

(ii) Posthumous awards will be made to eligible next of kin in accordance with § 878.5 (a), except that the deceased person's eldest brother, eldest sister, and eldest grandchild are not eligible in this instance.

(f) *Exceptional Service Award.* The Exceptional Service Award was established by the Secretary of the Air Force on August 30, 1948.

(1) *Description.* The Exceptional Service Award is a gold-colored medal bearing the Air Force coat of arms within a wreath of laurel leaves. The ribbon is

dark blue silk with three dotted golden-orange lines in the center.

(2) *Eligibility.* The decoration is awarded to United States civilians, not employed by the Air Force, who distinguish themselves by exceptional services rendered to the Department of the Air Force. It may also be awarded to any civilian, United States or foreign, not employed by the United States Government, for an act of heroism involving voluntary risk of life.

(3) *Awarding authority.* The Secretary of the Air Force.

(g) *Air Force Scroll of Appreciation.* The Air Force Scroll of Appreciation was established by the Secretary of the Air Force in August 1948.

(1) *Description.* The scroll consists of a signed citation describing the act or service being recognized.

(2) *Eligibility.* The scroll is awarded to recognized meritorious achievement or service rendered to any activity of the Department of the Air Force by any civilian not employed by the United States Government. Acts of courage which do not meet the risk of life requirements for award of the Exceptional Service Award may be considered as evidence of a meritorious achievement warranting award of the Air Force Scroll of Appreciation. The scroll may be awarded to groups or organizations as well as to individuals.

(3) *Awarding authority.* The Secretary of the Air Force.

[SEAL]

J. L. TARR,  
Colonel, USAF,  
Air Adjutant General.

[F. R. Doc. 57-6628; Filed, Aug. 13, 1957;  
8:45 a. m.]

## TITLE 43—PUBLIC LANDS: INTERIOR

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

#### Appendix—Public Land Orders

[Public Land Order 1462]

[Anchorage 025267, etc.]

#### ALASKA

#### WITHDRAWING PUBLIC LANDS FOR RECREATIONAL PURPOSES

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

Subject to valid existing rights, the following-described public lands in Alaska are hereby withdrawn from all forms of appropriation under the public land laws, including the mining but not the mineral-leasing laws nor the act of July 31, 1947 (61 Stat. 681; 69 Stat. 367; 30 U. S. C. 601-604) as amended, and reserved under jurisdiction of the Secretary of the Interior for administration or transfer, in accordance with the provisions of the act of May 4, 1956 (70 Stat. 130):

[Anchorage 025267]

#### SEWARD MERIDIAN

T. 13 N., R. 3 W.,  
Sec. 13, lot 46.

The tract described contains 2.5 acres.

[Anchorage 032051]

Lot 1, U. S. Survey 3198.

The tract described contains 1.73 acres.

ROGER C. ERNST,  
Assistant Secretary of the Interior.

[F. R. Doc. 57-6634; Filed, Aug. 13, 1957;  
8:46 a. m.]

[Public Land Order 1463]

[1151018]

#### CALIFORNIA AND NEVADA

#### PARTIALLY REVOKING EXECUTIVE ORDER NO. 5182 OF AUGUST 29, 1929, WHICH WITH- DREW LANDS FOR CLASSIFICATION

By virtue of the authority vested in the President by section 1 of the act of June 25, 1910 (36 Stat. 847; 43 U. S. C. 141) and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

1. Executive Order No. 5182 of August 29, 1929, which temporarily withdrew certain lands in California and Nevada for classification, is hereby revoked so far as it affects the following-described lands:

#### CALIFORNIA

#### MOUNT DIABLO MERIDIAN

T. 4 S., R. 32 E.,  
Secs. 25 and 26.  
T. 5 S., R. 32 E.,  
Sec. 13.  
T. 23 S., R. 38 E.,  
Sec. 8.  
T. 20 S., R. 40 E.,  
Sec. 31.

The areas described aggregate 3,232.65 acres.

#### NEVADA

#### MOUNT DIABLO MERIDIAN

T. 1 N., R. 35 E., (unsurveyed),  
Secs. 8, 9, 16, 17, and 20.  
T. 1 S., R. 35 E.,  
Secs. 14, 15, 22, and 23.

The areas described aggregate 5,760 acres.

2. The following-described lands are subject to one or more of the reservations made by Executive Orders No. 5843 of April 28, 1932, No. 6206 of July 16, 1933, Public Water Reserve No. 13 created by the Executive order of December 1, 1913, Public Land Order No. 431 of December 19, 1947, and the act of March 4, 1931 (46 Stat. 1530):

#### CALIFORNIA

#### MOUNT DIABLO MERIDIAN

T. 4 S., R. 32 E.,  
Secs. 25 and 26.  
T. 5 S., R. 32 E.,  
Sec. 13, NW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , and  
SW $\frac{1}{4}$ SW $\frac{1}{4}$ .  
T. 23 S., R. 38 E.,  
Sec. 8, E $\frac{1}{2}$  and E $\frac{1}{2}$ SW $\frac{1}{4}$ .  
T. 20 S., R. 40 E.,  
Sec. 31.

The areas described aggregate 2,672.65 acres.

3. The following described lands have been patented without a reservation of minerals to the United States:

#### CALIFORNIA

#### MOUNT DIABLO MERIDIAN

T. 5 S., R. 32 E.,  
Sec. 13, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
and SE $\frac{1}{4}$ .  
T. 23 S., R. 38 E.,  
Sec. 8, NW $\frac{1}{4}$  and W $\frac{1}{2}$ SW $\frac{1}{4}$ .

#### NEVADA

#### MOUNT DIABLO MERIDIAN

T. 1 S., R. 35 E.,  
Sec. 22, S $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
Sec. 23, S $\frac{1}{2}$ SW $\frac{1}{4}$  and SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

The areas described aggregate 760 acres.

4. The remaining lands, aggregating approximately 5,560 acres are vacant public domain located in Fish Lake Valley in the western part of Esmeralda County, Nevada. They are located about one mile east of the point on Nevada State Highway 3A approximately nine miles south of its junction with U. S. Highway No. 6. Topographically the area is situated in the north end of Fish Lake Valley where the Silver Peak Range merges with the flat valley topography. At the north end of the areas the slopes are steep and in places vertical, but to the south, slopes become more gentle and finally merge into the flat valley. The vegetation is scanty and consists of sagebrush, shadscale, a few weeds, and very little native grasses.

5. No application for the restored lands in paragraph 4 may be allowed under the homestead, desert land, small tract, or any other nonmineral public-land law unless the lands have already been classified as valuable or suitable for such type of application, or shall be so classified upon the consideration of an application. Any application that is filed will be considered on its merits. The lands will not be subject to occupancy or disposition until they have been classified.

6. Subject to any valid existing rights and the requirements of applicable law, the restored lands are hereby opened to filing of applications, selections and locations in accordance with the following; the unsurveyed lands being opened to such applications, selections, and locations as are allowable on unsurveyed lands.

a. Applications and selections under the non-mineral public-land laws may be presented to the Manager mentioned below, beginning on the date of this order. Such applications and selections will be considered as filed on the hour and respective dates shown for the various classes enumerated in the following paragraphs:

(1) Applications by persons having prior existing valid settlement rights, preference rights conferred by existing laws, or equitable claims subject to allowance and confirmation will be adjudicated on the facts presented in support of each claim or right. All applications by persons other than those referred to in this paragraph will be subject to the applications and claims mentioned in this paragraph.

(2) All valid applications for surveyed lands under the Homestead, Desert Land, and Small Tract Laws and for unsurveyed lands under the Small Tract Laws by qualified veterans of World War II or

of the Korean Conflict, and by others entitled to preference rights under the act of September 27, 1944 (58 Stat. 747; 43 U. S. C. 279-284) as amended, presented prior to 10:00 a. m. on September 12, 1957, will be considered as simultaneously filed at that hour. Rights under such preference right applications filed after that hour and before 10:00 a. m. on December 12, 1957, will be governed by the time of filing.

(3) All valid applications and selections under the nonmineral public-land laws, other than those coming under paragraphs 6 (a) (1) and 6 (a) (2) above, and applications and offers under the Mineral Leasing Laws presented prior to 10:00 a. m. on December 12, 1957, will be considered as simultaneously filed at that hour. Rights under such applications and selections filed after that hour will be governed by the time of filing.

b. The lands restored will be open to location under the United States mining laws beginning at 10:00 a. m. on December 12, 1957.

7. Persons claiming veterans preference rights under paragraphs 6 (a) (2) above, must enclose with their applications proper evidence of military or naval service, preferably a complete photostatic copy of the certificate of honorable discharge. Persons claiming preference rights based upon valid settlement, statutory preference, or equitable claims must enclose properly corroborated statements in support of their claims. Detailed rules and regulations governing applications which may be filed pursuant to this notice can be found in Title 43 of the Code of Federal Regulations.

Inquiries concerning the restored lands shall be addressed to the Manager, Land Office, Bureau of Land Management, Reno, Nevada.

ROGER C. ERNST,  
*Assistant Secretary of the Interior.*

AUGUST 7, 1957.

[F. R. Doc. 57-6635; Filed, Aug. 13, 1957; 8:46 a. m.]

[Public Land Order 1464]

[Oregon 04996]

OREGON

WITHDRAWING LANDS IN WILLAMETTE NATIONAL FOREST FOR USE OF DEPARTMENT OF THE ARMY IN CONNECTION WITH HILLS CREEK RESERVOIR PROJECT

By virtue of the authority vested in the President by the act of June 4, 1897 (30 Stat. 34-36; 16 U. S. C. 473) and otherwise, and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

Subject to valid existing rights, the following-described lands within the Willamette National Forest are hereby withdrawn from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and reserved for use in connection with the Hills Creek Reservoir Project under the supervision of the Department of the Army:

No. 157—5

WILLAMETTE MERIDIAN, OREGON

- T. 21 S., R. 3 E.,
  - Sec. 26, lot 3, W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ ;
  - Sec. 27, lot 3, SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 34, NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ ;
  - Sec. 35, lots 1 and 4, N $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 36, N $\frac{1}{2}$ NW $\frac{1}{2}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ .
- T. 22 S., R. 3 E.,
  - Sec. 2, lots 1 to 10 incl., S $\frac{1}{2}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 3, lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 4, N $\frac{1}{2}$ S $\frac{1}{2}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 10, E $\frac{1}{2}$ E $\frac{1}{2}$ ;
  - Sec. 14, lots 1 to 8 incl., SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 22, lots 1 to 6 incl., SW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ ;
  - Sec. 23, lot 1, W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ ;
  - Sec. 26, W $\frac{1}{2}$ W $\frac{1}{2}$ ;
  - Sec. 34, lots 1 to 8 incl., SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ .
- T. 23 S., R. 3 E.,
  - Sec. 4, lots 1 to 6 incl., SW $\frac{1}{4}$ NE $\frac{1}{4}$ .

The areas above described aggregate 3,780 acres, more or less.

This order shall be subject to existing withdrawals for power site purposes so far as they affect any of the above-described lands, and shall take precedence over but not otherwise affect the existing reservation of the lands for national forest purposes so far as it affects the following-described lands only:

WILLAMETTE MERIDIAN, OREGON

- T. 21 S., R. 3 E.,
  - Sec. 35, lot 1, W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ .

ROGER C. ERNST,

*Assistant Secretary of the Interior.*

AUGUST 7, 1957.

[F. R. Doc. 57-6636; Filed, Aug. 13, 1957; 8:46 a. m.]

[Public Land Order 1465]

[Anchorage 030489]

ALASKA

WITHDRAWING PUBLIC LAND FOR USE OF DEPARTMENT OF THE ARMY IN CONNECTION WITH ALASKA COMMUNICATIONS SYSTEM

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

Subject to valid existing rights, the following-described parcels of land in Alaska are hereby withdrawn from all forms of appropriation under the public-land laws, including the mining and mineral-leasing laws, and reserved for the use of the Department of the Army for military purposes in connection with the Alaska Communications System:

U. S. SURVEY 3263

- Tract A, lot 4;
- Tracts B, C, and D.

The areas described contain 31.65 acres.

ROGER C. ERNST,  
*Assistant Secretary of the Interior.*

AUGUST 7, 1957.

[F. R. Doc. 57-6637; Filed, Aug. 13, 1957; 8:46 a. m.]

[Public Land Order 1466]

[BLM 043444]

MINNESOTA

EXTENDING BOUNDARIES OF SUPERIOR NATIONAL FOREST; REVOKING EXECUTIVE ORDER NO. 4889 OF MAY 26, 1928

By virtue of the authority vested in the President by section 24 of the act of March 3, 1891 (26 Stat. 1103, 16 U. S. C. 471) and the act of June 4, 1897 (30 Stat. 34, 36; 16 U. S. C. 473) and pursuant to Executive Order No. 10355 of May 26, 1952, and upon the recommendation of the Secretary of Agriculture, it is ordered as follows:

1. The boundaries of the Superior National Forest are hereby extended to include the following-described lands in Minnesota, and subject to valid existing rights, such lands are hereby added to and made a part of said national forest and hereafter shall be subject to all laws and regulations applicable thereto:

FOURTH PRINCIPAL MERIDIAN

- T. 62 N., R. 3 E.,
  - Sec. 3, NW $\frac{1}{4}$ NE $\frac{1}{4}$ ;
  - Sec. 21, NW $\frac{1}{4}$ NW $\frac{1}{4}$ ;
  - Sec. 22, NE $\frac{1}{4}$ NW $\frac{1}{4}$ ;
  - Sec. 24, SE $\frac{1}{4}$ SW $\frac{1}{4}$ ;
  - Sec. 25, NW $\frac{1}{4}$ NE $\frac{1}{4}$ .
- T. 63 N., R. 3 E.,
  - Sec. 3, lot 1;
  - Sec. 4, E $\frac{1}{2}$ SE $\frac{1}{4}$ , and SW $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 5, lot 1;
  - Sec. 9, S $\frac{1}{2}$ SW $\frac{1}{4}$ , and NW $\frac{1}{4}$ NE $\frac{1}{4}$ ;
  - Sec. 11, NE $\frac{1}{4}$ NW $\frac{1}{4}$ ;
  - Sec. 17, NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , and SW $\frac{1}{4}$ NW $\frac{1}{4}$ ;
  - Sec. 18, lots 1, 2, NE $\frac{1}{4}$ , and E $\frac{1}{2}$ NW $\frac{1}{4}$ ;
  - Sec. 19, NW $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 26, S $\frac{1}{2}$ NE $\frac{1}{4}$ ;
  - Sec. 27, lot 5, and SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;
  - Sec. 28, SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;
  - Sec. 31, SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 32, SW $\frac{1}{4}$ SW $\frac{1}{4}$ , and SE $\frac{1}{4}$ SE $\frac{1}{4}$ .
- T. 63 N., R. 4 E.,
  - Sec. 1, lot 3;
  - Sec. 6, NE $\frac{1}{4}$ SW $\frac{1}{4}$ ;
  - Sec. 15, SE $\frac{1}{4}$ NE $\frac{1}{4}$ ;
  - Sec. 21, SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 24, S $\frac{1}{2}$ SE $\frac{1}{4}$ ;
  - Sec. 25, N $\frac{1}{2}$ NE $\frac{1}{4}$ ;
  - Sec. 26, NW $\frac{1}{4}$ SE $\frac{1}{4}$ ;
  - Sec. 27, SW $\frac{1}{4}$ NE $\frac{1}{4}$ ;
  - Sec. 30, lot 3;
  - Sec. 32, SW $\frac{1}{4}$ NE $\frac{1}{4}$ ;
  - Sec. 34, N $\frac{1}{2}$ NE $\frac{1}{4}$ , and SW $\frac{1}{4}$ NE $\frac{1}{4}$ ;
  - Sec. 35, NW $\frac{1}{4}$ NW $\frac{1}{4}$ .
- T. 64 N., R. 3 E.,
  - Sec. 2, lots 12, 13, and 16;
  - Sec. 4, lots 12, 13, and 15;
  - Sec. 5, lots 16 to 19, inclusive;
  - Sec. 11, lots 4, and 5;
  - Sec. 19, lot 14;
  - Sec. 25, lot 4;
  - Sec. 29, lots 7 to 11, inclusive;
  - Sec. 30, lots 12, 13, and lots 18 to 22, inclusive;
  - Sec. 31, lots 15 to 17, inclusive;
  - Sec. 32, lots 6 to 9, inclusive;
  - Sec. 33, lot 2;
  - Sec. 35, lot 4;
  - Sec. 36, lots 5, 6, 8, and 9.
- T. 64 N., R. 4 E.,
  - Sec. 19, lot 5;
  - Sec. 22, lots 3, and 4.
- T. 65 N., R. 3 E.,
  - Sec. 21, lot 3;
  - Sec. 28, lots 9 to 11, inclusive;
  - Sec. 29, lot 5;
  - Sec. 34, lots 10 and 11.
- T. 64 N., R. 17 W.,
  - Sec. 3, lot 3, and SW $\frac{1}{4}$ NE $\frac{1}{4}$ ;
  - Sec. 4, lot 2;
  - Sec. 5, lot 3, S $\frac{1}{2}$ NW $\frac{1}{4}$ , and SW $\frac{1}{4}$ ;

- Sec. 6, lots 1 to 7, inclusive, and  $S\frac{1}{2}NE\frac{1}{4}$ ,  $SE\frac{1}{4}NW\frac{1}{4}$ ,  $NW\frac{1}{4}SE\frac{1}{4}$ , and  $NE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 7, lot 9;  
 Sec. 8,  $SW\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 9,  $NW\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 10,  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 15,  $NW\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 17,  $NE\frac{1}{4}SW\frac{1}{4}$ , and  $S\frac{1}{2}SW\frac{1}{4}$ ;  
 Sec. 18, lot 1;  
 Sec. 19, lots 1 to 4, inclusive, and  $SE\frac{1}{4}NE\frac{1}{4}$ ,  $NW\frac{1}{4}NE\frac{1}{4}$ ,  $NE\frac{1}{4}NW\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 20,  $NE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 21,  $NW\frac{1}{4}NE\frac{1}{4}$ , and  $W\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 24,  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 25, lot 8, and  $NE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 26,  $SE\frac{1}{4}NE\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 28,  $SE\frac{1}{4}NE\frac{1}{4}$ ,  $W\frac{1}{2}NE\frac{1}{4}$ ,  $E\frac{1}{2}NW\frac{1}{4}$ ,  $SW\frac{1}{4}NW\frac{1}{4}$ , and  $S\frac{1}{2}$ ;  
 Sec. 29,  $NE\frac{1}{4}$ , and  $E\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 30, lot 2;  
 Sec. 31, lot 2;  
 Sec. 32,  $N\frac{1}{2}NE\frac{1}{4}$ ;  
 Sec. 33,  $E\frac{1}{2}NW\frac{1}{4}$ ,  $NW\frac{1}{4}NW\frac{1}{4}$ , and  $W\frac{1}{2}SW\frac{1}{4}$ ;  
 Sec. 34,  $SE\frac{1}{4}NW\frac{1}{4}$ ,  $NE\frac{1}{4}SW\frac{1}{4}$ ,  $S\frac{1}{2}SW\frac{1}{4}$ , and  $SE\frac{1}{4}$ ;  
 T. 64 N., R. 18 W.,  
 Sec. 1,  $SE\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 7, lot 3, and  $NW\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 12, lots 2 and 5;  
 Sec. 13,  $NW\frac{1}{4}NE\frac{1}{4}$ ,  $W\frac{1}{2}SW\frac{1}{4}$ , and  $SW\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 14,  $SE\frac{1}{4}SW\frac{1}{4}$ ,  $SW\frac{1}{4}SE\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 17,  $SW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 19, lot 1, and  $SW\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 22,  $NE\frac{1}{4}NE\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 23,  $SE\frac{1}{4}NE\frac{1}{4}$ , and  $SE\frac{1}{4}$ ;  
 Sec. 24,  $E\frac{1}{2}NW\frac{1}{4}$ ,  $SW\frac{1}{4}NW\frac{1}{4}$ ,  $N\frac{1}{2}SW\frac{1}{4}$ ,  $SW\frac{1}{4}SW\frac{1}{4}$ , and  $NW\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 25,  $NW\frac{1}{4}NW\frac{1}{4}$ ,  $N\frac{1}{2}SW\frac{1}{4}$ ,  $SW\frac{1}{4}SW\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 26,  $NE\frac{1}{4}$ , and  $SE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 27,  $N\frac{1}{2}NE\frac{1}{4}$ ;  
 Sec. 34,  $NE\frac{1}{4}NE\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 35,  $E\frac{1}{2}$ ;  
 T. 64 N., R. 19 W.,  
 Sec. 4, lot 3;  
 Sec. 11,  $W\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 12,  $SW\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 13,  $SE\frac{1}{4}NE\frac{1}{4}$ , and  $N\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 14,  $W\frac{1}{2}NE\frac{1}{4}$ ,  $NE\frac{1}{4}SW\frac{1}{4}$ ,  $S\frac{1}{2}SW\frac{1}{4}$ ,  $W\frac{1}{2}SE\frac{1}{4}$ , and  $SE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 15,  $S\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 21,  $SW\frac{1}{4}NE\frac{1}{4}$ , and  $NE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 22,  $NW\frac{1}{4}NE\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 23,  $NE\frac{1}{4}NE\frac{1}{4}$ , and  $SE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 25,  $SW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 26,  $NE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 27,  $NE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 29, unsurveyed island;  
 Sec. 30, unsurveyed island, and lot 4;  
 Sec. 34,  $S\frac{1}{2}NE\frac{1}{4}$ ;  
 T. 65 N., R. 17 W.,  
 Sec. 3,  $SE\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 6, lot 4;  
 Sec. 7, lot 4, and  $NE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 10, lots 1, and 2;  
 Sec. 11,  $N\frac{1}{2}SW\frac{1}{4}$ ;  
 Sec. 15, lots 2, 3, 5, and 6;  
 Sec. 19,  $S\frac{1}{2}NE\frac{1}{4}$ , and  $S\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 20,  $S\frac{1}{2}SW\frac{1}{4}$ ;  
 Sec. 21,  $N\frac{1}{2}SW\frac{1}{4}$ ,  $SE\frac{1}{4}SW\frac{1}{4}$ , and  $SE\frac{1}{4}$ ;  
 Sec. 22,  $SW\frac{1}{4}NW\frac{1}{4}$ , and  $NW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 23,  $SE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 25,  $SE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 26, lots 2, 4, and  $NE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 28,  $NW\frac{1}{4}NE\frac{1}{4}$ ,  $N\frac{1}{2}NW\frac{1}{4}$ ,  $SE\frac{1}{4}SW\frac{1}{4}$ ,  $W\frac{1}{2}SE\frac{1}{4}$ , and  $SE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 29,  $S\frac{1}{2}NE\frac{1}{4}$ ,  $W\frac{1}{2}$ , and  $W\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 30,  $E\frac{1}{2}NE\frac{1}{4}$ , and  $NW\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 31, lots 2, 3, 6, 7, and  $NE\frac{1}{4}SW\frac{1}{4}$ , and  $N\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 32, lots 1, 4, and  $NW\frac{1}{4}NW\frac{1}{4}$ ,  $NW\frac{1}{4}SW\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 33, lots 1 to 3, inclusive, and  $NW\frac{1}{4}NE\frac{1}{4}$ ,  $N\frac{1}{2}NW\frac{1}{4}$ , and  $N\frac{1}{2}S\frac{1}{2}$ ;  
 Sec. 34,  $N\frac{1}{2}SW\frac{1}{4}$ , and  $NW\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 35, lot 2;  
 T. 65 N., R. 18 W.,  
 Sec. 1,  $SW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 2,  $S\frac{1}{2}S\frac{1}{2}$ ;  
 Sec. 3, lot 4;  
 Sec. 4, lot 1, and  $SW\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 5,  $SW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 6,  $SW\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 11,  $NW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 14, lot 7, and  $NW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 19,  $NW\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 20,  $NW\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 31, lot 3;  
 T. 65 N., R. 19 W.,  
 Sec. 28, lot 5;  
 Sec. 33,  $SE\frac{1}{4}SE\frac{1}{4}$ ;  
 T. 66 N., R. 17 W.,  
 Sec. 1,  $SE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 2,  $SE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 6,  $NE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 17,  $SW\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 29,  $NE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 31, lot 9;  
 T. 66 N., R. 18 W.,  
 Sec. 1,  $SE\frac{1}{4}NW\frac{1}{4}$ , and  $NE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 2, lot 6;  
 Sec. 3, lots 3 and 4;  
 Sec. 8,  $SW\frac{1}{4}NE\frac{1}{4}$ , and  $NW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 10, lots 4, 5, and  $NE\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 11, lot 3;  
 Sec. 15, lot 5;  
 Sec. 23, lots 7 and 8;  
 T. 66 N., R. 19 W.,  
 Sec. 2,  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 5,  $SE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 25,  $SW\frac{1}{4}SE\frac{1}{4}$ ;  
 T. 66 N., R. 20 W.,  
 Sec. 20,  $NW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 32,  $S\frac{1}{2}NE\frac{1}{4}$ ;  
 T. 66 N., R. 21 W.,  
 Sec. 5,  $NW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 19,  $SW\frac{1}{4}NE\frac{1}{4}$ , and  $E\frac{1}{2}NW\frac{1}{4}$ ;  
 Sec. 27,  $NE\frac{1}{4}$ ;  
 T. 67 N., R. 17 W.,  
 Sec. 4, lot 3;  
 Sec. 20, lot 12, and  $NE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 21, lot 5;  
 Sec. 22,  $NW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 28,  $E\frac{1}{2}NE\frac{1}{4}$ , and  $E\frac{1}{2}NW\frac{1}{4}$ ;  
 Sec. 29,  $NE\frac{1}{4}NW\frac{1}{4}$ , and  $SW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 30, lot 10, and  $NE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 31, lot 3;  
 Sec. 32,  $NW\frac{1}{4}SE\frac{1}{4}$ ;  
 T. 67 N., R. 18 W.,  
 Sec. 10,  $SW\frac{1}{4}SW\frac{1}{4}$ , and  $S\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 11, lot 7;  
 Sec. 12,  $SE\frac{1}{4}SE\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 15,  $SW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 17, lot 4;  
 Sec. 21, lot 2;  
 Sec. 22,  $N\frac{1}{2}NW\frac{1}{4}$ ;  
 Sec. 24,  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 33,  $SE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 34, lots 1 and 2;  
 Sec. 35, lots 1, 4, 5, 7, and 8;  
 T. 67 N., R. 19 W.,  
 Sec. 1, lot 7;  
 Sec. 2, lot 7;  
 Sec. 13,  $SW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 26,  $NW\frac{1}{4}SW\frac{1}{4}$ ;  
 T. 67 N., R. 21 W.,  
 Sec. 2, lot 2;  
 Sec. 17,  $SE\frac{1}{4}NW\frac{1}{4}$ ;  
 T. 68 N., R. 17 W.,  
 Sec. 1, lots 6 to 13, inclusive;  
 Sec. 5, lot 2;  
 Sec. 6, lot 11;  
 Sec. 10,  $NW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 14, lots 8 and 9;  
 Sec. 15, lots 6, 11, and 12;  
 Sec. 19,  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 20,  $NE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 21, lot 7;  
 Sec. 23,  $SW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 28,  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 29,  $SW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 30,  $SW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 30, lot 1,  $SE\frac{1}{4}NW\frac{1}{4}$ , and  $NE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 31, lots 4, 5, and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 32,  $SE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 33,  $NW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 36, lot 10;  
 T. 68 N., R. 18 W.,  
 Sec. 1,  $SW\frac{1}{4}NE\frac{1}{4}$ ,  $SE\frac{1}{4}NW\frac{1}{4}$ ,  $N\frac{1}{2}SW\frac{1}{4}$ , and  $SE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 3, lot 10;  
 Sec. 8,  $SE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 12,  $W\frac{1}{2}NE\frac{1}{4}$ , and  $NW\frac{1}{4}$ ;  
 Sec. 14,  $E\frac{1}{2}NE\frac{1}{4}$ ;  
 Sec. 20, lot 5;  
 Sec. 25, lot 5;  
 Sec. 26, lots 4, 5, and  $W\frac{1}{2}SW\frac{1}{4}$ ;  
 Sec. 31,  $SW\frac{1}{4}SE\frac{1}{4}$ ;  
 T. 68 N., R. 19 W.,  
 Sec. 3,  $SE\frac{1}{4}SW\frac{1}{4}$ ;  
 T. 68 N., R. 20 W.,  
 Sec. 1,  $NW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 3,  $NW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 4, lots 3, 4,  $SW\frac{1}{4}NE\frac{1}{4}$ ,  $SW\frac{1}{4}NW\frac{1}{4}$ , and  $W\frac{1}{2}SE\frac{1}{4}$ ;  
 T. 69 N., R. 17 W.,  
 Sec. 20, lots 1 and 2;  
 Sec. 21, lots 1 to 8, inclusive;  
 Sec. 22, lots 1 and 2;  
 Sec. 27, lots 7, 8, and 9;  
 Sec. 28, lots 6 to 17, inclusive;  
 Sec. 29, lots 7 to 11, inclusive;  
 Sec. 30, lots 1 and 4;  
 Sec. 32,  $SW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 33, lots 12, 13, and 14;  
 Sec. 34, lot 10;  
 Sec. 35, lots 11 to 14, inclusive;  
 T. 69 N., R. 18 W.,  
 Sec. 19, lots 4 and 6;  
 Sec. 25, lots 3 to 8, inclusive;  
 Sec. 26, lots 2, 3, and 4;  
 Sec. 28, lots 1, 2, and 7;  
 Sec. 29, lot 8;  
 Sec. 30, lots 9, 10, and 11;  
 Sec. 31, lot 7;  
 Sec. 32, lot 2;  
 T. 69 N., R. 19 W.,  
 Sec. 7,  $SE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 12, lot 9;  
 Sec. 13, lots 1, 2, 4, 5, and 6;  
 Sec. 14, lots 1 and 5;  
 Sec. 15,  $SW\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 17,  $SE\frac{1}{4}NE\frac{1}{4}$ , and  $NE\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 21, lots 10, 11, and 12;  
 Sec. 22, lots 9 and 10;  
 Sec. 23, lots 3 and 10;  
 Sec. 24, lot 5;  
 Sec. 26, lots 1, 10, and 11;  
 Sec. 31,  $NW\frac{1}{4}SW\frac{1}{4}$ ;  
 T. 69 N., R. 20 W.,  
 Sec. 8,  $SW\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 10,  $SE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 12, lots 8 and 9;  
 Sec. 14, lot 8;  
 Sec. 15, lot 5, and  $NE\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 18, lot 5;  
 Sec. 21, lot 3;  
 Sec. 25, lot 1;  
 Sec. 28,  $S\frac{1}{2}SW\frac{1}{4}$ , and  $SE\frac{1}{4}$ ;  
 Sec. 31, lots 8 and 9;  
 Sec. 33,  $S\frac{1}{2}SW\frac{1}{4}$ ;  
 T. 69 N., R. 21 W.,  
 Sec. 8, lot 2;  
 Sec. 29,  $S\frac{1}{2}NW\frac{1}{4}$ ;  
 Sec. 34,  $NW\frac{1}{4}SW\frac{1}{4}$ ;  
 T. 69 N., R. 22 W.,  
 Sec. 11, lot 1;  
 T. 70 N., R. 18 W.,  
 Sec. 19, lot 4;  
 Sec. 20, lots 4, 7, and 8;  
 Sec. 21, lot 3;  
 Sec. 27, lot 2;  
 Sec. 29, lot 3;  
 Sec. 30, lot 5, and  $SW\frac{1}{4}SE\frac{1}{4}$ ;  
 Sec. 31, lots 5, 8,  $NW\frac{1}{4}NE\frac{1}{4}$ , and  $SE\frac{1}{4}NE\frac{1}{4}$ ;  
 Sec. 32,  $W\frac{1}{2}SE\frac{1}{4}$ ;  
 Sec. 33,  $SE\frac{1}{4}NW\frac{1}{4}$ ;  
 Sec. 34, lot 4;  
 T. 70 N., R. 19 W.,  
 Sec. 19, lots 7, 8, and 9;  
 Sec. 21, lot 1;  
 Sec. 22, lots 2 to 6, inclusive, and  $SE\frac{1}{4}SW\frac{1}{4}$ ;  
 Sec. 23, lot 2, and lots 4 to 8, inclusive;  
 Sec. 24, lots 2, 3, and 4;  
 Sec. 25, lot 5;  
 Sec. 27, lots 1, 4, and 5;  
 Sec. 33, lot 1.

T. 70 N., R. 20 W.,  
 Sec. 5, lots 3 to 6, inclusive;  
 Sec. 6, lot 3, and lots 6 to 12, inclusive;  
 Sec. 7, lots 7 to 10, inclusive;  
 Sec. 8, lots 10 and 11;  
 Sec. 9, lot 9;  
 Sec. 10, lots 3 and 7;  
 Sec. 11, lot 6;  
 Sec. 13, lots 7 and 8;  
 Sec. 14, lot 3;  
 Sec. 15, lots 2, 9, and 10;  
 Sec. 19, SW $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
 Sec. 23, lots 8 and 9;  
 Sec. 24, lot 6, and NE $\frac{1}{4}$ NW $\frac{1}{4}$ ;  
 Sec. 34, lot 8.

T. 70 N., R. 21 W.,  
 Sec. 1, lots 1 to 9, inclusive, lots 11, 12,  
 and SW $\frac{1}{4}$ NW $\frac{1}{4}$ ;  
 Sec. 2, lot 1, S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$   
 SW $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$ , and SE $\frac{1}{4}$ ;  
 Sec. 3, lots 2, 3, 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ ,  
 and NW $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
 Sec. 5, lots 1, 2, and S $\frac{1}{2}$ S $\frac{1}{2}$ ;  
 Sec. 6, lots 1, 2, 3, and SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
 Sec. 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$ ;  
 Sec. 10, NE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
 Sec. 11, NW $\frac{1}{4}$ NW $\frac{1}{4}$ ;  
 Sec. 12, lots 1, 6, 7, and 8;  
 Sec. 13, SE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
 Sec. 18, lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , and NW $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
 Sec. 22, lot 1;  
 Sec. 26, N $\frac{1}{2}$ NE $\frac{1}{4}$ , and S $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
 Sec. 29, lot 1;  
 Sec. 31, lots 1, 2, 5, 6, and 7;  
 Sec. 32, lots 2 and 6.

T. 70 N., R. 22 W.,  
 Sec. 1, SW $\frac{1}{4}$ NE $\frac{1}{4}$ , and SE $\frac{1}{4}$ NW $\frac{1}{4}$ ;  
 Sec. 5, SW $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
 Sec. 7, SE $\frac{1}{4}$ NW $\frac{1}{4}$ ;  
 Sec. 10, lots 3, 4, and 5;  
 Sec. 11, S $\frac{1}{2}$ NW $\frac{1}{4}$ ;  
 Sec. 15, lot 1;  
 Sec. 24, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ ,  
 and NE $\frac{1}{4}$ SE $\frac{1}{4}$ .

T. 71 N., R. 20 W.,  
 Sec. 19, lot 2;  
 Sec. 30, lots 1 and 5;  
 Sec. 31, lot 5, lots 10 and 16, inclusive, and  
 SE $\frac{1}{4}$ NW $\frac{1}{4}$ , and NE $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
 Sec. 32, lots 1, 2, 5, lots 10 to 17, inclusive;  
 Sec. 33, lots 1, 2, 4, 6, and 7.

T. 71 N., R. 21 W.,  
 Sec. 19, lot 6;  
 Sec. 24, lots 3 to 6, inclusive;  
 Sec. 25, lots 5 and 8;  
 Sec. 26, lot 3;  
 Sec. 27, lot 2;  
 Sec. 28, lots 7, 8, and 9;  
 Sec. 30, lots 6 to 10, inclusive;  
 Sec. 31, S $\frac{1}{2}$ SE $\frac{1}{4}$ , and lots 11 to 14, inclu-  
 sive;  
 Sec. 32, lots 4, 6, 11, and 13;  
 Sec. 34, lots 4, 5, 9, 10, 11, and SW $\frac{1}{4}$ SW $\frac{1}{4}$ .

T. 71 N., R. 22 W.,  
 Sec. 18, lot 1;  
 Sec. 22, lot 2;  
 Sec. 23, lot 3;  
 Sec. 24, lots 4 and 5;  
 Sec. 26, lot 12;  
 Sec. 27, lots 11 to 15, inclusive;  
 Sec. 28, lots 5 and 6;  
 Sec. 30, lots 5, 10, and 11;  
 Sec. 32, lot 4;  
 Sec. 33, lots 10 to 13, inclusive;  
 Sec. 34, lot 7.

T. 71 N., R. 23 W.,  
 Sec. 13, lots 1, 2, and 3;  
 Sec. 23, lots 6 and 7;  
 Sec. 24, lots 8 and 9;  
 Sec. 25, lot 10;  
 Sec. 26, lot 10;  
 Sec. 28, lot 7;  
 Sec. 35, NE $\frac{1}{4}$ NE $\frac{1}{4}$ .

The areas described aggregate 23,455.-  
 60 acres.

2. Executive Order No. 4889 of May 26,  
 1928, withdrawing the public lands, ex-

clusive of those in the Superior National  
 Forest, within the area situated north  
 of T. 60 N., in the counties of Cook, Lake,  
 and Saint Louis, including the natural  
 shore lines of Lake Superior and of the  
 lakes and streams forming the inter-  
 national boundary, so far as they lie in  
 such area, is hereby revoked. Executive  
 Order No. 4889 was revoked in part by  
 Executive Order No. 5651 of June 18,  
 1931, as to all lands not reserved by the  
 act of Congress approved July 10, 1930  
 (46 Stat. 1020). The lands remaining  
 within the withdrawal created by Ex-  
 ecutive Order No. 4889 are, therefore,  
 now withdrawn by the said act of July  
 10, 1930, and will not be subject to dis-  
 position under the public land laws.

3. This order shall be subject to the  
 withdrawal made by the Shipstead-  
 Nolan Act of July 10, 1930 (46 Stat. 1020)  
 and to the provisions of that act, and to  
 (1) Executive Order No. 5003 of De-  
 cember 3, 1928, which withdrew lands to  
 effectuate the provisions of the act of  
 May 22, 1926 (44 Stat. 617) for carrying  
 into effect the convention between the  
 Governments of the United States and  
 Great Britain concluded February 24,  
 1925, and (2) the Executive orders of  
 October 24, 1911, November 4, 1911, and  
 February 10, 1916, creating Power Site  
 Reserves Nos. 208, 222, and 517, so far  
 as such orders affect any of the lands.

ROGER C. ERNST,

Assistant Secretary of the Interior.

AUGUST 7, 1957.

[F. R. Doc. 57-6638; Filed, Aug. 13, 1957;  
 8:47 a. m.]

## PROPOSED RULE MAKING

### DEPARTMENT OF THE TREASURY

#### Internal Revenue Service

#### [ 26 CFR (1954) Parts 270, 275 ]

#### CIGARS AND CIGARETTES, AND MANUFACTURED TOBACCO; MANUFACTURERS, IMPORTERS, AND DEALERS

#### NOTICE OF PROPOSED RULE MAKING

Notice is hereby given, pursuant to  
 the Administrative Procedure Act, ap-  
 proved June 11, 1946, that the regula-  
 tions set forth in tentative form below  
 are proposed to be prescribed by the  
 Commissioner of Internal Revenue, with  
 the approval of the Secretary of the  
 Treasury. Prior to final adoption of such  
 regulations, consideration will be given  
 to any data, views, or arguments per-  
 taining thereto which are submitted in  
 writing, in duplicate, to the Director,  
 Alcohol and Tobacco Tax Division, In-  
 ternal Revenue Service, 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 section 7805 of  
 the Internal Revenue Code of 1954 (68A  
 Stat. 917; 26 U. S. C. 7805).

[SEAL] RUSSELL C. HARRINGTON,  
 Commissioner of Internal Revenue.

In order to prescribe that manufac-  
 turers of tobacco, cigars, and cigarettes  
 may utilize commercial records for to-  
 bacco tax purposes, regulations in 26  
 CFR Parts 270 and 275 are hereby  
 amended as follows:

PARAGRAPH 1. Section 270.142 is  
 amended by deletion in its entirety and  
 insertion of a new section to read as  
 follows:

§ 270.142 *Records*—(a) *General*.  
 Every manufacturer of cigars and ciga-  
 rettes shall keep records of his daily  
 operations and transactions, which shall  
 reflect the following information:

(1) *Tobacco materials*. The date and  
 quantity (in pounds) of all unstemmed  
 tobacco, and other tobacco materials (i)  
 received (except with respect to samples  
 as provided by § 270.159)—from a dealer  
 in tobacco materials or manufacturer  
 of tobacco products, together with the  
 permit number of such dealer or manu-  
 facturer; from a farmer or grower, or  
 tobacco growers' co-operative associa-  
 tion, together with the name and  
 address of such farmer, grower, or as-  
 sociation; by reduction of tobacco prod-  
 ucts to tobacco materials; by release  
 from customs custody; and by return to  
 the factory; (ii) shipped or delivered—  
 to a dealer in tobacco materials or man-

ufacturer of tobacco products, together  
 with the permit number of such dealer  
 or manufacturer; to a State institution,  
 together with the name and address of  
 such institution; and for exportation;  
 and (iii) lost, and destroyed.

(2) *Cigars and cigarettes*. The date  
 and number of all small cigars, large  
 cigars, small cigarettes, and large ciga-  
 rettes (i) manufactured; (ii) received,  
 without payment of tax—from another  
 factory, an export warehouse, customs  
 custody, and by withdrawal from the  
 market; (iii) removed subject to tax  
 (itemizing large cigars by class); (iv)  
 removed, without payment of tax, for—  
 export purposes, use of the United  
 States, transfer to another factory, ex-  
 perimental purposes off factory prem-  
 ises, and use or consumption by  
 employees off factory premises (also  
 showing the number of employees to  
 whom furnished); (v) otherwise dis-  
 posed of, without payment of tax, by—  
 use or consumption by employees on  
 factory premises, use for experimental  
 purposes on factory premises, reduction  
 to materials, loss, and destruction; and  
 (vi) received taxpaid and disposed of  
 (itemizing large cigars by class).

(3) *Stamps*. The date and value of  
 each class of stamps (i) received; (ii),  
 affixed to packages of cigars and ciga-

rettes removed; and (iii) lost, destroyed, and mutilated.

The entries for each day in the records maintained or kept under this section will be considered timely if made by the close of the business day following that on which the operations or transactions occur. All records maintained or kept under this section shall be retained for two years following the close of the year covered in the records, and shall be made available for inspection by any revenue officer upon his request.

(b) *Commercial records.* A manufacturer of cigars and cigarettes who maintains commercial records which reflect his operations and transactions required to be recorded by this section may utilize such records for this purpose. No particular form of commercial records is prescribed, but the information required by paragraph (a) of this section shall be readily ascertainable from the commercial records.

(c) *Form 2142 or 2143.* Where a manufacturer of cigars and cigarettes does not maintain and utilize commercial records, as provided in paragraph (b) of this section, he shall keep a record of his operations and transactions on Form 2142 with respect to large cigars, and on Form 2143 with respect to small cigars and large and small cigarettes, together with all auxiliary and supplemental records of individual operations and transactions from which such record is compiled.

(68A Stat. 715; 26 U. S. C. 5741)

PAR. 2. Section 275.132 is amended by deletion in its entirety and insertion of a new section to read as follows:

§ 275.132 *Records*—(a) *General.* Every manufacturer of tobacco shall keep records of his daily operations and transactions, which shall reflect the following information:

(1) *Tobacco materials.* The date and quantity (in pounds) of all unstemmed tobacco, and other tobacco materials (i) received (except with respect to samples as provided by § 275.148)—from a dealer in tobacco materials or manufacturer of tobacco products, together with the permit number of such dealer or manufacturer; from a farmer or grower, or tobacco growers' co-operative association, together with the name and address of such farmer, grower, or association; by reduction of manufactured tobacco to tobacco materials; by release from customs custody; and by return to the factory; (ii) shipped or delivered—to a dealer in tobacco materials or manufacturer of tobacco products, together with the permit number of such dealer or manufacturer; to a State institution, together with the name and address of such institution; and for exportation; and (iii) lost, and destroyed.

(2) *Manufactured tobacco.* The date and quantity (in pounds) of all plug, twist and other forms of leaf, fine-cut chewing, scrap chewing, smoking tobacco, and snuff (i) produced; (ii) received, without payment of tax—from another factory, an export warehouse, customs custody, and by withdrawal from the market; (iii) removed subject to tax; (iv) removed, without payment

of tax, for—export purposes, use of the United States, transfer to another factory, experimental purposes off factory premises, and use or consumption by employees off factory premises (also showing the number of employees to whom furnished); (v) otherwise disposed of, without payment of tax, by use or consumption by employees on factory premises, use for experimental purposes on factory premises, reduction to materials, loss, and destruction; and (vi) received taxpaid and disposed of (without itemizing the manufactured tobacco by kinds).

(3) *Stamps.* The date and value of all stamps (i) received; (ii) affixed to packages of manufactured tobacco removed; and (iii) lost, destroyed, and mutilated. The entries for each day in the records maintained or kept under this section will be considered timely if made by the close of the business day following that on which the operations or transactions occur. All records maintained or kept under this section shall be retained for two years following the close of the year covered in the records, and shall be made available for inspection by any revenue officer upon his request.

(b) *Commercial records.* A manufacturer of tobacco who maintains commercial records which reflect his operations and transactions required to be recorded by this section may utilize such records for this purpose. No particular form of commercial records is prescribed, but the information required by paragraph (a) of this section shall be readily ascertainable from the commercial records.

(c) *Form 2141.* Where a manufacturer of tobacco does not maintain and utilize commercial records, as provided in paragraph (b) of this section, he shall keep a record of his operations and transactions on Form 2141, together with all auxiliary and supplemental records of individual operations and transactions from which such record is compiled.

(68A Stat. 715; 26 U. S. C. 5741)

[F. R. Doc. 57-6663; Filed, Aug. 13, 1957; 8:52 a. m.]

## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### [ 7 CFR Part 58 ]

#### BUTTER, CHEESE AND OTHER MANUFACTURED OR PROCESSED DAIRY PRODUCTS

#### GRADING, INSPECTION, SAMPLING, GRADE LABELING AND SUPERVISION OF PACKAGING

Notice is hereby given that the United States Department of Agriculture is considering the issuance, as hereinafter proposed, of an amendment to the regulations governing the grading, inspection, sampling, grade labeling and supervision of packaging butter, cheese and other manufactured or processed dairy products (7 CFR Part 58) issued pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.). The proposed amendment is to clarify the meaning of the wording in § 58.19 *Grading certificate issuance*; to change the heading of § 58.43 *Butter and cheese grading fees*, to include grading fees for lots of

miscellaneous dairy products; and to add a paragraph (d) to provide specific fees for grading lots of miscellaneous dairy products covered by a single grading certificate.

All persons who desire to submit written data, views or arguments in connection with this amendment should file the same in triplicate with the Chief of the Inspection and Grading Branch, Dairy Division, Agricultural Marketing Service, United States Department of Agriculture, Room 2977, South Building, Washington 25, D. C., not later than 15 days after publication hereof in the FEDERAL REGISTER.

1. Amend § 58.19 to read as follows:

§ 58.19 *Grading certificate issuance.* Each grader and each inspector shall issue a grading certificate covering product graded. Lots of miscellaneous dairy products comprising more than one kind of product may be covered by a single grading certificate. In no case shall a grader or inspector sign any certificate covering any product not graded by him.

2. Change the heading of § 58.43 to read as follows:

§ 58.43 *Butter, cheese and miscellaneous dairy products grading fees.*

3. Add paragraph (d) to § 58.43 as follows:

(d) Fees for grading lots of miscellaneous dairy products covered by a single grading certificate shall be based on the actual time required to perform the service and shall be at the rate of \$3.60 per hour, with a minimum charge of \$1.80.

(60 Stat. 1090; 7 U. S. C. 1624)

Done at Washington, D. C., this 9th day of August 1957.

[SEAL] F. R. BURKE,  
Acting Deputy Administrator.

[F. R. Doc. 57-6673; Filed, Aug. 13, 1957; 8:54 a. m.]

#### [ 7 CFR Part 1008 ]

[Docket No. AO-275-A2]

#### HANDLING OF MILK IN INLAND EMPIRE MARKETING AREA

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

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of the recommended decision of the Deputy Administrator, Agricultural Marketing Service, United States Department of Agriculture, with respect to proposals to amend the tentative marketing agreement and the order, as amended, regulating the handling of milk in the Inland Empire marketing area. Interested parties may file written exceptions to this recommended decision

with the Hearing Clerk, United States Department of Agriculture, Washington, D. C., not later than the close of business on the 10th day after publication of this recommended decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

**Preliminary statement.** The public hearing, on the record of which the recommended regulatory provisions set forth below with respect to the Inland Empire marketing area were formulated, was called by the Agricultural Marketing Service, United States Department of Agriculture, following receipt of petitions filed by the Inland Empire Dairy Association and the Spokane Milk Producers Association. The hearing was held at Spokane, Washington, May 28, 29 and 31, 1957, pursuant to notice duly published in the FEDERAL REGISTER on May 11, 1957 (22 F. R. 3357). The period until June 20, 1957, was reserved to interested parties for the filing of briefs on the record. Within the time reserved briefs were filed by producers' associations and handlers.

The material issues of record are concerned with:

1. Whether the present Inland Empire marketing area should be extended, or separate regulation be adopted, to apply to any or all of several additional counties in Washington and Idaho;

2. A proposed increase in the price differential for Class I milk, provision for an automatic supply-demand adjuster, and revision of location adjustments;

3. Whether the classification provisions should be amended: (a) To classify ending inventories as Class II milk, (b) to classify skim milk dumped as Class II milk during any month of the year, and (c) to classify "cocoa mixes" as Class II milk;

4. Revision of "pool plant" delivery performance requirements; and

5. Proposals to clarify the language of various order provisions and certain administrative and conforming changes.

During the course of the hearing counsel for a handler requested the admission into the record of Exhibit No. 5 (marked for identification). Such exhibit is a photostat copy of the house organ of a cooperative association which contains certain statements credited to a former manager of the association who was not available for examination. In the circumstances the exhibit was not admitted by the presiding officer on the basis the statements contained therein which counsel sought to be included in the record does not constitute the kind of testimony upon which responsible persons are accustomed to rely. An offer of proof was made by counsel. It is determined that the ruling of the presiding officer was correct and such ruling is hereby affirmed.

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

(1) The marketing area should be extended to include Benewah and Boundary Counties, Idaho.

The extension of the marketing area to Benewah County was proposed by two producers' cooperatives associated

with the marketing area. The proposal to include Boundary County was submitted by a third producer's cooperative, which operates a plant located at Bonner's Ferry, Idaho. In both instances, the primary reason offered by proponents for extending the marketing area is to provide a similar price plan for all members of the associations concerned. The proposals were further supported on the basis that regulated handlers distribute substantial amounts of milk in said counties. Some members of one proponent association opposed extension of the marketing area to Benewah County primarily because such dairy farmers are satisfied with the business relationship they have with the nonregulated distributor there.

At the present time, some members of one association are shipping milk each month both to a nonregulated fluid milk plant at St. Maries (Benewah County) and to a plant regulated by the order. The fact that some dairy farmers have the opportunity to ship milk to both regulated and unregulated plants in the same month has undesirable effects on returns to those producers whose milk is priced by the order, and even on the regulation itself. Each month the Inland Empire marketing area utilizes a portion of its producer receipts as Class II milk. During the first 12 months of order operation such utilization ranged, on a monthly basis, from 5.9 to 19.8 percent of total producer receipts. The partial supplies of milk delivered to a regulated plant increase the volume of producer milk on the Inland Empire market with milk that is surplus to the fluid milk operations of the nonregulated distributor in Benewah County. Its unavailability to the regulated plant a portion of each month makes it an dependable source of milk for Class I use in the marketing area but at such times as it is delivered to a pool plant, it adds to the available supply which must be utilized as Class II milk, and thus tends to reduce the uniform price to all producers. Moreover, the opportunity afforded the nonregulated plant operator in Benewah County to limit his supply to requirements for fluid utilization (enhanced by the purchase of supplemental Class II milk products in finished form from a regulated plant) results in relatively higher returns to dairy farmers who supply the unregulated plant. This situation potentially, if not presently, affords the nonregulated distributor a competitive advantage over regulated handlers in the procurement of milk due simply to the existence of the regulation with its marketwide pooling plan for distributing producer returns. Over the longer term a more stable supply situation will prevail in the Inland Empire market if all producers involved in the foregoing marketing situation are paid on a similar price plan. It is concluded that Benewah County, Idaho, should be included in the marketing area.

A somewhat similar marketing situation also exists in Boundary County. Some members of the proponent producers' association ship milk to a regulated plant and other members deliver to the association's unregulated proc-

essing plant at Bonner's Ferry. Proponents expressed a desire for a uniform pricing plan for all members of the association. A close and continuing relationship of proponent's operation at Bonner's Ferry with a regulated plant in the marketing area was shown. The cooperative's processing plant at Bonner's Ferry supplies the regulated plant with supplemental milk, and also purchases a portion of its packaged milk needs from the regulated plant. During the past year the unregulated plant twice qualified as a pool plant. It has been necessary for such association to rely on the regulated plant in the Inland Empire market as the outlet for its entire milk supply when floods occur at Bonner's Ferry. The inclusion of Boundary County in the marketing area will establish a price and classification basis for milk moved between the marketing area plant and the plant at Boundary County equivalent to that applicable to the movement of milk between plants now under the regulation. It is concluded that Boundary County, Idaho, should be included in the marketing area.

Producer organizations proposed further that the marketing area be extended to include Whitman County, Washington, and Latah County, Idaho.

A handler with unregulated distributing plants in Pullman, Washington, and Moscow, Idaho, proposed the extension of the marketing area to Asotin County, Washington, and Nez Perce County, Idaho. Such proposal was submitted for consideration only in the event Whitman and Latah Counties were to be included in the marketing area. The proponent handler testified that 25 percent of his milk sales are in such counties and that it is necessary that they be included in order that proponent might remain competitive with other dealers from unregulated areas in Idaho, Washington, and Oregon where producer prices historically have been lower than in the Whitman-Latah area.

A nonregulated distributor of milk proposed the extension of the marketing area to Clearwater, Lewis and Idaho Counties, Idaho, and to Asotin County, Washington.

Producer proponents, in supporting their proposal, contended that:

1. Whitman and Latah Counties normally are part of the Inland Empire marketing area.

2. Historically, milk prices to producers and consumers in this area have followed prices in the Spokane market.

3. Producers have been unsuccessful in attempts to negotiate agreements with distributors on prices, butterfat checking, and audits of milk utilization.

Testimony in opposition to the marketing area extension stressed that:

1. Farm prices for milk in the proposed area compare favorably with those paid at regulated plants.

2. During the past ten years no dairy farmer has been denied a market except by action of the health authorities.

3. Dairy farmers have not been compelled to restrict production, or to market any portion of their production themselves.

4. Marketing conditions are not disorderly, and consumer prices have not fluctuated materially.

5. Adequate supplies of milk for fluid needs are produced locally.

6. Distributors do not rely on the Inland Empire marketing area for supplemental milk supplies.

Producers contended that Whitman and Latah Counties are an integral part of the Inland Empire marketing area. However, only one of the ten handlers regulated by the order sells milk in such counties from a regulated plant. During the past two years, the sales of milk in this area from the regulated plant have increased slightly. This distribution accounts for about 3 percent of the total Class I utilization of all regulated handlers.

The proponent associations also indicated that, historically, farm pricing of Grade A milk in Whitman and Latah Counties has followed that of the Inland Empire marketing area. At the present time, nonregulated distributors in these two counties deduct twenty-four cents per hundredweight from the prevailing Inland Empire Class I price in establishing prices for milk delivered to plants at Pullman and Moscow. This deduction is equivalent to the handler location adjustment provided in the order, which would apply to any plant in the Pullman-Moscow area which might come under the regulation. Proponents contended that this deduction is unjustified because no milk is received at plants located in Whitman and Latah Counties for distribution in the Inland Empire marketing area.

The deduction referred to was begun in September 1956. The net price paid dairy farmers for Class I milk at the nonregulated plants in Pullman and Moscow is the prevailing price paid at a regulated plant of the same distributor at Spokane, less the twenty-four cent deduction. The prevailing price at such plant includes, however, a substantial premium above the order minimum Class I price. A comparison of the announced minimum Class I prices under the order with those paid by the nonregulated plants at Pullman and Moscow shows that during the past year Class I prices paid by the nonregulated plants have been consistently higher, ranging from plus 4 cents to plus 34 cents per hundredweight; the average difference being plus 18 cents.

A comparison of producer "blend" prices paid at the nonregulated plants with uniform prices announced under the order indicates that the blend prices in the unregulated area also have been consistently higher during the same 12-month period. Blend prices paid at Moscow, Idaho, area averaged 27 cents more than those paid by regulated handlers. In the Pullman, Washington, area, blend prices averaged 41 cents more.

Producers contended further that they have been unsuccessful in attempts to negotiate at nonregulated plants concerning price agreements, butterfat check-testing, and audits of milk utilization. But producers, through the efforts of their association, were successful in

terminating a lower Class I price for milk packaged in half-gallon containers. This "special" price was instituted in August 1955 and terminated in July 1956.

Producers also testified that although their association was successful in negotiations to terminate the special price, the nonregulated plant at the same time arbitrarily increased the farm-to-plant hauling rate. The hauling rate was changed from 20 cents per can (or about 23 cents per hundredweight) to 35 cents per hundredweight, but the validity of such increase in rate was not questioned at the hearing. The prices to dairy farmers prevailing in the Whitman-Latah area are higher than the order minimum even after consideration of such rate increase.

Producers did not elaborate on butterfat check-testing problems, nor does the record indicate that the producers' association actually attempted to establish check-testing and audit programs at the nonregulated plants. The Class I milk utilization at the nonregulated plants represents a high percentage of their total receipts. On the whole, producer witnesses did not express dissatisfaction either with payments based on past utilization or with price policy followed at the unregulated plants, but merely were apprehensive about future prices because of increasing production.

An independent producer witness representing some of the dairy farmers in this area testified that their business relationship with the nonregulated plants in Whitman and Latah Counties has been satisfactory. They opposed the proposal to extend the marketing area to these counties.

The principal nonregulated distributor in these counties testified that no regulated handler supplies supplemental milk to unregulated plants there. He contended that local production is sufficient for all fluid milk sales, and for most of the cottage cheese and ice cream sales. Whenever supplemental milk has been needed, as in March 1955 and October 1956, it has been purchased from unregulated plant sources.

It may not be concluded from the present record that there are serious disorderly marketing conditions in the unregulated area in question. Producers whose milk is shipped to handlers regulated by the order are not being disadvantaged in the pricing of their milk because of an unregulated market in Whitman and Latah Counties. There was no showing of undue hardship on any regulated handler as the result of failure to regulate such counties. The marketing area should not be extended at this time to include said counties.

Asotin County, Washington, and Nez Perce County, Idaho, were proposed for inclusion in the marketing area only if Whitman and Latah Counties were to be regulated. In view of the above, it is concluded that no useful purpose would be served by including Asotin and Nez Perce Counties in the marketing area.

The nonregulated distributor proponent for the inclusion of Clearwater, Lewis and Idaho Counties, Idaho, did not make an appearance at the hearing. The record contains no supporting evidence

for his proposal. A number of dairy farmers appeared at the hearing, and opposed the extension of the marketing area to said counties. In view of the foregoing conclusions concerning the other counties proposed, and in the absence of supporting evidence, it is concluded that the Inland Empire marketing area should not be extended to include Clearwater, Lewis and Idaho Counties, Idaho.

The proposal to include Shoshone County and the eastern part of Kootenai County, Idaho, in the marketing area was made by two producers' associations. The principal towns involved in the proposed annexation are Kellogg, Mullen and Wallace, in Shoshone County.

The associations supported their proposal on the following grounds:

1. Extension of the area will permit a free flow of milk between plants in the marketing area and those in the proposed extension.

2. Competition from unregulated plant sources in Montana could be controlled for the protection of local dairy farmers.

3. Inland Empire producers can supply all the milk needed at Wallace, Mullen and Kellogg, Idaho.

An unregulated distributor located in Shoshone County who would be regulated under the proposal supported the proposed extension of the marketing area primarily because dairy farmers supplying the plant desire it as a means of establishing their prices on a basis equivalent to that of the Inland Empire market, and because of the proximity of Kellogg, Idaho, to Spokane, Washington.

Two unregulated distributors with plants at Missoula, Montana, who distribute some milk in Shoshone County, opposed the proposed marketing area extension indicating that their milk is priced to both producers and consumers under the Montana Milk Control Act, and if the marketing area were extended to Shoshone County, they would be required to pay compensatory payments on the volume of their sales in Shoshone County.

Proponents conceded on examination that Shoshone County is not significantly a part of the sales area for handlers regulated by the Inland Empire order although one regulated handler sells milk in half-gallon containers to an unregulated local distributor at Kellogg, Idaho, and another regulated handler with a plant at Coeur d'Alene, Idaho, also sells some milk in the county. There are no data in the record indicating the extent of these sales, and the regulated handlers involved did not testify on this proposal. One of the proponents, who no longer distributes milk in Shoshone County, testified that its sales outlets there were lost as the result of a price war in 1954. This occurred prior to the introduction of the order.

Although a producer witness testified that competition from unregulated sources in Montana could be controlled for the protection of local dairy farmers if Shoshone County were included in the marketing area, there was no showing of unstable marketing conditions or that producers are not receiving returns reasonably aligned with those resulting

from the order. The fact that members of the association are in a position to supply all the milk needed at Wallace, Mullen and Kellogg, Idaho, is not adequate reason to regulate the handling of milk in such communities.

It is concluded from the foregoing that the marketing of milk in Shoshone County is not sufficiently related to the handling of milk in the Inland Empire market at this time to warrant regulation and therefore the marketing area should not be extended to include Shoshone County, Idaho.

The eastern portion of Kootenai County was proposed for regulation only to maintain contiguity for the entire marketing area as proposed for extension to Shoshone County. There are no local fluid milk plants in the eastern portion of Kootenai County. It is concluded further that such territory should not be included in the marketing area.

A handler proposed inclusion of Grant, Adams and Lincoln Counties in the marketing area. In support of this proposal proponent pointed out that approximately 19 percent of his total Class I sales are made on routes in such counties. About 5 percent of his total Class I sales are made to a military installation in Grant County (referred to in the record as the "Columbia Basin"). The major portion of the volume so sold by the proponent handler is distributed to outlets in Grant County rather than in Adams and Lincoln Counties. It was contended that inclusion of the Columbia Basin in the marketing area would assist in maintaining the returns of Inland Empire producers and protect Class I sales made in such area from the regulated plant by placing all competitors for sales in the Basin on a uniform price basis in the purchase of milk. In this connection proponent alleges competitive disadvantage in the sale of milk as the result of the prices he is required to pay producers. Proponent, however, does not propose regulation in the Basin unless the Class I price f. o. b. the Basin is set at a level equivalent to the Class I price for milk delivered to a regulated plant located in Spokane, by eliminating the location adjustment between Spokane and the Basin.

A producer association expressed concern that loss of sales by the one regulated handler distributing in the Basin, as the result of any competitive disadvantage in the distribution of milk, would have a severe impact on producer returns. This association indicated, however, that if the Basin were regulated, the potential of "pool-riding" by plants located in the vicinity of the Basin should be mitigated by revising the delivery performance requirements provided for the pool qualification of plants which distribute Class I milk on routes.

The principal consuming centers, Moses Lake and Ephrata, in the Basin are each located approximately 110 miles from Spokane. The distance from Wenatchee to Ephrata is approximately 50 miles and the distance between Wenatchee and Moses Lake is about 70 miles. Ellensburg also is about 70 miles from Moses Lake.

Some milk produced in the Basin is delivered to Yakima, approximately 105 miles distant, for bottling and is returned for sale from distributing stations located in the Basin. A plant operated by a cooperative at Ellensburg has available a substantial quantity of milk qualified for sale as fluid milk. This milk is priced at present under the terms of the Puget Sound order and the industry-negotiated premium payment plan prevailing in the Puget Sound market. It is transported to the Puget Sound marketing area from the Ellensburg area at a hauling rate of 23 cents per hundredweight. Fluid milk distribution routes from the bottling plant of this association at Ellensburg approach, possibly enter, Grant County, at a point less than 40 miles from Moses Lake.

On an historical basis, the Basin communities have been served from Spokane plants. As such communities have developed, routes to the Basin have been established from the Wenatchee market also. About the time of the inception of the Inland Empire order in April 1956, certain milk previously produced and distributed in the Basin, but bottled in a Spokane plant, was shifted to a Yakima plant for bottling. Such milk continues to be distributed in the Basin.

The prevailing price to producers for milk for fluid use in the unregulated Wenatchee and Yakima markets is \$5.50 per hundredweight on a 4 percent butterfat content basis. This price compares with a minimum Class I price for milk of similar butterfat content under the Inland Empire order of \$5.44 per hundredweight for the first year of order operation (April 1956-March 1957). Such a price relationship does not manifest competitive disadvantage to a Spokane handler distributing in the Basin. Actual prices for Class I milk in the Inland Empire market averaged somewhat higher, however, than \$5.44 per hundredweight during the past 12 months because premiums over order prices have been paid by handlers as the result of negotiation with producer organizations. Payments on Class I milk above order prices averaged about \$0.42 per hundredweight in the April 1956-April 1957 period. Any competitive disadvantage felt by the Spokane handler as the result of premiums paid through negotiation with producers may not be regarded as sufficient reason for expansion of the marketing area as a means of eliminating competitive disadvantage to such handler based upon the price paid for milk. Similarly, the marketing area may not be expanded as proposed simply for the purpose of protecting current levels of sales of pooled milk in the area to be annexed at whatever price above the order level may be negotiated to insure adequate supplies for the principal communities covered by the regulation.

The payment of negotiated premium prices in the Spokane market indicates the necessity for somewhat higher prices for milk delivered to Spokane than have been necessary at Wenatchee, Ellensburg, or Yakima to induce the production of adequate milk supplies. Inland Empire producers request that the Class I price

under the order be increased at this time to insure adequate supplies in the future for the marketing area already under regulation. Milk is available in the central portion of Washington (Yakima, Ellensburg and Sunnyside) at prices considerably lower than the level requested for Spokane and vicinity.

Application of the Spokane level of prices f. o. b. the Basin would establish prices at the latter point higher than necessary to induce adequate supplies in this section of the State. There was no evidence of disorderly marketing conditions for dairy farmers in the central Washington markets or that higher farm prices for Grade A milk are sought by producers in this area. Although producers shipping to Spokane plants historically have received the benefit of a large proportion of the fluid milk sales in the Basin, the advantages of location should not be denied to milk which is closer to the Basin. The record does not reveal a basis on which to eliminate location adjustments in the case of plants located in such vicinity as a corollary to inclusion of the Basin in the marketing area.

Producers at Spokane expressed concern that loss of sales in the Basin would be highly detrimental to their returns for milk. The Class I sales made from the Spokane plant to the Basin constitute about 4 percent of the total Class I sales in the marketing area. It would not be appropriate to set prices at Spokane, where a large majority of the Class I sales of regulated handlers are made, at a level which would guarantee sufficient supplies for both the present marketing area and the Basin when lower-priced milk is available for the latter market.

Without the inclusion of Grant County, no useful purpose would be served by including Adams and Lincoln Counties since the total distribution of milk there is small. It is concluded that the marketing area should not be extended to include Grant, Adams, and Lincoln Counties.

(2) The price formula for Class I milk should be revised.

Producers proposed that the present Class I price differential of \$1.85 per hundredweight (over the basic formula price) be increased 15 cents to \$2.00 per hundredweight. The proposed differential, like the present one, would apply each month of the year. In addition, proponents suggested a "supply-demand adjuster" under which the Class I price differential would be modified automatically as changes occur in the relationship of milk supply to sales of Class I milk. No opposition testimony was presented.

Proponents supported their proposal on the grounds that (a) handlers have paid premiums each month since the introduction of the order, (b) milk production has not been over-stimulated during the past year, and (c) the proposed price level would still be below the present Class I price level including the premiums paid since the inception of the order.

Each month since the effective date of the order, handlers have paid premiums above the minimum Class I milk prices established by the order. Such

premiums have ranged from 8 cents to 99 cents. The wide range of premiums paid has caused disparities in returns to producers under the marketwide pooling provisions of the order, and also has resulted in varying costs of milk among handlers. During the 13 months between the effective date of the order and the hearing, the premiums paid (on a monthly basis) averaged 42 cents per hundredweight. The average minimum Class I milk price during that period was \$5.44 per hundredweight. With premiums, the average monthly Class I milk price was \$5.86 per hundredweight.

At the time the order became effective (April 1956), a temporary Class I price differential was established. This differential expires automatically at the end of September 1957. The current proceeding affords an opportunity to review the Class I milk price level in the light of current marketing conditions. During the past year, the number of pool plants decreased from 16 to 13. Between May 1956 and May this year the number of producers decreased from 979 to 950. At the same time, however, average daily deliveries per producer increased about 12 percent. Official notice is hereby taken of the statistical summary for April and May 1957 issued by the market administrator under Order 108, in order to provide statistical comparisons with the corresponding months of the previous year.

During April and May 1957, total producer receipts increased about 9 and 8 percent, respectively, over the levels of the same months a year ago. The total volume of Class I milk utilization increased less than 1 percent in the same period. The utilization of producer milk in Class I in April and May 1957 decreased 6 percent and 5 percent, respectively, below the corresponding months of the previous year. The utilization of producer milk in the other two classes increased slightly. During the 13 months prior to the hearing, the monthly utilization of producer milk in Class I ranged from 68.7 percent to 90.7 percent. On a monthly basis, the utilization of producer milk in Class I averaged 80.6 percent, in Class II-A, 10.9 percent, and in Class II, 8.5 percent. The effective Class I milk price level (including the premiums negotiated by producers) has encouraged a production increase in relation to Class I sales during the past year. Such price level has not resulted, however, in a burdensome surplus even though feed prices are slightly lower in the milkshed than they were a year ago.

Although producers proposed a stated Class I price differential of \$2.00 per hundredweight, the difference between such differential and that (\$1.65) fixed by the Puget Sound order, would exceed the difference in the relative costs of transporting milk to the two markets from areas where milk supplies could be made available for either market. The cost of moving milk to District No. 1 of the Puget Sound marketing area from Ellensburg, Washington, is 23 cents per hundredweight. An allowance of about 46 cents is provided under the Inland Empire order for the Ellensburg location. It is concluded that a Class I milk

differential of \$1.90 per hundredweight, which represents an increase of 5 cents from the current differential, is reasonable in light of the above costs of moving milk and should be adopted. Thus, the Inland Empire Class I price would be appropriately aligned with prices at the nearest plant associated with the Puget Sound market where milk supplies are available in substantial quantities. If the proposed Class I price differential of \$1.90 had been in effect during the 13 months prior to the recent hearing, an average Class I price of \$5.49 would have resulted. As previously stated, the average Class I price actually paid during this period was 37 cents higher, or \$5.86 per hundredweight.

Producers also proposed that a supply-demand adjuster be included in the order. Handlers concurred in this proposal. The stated purpose of this type of provision is to adjust automatically the Class I milk price in response to changes in the relationship of producer milk to Class I utilization from a reasonable standard, or "norm". Such automatic adjustment is designed to facilitate prompt changes in price in response to changing supply and sales conditions, thus reducing the frequency of hearings as relatively minor changes in the supply-sales relationship occur.

The supply-demand adjuster set forth herein, as in the case of proponents' proposal, would relate Class I milk price changes to the ratio of producer milk to Class I sales during the second and third months preceding that to which the Class I price applies. The schedule of standard utilization percentages adopted is based on an average Class I utilization of about 76 percent of producer milk supplies. This allows for a 17 percent annual average reserve supply of producer milk, which should be the minimum necessary to prevent shortages in the fall months, after taking into account that about 7 percent of producer milk is used in Class II-A for cottage cheese (which is required by the marketing area health authorities to be made of Grade A milk).

Price adjustments would apply at a rate of five cents per hundredweight plus or minus for each point of change between the current supply-Class I sales ratio and a standard utilization percentage figure for the particular month. The total adjustment is limited to plus or minus 50 cents. Since an adjustment beyond this point would reflect a significant change in the supply-sales relationship from the present, it would be appropriate to convene a hearing to reconsider the Class I price level in the light of such change. This limitation will also help to preserve a reasonable price alignment with the Puget Sound market.

For the period July 1956 through June 1957, the Class I milk price provided herein, on a monthly basis, would have averaged about \$5.74. On the basis that the Class I price premiums paid by handlers in May and June 1957 are the same as in April 1957, the average Class I milk price effective for the 12-month period specified would be \$5.93. The Class I price level adopted would have been about 19 cents less than the actual level for this period.

It is concluded also that the supply-demand adjuster set forth herein will provide appropriate price adjustments based on the normal needs of the Inland Empire market for Class I milk, cottage cheese, and a necessary reserve, and should be adopted. Although the price level to result from the provision will be somewhat higher than the present order Class I price, the formula does not result in a price as high as the current market price, including premiums. Further, it will reduce the Class I milk price promptly in the event production should increase at a faster rate than Class I sales.

At the hearing, producers proposed that in calculating a supply-demand adjuster, the milk of any handler whose plant was not a pool plant for at least three of the most recent 12 months should be excluded from the supply-demand computation. It was testified that the principal purpose of a supply-demand adjuster is to equate market supply and demand and that plants that qualify irregularly as pool plants may not be said to be a part of the long-run sources of milk for the market. However, in another part of this decision it is provided that the pooling standards for distributing plants be revised. Such revision should prevent unnecessary dilution of the pool through shipments of milk from plants associated with the market only in a casual way. In view of this, it is concluded that the proposal to exclude certain plants from the supply-demand computation should not be adopted.

Producers and handlers proposed changes in the location adjustment provisions, which would provide for additional basing points for computing location differentials and also would revise the rate of adjustment. The additional basing points were proposed in connection with proposals to extend the marketing area to the Columbia Basin and the Pullman-Moscow area. Elsewhere herein it is provided that such area extensions should not be made. No testimony was presented to show whether the present rate should be increased or decreased or in what manner the present rate schedule is inappropriate. In view of this, it is concluded that the location differential provisions should not be revised.

(3) Certain revisions to the classification provisions of the order should be made; the provision relating to the classification of skim milk dumped should not be changed.

(a) Handlers have inventories of milk and milk products at the beginning and end of each month which enter into the accounting for the receipts and utilization of producer milk during the current month. Inventory is intended to include stocks on hand of bulk milk and skim milk, bottled milk, and other items designated as Class I milk. Manufactured products (Class II) on hand are not included in the inventory account because the milk used to produce such products will already have been accounted for as Class II milk. As previously indicated, handlers will need to keep stock records of such products but they will not be in-

cluded in inventory for the purpose of accounting for current receipts.

It is concluded that inventory should be accounted for as Class II milk. If fluid milk products in inventory are accounted for as Class II milk at the end of the month, it will be necessary to provide a method to deal with the producer milk inventory which is used in the current month for Class I purposes but which the handler accounted for to producers as Class II milk at the end of the previous month. In a plant which engages primarily in a fluid milk business, it is quite possible that a decrease in inventory in any given month may exceed its total utilization of Class II milk. Handlers, at times, also use other source milk in their operations. Producer milk from inventory should have prior claim on Class I sales over current receipts of other source milk. This can be accomplished by considering the ending inventory in one month as a receipt in the following month and subtracting such receipt (under the allocation procedure) in series starting with Class II milk following the subtraction of other source milk.

To the extent that opening inventory is allocated to Class I milk and there was an equivalent amount of producer milk classified in Class II milk in the previous month (after the allocation of other source milk) a reclassification charge should be made at the difference between the Class I price in the current month and the Class II price in the preceding month. This will promote uniformity in the cost of milk among handlers and in returns to producers for their milk, irrespective of whether or not such producer milk is from the previous month's ending inventory or is a current receipt.

(b) The provision which permits skim milk dumped during the months of April, May, June and July to be classified as Class II milk should not be revised.

A producers' organization suggested that skim milk dumped be classified as Class II milk in any month of the year in the event the marketing area were expanded to include certain communities, particularly those where colleges or universities are located. It was testified that school vacations might necessitate the dumping of skim milk in months other than those specified in the present provision. A milk distributor in one of the areas proposed for annexation to the present marketing area made a similar request in connection with his own plant operation.

In view of the decision not to include Shoshone, Whitman and Latah Counties in the marketing area and since no difficult problems of milk disposal have arisen during the period the order has been in effect, it is concluded that the classification of skim milk dumped should continue to be made on the basis currently provided.

(c) A handler proposed the reclassification of "Mayo's Cocoa Mix" and similar products from Class I milk to Class II milk.

Proponent testified that the product referred to contains 11 percent nonfat milk solids, and in addition cocoa, sugar, stabilizer, salt and vanilla. The finished

product has the body and viscosity of low fat ice cream mix. It is usually frozen at the milk processing plant and distributed at soda fountains where it is consumed in the form of a hot chocolate drink after the addition of water. The product is heated and continuously agitated in the soda fountain dispenser in order to keep the solids content in suspension. It is not required to be produced from inspected milk supplies although Grade A milk is currently being used in its manufacture.

Since this product is not required to be made from Grade A milk it is in direct competition, from a procurement standpoint, with supplies of ungraded whole milk, and possibly with nonfat dry milk. However, in view of its similarity in form to ice cream mix and the fact that it does not constitute a distress outlet for Grade A milk, any such milk utilized for this product should be classified and priced as Class II A milk rather than as Class II milk. The order is so revised.

(4) The definition of "pool plant" should be revised in part.

Two proposals to modify the delivery performance standards required of distributing plants for pool plant status were made by producer organizations in connection with proposals to expand the marketing area. One of the proposals relating to pool plant qualification would require that no distributing plant could qualify for the pool unless 50 percent or more of its total receipts of milk were disposed of as Class I milk on routes and at least 20 percent of such receipts were sold as Class I milk in the marketing area on routes. The second proposal of producers would establish such percentages at 60 and 20, respectively. One handler also testified in support of stricter delivery performance standards for distributing plants. At present a distributing plant may qualify for pool status if 5 percent or more of its receipts of milk are distributed as Class I milk in the marketing area on routes. In support of such proposals proponents indicated the need to prevent operators of plants not primarily in the fluid milk business, and not continuously associated to a substantial degree with the Inland Empire market from, "riding" the pool, and thus diluting returns to regular producers.

Because of the difference in marketing practices and functions between distributing plants and supply-type plants, two sets of performance standards are provided in the order. Although not specifically defined in the order the term "distributing plant", for the purpose of this discussion, means a plant from which Class I milk is disposed of during the month on routes (including routes operated by vendors) or through plant stores to retail or wholesale outlets (except pool plants). In contrast, the term "supply plant", for the purpose of this discussion, refers to a plant (other than a distributing plant) from which milk, skim milk or cream which is acceptable to an appropriate health authority for distribution in the marketing area is shipped during the month to a distributing plant which is qualified as a pool plant. There were no proposals to revise the delivery performance standards applicable to the supply-type plant in

qualifying for pool status, and no revision of such standards is made.

Essential to the operation of a market-wide pool in this area is the establishment of delivery performance standards to apply uniformly to all plants similarly situated. Any plant, regardless of its location, should have equal opportunity to comply with the standards and thereby to participate in the marketwide pool and have its dairy farmers share in the Class I sales of the market. Any dairy farmer who meets the necessary health inspection requirements should be permitted, under the order, to sell his milk to any plant meeting the standards of qualification as a "pool plant". Whether or not plants and dairy farmers choose to supply the Inland Empire market will depend on the economic circumstances with which they are confronted, such as prices, transportation costs, and alternative outlets.

Performance standards should be such that any plant which has as its major function the supplying of Grade A milk to the market may pool its sales and share in the marketwide equalization. On the other hand, plants only casually, or incidentally, associated with the market should not be subject to complete regulation, nor should they be permitted or required to equalize sales with all other plants in the market. If a milk plant were permitted to share on a pro-rata basis in the Class I utilization of the entire market without being genuinely associated with the market, the premiums or differentials paid by users of Class I milk would be dissipated without accomplishing their intended purpose. If a plant were qualified and fully regulated merely as the result of a token shipment therefrom of milk or cream into the market for sale as Class I milk, any distributor operating a milk plant with a smaller share of milk in Class I than the average for all regulated plants could make such shipment and receive equalization payments from the pool. The only qualification such a plant would be required to meet would be compliance with the necessary health inspection standards.

Since reserve milk is an essential part of any fluid milk business there will always be some excess milk in the plants of handlers supplying other markets. This is particularly true in the months of flush production. Plants selling primarily to other markets, or plants shipping milk on an opportunity basis to any market where supplies happen to be short, do not represent sources of milk on which the Inland Empire market regularly may depend. If such plants were allowed to sell a token quantity of milk in the marketing area and pool their surplus whenever Class I outlets were not available to them, the result would be that such plants could maximize returns to their own dairy farmers at the expense of those producers who supply the long-run needs of the Inland Empire market through receipt of equalization payments from the Inland Empire pool.

Based on the record of the original hearing held on the Inland Empire order on May 24-June 2, 1955, it was concluded

in the decision of the Assistant Secretary issued January 4, 1956, official notice of which is taken, that any distributing plant from which less than 5.0 percent of its receipts is disposed of in the marketing area during the month should be excluded from the "pool plant" definition. This was done in order that a distributor who might accidentally dispose of some fluid milk in the area would not be made subject to regulation and to prevent operators not primarily associated with the market from taking advantage of the pooling mechanism by distributing token quantities of milk in the marketing area. The above basis for exemption was established in the absence of indication in the original hearing that pool-riding would become a significant problem in the Inland Empire market.

A situation of this kind is, however, quite possible in the Inland Empire market under the terms of the present order. The operator of a cooperative plant located in the central part of Washington testified in the recent hearing that his dairy farmers are looking for any pool to which their milk might be shipped to improve their returns. Such plant, which has only a small portion of its Grade A milk receipts in Class I milk uses, is located in an area of relatively heavy milk production. It has no outlets for milk in the present marketing area or in the area as proposed to be extended by this decision. The representative of the plant referred to indicated that the milk supply of his plant would preferably remain in the pool under the Puget Sound order, where it is priced currently, if the uniform prices in the Inland Empire market were reduced by the entry into the pool of additional plants with substantial Class II milk operations. Plants with substantial quantities of milk in manufacturing uses are located at Ellensburg, Yakima and Sunnyside, in Washington, and at Wallawa, Oregon, all within a distance from which milk could be shipped readily to Spokane.

The Inland Empire market, however, would gain no advantage from the payment of equalization to a distributing plant not having a primary interest in the Inland Empire market. Such a distribution of equalization payments would, in fact, reduce the uniform prices to producers regularly supplying the market, thereby having an adverse effect on the milk supplies upon which the market primarily depends. This could result in the need for higher Class I prices than would otherwise be required to supply the market adequately and dependably.

In order to qualify as a pool plant, a distributing plant therefore should be required to distribute at least 20 percent of its Grade A milk from dairy farmers and other plants during the month as Class I milk in the marketing area on retail or wholesale routes.

A distributing plant having more than 80 percent of its fluid milk business outside the marketing area or in other outlets should not be considered as genuinely associated with the market. It is not considered advisable to bring any such plant under full regulation because of the relatively small share of

business done in the marketing area. Full regulation in such case would not be necessary to accomplish the purposes of the order, and might well place such plant at a competitive disadvantage in relation to its competitors in supplying unregulated markets, as well as avoid an adverse effect upon the returns of the regular Inland Empire producers.

Such a minimum is necessary also to avoid the possibility that a distributing plant not otherwise associated with the market might qualify itself for equalization payments to its own advantage, and to the disadvantage of the market, by means of making minor sales in the marketing area.

It is contemplated that only plants primarily engaged in route distribution of Class I milk should be qualified as pool plants under this portion of the pool plant definition. In order to preserve this distinction, a further condition for qualification is placed on the distributing plant: the total distribution therefrom of Class I milk on routes to wholesale or retail outlets both inside and outside the marketing area during the month must amount to at least 50 percent of its receipts of milk from dairy farmers and from other plants. Any plant which does not qualify on this basis should be deemed to be primarily a supply-type plant and its status under the pool should be judged by the standards applied to such plants.

Those plants from which milk for Class I uses is distributed regularly in the marketing area on routes at present may be expected, under normal circumstances, to dispose of milk in such a way as to exceed by a comfortable margin the minimum performance standards necessary to qualify as a pool plant. From time to time there may be, of course, plants supplying milk to the marketing area which will not qualify for pool status. Such plants will continue to be subject to partial regulation on the same basis as now provided.

(5) The compensatory payment provision should be applied in the case of other source milk received by a producer-handler and utilized as Class I milk; such payment should not be applied to other source milk received by handlers and utilized as Class I milk, or disposed of as Class I milk in the Inland Empire marketing area on routes by others, which is classified and priced under the provisions of another milk marketing agreement and order issued pursuant to the act.

It was stated in the decision of January 4, 1956, supporting issuance of the original Inland Empire order that "Since the order provides for the identification of that milk which is subject to total regulation under the order, the possibility remains that some milk will be disposed of in the marketing area as Class I milk which is not subject to total regulation." It was stated also that a payment at the rate equal to the difference between the Class I and Class II milk prices is necessary on milk not subject to total regulation to maintain the integrity of the pricing and pooling provisions of the order.

The provision in the order which was designed to apply compensatory pay-

ments at a rate equal to the difference between the Class I and Class II milk prices on other source milk used as Class I milk did not indicate specifically whether other source milk received by a producer-handler would be subject to the payments. It is concluded that the order should be clarified in this respect so that such payment would apply to all other source milk received by a producer-handler, except milk of his own production and that received by him from a plant regulated by this order or any other marketing agreement or order issued under the statute. The price advantage which might otherwise accrue would tend to be disruptive in its effect on the market in the same manner as other source milk received by a fully regulated handler and so used.

It is not deemed necessary, however, in the circumstances which prevail in the Inland Empire market to apply the compensatory payment to any milk priced under another milk marketing agreement or order issued under the act, whether such milk is received by a fully regulated handler or distributed in the marketing area by a handler who is not fully regulated, such as a producer-handler. The alignment of prices between the Inland Empire market and other regulated markets which are potential sources of milk for the Inland Empire market is such that, after taking transportation costs into account, no price advantage is likely to accrue to the milk under another similar regulation when disposed of in the Inland Empire market. It is concluded that the order should be clarified to accomplish the above.

Certain revisions of the order have been made for the purpose of clarifying its terms. Some of these are self-explanatory. Other such changes are discussed below.

The Dairy Division, Agricultural Marketing Service, proposed that order language be clarified so that the reporting provisions would not apply to milk products which are received by a handler in finished or final form. At the time the order was promulgated, it was not intended to include in a handler's classification accounts milk products received at a pool plant in the form in which sold to consumers. The reporting section of the order is revised accordingly for clarification.

It is likely that at least two new pool plants will be qualified immediately as the result of the marketing area changes provided for herein. Since the effective date of the order amendments resulting from this proceeding will be subsequent to the beginning of the period used for computing bases currently in effect producers shipping milk to any new pool plant should have bases computed on the basis of their deliveries to such plant during the same period (September 1956-January 1957) in the manner of producers already on the market. During the ensuing base-operating period (March 1958-February 1959) bases for such producers should be computed on the basis of their deliveries to such plant and to other pool plants during the months September 1957-January 1958. The order so provides.

The base rules should be clarified so that wherever there is a joint operation of a farm production unit only one base shall apply. The present provision requires that where the land, buildings and equipment used are jointly owned or operated, one base shall apply. This language would not apply to a situation where the land is owned by one person and the buildings and equipment by another. A number of similar combinations of resources could be established to which the present provision of the order would not apply. The intent of the provision would be weakened thereby. The language provided will clarify the original intent of the provision.

Producers and handlers also testified concerning the transfer provisions of the base rules. It was their contention that the present language of such provision allows a producer to transfer his base to one person, and to sell his herd to another. It was proposed that the base accompany the herd in cases where the herd is sold to another person who produces milk for the market.

It was also contended that present order language permits a producer to transfer his current base and then obtain a base as a "new producer" prior to the next fall base-making period.

The latter practice would tend to inflate the total amount of base milk on the market to the disadvantage of other producers and should be discouraged. The base rules therefore are clarified to insure that a producer who transfers his base after the beginning of the base-operating period will not receive a percentage base in the same manner as a producer entering the market for the first time.

Although in certain instances under base plans effective only a few months of the year administrative convenience has dictated some limitation on base transfers, the transfer of base under a year-round application of bases may be left more appropriately to settlement between the parties involved in the transfer, provided that returns to other producers will not be adversely affected thereby. In view of the revisions made, it is concluded that other restrictions on the transfer of bases are not necessary.

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

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

(c) The proposed marketing agreement and the order, as proposed to be amended, will regulate the handling of

milk in the same manner as, and is applicable only to persons in the respective classes of industrial and commercial activity specified in, the said marketing agreement upon which a hearing has been held.

**Rulings on proposed findings and conclusions.** Briefs were filed on behalf of certain interested parties in the market. These briefs and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions set forth in the briefs are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied.

**Recommended marketing agreement and order.** The following regulatory provisions are 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 hereby proposed to be amended:

#### DEFINITIONS

§ 1008.1 **Act.** "Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.).

§ 1008.2 **Secretary.** "Secretary" means the Secretary of Agriculture, or other officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 1008.3 **Department.** "Department" means the United States Department of Agriculture or such other Federal agency authorized to perform the price reporting functions specified in this subpart.

§ 1008.4 **Person.** "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 1008.5 **Cooperative association.** "Cooperative association" means any cooperative marketing association of producers, duly organized as such under the laws of any State, which includes members who are producers as defined in § 1008.11 and which the Secretary determines, after application by the association:

(a) To be qualified under the standards set forth in the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act";

(b) To have its entire organization and all its activities under the control of its members; and

(c) To be currently engaged in making collective sales of or marketing milk or its products for its members.

§ 1008.6 **Inland Empire marketing area.** "Inland Empire marketing area" (hereinafter called the "marketing area") means that portion of Bonner County, Idaho, lying south of Township 60 and west of Range 2 East Boise Meridian; all of Kootenai County, Idaho, except that portion lying east of Range 3 West Boise Meridian and south of Town-

ship 53; Boundary County, Idaho; Beneviah County, Idaho; Spokane County, Washington; that portion of Pend Oreille County, Washington, lying south of Township 35; and that portion of Stevens County, Washington, lying south of Township 37. This definition shall include all municipal corporations, Federal military reservations, facilities, and installations and State institutions lying wholly or partly within the above-described area.

§ 1008.7 **Plant.** "Plant" means the land, buildings, surroundings, facilities and equipment, whether owned or operated by one or more persons, constituting a single operating unit or establishment which is maintained and operated primarily for the receiving, handling, or processing of milk or milk products: *Provided*, That this definition shall not include any platform or depot used primarily for the transfer of milk from one conveyance to another in the original milk containers.

§ 1008.8 **Pool plant.** "Pool plant" means any plant, other than the plant of a producer-handler or a plant at which the milk of dairy farmers is priced by another milk marketing agreement or order issued pursuant to the act, which is approved by any health authority having jurisdiction in the marketing area as a plant for the receiving of milk qualified for consumption as fluid milk in the marketing area and from which:

(a) Class I milk pursuant to § 1008.41 (a) (1), (2) and (3) in an amount not less than 20 percent of its receipts of milk qualified as described in § 1008.11 is distributed within the marketing area on routes (for the purpose of this section route shall mean a delivery to retail or wholesale outlets, including delivery by a vendor or a sale from a plant or plant store of milk or any milk product classified as Class I milk pursuant to § 1008.41 (a) (1), (2) or (3) other than a delivery to another pool plant): *Provided*, That the total quantity of Class I milk disposed of from such plant during the month either inside or outside the marketing area on routes is not less than 50 percent of such plant's total receipts of milk qualified as described in § 1008.11; or

(b) Milk, skim milk, or cream is forwarded to a plant described in paragraph (a) of this section: *Provided*, That no plant forwarding milk in such manner shall be a pool plant if the percentage which the quantity of either butterfat or skim milk in milk, skim milk, and cream so forwarded is of the amount thereof contained in milk (qualified as described in § 1008.11) received from dairy farmers at such plant is less than 50 percent in the current month during the period October through December, and 20 percent in the current month during the period January through September, except if the percentage forwarded was more than 50 percent of such receipts for the entire period October through December, no percentage shall be required for such months of January through September immediately following: *And provided further*, That any such plant which otherwise meets the requirements of this paragraph but is not a

plant qualified as a pool plant under paragraph (a) of this section may withdraw from pool plant status for any month in the January-September period if the operator of such plant files with the market administrator prior to the first day of such month a written request for such withdrawal.

§ 1008.9 *Nonpool plant.* "Nonpool plant" means any plant other than a pool plant.

§ 1008.10 *Dairy farmer.* "Dairy farmer" means any person who operates a farm engaged in the production of milk.

§ 1008.11 *Producer.* "Producer" means any dairy farmer, other than a producer-handler who produces milk of dairy cows under a dairy farm permit or rating issued by an appropriate health authority having jurisdiction in the marketing area for the production of milk qualified for disposition to consumers in fluid form within the marketing area.

§ 1008.12 *Producer milk.* "Producer milk" or "milk received from producers" means milk of any producer qualified as described in § 1008.11 and either (a) received directly from a farm at a pool plant, or (b) caused to be diverted by a handler for his account from such plant to a nonpool plant during any of the months of February through August: *Provided*, That milk from the same producer (or from a producer who previously held such producer's base) was received at a pool plant during some portion of the period September through January immediately preceding: *And provided further*, That for all purposes under this order such diverted milk shall be deemed to have been received at the pool plant from which diverted.

§ 1008.13 *Other source milk.* "Other source milk" means all skim milk and butterfat contained in:

(a) Receipts of milk and milk products in any of the forms specified in § 1008.41 (a) (1), (2) and (3) (including other order milk), except (1) such milk and milk products received from a pool plant(s) and (2) producer milk; and

(b) Products other than those specified in § 1008.41 (a) (1), (2) and (3) from any source (including those produced at the plant) which are reprocessed or converted to another product in the plant during the month.

§ 1008.14 *Other order milk.* "Other order milk" means all skim milk and butterfat in any of the forms specified in § 1008.41 (a) (1), (2) or (3), received by a handler but the handling of which the Secretary determines to be subject to the pricing and payment provisions of any other Federal milk marketing agreement or order issued pursuant to the act for any other milk marketing area.

§ 1008.15 *Handler.* "Handler" means:

(a) Any person engaged in the handling of milk in his capacity as the operator of a pool plant(s) or any other plant from which milk in any of the forms specified in § 1008.41 (a) (1), (2) and (3) is disposed of, either directly or indi-

rectly, to any place or establishment within the marketing area other than a plant.

(b) Any cooperative association, which is not a handler pursuant to paragraph (a) of this section, with respect to producer milk caused to be diverted from a pool plant to a nonpool plant for the account of such association.

§ 1008.16 *Producer-handler.* "Producer-handler" means any person who is both a dairy farmer and a handler, but who receives no milk from other dairy farmers: *Provided*, That such person provides proof satisfactory to the market administrator that (a) the maintenance, care, and management of all the dairy animals and other resources necessary to produce the entire amount of milk handled is the personal enterprise of and at the personal risk of such person in his capacity as a dairy farmer, and (b) the operation of a plant is the personal enterprise of and at the personal risk of such person in his capacity as a handler.

§ 1008.17 *Base.* "Base" means a quantity of milk, expressed in pounds per day or per month, computed pursuant to § 1008.60 (a) and (b), respectively.

§ 1008.18 *Base milk.* "Base milk" means milk received from a producer at a pool plant during the month in an amount which is not in excess of:

(a) Such producer's daily base computed pursuant to § 1008.60 (a) multiplied by the number of days of delivery in such month: *Provided*, That with respect to any producer on "every-other-day" delivery to a pool plant the intervening days of nondelivery shall be considered as days of delivery for the purposes of this section and § 1008.60; or

(b) His base computed pursuant to § 1008.60 (b).

§ 1008.19 *Excess milk.* "Excess milk" means milk delivered by a producer in excess of base milk.

#### MARKET ADMINISTRATOR

§ 1008.20 *Designation.* The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be designated by, and shall be subject to removal at the discretion of, the Secretary.

§ 1008.21 *Powers.* The market administrator shall have the following powers with respect to this part:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

§ 1008.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond effective as of the

date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of funds provided by § 1008.88 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses (except those incurred under § 1008.87) necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and upon request by the Secretary surrender the same to such other person as the Secretary may designate.

(f) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(g) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends;

(h) Publicly announce, at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 10 days after the day upon which he is required to perform such acts, has not:

(1) Made reports pursuant to §§ 1008.30 to 1008.32, inclusive; or

(2) Made one or more of the payments pursuant to §§ 1008.80 to 1008.88, inclusive.

(i) On or before the 16th day after the end of each month, report to each cooperative association (or its duly designated agent) which so requests the class utilization of milk caused to be delivered by such cooperative association directly from farms of producers who are members of such cooperative association to each handler to whom the cooperative association sells milk. For the purpose of this report, the milk caused to be so delivered by such cooperative association shall be prorated to each class in the proportion that the total receipts of producer milk by such handler were used in each class;

(j) On or before the 12th day after the end of each month, notify:

(1) Each handler whose total value of milk is computed pursuant to § 1008.70 (a) of:

(i) The amounts and values of his producer milk in each class and the totals of such amounts and values;

(ii) The amount of any charge made pursuant to § 1008.70 (a) (5);

(iii) The uniform prices for base milk and excess milk;

(iv) The totals of the amounts computed in the manner provided by § 1008.80 (a);

(v) The amount due such handler from the producer-settlement fund or the amount to be paid by such handler to the producer-settlement fund, as the case may be; and

(vi) The totals of the amounts required to be paid by such handler pursuant to §§ 1008.87 and 1008.88.

(2) Each handler whose total value of milk is computed pursuant to § 1008.70 (b) of the pounds of other source milk on which payment is required to be made and the amount due the producer-settlement fund from such handler.

(k) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate the prices determined for each month as follows:

(1) On or before the 6th day of each month the minimum price for Class I milk pursuant to § 1008.51 (a) and the Class I butterfat differential pursuant to § 1008.52 (a), both for the current month; and the respective minimum prices for Class II A milk and Class II milk pursuant to § 1008.51 (b) and (c) and the Class II butterfat differential pursuant to § 1008.52 (b), both for the preceding month; and

(2) On or before the 12th day of each month, the uniform price(s) computed pursuant to § 1008.71 and the butterfat differential(s) computed pursuant to § 1008.82, both applicable to producer milk received during the preceding month.

(l) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.

#### REPORTS, RECORDS, AND FACILITIES

§ 1008.30 *Monthly reports of receipts and utilization.* On or before the 7th day of each month, in the detail and on forms prescribed by the market administrator, each handler shall submit to the market administrator a report for such handler's pool plant(s) and with respect to milk or milk products subject to payments required under § 1008.70 (b), containing the following information for the preceding month:

(a) The quantities of skim milk and butterfat contained in milk received from producers;

(b) The quantities of skim milk and butterfat contained in milk and milk products received from other handlers;

(c) The quantities of skim milk and butterfat contained in other source milk (including other order milk) received (except manufactured milk products of the types covered by Class II A milk and Class II milk in § 1008.41 disposed of in the form in which received without further processing by the handler);

(d) Inventories of items included in Class I milk on hand at the beginning of the month; and

(e) The utilization of all skim milk and butterfat required to be reported pursuant to this section, including (1) the pounds of skim milk and butterfat on hand at the end of each month as on hand at the end of each month as items included in Class I milk; and (2)

a separate statement as to the amount of Class I milk disposed of on wholesale or retail routes (other than to plants) entirely outside the marketing area.

(f) The aggregate quantities of base milk and excess milk received; and

(g) Such other information with respect to such receipts and utilization as the market administrator may prescribe.

§ 1008.31 *Payroll reports.* On or before the 20th day of each month, each handler shall submit to the market administrator his producer payroll for deliveries of the preceding month which shall show:

(a) The total pounds of base milk and the total pounds of excess milk received from each producer, the pounds of butterfat contained in such milk, and the number of days on which milk was delivered by such producer in such month;

(b) The amount of payment to each producer and cooperative association; and

(c) The nature and amount of any deductions or charges involved in such payments.

§ 1008.32 *Other reports.* (a) At such times and in such manner as the market administrator may prescribe each handler shall report to the market administrator such information in addition to that required under § 1008.30 as may be requested by the market administrator with respect to milk and milk products handled by him.

(b) As requested by the market administrator, each producer-handler shall report to the market administrator relative to his receipts, utilization, and disposition of milk and milk products.

(c) As requested by the market administrator, each handler shall report the total quantity of milk received from each producer and the number of days of such delivery for each month beginning with September 1956.

§ 1008.33 *Records and facilities.* Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and records of his operations (and summaries thereof customarily maintained) and such facilities as are necessary for the market administrator to verify or to establish the correct data with respect to the information required to be reported pursuant to §§ 1008.30, 1008.31, and 1008.32 and to payments required to be made pursuant to §§ 1008.80 through 1008.88.

§ 1008.34 *Retention of records.* All books and records required under this order to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: *Provided*, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8 (c) (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until fur-

ther written notification from the market administrator. In either case the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

§ 1008.35 *Handler report to producers.* (a) In making payments to producers pursuant to § 1008.80, each handler, on or before the 17th day of each month, shall furnish each producer with a supporting statement in such form that it may be retained by the producer, which shall show for the preceding month (1) the identification of the handler and the producer; (2) the total pounds of milk delivered by the producer and the average butterfat test thereof, the pounds of base and excess milk, and the pounds per shipment if such information is not furnished to the producer each day of delivery; (3) the minimum rate(s) at which payment to the producer is required under the provisions of § 1008.80; (4) the rate(s) used in making the payment, if such rate(s) is other than the required minimum rate(s); (5) the amount or rate per hundredweight of each deduction claimed by the handler, together with a description of the respective deductions; and (6) the net amount of payment to the producer.

(b) In making payment to a cooperative association in aggregate pursuant to § 1008.80 (b) each handler upon request shall furnish to the cooperative association, on or before the 16th day of each month, with respect to each producer for whom such payment is made, all the information specified in paragraph (a) of this section.

#### CLASSIFICATION

§ 1008.40 *Skim milk and butterfat to be classified.* All skim milk and butterfat received within the month by a handler which is required to be reported pursuant to § 1008.30 shall be classified by the market administrator pursuant to the provisions of §§ 1008.41 through 1008.45, inclusive.

§ 1008.41 *Classes of utilization.* Subject to the conditions set forth in §§ 1008.42, 1008.43, and 1008.44, the classes of utilization shall be as follows:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat: (1) Disposed of in fluid or frozen form as milk, skim milk (including fortified skim milk), skim milk drinks, buttermilk, flavored milk, flavored milk drinks, and cream (sweet or sour), but not including any of the above items if sterilized and packaged in metal containers hermetically sealed; (2) used in the production of concentrated milk, skim milk, flavored milk and flavored milk drinks not sterilized (but not including (i) those products commonly known as evaporated milk, condensed milk, and condensed skim milk, (ii) flavored milk or flavored milk drink sterilized and packaged in metal containers hermetically sealed; and (iii) any item named in this subparagraph disposed of pursuant to paragraph (b) (3) of this section); (3) disposed of as any fluid mixture containing cream and milk or

skim milk (but not including ice cream and other frozen dessert mixes disposed of to a commercial processor, cocoa mixes, any mixture disposed of in containers or dispensers under pressure for the purpose of dispensing a whipped or aerated product, evaporated or condensed products, eggnog and yogurt); (4) shrinkage of producer milk in excess of that pursuant to paragraph (b) (6) of this section and shrinkage allocated to receipts from other handlers pursuant to § 1008.42 (b); and (5) not specifically accounted for under paragraph (b) of this section.

(b) Class II milk shall be all skim milk and butterfat: (1) Used to produce any product other than those included under paragraphs (a) (1), (2), (3), and (c) of this section; (2) disposed of (skim milk only) for livestock feed, or dumped during April, May, June, or July: *Provided*, That in the case of skim milk dumped, the market administrator is given not less than 6 hours' notice of the handler's intention to make such disposition; (3) disposed of in bulk in any of the forms specified in paragraph (a) (1), (2), and (3) of this section (i) to bakeries, soup companies and candy manufacturing establishments in their capacity as such, (ii) to nonpool plants subject to the conditions of § 1008.44 (b) (2); (4) disposed of in any of the forms specified in paragraph (a) (1), (2), and (3) of this section if sterilized and packaged in metal containers hermetically sealed; (5) contained in inventories of items included in paragraph (a) (1), (2), and (3) of this section on hand at the end of the month; (6) in actual shrinkage of producer milk computed pursuant to § 1008.42 but not in excess of 2 percent of the quantities of skim milk and butterfat, respectively, in producer milk; and (7) in actual shrinkage of other source milk computed pursuant to § 1008.42.

(c) Class II A milk shall be all skim milk and butterfat used to produce ice cream, ice cream mix, frozen desserts, cocoa mixes, and cottage, pot and bakers' cheeses (and shall be included in Class II milk for all purposes of this order except as otherwise expressly stated).

§ 1008.42 *Shrinkage*. The market administrator shall determine the shrinkage of skim milk and butterfat, respectively, in producer milk and in other source milk in the following manner:

(a) Compute the total shrinkage of skim milk and butterfat, respectively, for each handler; and

(b) Prorate the total shrinkage of skim milk and butterfat, respectively, computed pursuant to paragraph (a) of this section, among the pounds of producer milk, other source milk, and receipts from other handlers.

§ 1008.43 *Responsibility of handlers and reclassification of milk*. (a) All skim milk and butterfat shall be Class I milk unless the handler who first received such skim milk or butterfat proves that such skim milk and butterfat should be classified as Class II milk.

(b) The burden shall rest upon each handler to establish the sources of milk

and milk products required to be reported by him pursuant to § 1008.30.

(c) Except as provided in § 1008.44 (b) (1), any skim milk or butterfat classified on the basis of its use in one product shall be reclassified if used or reused by any handler in another product.

§ 1008.44 *Inter-plant movements*. Skim milk and butterfat transferred as any item specified in § 1008.41 (a) (1), (2), and (3) from a pool plant to another plant shall be assigned (separately) to each class in the following manner:

(a) From a pool plant to another pool plant: As Class I milk unless another class use is indicated in writing to the market administrator by the operators of both plants on or before the 7th day after the end of the month within which such transfer was made: *Provided*, That if either or both plants received any other source milk, the quantity transferred shall be classified at both plants so as to allocate the highest possible utilization to producer milk: *And provided further*, That (1) milk received from a plant subject to location adjustments shall be assigned to Class I milk in the transferee-plant after producer milk receipts and any receipts from plants subject to no location adjustment are assigned to Class I milk; and (2) if milk is received from more than one transferor-plant, assignment to the available Class I milk in the transferee-plant shall be made in sequence according to the location adjustment applicable at each transferor-plant beginning with the plant having the least location adjustment.

(b) From a pool plant to a nonpool plant: Such transfer(s) (also diverted milk) shall be classified as provided below, except that if the market administrator is not permitted to audit the records of the nonpool plant(s) for the purpose of use verification, the entire transfer shall be classified as Class I milk:

(1) As Class I milk, if the transfer (or diversion) is to a nonpool plant which is engaged in the distribution of milk for consumption in fluid form (except as provided in subparagraph (2) of this paragraph) to the extent that milk is disposed of as any of the items specified in § 1008.41 (a) (1), (2), and (3) from the receiving plant.

(2) As Class II milk, if the transfer (or diversion) is to a nonpool plant which is not engaged in the distribution of milk for consumption in fluid form or is engaged in the processing and distribution of milk for fluid consumption which is sterilized and packaged in metal containers hermetically-sealed: *Provided*, That if such nonpool plant disposes of skim milk or butterfat in any of the forms specified in § 1008.41 (a) (1), (2), and (3) to any other nonpool plant distributing milk in fluid form, such disposition, up to the quantity of milk transferred or diverted to the first nonpool plant, shall be classified as Class I milk: *And provided further*, That with respect to the milk to which the preceding proviso does not apply, the remaining transferred or diverted quantity shall be deemed to have been utilized

first for the manufacture of Class II A milk products to the extent that such products were produced at such nonpool plant.

§ 1008.45 *Computation of the quantity of producer milk in each class*. For each handler the market administrator shall:

(a) Correct for mathematical and for other obvious errors the monthly report submitted by such handler and compute the total pounds of skim milk and butterfat in each class: *Provided*, That when nonfat milk solids derived from nonfat dry milk solids, condensed skim milk, or any other product condensed from milk or skim milk, are utilized by such handler (1) to fortify (or as an additive to) fluid milk, flavored milk, skim milk, or any other milk product, or (2) for disposition in reconstituted form as skim milk or a milk drink, the total pounds of skim milk computed for the appropriate class of use shall reflect a volume equivalent to the skim milk used to produce such nonfat milk solids; and

(b) Allocate skim milk in the following manner:

(1) Subtract from the pounds of skim milk in Class II milk the pounds of skim milk shrinkage allowed pursuant to § 1008.41 (b) (6);

(2) Subtract from the pounds of skim milk in Class II milk the pounds of skim milk in other source milk received (other order milk to be subtracted last) and in overage allocated to other source milk (§ 1008.70 (a) (4)): *Provided*, That if more than one source of other source milk is involved, the skim milk shall be subtracted in sequence beginning with the source at greatest distance from the City Hall, Spokane, Washington: *And provided further*, That if the receipts of skim milk in other source milk plus the overage allocated to other source milk are greater than the pounds of skim milk in Class II milk, the balance shall be subtracted in sequence from the pounds of skim milk in Class II A milk and in Class I milk;

(3) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk contained in inventory of items included in § 1008.41 (a) (1), (2) and (3) on hand at the beginning of the month: *Provided*, That if the pounds of skim milk in such inventory exceed the remaining pounds of skim milk in Class II milk, the balance shall be subtracted in sequence from the pounds of skim milk remaining in Class II A milk and in Class I milk;

(4) Subtract from the remaining pounds of skim milk in each class, respectively, the skim milk received from other pool plants and assigned to such class pursuant to § 1008.44;

(5) Add to the remaining pounds of Class II milk, the amount subtracted pursuant to subparagraph (1) of this paragraph; and

(6) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk in milk received from producers, subtract such excess (hereinafter referred to as "overage") from the remaining pounds of skim milk in each class beginning with Class II milk.

(c) Allocate butterfat in accordance with the procedure prescribed for skim milk in paragraph (b) of this section.

(d) Add together for each class the quantities of skim milk and butterfat in such class computed pursuant to paragraphs (b) and (c) of this section and compute the weighted average butterfat content of such class.

**MINIMUM PRICES**

§ 1008.50 *Basic formula price to be used in determining Class I prices.* The basic formula price to be used in computing the price per hundredweight of Class I milk for the current month shall be the higher of the prices computed pursuant to paragraphs (a) and (b) of this section for the preceding month:

(a) Divide by 3.5 and then multiply by 4.0 the average of the basic, or field, prices per hundredweight reported to have been paid, or to be paid, for milk of 3.5 percent butterfat content received from dairy farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department.

*Present Operator and Location*

- Borden Co., Orfordville, Wis.
- Borden Co., New London, Wis.
- Borden Co., Mount Pleasant, Mich.
- Carnation Co., Sparta, Mich.
- Carnation Co., Richland Center, Wis.
- Carnation Co., Oconomowoc, Wis.
- Pet Milk Co., Wayland, Mich.
- Pet Milk Co., Coopersville, Mich.
- Pet Milk Co., New Glarus, Wis.
- Pet Milk Co., Belleville, Wis.
- White House Milk Co., Manitowoc, Wis.
- White House Milk Co., West Bend, Wis.

(b) The price per hundredweight computed by the market administrator from the following formula:

(1) Multiply by 4.8 the simple average of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter per pound at Chicago, as reported by the Department during the month: *Provided*, That if no price is reported for Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter;

(2) Multiply by 8.2 the simple average of the weighted averages of carlot prices per pound for nonfat dry milk, spray and roller process, respectively, for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the Department; and

(3) From the sum of the results arrived at under subparagraphs (1) and (2) of this paragraph, subtract 67 cents.

§ 1008.51 *Class prices.* Subject to the differentials provided in §§ 1008.52 and 1008.53 the following are the minimum prices per hundredweight to handlers for Class I milk, Class II A, and Class II milk:

(a) *Class I milk.* For each month the price for Class I milk shall be the basic formula price rounded to the nearest

cent, plus \$1.90 adjusted by the amount computed pursuant to paragraph (d) of this section.

(b) *Class II A milk.* The price for Class II A milk shall be the price computed pursuant to paragraph (c) of this section, plus 25 cents per hundredweight.

(c) *Class II milk.* The price for Class II milk shall be that computed by the market administrator from the formula set forth in subparagraphs (1), (2), and (3) of this paragraph.

(1) Add 3 cents to the simple average of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade AA (93-score), bulk creamery butter per pound at Chicago, as reported by the Department during the month, and multiply the result by 4.8: *Provided*, That if no price is reported for Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter.

(2) Multiply by 8.2 the simple average of the weighted averages of carlot prices per pound for spray and roller process nonfat dry milk for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the Department; and

(3) From the sum of the results arrived at under subparagraphs (1) and (2) of this paragraph, subtract 80 cents and round to the nearest cent.

(d) *Supply-demand adjustment.* On or before the 6th day of each month the market administrator shall make the following computations based upon information obtained from handler's reports of receipts and utilization:

(1) Determine the total receipts of producer milk by all handlers (including receipts from a handler's own farm production) during the second and third months preceding;

(2) Determine the total pounds of milk and milk products disposed of from pool plants as Class I milk (excluding shrinkage, unaccounted for milk, and any duplications resulting from inter-handler transfers) during the same two months; and

(3) Divide the amount obtained in subparagraph (2) of this paragraph by the amount obtained in subparagraph (1) of this paragraph, and adjust to the nearest full percentage point. The resulting percentage shall be known as the "current supply-demand ratio."

(4) Whenever the current supply-demand ratio varies from the standard utilization percentage for the current month set forth in the following table the Class I price shall be increased or decreased 5.0 cents for each full percentage point that the current supply-demand ratio is above or below, respectively, the percentage for such month set forth in the table, but such price shall not be increased or decreased more than 50 cents for any month because of the current supply-demand ratio:

Month to which applicable	Standard percentages	Months used in computing current supply-demand ratio
January.....	84	October-November.
February.....	83	November-December.
March.....	80	December-January.
April.....	82	January-February.
May.....	81	February-March.
June.....	79	March-April.
July.....	70	April-May.
August.....	64	May-June.
September.....	66	June-July.
October.....	69	July-August.
November.....	75	August-September.
December.....	81	September-October.

§ 1008.52 *Butterfat differentials to handlers.* If the average butterfat content of Class I milk or Class II milk, computed pursuant to § 1008.45, for any handler for any month differs from 4.0 percent, there shall be added to, or subtracted from, the applicable class price (§ 1008.51) for each one-tenth of 1 percent that the average butterfat content of such class is respectively above, or below, 4.0 percent, a butterfat differential computed by the market administrator as follows:

(a) *Class I milk.* Add 3 cents to the simple average of the daily wholesale selling prices per pound (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter at Chicago, as reported by the Department during the preceding month, multiply the result by 0.123, and round to the nearest tenth of a cent: *Provided*, That if no price is reported for Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter.

(b) *Class II milk and Class II-A milk.* Add 3 cents to the simple average of the daily wholesale selling prices per pound (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter at Chicago, as reported by the Department, during the month, multiply the result by 0.115, and round to the nearest tenth of a cent: *Provided*, That if no price is reported for Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter.

§ 1008.53 *Location adjustment credits to handlers.* The price for Class I milk at a pool plant located more than 50 miles from the City Hall, Spokane, Washington, shall be, regardless of point of sale within or outside the marketing area, the same as the price for Class I milk pursuant to § 1008.51 (a), less a location adjustment per hundredweight of milk computed as follows: 3 cents for each 10 miles, or major fraction thereof, up to 100 miles, an additional 2.0 cents for each 10 miles, or major fraction thereof, for distances in excess of 100 miles but not more than 200 miles, and an additional 1.0 cent for each 10 miles, or major fraction thereof, in excess of 200 miles, by the shortest hard-surfaced highway distance, as determined by the market administrator, from such pool

plant to the City Hall, Spokane, Washington.

§ 1008.54 *Use of equivalent prices.* If for any reason a price quotation required by this part for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

#### DETERMINATION OF BASE

§ 1008.60 *Computation of producer bases.* Subject to the rules set forth in § 1008.61 the market administrator shall determine bases for producers in the following manner:

(a) The daily base of each producer whose milk was received at a pool plant(s) on not less than 120 days during the months of September through January, inclusive, shall be an amount computed by dividing such producer's total pounds of milk delivered to a pool plant in such five-month period by the number of days from the date of his first delivery to the end of such five-month period: *Provided*, That the daily base of any producer who delivered milk on not less than 120 days during such September-January period to a plant which subsequently qualified as a pool plant shall be computed, in similar manner, on the basis of such producer's deliveries to such plant in such September-January period. The base so computed, which shall be recomputed each year, shall become effective on the first day of March next following and shall remain in effect through the month of February of the next succeeding year.

(b) The base of any producer who is not eligible to receive a base computed pursuant to paragraph (a) of this section (including any producer for whom a base may not be computed pursuant to this section because of lack of available information concerning such producer's deliveries in the applicable September-January period) shall be a quantity, to be effective for the current month only, computed by multiplying his deliveries to a pool plant(s) during the month by the appropriate monthly percentage in the following table:

January	80	July	65
February	75	August	70
March	70	September	75
April	60	October	80
May	60	November	80
June	60	December	80

§ 1008.61 *Base rules.* The following rules shall be observed in determination of bases:

(a) A base computed pursuant to § 1008.60 (a) may be transferred in its entirety to another producer upon written notice to the market administrator on or before the last day of the month of transfer, but only if a producer sells, leases, or otherwise conveys his herd to the same producer and it is established to the satisfaction of the market administrator that the conveyance of the herd was bona fide and not for the purpose of evading any provision of this part: *Provided*, That all deliveries of milk by a producer who has transferred his base to another producer shall be excess

milk until March 1 next following such transfer.

(b) A producer who ceases deliveries to a pool plant for more than 45 consecutive days shall lose his base if computed pursuant to § 1008.60 (a) and if he resumes deliveries to such a plant he shall be paid on a base determined pursuant to § 1008.60 (b) until he can establish a new base under § 1008.60 (a), to begin the next March 1.

(c) By notifying the market administrator in writing on or before the 15th day of any month, a producer holding a base established pursuant to § 1008.60 (a) may relinquish such base by cancellation, and effective from the first day of the month in which notice is received by the market administrator until the next March 1 such producer's base shall be computed in the manner provided by § 1008.60 (b).

(d) As soon as bases computed by the market administrator under § 1008.60 (a) and (b) are allotted, notice of the amount of each producer's base shall be given by the market administrator to the handler receiving such producer's milk and to the cooperative association of which the producer is a member. Each handler, following receipt of such notice, shall promptly post in a conspicuous place at each of his plants a list (or lists) showing the base of each producer whose milk is received at such plant.

(e) If a producer operates more than one farm, he shall establish a separate base with respect to producer milk delivered from each such farm.

(f) Only producers as defined in § 1008.11 may establish or earn a base pursuant to the provisions of § 1008.60 (a) or (b) and only one base shall be allotted with respect to milk produced by two or more persons where the land, buildings, or equipment used are jointly owned or operated.

#### DETERMINATION OF UNIFORM PRICE

§ 1008.70 *Computation of value of milk.* (a) The total value of milk received during any month by each handler, including any cooperative association which is a handler, shall be a sum of money computed by the market administrator as follows:

(1) Multiply the pounds of producer milk in each class for such month by the class price (§ 1008.51) and add together the resulting amounts;

(2) Deduct the total amount of all location adjustment credits computed in accordance with § 1008.53;

(3) Add or subtract, as the case may be, the amount necessary to correct errors as disclosed by the verification of the reports of such handler of his receipts and utilization of skim milk and butterfat in previous months for which payment has not been made.

(4) Add, if such handler had overage, an amount computed by multiplying the pounds of such overage (except overage prorated to other source milk) deducted from each class pursuant to § 1008.45 by the applicable class price: *Provided*, That if (i) overage results in a pool plant having receipts of other source milk, the total overage shall be prorated between other source milk and all other receipts,

and (ii) overage results in a nonpool plant located on the same premises as a pool plant, such overage shall be prorated between the quantity transferred from the pool plant and other source milk in such nonpool plant, and the transferor handler shall be charged at the applicable class price for the amount of overage allocated to the transferred quantity.

(5) Add, with respect to other source milk (including overage allocated to other source milk but excluding other order milk) received at each pool plant of such handler in excess of the total volume of his Class II milk (except allowable shrinkage) at such plant, an amount computed by multiplying the hundredweight of such other source milk by the difference between the Class I milk and Class II milk (other than Class II A) prices adjusted, respectively, by the butterfat differentials provided in § 1008.52 (based on the butterfat test of such other source milk): *Provided*, That if the plant supplying such milk is located outside the marketing area and more than 50 miles from the City Hall, Spokane, Washington, the rate of payment per hundredweight of milk otherwise required by this subparagraph shall be reduced by the rate of location adjustment provided in § 1008.53 for the distance such plant is located from the City Hall, Spokane, Washington, but not to exceed \$1.90 per hundredweight.

(6) Add the amount computed by multiplying the difference between the Class II price (§ 1008.51 (c)) for the preceding month and the Class I milk price for the current month by the hundredweight of skim milk and butterfat remaining in Class II milk after the calculations pursuant to § 1008.45 (a) (4) and (b) for the preceding month or the hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 1008.45 (a) (3) and (b) for the current month, whichever is less.

(b) The value of milk (except other order milk) of each handler at any plant where only other source milk was received and from which, during the month, some other source milk was disposed of in the marketing area as Class I milk pursuant to § 1008.41 (a) (1), (2), or (3) shall be a sum of money computed by the market administrator by multiplying the hundredweight of other source milk so disposed of by the difference between the Class I and Class II milk (other than Class II A) prices, adjusted by the butterfat differentials provided in § 1008.52 (based on the butterfat test of such other source milk), and by the same rate of location differential, if any, provided in paragraph (a) (5) of this section: *Provided*, That a producer-handler shall not be obligated for payments under this paragraph with respect to that portion of other source milk represented by his own farm production.

§ 1008.71 *Computation of uniform price.* For each month the market administrator shall compute the uniform prices per hundredweight for base milk and excess milk received from producers as follows:

(a) Combine into one total the values computed pursuant to § 1008.70 for all

handlers who made the reports prescribed in § 1008.30 and who made the payments pursuant to § 1008.84 for the preceding month;

(b) Add the aggregate of values of the location adjustments on base milk allowable pursuant to § 1008.81;

(c) Add an amount representing not less than one-half the unobligated cash balance in the producer-settlement fund;

(d) Subtract, if the average butterfat content of the milk represented by the values included under paragraph (a) of this section is greater than 4 percent, or add, if such average butterfat content is less than 4 percent, an amount computed by multiplying the amount by which the average butterfat content of base and excess milk varies from 4 percent by the appropriate butterfat differentials computed pursuant to § 1008.82, and multiply the resulting figures by the respective hundredweights of base and excess milk;

(e) Multiply the hundredweight of excess milk by the Class II (other than Class II A) price for 4.0 percent milk;

(f) Compute the total value of base milk by subtracting the amount computed pursuant to paragraph (e) of this section from the net amount computed pursuant to paragraph (d) of this section: *Provided*, That if such result is greater than an amount computed by multiplying the hundredweight of base milk by the Class I milk price (for 4.0 percent milk) plus 4 cents, such amount in excess thereof shall be subtracted from the result obtained prior to this proviso;

(g) Divide the net amount obtained in paragraph (f) of this section by the total hundredweight of base milk and subtract not less than 4 cents but less than 5 cents. This result shall be known as the uniform price per hundredweight of base milk of 4.0 percent butterfat content; and

(h) Divide the sum of the amount obtained in paragraph (e) of this section and any amount subtracted pursuant to the proviso of paragraph (f) of this section by the hundredweight of excess milk, and subtract any fractional part of one cent. This result shall be known as the uniform price per hundredweight of excess milk of 4.0 percent butterfat content.

#### PAYMENTS

§ 1008.80 *Time and method of payment to producers and to cooperative associations.* (a) On or before the 17th day after the end of each month, each handler, including a cooperative association which is a handler, shall make payment to each producer, for milk received at his plant from such producer during such month pursuant to subparagraphs (1) and (2) of this paragraph: *Provided*, That such payment shall be made, upon request, to a cooperative association, or to its duly authorized agent, qualified under § 1008.5 with respect to milk received from each producer who has given such association authorization by contract or by other written instrument to collect the proceeds from the sale of his milk, and any payment made pursuant to this proviso shall be made on or before the 16th day

after the end of such month: *And provided further*, That, if by such date such handler has not received full payment for such month pursuant to § 1008.85, he shall not be deemed to be in violation of this paragraph if he reduces uniformly for all producers his payments per hundredweight pursuant to this paragraph by a total amount not in excess of the reduction in payment from the market administrator; however, the handler shall make such balance of payment uniformly to those producers to whom it is due on or before the date for making payments pursuant to this paragraph next following that on which such balance of payment is received from the market administrator.

(1) At not less than the uniform price for base milk for the quantity of base milk received, adjusted by the location adjustment computed pursuant to § 1008.81 and by the butterfat differential computed pursuant to § 1008.82.

(2) At not less than the uniform price for excess milk for the quantity of excess milk received, adjusted by the butterfat differential computed pursuant to § 1008.82.

(b) On or before the 16th day after the end of each month each handler shall pay to each cooperative association which operates a pool plant for skim milk and butterfat received from such cooperative association during such month, an amount of money computed by multiplying the total pounds of such skim milk and butterfat in each class (pursuant to § 1008.41) by the class price.

(c) None of the provisions of this section shall be construed to restrict any cooperative association qualified under section 8c (5) (F) of the act from making payment for milk to its producers in accordance with such provision of the act.

§ 1008.81 *Location adjustments to producers.* In making payment to producers pursuant to § 1008.80 for milk received at a pool plant to which the provisions of § 1008.53 apply, the uniform price per hundredweight for base milk shall be reduced at the same rate per hundredweight as is applicable to Class I milk at such plant pursuant to § 1008.53.

§ 1008.82 *Producer butterfat differential.* In making payments pursuant to § 1008.80 (a) for base milk and for excess milk, there shall be added to, or subtracted from, the uniform prices thereof for each one-tenth of 1 percent that the average butterfat content of the milk received from the producer is above or below 4.0 percent, butterfat differentials computed by the market administrator as follows:

(a) The butterfat differential for base milk shall be computed by multiplying the butterfat differential for Class I milk by the percentage of the butterfat contained in base milk that is allocated to Class I, and by multiplying the remaining percentage of butterfat within base milk by the butterfat differential for Class II milk, adding together the resulting amounts, and rounding to the nearest tenth of a cent.

(b) The butterfat differential for excess milk shall be the same as the butterfat differential for Class II milk.

§ 1008.83 *Producer-settlement fund.* The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund," into which he shall deposit all payments made by handlers pursuant to § 1008.84 and out of which he shall make all payments to handlers pursuant to § 1008.85.

§ 1008.84 *Payments to the producer-settlement fund.* (a) On or before the 14th day after the end of the month during which the milk was received, each handler, including a cooperative association which is a handler, whose obligation is computed pursuant to § 1008.70 (a) shall pay to the market administrator the amount, if any, by which the total value of such handler's milk as determined pursuant to § 1008.70 is greater than the value of such handler's producer milk computed at the minimum uniform prices as specified in § 1008.80 (a).

(b) Each handler (including any handler who may also have an obligation pursuant to paragraph (a) of this section) who disposes of milk as described in § 1008.70 (b) shall pay the amount computed for him pursuant to such paragraph.

§ 1008.85 *Payments out of the producer-settlement fund.* On or before the 15th day after the end of the month during which the milk was received, the market administrator shall pay to each handler, including a cooperative association which is a handler, the amount, if any, by which the total value of such handler's milk as determined pursuant to § 1008.70 is less than the value of such handler's producer milk computed at the minimum uniform prices as specified in § 1008.80 (a), and less any unpaid obligations of such handler to the market administrator pursuant to §§ 1008.84, 1008.86, 1008.87, and 1008.88: *Provided*, That, if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

§ 1008.86 *Adjustments of accounts.* Whenever verification by the market administrator of reports or payments of any handler discloses errors resulting in money due (a) the market administrator from such handler, (b) such handler from the market administrator, or (c) any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred following the 5th day after such notice.

§ 1008.87 *Marketing services.* (a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers (other than with respect to milk of such handler's own production) pursuant to § 1008.80 (a), shall make a deduction of 5 cents per hundredweight of milk, or such amount not exceeding 5 cents per hundredweight as the Secretary may prescribe, with respect to the following:

(1) All milk received from producers at a plant not operated by a cooperative association;

(2) All milk received at a plant operated by a cooperative association from producers who are not members of such association; and

(3) All milk received at a plant operated by a cooperative association(s) from producers who are members thereof but for whom any of the services set forth below in this paragraph is not being performed by such association(s), as determined by the market administrator. Such deduction shall be paid by the handler to the market administrator on or before the 14th day after the end of the month. Such moneys shall be expended by the market administrator for the verification of weights, sampling and testing of milk received from producers and in providing for market information to producers; such services to be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) In the case of each producer (1) who is a member of, or who has given written authorization for the rendering of marketing services and taking of deduction therefor to, a cooperative association, (2) whose milk is received at a plant not operated by such association, and (3) for whom the market administrator determines that such association is performing the services described in paragraph (a) of this section, each handler shall deduct, in lieu of the deduction specified under paragraph (a) of this section, from the payments made pursuant to § 1008.80 (a) the amount per hundredweight of milk authorized by such producer and shall pay over, on or before the 16th day after the end of the month, such deduction to the association entitled to receive it under this paragraph.

§ 1008.88 *Expense of administration.* As his pro rata share of the expense of administration of this part, each handler, including any cooperative association which is a handler but not including a producer-handler, shall pay to the market administrator on or before the 14th day after the end of each month 4 cents per hundredweight, or such amount not exceeding 4 cents per hundredweight as the Secretary may prescribe, with respect to all receipts within such month of (a) other source milk (except other order milk) classified as Class I milk, and (b) milk received from producers, including such handler's own production.

§ 1008.89 *Termination of obligations.* The provisions of this section shall apply to any obligation under this part for the payment of money:

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writ-

ing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information.

(1) The amount of obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate two years after the end of the month during which the milk involved in the claims was received if an underpayment is claimed, or two years after the end of the month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8e (15) (A) of the act, a petition claiming such money.

#### EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 1008.90 *Effective time.* The provisions of this part or any amendment to this part shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 1008.91.

§ 1008.91 *Suspension or termination.* The Secretary may suspend or terminate this part or any provision of this part whenever he finds this part or any provision of this part obstructs or does not tend to effectuate the declared policy of the act. This part shall terminate in any event whenever the provisions of the act authorizing it cease to be in effect.

§ 1008.92 *Continuing obligations.* If, upon the suspension or termination of any or all provisions of this part there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 1008.93 *Liquidation.* Upon the suspension or termination of the provisions of this part, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall if so directed by the Secretary liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expense of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

#### MISCELLANEOUS PROVISIONS

§ 1008.100 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

§ 1008.101 *Separability of provisions.* If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such provision and of the remaining provisions of this part to other persons or circumstances shall not be affected thereby.

Issued at Washington, D. C., this 9th day of August 1957.

[SEAL] F. R. BURKE,  
Acting Deputy Administrator.

[F. R. Doc. 57-6672; Filed, Aug. 13, 1957;  
8:54 a. m.]

## DEPARTMENT OF COMMERCE

### Civil Aeronautics Administration

#### [ 14 CFR Part 617 ]

#### CONTROL OF GROUND TRAFFIC BY AN AIRPORT CONTROL TOWER

#### NOTICE OF PROPOSED RULE MAKING

Under the present definition of the movement area of an airport and other provisions of Part 617, an airport traffic control tower is responsible for the control of aircraft and vehicles maneuvering within the parking or ramp areas of an airport as well as on the runways and taxiways. Due to the increased size, traffic density, traffic intermixture, and complexity of modern airports, an airport traffic controller cannot efficiently

control, by voice methods or other known means from an airport tower, ground traffic moving to and from the numerous hangars, loading ramps and facilities located within the parking and ramp areas of an airport. Therefore, the Administrator believes that a more efficient flow of ground traffic can be accomplished within those areas if control of such traffic is exercised by the airport operator instead of the airport traffic controller. Control of traffic by the airport operator within such areas may be accomplished by a traffic light system, "follow me" car or attendant, or any other traffic control system which the airport operator deems appropriate for the particular airport.

The control of such ground traffic by the airport operator will permit the airport traffic controller to concentrate his efforts upon the control of traffic engaged in landing or take-off or operating within a defined movement area of the airport. However, to permit such dual control by the airport traffic controller and the airport operator, and to delineate clearly those areas within which their respective controls may be exercised, the Administrator proposes the following amendments to Part 617 of the Regulations of the Administrator. These amendments revise the definition of the movement area of an airport by limiting such area to the runways, taxiways, and other operating areas designated by the Administrator and posted as such for each particular airport. In addition, other sections of that Part are amended by limiting the ground control responsibility of the airport control tower to aircraft and vehicles within the movement area of the airport.

Interested persons may participate in the making of the proposed rules by submitting such data, views or arguments as they desire to the Director, Office of Air Traffic Control, Civil Aeronautics Administration, Washington 25, D. C., prior to September 15, 1957.

In view of the foregoing, notice is hereby given that it is proposed to amend Part 617 as follows:

1. Amend the definition of "movement area" contained in § 617.1 to read:

*Movement area.* The runways, taxiways, and other areas, excluding ramps and parking areas, within the posted ATC control limits of an airport.

2. Amend § 617.21 (a) (1) to read as follows:

§ 617.21 *General responsibility*—(a) *Responsibility of airport traffic control towers.* (1) An airport traffic control tower is responsible for the issuance of clearances and information to pilots of aircraft for the purpose of preventing collision between:

- (i) Aircraft operating within the movement area of an airport.
- (ii) Aircraft and vehicles operating within the movement area of an airport.
- (iii) Aircraft in the traffic pattern, and landing and taking off on the movement area.

3. Change the title of § 617.22 to read:

§ 617.22 *Control of traffic on and in the vicinity of a movement area.*

4. Amend § 617.22 (a) by changing the words "landing area" appearing in the first sentence to "movement area of the airport" and the words "landing areas" appearing in the second sentence to "airports".

5. Amend § 617.22 (b) (5) to read as follows:

§ 617.22 *Control of traffic on and in vicinity of a movement area.* \* \* \*

(b) *Critical positions of aircraft in the traffic and taxi patterns.* \* \* \*

(5) Clearance to taxi on taxiways within the movement area of the airport.

6. Amend § 617.22 (d) (5) to read:

(d) *Control of taxiing aircraft.* \* \* \*

(5) The control of taxiing aircraft and vehicles outside the movement area is the responsibility of the operators of the aircraft and vehicles, unless control is exercised within such areas by the operator of the airport.

7. Delete § 617.22 (d) (6).

8. Amend § 617.22 (f) by changing the words "landing area" in the title of this paragraph to "movement area."

9. Amend § 617.22 (f) (1) by changing the words "landing area" appearing in the first and last sentence thereof to read: "movement area."

10. Amend § 617.22 (f) (2) by changing the words "landing area" appearing in the second and third sentence thereof to read: "movement area of the airport."

11. Amend § 617.22 (g) by changing the words "landing area" appearing in the title of this paragraph to "movement area."

12. Amend § 617.23 (c) (1) by changing the words "landing area" appearing therein to "movement area."

13. Amend § 617.23 (e) (1) by changing the words "landing area" appearing in the chart under this paragraph to "movement area."

14. Amend § 617.23 (f) (1) by changing the words "landing area" appearing in the first sentence thereof to "movement area."

15. Amend § 617.25 (a) (2) (i) by changing the words "landing area" wherever they appear in the second sentence of this paragraph to "movement area."

16. Amend § 617.25 (b) (2) (i) by changing the words "landing area" in the first sentence to "movement area."

17. Amend § 617.25 (b) (4) (iii) by changing the words "landing area" in the first sentence to "movement area."

18. Amend § 617.26 (a) (1) by deleting the words "landing area" in the second sentence and substituting the words "movement area."

19. Amend § 617.25 (a) (3) to read as follows:

617.26 *Local traffic information*—(a) *Essential local traffic.* \* \* \*

(3) Essential ground traffic shall include any aircraft, vehicle or personnel on the movement area which might constitute a hazard to the operation of the aircraft concerned.

20. Amend § 617.27 (a) (2) (ii) by changing the words "landing area" to "movement area."

21. Amend § 617.30 (b) (1) (i) (a), (b), (c), (d), and (g) by changing the words "landing area" wherever they appear therein to "movement area."

22. Amend § 617.30 (c) (1) by changing the words "landing area" appearing in the last sentence to "movement area."

23. Amend § 617.30 (c) (2) (i) (e) by changing the words "landing area" appearing in the third sentence to "movement area."

24. Amend § 617.30 (h) (2) by changing the words "landing area" in the second sentence of this paragraph to "movement area."

(Sec. 302 (a), 52 Stat. 985, as amended by 62 Stat. 1216, 49 U. S. C. 452; Sec. 601, 52 Stat. 1007, as amended by 62 Stat. 1216, 49 U. S. C. 551)

[SEAL] JAMES T. PYLE,  
Administrator.

AUGUST 7, 1957.

[F. R. Doc. 57-6654; Filed, Aug. 13, 1957; 8:50 a. m.]

## NOTICES

### DEPARTMENT OF COMMERCE

#### Federal Maritime Board

WARD GARCIA, S. A. (WARD LINE) AND BULL INSULAR LINE, INC.

#### NOTICE OF CANCELLATION OF AGREEMENT

Notice is hereby given that by order dated August 1, 1957, the Federal Maritime Board approved the cancellation of the following described agreement pursuant to section 15 of the Shipping Act, 1916, 39 Stat. 733, 46 U. S. C. 814:

Agreement No. 8124, between Ward Garcia, S. A. (Ward Line) and Bull Insular Line, Inc., covering the transportation of cargo under through bills of lading from Puerto Rico to Mexico, with

transshipment at New York, Baltimore or Philadelphia.

By order of the Federal Maritime Board.

GEO. A. VIEHMANN,  
Assistant Secretary.

AUGUST 9, 1957.

[F. R. Doc. 57-6670; Filed, Aug. 13, 1957; 8:54 a. m.]

#### Office of the Secretary

FRANK R. BAILEY

#### STATEMENT OF CHANGES IN FINANCIAL INTERESTS

In accordance with the requirements of section 710 (b) (6) of the Defense Pro-

duction Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER of December 3, 1955, 20 F. R. 8937; March 15, 1956, 21 F. R. 1665; August 15, 1956, 21 F. R. 6098; February 7, 1957, 22 F. R. 772.

A. Deletions: None.  
B. Additions: None.

This statement is made as of August 1, 1957.

Dated: August 2, 1957.

FRANK R. BAILEY.

[F. R. Doc. 57-6629, Filed, Aug. 13, 1957, 8:45 a. m.]

CARL O. FRIEND

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

In accordance with the requirements of section 710 (b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER of February 20, 1957, 22 F. R. 1044.

A. Deletions: Continental Motors, Inc.  
B. Additions: No change.

This statement is made as of August 1, 1957.

Dated: August 1, 1957.

CARL O. FRIEND.

[F. R. Doc. 57-6629, Filed, Aug. 13, 1957, 8:45 a. m.]

LOUIS A. SCHLUETER

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

In accordance with the requirements of section 710 (b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER of December 3, 1955, 20 F. R. 8941; March 20, 1956, 21 F. R. 1736; August 15, 1956, 21 F. R. 6098; February 14, 1957, 22 F. R. 937.

A. Deletions: None.  
B. Additions: None.

This statement is made as of August 1, 1957.

Dated: August 1, 1957.

LOUIS A. SCHLUETER.

[F. R. Doc. 57-6631; Filed, Aug. 13, 1957; 8:45 a. m.]

ARTHUR W. WINSTON

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

In accordance with the requirements of section 710 (b) (6) of the Defense Production Act of 1950, as amended, and

Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER of February 7, 1957, 22 F. R. 772.

A. Deletions: No change.  
B. Additions: No change.

This statement is made as of July 29, 1957.

Dated: July 29, 1957.

ARTHUR W. WINSTON.

[F. R. Doc. 57-6632; Filed, Aug. 13, 1957; 8:45 a. m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[C-018101]

COLORADO

ORDER PROVIDING FOR OPENING OF PUBLIC LANDS; CORRECTION

AUGUST 5, 1957.

Pursuant to authority delegated to me by Order No. 541, section 2.5 of the Director, Bureau of Land Management, approved April 21, 1954 (19 F. R. 2473), Order Providing for Opening of Public Lands appearing as Federal Register Document 57-5177 in the FEDERAL REGISTER issue of June 26, 1957, Pages 4479-4480, is corrected as follows:

Under paragraph a, the words " \* \* \* and applications and offers under the mineral leasing laws \* \* \* " should be deleted.

Under paragraph a (3), the words " \* \* \* and applications and offers under the mineral leasing laws \* \* \* " should be deleted.

J. ELLIOTT HALL,  
Acting State Supervisor.

[F. R. Doc. 57-6639; Filed, Aug. 13, 1957; 8:47 a. m.]

[C-018448]

COLORADO

ORDER PROVIDING FOR OPENING OF PUBLIC LANDS; AMENDMENT

AUGUST 5, 1957.

Pursuant to authority delegated to me by Order No. 541, Sec. 2.5 of the Director, Bureau of Land Management, approved April 21, 1954 (19 F. R. 2473), Order Providing for Opening of Public Lands appearing as Federal Register Document 57-6133 in the FEDERAL REGISTER issue of July 27, 1957, page 5967 is amended as follows:

Under paragraph a, the words " \* \* \* and applications and offers under the mineral leasing laws \* \* \* " should be deleted.

Paragraph a (3) should be deleted and the following paragraph substituted:

(3) All valid applications and selections under the nonmineral public land laws, other than those coming under paragraphs (1) and (2) above, presented prior to 10:00 a. m. on November 23, 1957 will be considered as simultaneously filed at that hour. Rights under such applica-

tions and selections filed after that hour will be governed by the time of filing.

J. ELLIOTT HALL,  
Acting State Supervisor.

[F. R. Doc. 57-6640; Filed, Aug. 13, 1957; 8:47 a. m.]

[Classification Order 23]

NEW MEXICO

SMALL TRACT CLASSIFICATION AMENDED

AUGUST 6, 1957.

Pursuant to authority delegated to me by Bureau Order No. 541, dated April 21, 1954 (19 F. R. 2473), I hereby amend New Mexico Small Tract Classification Order No. 23, appearing as F. R. Doc. 49-7837, filed September 28, 1949 as amended by New Mexico Small Tract Classification Order No. 23, amended under date of January 13, 1950, as follows:

Whereas the above described Classification Order as amended, classified as suitable for lease and sale as home, cabin, and business sites, or combination home and business sites under the act of June 1, 1938 (52 Stat. 609; 43 U. S. C. 682a), among other lands, those described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

T. 20 N., R. 9 E.,  
Sec. 30, Lots 1, 2, 5, 6, and E $\frac{1}{2}$ NW $\frac{1}{4}$ .

The area described contains 250.69 acres.

No applications for the above described lands have been received; and since divers persons have alleged that the lands are mineralized and desire to locate mining claims thereon, the said lands are hereby declassified as small tract sites, and are restored to the status of public domain and to the operation of all applicable mining and public land laws.

W. J. ANDERSON,  
Acting State Supervisor.

[F. R. Doc. 57-6641; Filed, Aug. 13, 1957; 8:47 a. m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-50]

NORTH AMERICAN AVIATION, INC.

NOTICE OF ISSUANCE OF LICENSE

Please take notice that the Atomic Energy Commission on August 5, 1957, issued License No. R-19 to North American Aviation, Inc., authorizing operation of a 5-watt solution-type research reactor at Canoga Park, California. A notice of proposed issuance of this license was published in the FEDERAL REGISTER on July 17, 1957, 22 F. R. 5648.

Dated at Washington, D. C., this 5th day of August 1957.

For the Atomic Energy Commission.

H. L. PRICE,  
Director,

Division of Civilian Application.

[F. R. Doc. 57-6599; Filed, Aug. 13, 1957; 8:45 a. m.]

## DEPARTMENT OF AGRICULTURE

## Office of the Secretary

## INDIANA

DESIGNATION OF AREA FOR PRODUCTION  
EMERGENCY LOANS

For the purpose of making production emergency loans pursuant to section 2 (a) of Public Law 38, 81st Congress (12 U. S. C. 1148a-2 (a)), as amended, it has been determined that in White County in the State of Indiana a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

Pursuant to the authority set forth above, production emergency loans will not be made in the above-named county after June 30, 1958, except to applicants who previously received such assistance and who can qualify under established policies and procedures.

Done at Washington, D. C., this 9th day of August 1957.

[SEAL]

TRUE D. MORSE,  
Acting Secretary.[F. R. Doc. 57-6675; Filed, Aug. 13, 1957;  
8:55 a. m.]FEDERAL COMMUNICATIONS  
COMMISSION

[Docket No. 11972; FCC 57M-765]

AMERICAN TELEPHONE AND TELEGRAPH CO.  
ET AL.

## ORDER AFTER PREHEARING CONFERENCE

In the matter of American Telephone and Telegraph Company et al., Docket No. 11972; lease and maintenance of equipment and facilities for private communication systems.

1. Pursuant to Hearing Examiner order dated June 11, 1957, a prehearing conference was held on July 2, 1957, as shown by Transcript Volume 1, pages 1-97, which is made a part of the record herein. Except as noted in paragraph 2, all parties were represented by counsel as indicated in the attached appendix which is incorporated by reference in this order. Also shown in the appendix are the short names of the various parties which, for convenience in this order and in the further proceedings, will be used to identify the several parties and groups of parties. The agreements and determinations derived in the prehearing conference are set out in this order.

2. It was ascertained that counsel for some of the respondent and intervenor parties had not filed the statement of appearance required by § 1.716 of the Commission's rules; however, each participant agreed to waive the provisions of that rule and all represented parties participated fully in the prehearing conference. At the time of the prehearing conference certain persons were then seeking to be made parties intervenor herein; the attorneys for all parties present interposed no objection to the proposed interventions and agreed that counsel for such petitioners might par-

ticipate in the prehearing conference and in the procedures therein determined upon. Accordingly, the appendix lists all parties now authorized to participate in this proceeding. The listed intervenors Watson, PCA, and Goodenough were formally admitted to participation by orders issued after the prehearing conference.

3. This proceeding is an investigation instituted by the Commission to ascertain facts and information concerning AT&T Tariff FCC No. 235, the particular areas of inquiry being stated in Issues 1, 2, and 3 (a)-3 (d). The hearing is to be conducted by the Hearing Examiner solely for the purpose of developing an evidentiary record which shall be certified to the Commission without the filing of either an initial or a recommended decision. The Commission determined, in disposing of petitions by PIEA and Motorola, that this is not an adjudication proceeding under either the Administrative Procedure Act or the 1952 Amendments to the Communications Act. (See the Commission's Memorandum Opinion and Order released May 31, 1957, 22 FCC 1220, 15 RR 189.) Counsel for Motorola stated on the record its continuing exception to the adverse rulings of the Commission therein set out, and noted that its participation in the proceedings shall not be deemed a waiver of the jurisdiction and issue enlargement contentions presented by the Motorola petition. Also, counsel for PIEA expressly stated that its continuing participation in this proceeding is not to be deemed a waiver of the contentions set out in its pending petition for reconsideration of certain rulings in the above-cited Memorandum Opinion and Order.

4. The Commission's orders governing this proceeding point out that the hearing appropriately may be divided into two parts; for the convenience of all concerned, the hearing phases are hereinafter referred to as Part A and Part B, the latter being deferred. The matters considered at the prehearing conference were limited to the steps and procedures to be followed in Part A of this proceeding. Part A, upon which evidence will be completed and the record thereupon forthwith submitted to the Commission, presents so-called jurisdictional questions by Issues 1 and 2 which are stated in the Commission's orders as follows:

(1) Whether the lease and maintenance of private mobile communications systems as contemplated by the aforementioned tariff schedules (Tariff FCC No. 235) of AT&T constitute a common carrier communication service subject to the jurisdiction of the Commission under the provisions of Title II of the Communications Act of 1934, as amended; and, if not, whether such tariff schedules should be stricken from the files of the Commission and returned to AT&T.

(2) The terms, conditions, and arrangements under which the Bell System companies (other than AT&T) now provide and intend to provide equipment and facilities on a lease and maintenance basis for private communications

systems to persons eligible to be licensed by the Commission in any of the Safety and Special Radio Services, and the extent to which such services constitute or will constitute common carrier communication services subject to the jurisdiction of the Commission under Title II of the Communications Act of 1934, as amended.

5. Bureau counsel agreed to prepare from the Commission's files and records a documentary exhibit or exhibits setting out all correspondence relating to the tariff under investigation. Counsel for Motorola suggested that those exhibits should include such correspondence, if any, with other government agencies concerning the tariff as may not be in the public docket files; the matter thus raised was deferred, by agreement, for disposition after informal discussions among the attorneys concerned. Bureau counsel expects to prepare and submit an exhibit embodying the tariffs which are to be officially noticed or incorporated by reference in this record. The Bureau exhibits here referred to will be notified to all participants in this proceeding on or before Friday, September 6, 1957, in the manner hereinafter specified.

6. Respondents will proceed first with the presentation of their evidence which will be directed towards the various points and requests set out in the Commission's letter of April 11, 1957 to the respondents; copies of that letter have been or will be made available to all parties herein. Respondents' evidence will also pertain to some other aspects of the matters set out in the letter which the respondents believe to be relevant to the subject under inquiry. Some requests and suggestions for particular evidence not necessarily specified in the Commission's letter were set out in a letter from Motorola to the Commission dated June 13, 1957; the Motorola letter is deemed to be notice to the respondents of the scope and type of information which will be sought by Motorola through cross-examination and otherwise, to the extent that such matters are not covered by the respondents' direct affirmative evidence.

7. The respondents expect to offer evidence through approximately five witnesses. Their direct testimony will be prepared in writing, in either narrative or question and answer form, and will be verified by the witnesses. The written testimony and associated exhibits, comprising the direct affirmative case for the respondents, will be notified to and served upon counsel for all parties to this proceeding on or before Friday, September 6, 1957, as specified in this order.

8. At the hearing the direct affirmative testimony and exhibits for the respondents will be offered in evidence, and the witnesses will be then available for direct and cross-examination. The oral examination of each witness will be completed before another witness is offered. Cross-examination will be fully completed before redirect examination. It was tentatively agreed that the order of cross-examination will be as follows:

Watson, Motorola, GSA, USITA, PIEA, PCA, Goodenough, and Bureau. It is expected that the parties' attorneys will endeavor to consolidate, apportion, and otherwise limit cross-examination to the end that essential matters will be adequately but not cumulatively developed.

9. The several intervenors are not prepared to forecast definitely their evidentiary showings and expected procedures until after they have examined the evidence to be offered by the respondents. In the aggregate, the intervenors' witnesses and exhibits, though yet uncertain, are expected to be few in number. It may develop, from informal conferences among counsel after presentation of the respondents' evidence, that the evidence for some or all of the intervenors will consist of prepared written testimony and exhibits, but the right to present oral testimony is not now waived by any intervenor. The forms and procedures to be followed in receiving evidence for the intervenors, including the prior exchange of testimony and exhibits, will be determined upon and defined at the hearing. Evidence on behalf of non-parties may be offered, with the cooperation of Bureau counsel, pursuant to § 1.723 of the Commission's rules.

10. The evidentiary record will include various material and relevant facts shown by the public records and files of the Commission. Such matters may be made a part of this hearing record through official notice or incorporation by reference. Parties desiring that such public record facts be made a part of this record shall explicitly and specifically so request; only relevant and material portions of public documents will be subject to inclusion in the evidentiary record. For convenience, each party so seeking the inclusion of official record facts shall furnish to counsel for each participant a copy of the material covered by the request. Objections will be sustained to requests for official notice or incorporation by reference which are not definitively limited to relevant and material facts and which are not presented in compliance with the procedures herein outlined. Except as otherwise provided in this order the provisions of §§ 1.762-1.767 and 1.871-1.881 of the Commission's rules shall be controlling.

11. The special notifications and exhibit exchanges herein provided for shall be communicated in triplicate to counsel for the parties at the addresses shown in Appendix A and as indicated below:

Party	Attorney	Number of copies
AT&T and Bell Companies.	Mr. Nuisenberry.....	1
	Mr. Cohen.....	1
Watson.....	Mr. North.....	1
	Mr. Krieger.....	2
Motorola.....	Mr. Geernaert.....	1
	Mr. Beelar.....	1
GSA.....	Mr. Hedrick.....	1
	Mr. Spencer.....	1
USITA.....	Mr. Miller.....	3
	Mr. Ross.....	3
PIEA.....	Mr. Heckman.....	3
	Mr. Worthington.....	3
PCA.....	Mr. Porter.....	3
	Mr. Strassburg.....	3
Goodenough Bureau.....	Mr. Strassburg.....	3
	Mr. Strassburg.....	3

12. The distinctive numbering of exhibits, including the prepared written testimony of witnesses, will shorten and simplify references thereto; accordingly, blocks of numbers available for identifying exhibits to be offered by the parties are assigned as follows:

Party:	Exhibit Numbers
AT&T.....	1 through 99
Bell Companies.....	101 through 199
Watson.....	201 through 299
Motorola.....	301 through 399
GSA.....	401 through 499
USITA.....	501 through 599
PIEA.....	601 through 699
PCA.....	701 through 799
Goodenough.....	801 through 899
Bureau.....	901 through 999

13. References to, and examinations upon, written exhibits and testimony will be facilitated by the organization, preparation, and handling thereof as provided in this paragraph. To the extent practicable: (a) Each separately numbered exhibit shall consist of consecutively numbered pages beginning at Number 1 for each exhibit, and each page shall show the exhibit number; (b) the lines of typed or printed information shall be consecutively numbered beginning with line 1 on each page; (c) pages which include or consist of information tabulated or set out in columns shall include a consecutive numbering from left to right of each column, in addition to the line numbering above indicated; (d) any attachments or appendices which are subordinate parts of a single written testimony exhibit may be made a part of the testimony exhibit, in which case the exhibit's sequential page numbering shall be followed, or such material may be assigned separate exhibit numbers, as counsel may deem most suited to the purposes of orderly presentation and consideration; and (e) material ordinarily included in appendices or attachments shall be included in separately numbered exhibits if the material is not essentially a subordinate part of another single exhibit. Objections to, and discussions of, any exhibit shall succinctly refer to the appropriate column, line, page, and number of the subject exhibit.

14. Counsel for all parties are encouraged and expected to engage in informal conferences among themselves in conjunction with, and after, the exchange of the exhibits and notification steps herein provided for to insure: (a) That the hearing record evidence will be clearly responsive to the matters under inquiry; (b) that trivial and needless objections to, and arguments upon the admissibility of, evidence will be eliminated; and (c) that cross-examination and requests for supplemental information will be limited to significant and relevant matters.

15. The presentation of evidence in this proceeding shall be commenced at a hearing to be convened at 10:00 a. m. on Tuesday, October 1, 1957. One party's request for a further prehearing conference was not pressed after it was determined that questions of a prehearing

nature can be considered at an appropriate time in the hearing without encountering the delay that might follow a separately scheduled prehearing conference. Unless otherwise informally ordered on the record, the hours of hearing will be from 10:00 a. m. to 12:30 p. m. and from 2:00 to 4:30 p. m. Hearing proceedings will be conducted on the record at all times unless requests for off-the-record discussions meet with unanimous consent, or unless for extraordinary reasons the proceeding on the record is ordered to be suspended; relevant discussions or determinations had or made off the record will be summarized by statements on the hearing record.

16. The terms and provisions of this order shall govern the course of this proceeding unless modification is effected as provided in this paragraph or in the ordering paragraph which follows. Within 15 days after the release of this order any party may informally request by letter, with a notification copy thereof to other parties, that any specified provisions herein be modified to conform with the agreements, understandings, and determinations that were made as shown by the transcript record which shall be cited; such informal requests will be summarily granted by order if supported by the record. Modifications of this order which are not affirmatively supported by the transcript record may be requested by formal motion filed within 15 days after the release date; other parties may respond within 10 days thereafter; opposing contentions thus presented, if any, will be resolved after oral argument to be held either at a scheduled date to be announced or at the commencement of the hearing as herein ordered.

Pursuant to §§ 1.813 and 1.844 of the Commission's rules: *It is ordered*, This 7th day of August, 1957, that the terms and conditions and provisions hereinabove stated shall govern the course of the further proceedings herein to the extent indicated, unless this order be modified by the Hearing Examiner as hereinabove provided or by the Commission upon review: *And it is further ordered*, That the hearing of evidence in this proceeding shall be commenced at 10:00 a. m. on Tuesday, October 1, 1957, at Washington, D. C.

Released: August 8, 1957.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] EVELYN F. EPPLEY,  
Acting Secretary.

APPENDIX A

ORDER AFTER PREHEARING CONFERENCE—  
DOCKET NO. 11972

The named parties in this proceeding as of August 5, 1957, their short names, and the names and addresses of their attorneys, for the purposes of this proceeding, are as listed below. AT&T and the Bell Companies are sometimes referred to collectively as the respondents; the private parties are sometimes referred to collectively as the intervenors.



Klamath Falls, Oregon, Docket No. 12131, File No. BP-11269; for construction permits.

It is ordered, This 5th day of August 1957, that Thomas H. Donahue will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on October 28, 1957, in Washington, D. C.

Released: August 8, 1957.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] EVELYN F. EPLEY,  
Acting Secretary.

[F. R. Doc. 57-6669; Filed, Aug. 13, 1957;  
8:53 a. m.]

## FEDERAL POWER COMMISSION

[Docket Nos. G-2340, 2341]

TEXAS EASTERN TRANSMISSION CORP. AND  
TEXAS EASTERN PENN-JERSEY TRANSMISSION CORP.

ORDER DENYING REHEARING OF REJECTION OF TENDERED RATE FILINGS, MODIFYING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, PROVIDING FOR HEARING AND DEFERRING PROPOSED CHANGE IN LEASE AGREEMENT

AUGUST 7, 1957.

On July 8, 1957, Texas Eastern Penn-Jersey Transmission Corporation (Penn-Jersey) filed an application for rehearing of the Commission's rejection by letter on June 7, 1957, of its tendered rate filing made on May 10, 1957, or, in the alternative for modification of the certificate of public convenience and necessity granted by order issued April 29, 1954 in Docket Nos. G-2340 and G-2341.

Penn-Jersey leases to its parent company, Texas Eastern Transmission Corporation (Texas Eastern), its facilities which extend from its Oakford Storage Field in Westmoreland County, Pennsylvania, to Texas Eastern's facilities near Lambertville, New Jersey. The construction of the original facilities by Penn-Jersey, and their operation by Texas Eastern under a lease agreement were authorized by order issued April 29, 1954 in Docket Nos. G-2340 and G-2341. Paragraph (E) (b) of that order provides as a condition for such construction and operation that:

Penn-Jersey and Texas Eastern shall revise their lease agreement to reflect charges by Penn-Jersey to Texas Eastern to include return to Penn-Jersey not in excess of 6 percent on a net investment rate base \* \* \*

The Commission, by order issued October 1, 1954, reiterated this condition with respect to the 6 percent rate of return. On October 13, 1954, a revised lease agreement was submitted as Penn-Jersey's "FPC Gas Tariff, Original Volume No. 1". The so-called "tariff" was included as part of the record in the above certificate proceeding but never became effective as an FPC gas tariff in view of the fact that a lease agreement is not required to be filed as a rate schedule since it does not alone constitute either a sales or transportation agreement.

On May 10, 1957, Penn-Jersey tendered for filing a proposed revision of its lease agreement with Texas Eastern which it entitled "First Revised Sheet No. 6" to its "FPC Gas Tariff, Original Volume No. 1." It requested that the proposed change be permitted to take effect as of June 10, 1957, but if suspended by the Commission, that it be suspended for a period ending not later than November 10, 1957, the date ending the suspension period of the proposed rate increase filing of its parent company, Texas Eastern, as provided in order issued June 7, 1957 in Docket No. G-12706.

The proposed filing, "First Revised Sheet No. 6", provides for an increase in the rate of return from 6 percent to 6¾ percent on a net investment rate base under a cost formula for the leasing of the subject facilities to Texas Eastern, its parent company. A net investment rate base and a 6 percent rate of return thereon were prescribed as condition to the acceptance of the certificate of public convenience and necessity granted by order issued April 29, 1954 in Docket Nos. G-2340 and G-2341. The Commission, consequently, by its letter of June 7, 1957, rejected the tendered increased rate of return filing because no application had been made for a modification of the said certificate condition. Additionally, the Commission notified Penn-Jersey in its letter that such lease agreements are not required to be filed as rate schedules or tariffs.

Penn-Jersey contends, among others, that it has satisfied the certificate condition by the mere filing of a tariff acceptable to the Commission and that it is unlawfully deprived of a statutory right to file a change in its rates and to have a hearing thereon. We do not, however, agree with these contentions. It is the Commission's interpretation of its order issued April 29, 1954, in these proceedings, that in specifying a certain rate of return on a net investment rate base, a continuing limitation was thereby placed upon the company's right to increase its charges to Texas Eastern. This limitation can, therefore, be removed only upon securing a modification of such certificate condition. Thereafter the company would have a right to seek increased charges under its lease.

The mere filing of the modified lease agreement as required by the April 29, 1954, order, containing a 6 percent rate of return on a net investment rate base, did not satisfy that continuing limitation. Nor does Penn-Jersey have a statutory right, as it claims, to file a change in rates. Particularly is this so because it alone does not, under the lease of facilities to Texas Eastern, either sell or transport natural gas in interstate commerce. Assuming, furthermore, arguendo, that the lease agreement were entitled to be filed as a tariff, Penn-Jersey, while under the restraint of the certificate condition, is not "empowered to initiate" a rate change during the continuance of that limitation.<sup>1</sup> Just as the

Commission has the power, under section 7 (e) of the act, to condition a certificate upon the filing of a particular rate, so, here, it may specify the rate of return component of such rate.<sup>2</sup> Such a conditioned certificate order, after becoming final, cannot be "collaterally nullified through the filing of a rate schedule change" under section 4 (d).<sup>3</sup> The Commission, therefore, properly rejected Penn-Jersey's tender for failure to seek modification of the certificate order, which the company now seeks alternatively.

In support of its application for modification of the said certificate condition Penn-Jersey re-tenders for filing the said "First Revised Sheet No. 6" together with supporting statements. As justification for its proposed increase in rate of return from 6 percent to 6¾ percent, Penn-Jersey offers no reasons of its own other than that the higher rate of return is needed for the same reasons contained in its parent Texas Eastern's application in Docket No. G-12706. Penn-Jersey's dependence upon its parent for future financing is cited as the reason for requesting the same rate of return as its parent company.

The increased rates and charges provided for in the proposed amendment of lease agreement re-tendered by Penn-Jersey herein on July 8, 1957, have not been shown to be justified and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

Upon consideration of this application for modification of the certificate order, although no justification has yet been shown for an increased rate of return, it appears appropriate to permit the company to show in a proper proceeding whether it is so entitled to an increase. The reasonableness of the lease agreement between Penn-Jersey and its parent, Texas Eastern, including the question of the rate of return certificate condition, can be fully explored in the suspension proceedings involving the latter in Docket No. G-12706, with which this application to amend the certificate order may be consolidated for hearing. The re-tendered "First Revised Sheet No. 6," although rejected as a tariff filing, may, for the purpose of such subsequent proceedings, be retained as an application to amend the said certificate order and subject to the Commission's further consideration in those proceedings.

The Commission finds:

(1) The assignment of error and grounds for rehearing of the said order issued June 7, 1957, rejecting the tender on May 7, 1957, of the proposed revised tariff sheet, as set forth in said application, provide no new facts and assert no new principles of law which either were not fully considered by the Commission when it adopted the said order, or which,

<sup>2</sup> Signal Oil and Gas Company v. F. P. C., 238 F. 2d 771, 775, certiorari denied, 353 U. S. 923.

<sup>3</sup> Panhandle Eastern Pipe Line Co. v. F. P. C., 232 F. 2d 467, 473, certiorari denied, 352 U. S. 891.

<sup>1</sup> United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U. S. 332, 340.

having been now considered, warrant either the vacation or the modification of such order.

(2) The order issued April 29, 1954 in Docket Nos. G-2340 and G-2341 should be modified so as to continue the certificate conditions contained therein in full force and effect until amended or changed in a proper proceeding.

(3) It is necessary and proper in the public interest, and to aid in the enforcement of the provisions of the Natural Gas Act, that the Commission enter upon a hearing concerning (i) the rates, charges, classifications and services contained in Penn-Jersey's lease agreement with Texas Eastern as proposed to be amended by the aforesaid re-tendered filing and (ii) the proposed amendment or modification of the Commission's order issued April 29, 1954 in Docket Nos. G-2340 and G-2341, and that the use of the proposed amendment be deferred as hereinafter provided.

The Commission orders:

(A) The aforesaid application for rehearing filed by Penn-Jersey on July 8, 1957, hereby is denied.

(B) The order issued April 29, 1954 in Docket Nos. G-2340 and G-2341 be modified by adding to paragraph (E) (b) thereof the following clause, "which lease shall remain in full force and effect until November 10, 1957 and thereafter until permission to amend is granted by the Commission in a proper proceeding."

(C) Pursuant to the authority conferred upon the Federal Power Commission by the Natural Gas Act, pertaining in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 thereof, and the Commission's regulations thereunder, including Rules of Practice and Procedure (18 CFR, Ch. I), a public hearing be held at the time and date fixed by notice from the Secretary of the Commission, concerning (i) the rates, charges, classifications and services, subject to the jurisdiction of the Commission, contained in Penn-Jersey's lease agreement with Texas Eastern as proposed to be amended by the aforesaid re-tendered filing and (ii) the proposed amendment or modification of the Commission's order issued April 29, 1954 in Docket Nos. G-2340 and G-2341.

(D) Pending such hearing and decision thereon, the use of Penn-Jersey's said proposed amendment to the lease agreement is hereby deferred until November 10, 1957 and thereafter until such time as the aforesaid order issued April 29, 1954, in Docket Nos. G-2340 and G-2341 may be amended to permit the requested modification of the lease agreement.

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

By the Commission. \*

[SEAL] JOSEPH H. GUTRIDE,  
Secretary.

[F. R. Doc. 57-6655; Filed, Aug. 13, 1957; 8:50 a. m.]

\* Commissioner Digby would grant rehearing but otherwise concurs in the order.

[Docket No. G-11872 etc.]

OLIN GAS TRANSMISSION CORP. ET AL.  
NOTICE OF APPLICATIONS AND DATE OF HEARING

AUGUST 8, 1957.

In the matters of Olin Gas Transmission Corporation, Docket No. G-11872; H. L. Hunt, Docket No. G-12029; Estate of Lyda Bunker Hunt, Deceased, Docket No. G-12035; Secure Trusts Docket No. G-12036; Southern Natural Gas Company, Docket No. G-12225.

Take notice that Southern Natural Gas Company (Southern Natural), a Delaware corporation, having its principal place of business in Birmingham, Alabama filed on March 15, 1957 in Docket No. G-12225 an application under section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain natural gas transmission facilities as hereinafter described, subject to the jurisdiction of the Commission.

Southern Natural proposes to construct and operate a line tap on its existing 12-inch Lake Enfermer supply lateral and to construct and operate a meter station in the Coffee Bay Field, Lafourche Parish, Louisiana, which it proposes to use to measure gas to be produced from the Grandison No. 5 Well, Section 9, Township 19 South, Range 23 East in said parish, which it proposes to purchase to augment its general system gas supply. The proposed sellers of the gas are Olin Gas Transmission Corporation (Olin), Operator, H. L. Hunt (Hunt), Estate of Lyda Bunker Hunt, Deceased (Estate) and Secure Trusts Nos. 1, 2, 3, 4 and 5.

The estimated cost of Southern's proposed construction is \$6,000, which will be financed from cash on hand.

Olin Gas Transmission Corporation, 400 Ouachita National Bank Building, Monroe, Louisiana, as operator and co-owner of interest in production from said Grandison No. 5 Well, filed on February 1, 1957 in Docket No. G-11872 an application for a certificate of public convenience and necessity authorizing the sale of natural gas from said well to Southern Natural. Olin listed the interests of the co-owners as follows:

Olin Gas Transmission Corp.....	0.5000
Estate of Lyda Bunker Hunt, deceased, William Herbert Hunt, executor .....	0.2500
H. L. Hunt.....	0.1250
Secure trusts .....	0.1250
Working interest (100%).....	1.0000

The other producer applicants, H. L. Hunt, Estate of Lyda Bunker Hunt, Deceased, and Secure Trusts, all with principal office at 700 Mercantile Bank Building, Dallas, Texas have filed on February 18, 1957 applications in the above numbered dockets for certificates of public convenience and necessity authorizing the above proposed sales of natural gas to Southern Natural covering their respective interests.

Applicants allege that the point of delivery will be a point on Southern's Lake

Enfermer pipeline approximately 300 feet north of the point (near the West Quarter Corner of Section 10 Township 19 South, Range 23 East, Lafourche Parish, Louisiana) where Applicants' drilling barge canal to said well crosses Southern Natural's pipeline.

All four producers signed a letter agreement dated December 13, 1956 for the sale of said gas, providing for a term of twenty years, a minimum daily delivery rate of 1000 Mcf and an initial price of 18 cents per Mcf plus reimbursement for the Louisiana severance tax and the Louisiana gathering tax above 0.3 cents per Mcf up to 1.3 cents per Mcf. Said contract further provides that of taxes in excess of 1.3 cents per Mcf, Southern Natural shall be liable for 3/4 and producer applicants for 1/4 of such excess.

Applicants allege that Southern Natural will transport or sell the gas, which is the subject of this proceeding in interstate commerce for resale.

The above applications are on file with the Commission and open for public inspection.

These related matters should be heard on a consolidated record and to that end:

Take further notice that, 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 will be held on September 10, 1957, at 10:00 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 such applications.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 28, 1957.

[SEAL] JOSEPH H. GUTRIDE,  
Secretary.

[F. R. Doc. 57-6642; Filed, Aug. 13, 1957; 8:48 a. m.]

[Docket No. G-11855]

HERMAN BROWN ET AL.

NOTICE OF APPLICATION AND DATE OF HEARING

AUGUST 8, 1957.

Take notice that on January 25, 1957, Herman Brown, Operator, et al., independent producers of natural gas, filed an application designated Docket No. G-11855, for an order of the Commission permitting and approving the abandonment of service to Tennessee Gas Transmission Company from the John M. Bennett lease located in the Ramon Musquiz Survey, Abstract 59, Jackson County, Texas, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Herman Brown, Operator, has a 1/2 interest in the subject lease. The re-

spective working interests of the non-operators are: R. E. Hibbert,  $\frac{1}{4}$ ; F. P. Zoch, Jr., Paul Turnbull and Ben F. Vaughan, Jr.,  $\frac{1}{4}$ .

Applicants state that the well located on the subject acreage ceased to produce gas during the last part of 1956 and a release of the oil and gas lease covering such properties has been executed.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice, that, 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 will be held on September 10, 1957, 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 such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 26, 1957. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE,  
Secretary.

[F. R. Doc. 57-6657; Filed, Aug. 13, 1957;  
8:51 a. m.]

[Docket No. G-12697]

HORTON HIGHWAY UTILITY DISTRICT OF  
RUTHERFORD, WILLIAMSON AND MARSHALL  
COUNTIES, TENN.

NOTICE OF APPLICATION AND DATE OF  
HEARING

AUGUST 8, 1957.

Take notice that Horton Highway Utility District of Rutherford, Williamson and Marshall Counties, Tennessee, (Applicant) a public utility district, filed on June 4, 1957 an application, pursuant to section 7 (a) of the Natural Gas Act, for an order directing Texas Eastern Transmission Corporation (Texas Eastern) to extend and to improve its transportation facilities, to establish physical connection of its transportation facilities with the facilities of Applicant's proposed natural gas system and to sell natural gas to applicant for local distribution to the public in the incorporated towns of Eagleville

in Rutherford County, Tennessee and Chapel Hill in Marshall County, Tennessee and the unincorporated communities of Holts Corner (Holtland), Allisona, College Grove, Kirkland, Triune and Arrington, all as more fully represented in the application, which is on file with the Commission and open for public inspection.

Applicant proposes to construct and operate a meter, regulator and odorizer at the intersection of Tennessee Highway 96 and Texas Eastern's 30-inch transmission line passing northeastward between Arrington and Triune. Applicant proposes to construct and operate a  $4\frac{1}{2}$ -inch transmission line from said connection with Texas Eastern's transmission line along said Highway 96 a distance of 1.3 miles to its junction with Horton Highway (31A) and 41A) thence south along the Horton Highway a distance of approximately 4.6 miles to the Town of College Grove; and a  $3\frac{1}{2}$ -inch transmission line thence south along the Horton Highway a distance of approximately 10.4 miles to the station regulator for the Town of Chapel Hill. Applicant also proposes to construct  $2\frac{3}{8}$ -inch spur lines to supply natural gas to regulator stations located at or near the towns of Arrington, Triune, College Grove and Eagleville. Applicant also proposes to construct and operate distribution systems in the eight communities to be served.

Applicant estimates the gas requirements of its proposed service area as follows:

Year of service.....	1	2	3
Peak day (Mcf).....	785	904	1,019
Annual (Mcf).....	82,037	90,037	99,099

Applicant estimates the cost of the proposed system will be \$455,000, which it proposes to finance by the sale of revenue bonds.

Take further notice that, 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 will be held on August 28, 1957, 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 non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 26, 1957. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the

intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE,  
Secretary.

[F. R. Doc. 57-6658; Filed, Aug. 13, 1957;  
8:51 a. m.]

[Docket No. G-13007 etc.]

WILCOX TREND GATHERING SYSTEM, INC.  
AND TEXAS EASTERN TRANSMISSION  
CORP.

ORDER DENYING REHEARING OF REJECTION OF  
TENDERED RATE FILINGS, MODIFYING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, PROVIDING FOR HEARING, AND SUSPENDING PROPOSED CHANGE IN RATES

AUGUST 7, 1957.

In the matters of Wilcox Trend Gathering System, Inc., Docket No. G-13007; Texas Eastern Transmission Corporation, Docket No. G-1947; Wilcox Trend Gathering System, Inc., Docket No. G-1959.

On July 8, 1957, Wilcox Trend Gathering System, Inc. (Wilcox Trend) filed an application for rehearing of the Commission's rejection by letter on June 7, 1957, of its tendered rate increase filing made on May 10, 1957, or, in the alternative, for modification of the certificate of public convenience and necessity issued by order and Opinion No. 241 on December 15, 1952, in the above Docket Nos. G-1947 and G-1959. In addition, Wilcox Trend retendered for filing the tariff sheet rejected by the June 7, 1957, letter, requested that such rate filing be made effective as of June 10, 1957, and the requirements of § 154.22 of the Commission's regulations be waived so as to permit such rate filing to be made prior to certificate authorization therefor.

The proposed rate filing, Second Revised Sheet No. 5 to Wilcox Trend's FPC Gas Tariff, Original Volume No. 1, provides for an increase in the rate of return on a net investment rate base from 6 percent to 6 $\frac{3}{4}$  percent under a cost of service formula for charges for transportation of natural gas for Texas Eastern Transmission Corporation (Texas Eastern), its parent company. Wilcox Trend requested that, in the event of a suspension of said revised sheet, the period of suspension be made to coincide with that fixed by the Commission by order issued June 7, 1957, in Docket No. G-12706 with respect to Texas Eastern's proposed rate increase.

The cost of service formula and the 6 percent rate of return were prescribed in Opinion No. 241 and order as a condition to acceptance of the certificate of public convenience and necessity granted therein in Docket Nos. G-1947 and G-1959. The Commission consequently, by its letter of June 7, 1957, rejected the proposed increased rate of return filing because there had been made no modification of the said certificate condition, nor any request therefor.

Wilcox Trend contends, among others, that it has satisfied the certificate condition by the mere filing of a tariff ac-

ceptable to the Commission, and that it is unlawfully deprived of a statutory right to file a change in its rates and to have a hearing thereon. We do not, however, agree with these contentions. It is the Commission's interpretation of its Opinion No. 241 and order that in specifying not only a formula for the tariff but also a certain rate of return, a continuing limitation was thereby placed upon the company's right to seek increased rates. This limitation can, therefore, only be removed upon securing a modification of such certificate condition. Thereafter, the company has a right to file increased rates under section 4 (d) of the Natural Gas Act.

The mere filing of the prescribed tariff and rate of return did not satisfy that continuing limitation. Nor does the company, so restrained by that limitation, have a statutory right to file rate changes for it is not "empowered to initiate" a rate change during the continuance of that limitation.<sup>1</sup> Just as the Commission has the power, under section 7 (e) of the act, to condition a certificate upon the filing of a particular rate, so here it may specify the rate of return component of such rate.<sup>2</sup> Such a conditioned certificate order, after becoming final, cannot be "collaterally nullified through the filing of a rate schedule change" under section 4 (d).<sup>3</sup> The Commission, therefore, properly rejected Wilcox Trend's tender for failure to seek modification of the certificate order, which it now seeks alternatively.

In support of its application for modification of the said certificate condition, Wilcox Trend tenders for filing the said Second Revised Sheet No. 5, together with supporting statements. As justification for its proposed increase in rate of return from 6 percent to 6 3/4 percent, Wilcox Trend offers no reasons of its own other than that the higher rate of return is needed for the same reasons contained in its parent Texas Eastern's application in Docket No. G-12706. Wilcox Trend's dependence upon its parent for future financing cited as the reason for requesting the same rate of return as its parent company.

Upon consideration of this application for modification of the certificate order, although no justification has yet been shown for an increased rate of return, it appears appropriate to modify that order so as to permit the company to show in a proper rate proceeding whether it is so entitled to an increase, as we shall hereinafter provide. Accordingly, we shall accept for filing the retendered tariff sheet subject to suspension to the same date as the suspended Texas Eastern filings.

The increased rates and charges provided for in the revised tariff sheet tendered by Wilcox Trend on July 8, 1957, have not been shown to be justified, and may be unjust, unreasonable,

unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

(1) The assignment of error and grounds for rehearing of the said order issued June 7, 1957, rejecting the tender on May 7, 1957, of the proposed revised tariff sheet, as set forth in said application, provide no new facts and assert no new principles of law which either were not fully considered by the Commission when it adopted the said order, or which, having been now considered, warrant either the vacation or the modification of such order.

(2) The order issued December 15, 1952, in Docket Nos. G-1947 and G-1959, as amended by orders issued February 4, 1953, and May 20, 1954, in Docket No. G-1959, should be further amended so as to continue the certificate conditions contained therein in full force and effect until amended or changed in a proper proceeding, and for the purposes of such proceeding we shall accept for filing the said retendered revised tariff sheet.

(3) It is necessary and proper in the public interest, and to aid in the enforcement of the provisions of the Natural Gas Act, that the Commission enter upon a hearing concerning the lawfulness of the rates, charges, classifications, and services contained in Wilcox Trend's FPC Gas Tariff, Original Volume No. 1, as proposed to be amended by Second Revised Sheet No. 5, and that said proposed revised tariff sheet and the rates contained therein be suspended and the use thereof deferred, as hereinafter provided.

The Commission orders:

(A) The aforesaid application for rehearing filed by Wilcox Trend on July 8, 1957, hereby is denied.

(B) The order issued December 15, 1952, in Docket Nos. G-1947 and G-1959, as amended by orders issued February 4, 1953, and May 20, 1954, in Docket No. G-1959, be further modified by adding the following sentence to paragraph (F) (5), "The FPC Tariff so filed shall remain in full force and effect until amended or changed in a proper proceeding," and for the purposes of such proceeding the retendered Second Revised Sheet No. 5 hereby is accepted for filing.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 4, 7, and 15 of the Natural Gas Act, and the Commission's regulations under the Natural Gas Act, including rules of practice and procedure (18 CFR, Ch. I), a public hearing be held at a time and date to be fixed by notice from the Secretary of the Commission, concerning the lawfulness of the rates, charges, classifications, and services, subject to the jurisdiction of the Commission, contained in Wilcox Trend's FPC Gas Tariff, Original Volume No. 1, as proposed to be amended by Second Revised Sheet No. 5.

(D) Pending such hearing and decision thereon, Wilcox Trend's proposed Second Revised Sheet No. 5 is hereby suspended and its use deferred until November 10, 1957, and until such further

time as it is made effective in the manner prescribed by the Natural Gas Act.

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

By the Commission.<sup>4</sup>

[SEAL] JOSEPH H. GUTRIDE,  
Secretary.

[F. R. Doc. 57-6656; Filed, Aug. 13, 1957; 8:50 a. m.]

**SECURITIES AND EXCHANGE COMMISSION**

[File No. 1-3075]

NIELSON & Co., Inc.

NOTICE OF APPLICATION TO STRIKE FROM LISTING AND REGISTRATION, AND OF OPPORTUNITY FOR HEARING

AUGUST 8, 1957.

In the Matter of Nielson & Company, Inc., Common Stock, File No. 1-3075.

San Francisco Mining Exchange has made application, pursuant to section 12 (d) of the Securities Exchange Act of 1934 and Rule X-12D2-1 (b) promulgated thereunder, to strike the above named security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following:

The Company, organized under the laws of the Philippine Islands, and whose properties were rendered inoperative in World War II, has failed for a number of years to file the information required by the Exchange and by section 13 of the Securities Exchange Act of 1934. On July 24, 1957, the Exchange suspended trading on its floor in the stock.

Upon receipt of a request, on or before August 23, 1957, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D. C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official file of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS,  
Secretary.

[F. R. Doc. 57-6646; Filed, Aug. 13, 1957; 8:48 a. m.]

<sup>4</sup> Commissioner Digby would grant rehearing but otherwise concurs in the order.

<sup>1</sup> United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U. S. 332, 340.

<sup>2</sup> Signal Oil and Gas Company v. F. P. C., 238 F. 2d 771, 775, certiorari denied, 353 U. S. 923.

<sup>3</sup> Panhandle Eastern Pipe Line Co. v. F. P. C., 232 F. 2d 467, 473, certiorari denied, 352 U. S. 891.

[File No. 1-3078]

PARACALE-GUMAUS CONSOLIDATED MINING  
Co., Inc.NOTICE OF APPLICATION TO STRIKE FROM  
LISTING AND REGISTRATION, AND OF  
OPPORTUNITY FOR HEARING

AUGUST 8, 1957.

In the matter of Paracale-Gumaus Consolidated Mining Company, Inc., Common Stock, File No. 1-3078.

San Francisco Mining Exchange has made application, pursuant to section 12 (d) of the Securities Exchange Act of 1934 and Rule X-12D2-1 (b) promulgated thereunder, to strike the above named security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following:

The Company, organized under the laws of the Philippine Islands, and whose properties were rendered inoperative in World War II, has failed for a number of years to file the information required by the Exchange and by section 13 of the Securities Exchange Act of 1934. On July 24, 1957, the Exchange suspended trading on its floor in the stock.

Upon receipt of a request, on or before August 23, 1957, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D. C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official file of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.[F. R. Doc. 57-6645; Filed, Aug. 13, 1957;  
8:48 a. m.]

[File No. 812-1097 etc.]

## COLONIAL FUND, INC., ET AL.

NOTICE OF FILING OF APPLICATIONS FOR  
EXEMPTIONS OF PURCHASES OF SECURITIES  
DURING EXISTENCE OF UNDERWRITING  
SYNDICATE

AUGUST 8, 1957.

In the matter of The Colonial Fund, Inc., File No. 812-1097; Gas Industries Fund, Inc., File No. 812-1098; The Bond Investment Trust of America, File No. 812-1099.

Notice is hereby given that The Colonial Fund, Inc. ("Colonial"), Gas Industries Fund, Inc. ("Gas") and The Bond

Investment Trust of America ("Bond"), each registered under the Investment Company Act of 1940 ("act") as an open-end diversified management investment company, have filed separate applications pursuant to section 10 (f) of the act for an order exempting from the provisions thereof the proposed purchase by Colonial, Gas and Bond of not to exceed \$300,000, \$600,000 and \$100,000 principal amount, respectively, of Convertible Subordinated Debentures of Atlantic Refining Company ("Atlantic").

Atlantic filed with the Securities and Exchange Commission ("Commission") on July 30, 1957 a registration statement under the Securities Act of 1933 covering \$100,000,000 principal amount of Convertible Subordinated Debentures. It is expected that such debentures will be publicly offered by an underwriting group which will include The First Boston Corporation.

James H. Orr is a director of The First Boston Corporation, and of Colonial and Gas, and is a trustee of Bond. Applicants have represented that the proposed purchases have been authorized by their boards of directors or trustees and have been recommended by their investment adviser, Colonial Management Associates. The purchases are to be made at the public offering price and will be made from any of the underwriters or members of the selling group, except that no purchases will be made from The First Boston Corporation.

If Applicants were to purchase the amounts proposed such acquisitions would represent 0.3 percent of the total offering to be acquired by Colonial, 0.6 percent to be acquired by Gas and 0.1 percent to be acquired by Bond and, assuming a price of 100 percent, the purchases would represent an investment of approximately 0.75 percent, 0.85 percent and 1.7 percent of the total assets of Colonial, Gas and Bond, respectively. The proposed purchases are stated to be consistent with each of Applicants' investment policies as filed with the Commission.

Section 10 (f) of the act provides, among other things, that no registered investment company shall knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security (except a security of which such company is the issuer) a principal underwriter of which is an officer or director of such registered company or is a person of which is an officer or director of such registered company or is a person of which any such officer or director is an affiliated person. The Commission may exempt a transaction from this prohibition if and to the extent that such exemption is consistent with the protection of investors. By reason of the affiliations as stated above, the proposed purchases are prohibited by the provisions of section 10 (f) unless the Commission finds that the proposed acquisitions of securities are consistent with the protection of investors.

Notice is further given that any interested person may, not later than August 20, 1957, at 5:30 p. m., submit to the Commission in writing any facts bearing

upon the desirability of a hearing on the matters 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 that he 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 said date, the applications 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. 57-6644; Filed, Aug. 13, 1957  
8:48 a. m.]

## SMALL BUSINESS ADMINISTRATION

[Delegation of Authority 30-XI-1]

CHIEF, FINANCIAL ASSISTANCE DIVISION  
DELEGATION RELATING TO FINANCIAL AS-  
SISTANCE FUNCTIONS

I. Pursuant to the authority vested in the Regional Director by Delegation No. 30 (Revision 4), dated July 1, 1957, there is hereby delegated to the Chief, Financial Assistance Division the following authority:

A. *General.* To carry out all of the financial assistance functions listed in section 202 of SBA-100, Administrative Manual.

B. *Specific.* To take the following actions in accordance with the limitations of such delegations as set forth in SBA-500, Financial Assistance Manual:

1. To approve the following types of loans:

(a) Direct business loans in an amount not exceeding \$20,000;

(b) Participation business loans in an amount not exceeding \$100,000.

2. To approve disaster loans in an amount not exceeding \$20,000;

3. To decline disaster loans;

4. To approve or decline Limited Loan Participation loans;

5. To enter into Disaster Participation Agreements with banks.

6. To execute loan authorizations for Washington approved loans and for loans approved under delegated authority, said execution to read as follows:

WENDELL B. BARNES,  
Administrator.By \_\_\_\_\_  
Chief,  
Financial Assistance Division.

7. To modify or amend authorizations for business or disaster loans approved by the Administrator, the Deputy Administrator for Financial Assistance, the Director, Office of Financial Assistance, or the Chairman, Loan Review Board, by the issuance of Certificates of Modification, and to modify or amend authorizations for loans approved under delegated authority in any manner consistent with the original authority to approve loans.

8. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

9. To cancel wholly or in part undisbursed balances of partially disbursed loans and deferred participation agreements, where the Administration has not purchased its participation.

10. To approve, after disbursement or partial disbursement, the salary of new employees, not to exceed \$10,000 per annum.

11. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents and certify to the participating bank that such documents are in compliance with the participation authorization.

12. To do and to perform all and every act and thing requisite, necessary and proper to be done for the purpose of effecting the servicing, administration and liquidation of any disaster loan including, without limiting the generality of the foregoing, all powers, terms, conditions and provisions as authorized herein for other loans. Said powers, terms, conditions and provisions shall apply to all documents, agreements or other instruments heretofore or hereafter executed in connection with any loan included in the above functions where such documents, agreements or other instruments are now, or shall be hereafter, in the name of the Reconstruction Finance Corporation or the Small Business Administration.

13. To take the following actions in the administration, collection and liquidation of business or disaster loans:

a. Approve or reject substitutions of accounts receivable and inventories.

b. Release, or consent to the release of inventories, accounts receivable or cash collateral, real or personal property, offered as collateral on loan, including the release of all collateral when loan is paid in full.

c. Release dividends on life insurance policies held as collateral for loans, approve the application of same against premiums due; release or consent to the release on participation loans, of insurance funds covering loss or damage to property securing the loan and expired hazard insurance policies.

d. Approve the sale of real or personal property and the exchange of equipment held as collateral on loans.

e. Defer until final maturity date payments on principal falling due prior to or within thirty days after initial disbursement and provide for the coincidence of principal and interest payments.

f. Designate proxies to vote at stockholders' meetings on stock held as collateral, and determine how such shares are to be voted.

g. Reinstate terms of payment provided in the Borrower's note upon cancellation of authority to foreclose, termination of litigation, or correction of any other situation which caused the loan to be classified as a problem loan.

h. Effect the purchase of the Administration's agreed portion of a participation loan upon the request of the participating institution, consent to the sale to another institution of the SBA portion

of a participation loan, and to cancel any deferred participation agreement upon request of the institution.

14. To extend, or consent to the extension of, the maturity date or time of payment, to change, or consent to the change of, the rate of interest, and otherwise alter or modify, or consent to the alteration or modification of, any note, bond, mortgage or other evidence of indebtedness, and any contract for the sale or lease of real or personal property.

15. To accept and join with others in the acceptance of resignations of trustees under declarations of trust, trust indentures, deeds of trust and other trust instruments and agreements under which the Small Business Administration or its Administrator is a beneficiary and where the Small Business Administration or its Administrator now or hereafter is a holder of any note, notes, bond, bonds, instrument or instruments issued pursuant thereto and secured thereby.

16. To remove and join with others in the removal of any trustee or trustees under any declarations of trust, trust indentures, deeds of trust and other trust instruments and agreements under which the Small Business Administration or its Administrator now or hereafter is a beneficiary and where the Small Business Administration or its Administrator now or hereafter is the holder of any note, notes, bond, bonds, instrument or instruments issued pursuant thereto and secured thereby.

17. To select and designate persons or corporations as original, substitute or successor trustees under declarations of trust, trust indentures, deeds of trust or other trust instruments or agreements under which the Small Business Administration or its Administrator now or hereafter is a beneficiary and where the Small Business Administration or its Administrator now or hereafter is the holder of any note, bond or instrument issued pursuant thereto and secured thereby to accept on behalf of Small Business Administration or its Administrator beneficial interests in real or personal property.

18. To appoint, consent to or approve of the appointment and join with others in the appointment, consent or approval of appointment of substitute and successor trustee or trustees under any declarations of trust, trust indentures, deeds of trust and other trust instruments and agreements under which the Small Business Administration or its Administrator now or hereafter is a beneficiary and where the Small Business Administration or its Administrator now or hereafter is the holder of any note, notes, bond, bonds, instrument or instruments issued pursuant thereto and secured thereby.

19. To do and to perform all and every act and thing requisite, necessary and proper to be done for the purpose of effecting the granted powers, including, but without limiting the generality of the foregoing, the execution and delivery of quit claim, bargain and sale or special warranty deeds, leases, subleases, assignments, subordinations, satisfaction pieces, affidavits, and such other documents as may be appropriate or necessary to effectuate the foregoing, and

ratifying and confirming all that said Regional Director shall lawfully do or cause to be done by virtue hereof.

20. To take peaceable custody of collateral, as mortgagee in possession thereof or otherwise, whenever such action becomes necessary to protect the interests of or a loan made by SBA; to take all steps necessary for the preservation and protection of the property, pending foreclosure of the lien and sale of the collateral; and, to obligate the Administration in an amount not in excess of a total of \$1,000 for any one loan, for those expenditures as may be required to accomplish these purposes.

21. To enter into written arrangements with custodians or caretakers of collateral covering their services, which shall not have the effect of making such persons employees of SBA but shall be limited to their temporary services for the specific purpose involved.

22. To enter into written arrangements with owners of premises, when it is necessary to use a building not part of the loan collateral for the storage of chattels pending foreclosure and sale, for a period of not more than 90 days, including a period of 10 days after the date of sale of the collateral to permit orderly removal of the property from the premises.

23. To post indemnity or other bonds in proceedings in cases where such undertakings are required by State law.

24. To foreclose, by summary foreclosure proceedings where State law permits and in accordance with such State laws, in whole or in part, any chattel mortgage, real estate mortgage, deed of trust, security deed or collateral whatsoever kind or nature, securing any note, bond or other evidence of indebtedness now held or hereafter acquired by the Small Business Administration or its Administrator as pledgee, owner or otherwise, and to exercise any right or authority which the Small Business Administration or its Administrator has or may have pursuant to the terms of such security instrument or evidence of indebtedness, and to assign all the right, title and interest of the Small Business Administration or its Administrator in and to any terms of sale or bid made at any such foreclosure sale.

#### ADMINISTRATIVE

C. *Correspondence.* To sign all non-policy making correspondence, except Congressional correspondence, relating to the financial assistance functions.

II. The authority delegated herein may not be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Chief, Financial Assistance Division.

IV. All previous authority delegated by the Regional Director to the Chief, Financial Assistance Division is hereby rescinded without prejudice to actions taken under all such delegations of authority prior to the date hereof.

Effective date: July 30, 1957.

HAROLD R. SMETHILLS,  
Regional Director.

[F. R. Doc. 57-6647; Filed, Aug. 13, 1957; 8:49 a. m.]

[Delegation of Authority 1 (Revision 4)]

DEPUTY ADMINISTRATOR FOR  
ADMINISTRATION

DELEGATION RELATING TO ADMINISTRATION

I. Pursuant to the authority vested in the Administrator by the Small Business Act of 1953, as amended, 67 Stat. 232, 15 U. S. C. 631 (Supp. II, 1952), as amended, 69 Stat. 547, 15 U. S. C. 631 (Supp. III, 1952), Reorganization Plan No. 2 of 1954, dated April 29, 1954, effective June 30, 1954 (83d Cong., 2d Sess.) and Reorganization Plan No. 1 of 1957, dated April 29, 1957, effective at the close of June 30, 1957 (85th Cong., 1st Sess.), there is hereby delegated to the Deputy Administrator for Administration the authority:

A. *General.* To carry out all functions listed for the Deputy Administrator for Administration in section 101 of SBA-100, Administrative Manual.

B. *Specific.* 1. To give final approval to all personnel actions for the Small Business Administration and to administer Oaths of Office.

2. To establish and classify all positions subject to the Classification Act of 1949, as amended, in grades GS-1 to GS-15, and to establish salary rates for employees excluded from the Act.

3. To give final approval to non-substantive changes in all SBA manuals.

4. To contract for supplies, materials and equipment, printing, transportation, communications, space, and special services.

5. To effect the disposition of official records of SBA.

6. To authorize or approve (a) his personal travel, (b) the travel of employees under the supervision of the Deputy Administrator for Administration, (c) travel where actual subsistence expenses are requested, and (d) travel requiring special authorization or approval not delegated to other officials.

7. To approve advanced sick leave and leave without pay, in excess of 30 days, for employees of SBA.

8. To approve annual and sick leave, leave without pay, and overtime work for employees under his supervision.

9. To give final approval to all SBA forms.

10. To give security clearance to applicants and employees of SBA where the security investigation discloses (a) no derogatory information, (b) derogatory information which would not warrant processing the case under provisions of section 1000.067 of SBA-100, Administrative Manual, and (c) derogatory information, but the Deputy Administrator for Administration and the Security Officer are in agreement that the derogatory information is insufficient to warrant suspension or termination in the case of an employee, or denial of clearance in the case of an applicant.

11. To approve the allotment of appropriated funds for specific programs, functions, activities, and organizational units of SBA.

12. To release, or consent to the release of, collateral documents held in connection with loans transferred as a result of Reorganization Plan No. 1 of 1957, dated April 29, 1957, effective at the close of June 30, 1957.

13. To release Promissory Notes on (a) SBA and disaster loans paid in full and (b) loans transferred to the Department of Justice for liquidation.

14. To approve bonds and fix the indemnities thereof.

15. To determine amounts due and make payments to the Civil Service Commission and the Department of Labor for retirement and employee's compensation accounts as required by section 206 (b) of the Small Business Act.

16. To approve advance of funds for official travel and to take appropriate actions to assure that amounts advanced are deducted from allowable expenses or are otherwise recovered.

17. To approve and issue accounting and fiscal instructions.

C. *Correspondence.* 1. To sign all correspondence, except correspondence addressed to Members of Congress, relating to the functions of the Deputy Administrator for Administration.

2. To sign correspondence addressed to staff members of Congressional Committees.

II. The specific authorities delegated in I. B. 3, I. B. 6 (a), (c), and (d), and 10 (c) may not be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Deputy Administrator for Administration.

IV. All previous authority delegated by the Administrator to the Deputy Administrator for Administration is hereby rescinded without prejudice to actions taken under all such delegations of authority prior to the date hereof.

Dated: August 5, 1957.

WENDELL B. BARNES,  
Administrator.

[F. R. Doc. 57-6648; Filed, Aug. 13, 1957;  
8:49 a. m.]

GENERAL SERVICES ADMINISTRATION

[Delegation of Authority 297]

FEDERAL CIVIL DEFENSE ADMINISTRATION

DELEGATION OF AUTHORITY TO NEGOTIATE  
CERTAIN PURCHASES AND CONTRACTS FOR  
SUPPLIES AND SERVICES IN CONNECTION  
WITH ACTIVITIES OF FEDERAL CIVIL DEFENSE  
ADMINISTRATION

1. Pursuant to the authority vested in me by the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended (hereinafter called the act), authority is hereby delegated to the Administrator of the Federal Civil Defense Administration to negotiate purchases and contracts for supplies and services without advertising under section 302 (c) (5), (10), (11) and (12) of the act.

2. This authority shall be exercised only with respect to the procurement of those supplies and services which are required in connection with authorized activities, other than administrative programs, conducted by the Federal Civil Defense Administration.

3. This authority shall be exercised in accordance with applicable limitations and requirements in the Act, particu-

larly section 304, 305 and 307, and in accordance with policies, procedures, and controls prescribed by the General Services Administration.

4. Subject to the provisions of 3 above, the authority herein delegated may be redelegated to any officer or employee of the Federal Civil Defense Administration.

5. This delegation shall be effective as of the date hereof and shall not extend beyond December 31, 1958.

Dated: August 7, 1957.

FRANKLIN G. FLOETE,  
Administrator.

[F. R. Doc. 57-6659; Filed, Aug. 13, 1957;  
8:51 a. m.]

INTERSTATE COMMERCE  
COMMISSION

[Notice 4]

MOTOR CARRIER ALTERNATE ROUTE  
DEVIATION NOTICES

AUGUST 9, 1957.

The following letter-notices of proposals to operate over deviation routes for operating convenience only with no service at intermediate points have been filed with the Interstate Commerce Commission, under the Commission's Deviation Rules Revised, 1957 (49 CFR 211.1 (c) (8)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 211.1 (d) (4)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 211.1 (e)) at any time but will not operate to stay commencement of the proposed operation unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Deviation Rules Revised 1957, will be numbered consecutively for convenience in identification and protests if any should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC-703 (Deviation No. 1), HINCHCLIFF MOTOR SERVICE, INC., 3400 South Pulaski Road, Chicago 23, Ill., filed August 5, 1957. Carrier proposes to operate as a *common carrier*, by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between junction U. S. Highway 24 and Illinois Highway 1, and Terre Haute, Ind., as follows: from junction U. S. Highway 24 and Illinois Highway 1 over Illinois Highway 1 to junction U. S. Highway 150, thence over U. S. Highway 150 to junction U. S. Highway 40, thence over U. S. Highway 40 to Terre Haute, Ind. and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between junction U. S. Highway 24 and Illinois Highway 1 and Terre Haute, Ind., over the following route: from junction U. S. Highway 24 and Illinois Highway 1 over

U. S. Highway 24 to junction U. S. Highway 41, thence over U. S. Highway 41 to Terre Haute, Ind.

No. MC-1124 (Deviation No. 1), HER-RIN TRANSPORTATION COMPANY, 2301 McKinney Avenue, Houston, Texas. Attorneys Phinney & Hallman, 617 First National Bank Building, Dallas, Texas, filed July 31, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between Dallas, Tex., and Fort Worth, Tex. as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth, and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities from Dallas, Tex., to Fort Worth, Tex., over U. S. Highway 80, and return over the same route.

No. MC-2202 (Deviation No. 1), ROADWAY EXPRESS, INC., 147 Park Street, P. O. Box 471, Akron 9, Ohio, filed August 5, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between Dallas, Tex., and Fort Worth, Tex., over U. S. Highway 80.

No. MC-2228 (Deviation No. 1), MERCHANT'S FAST MOTOR LINES, INC., P. O. Drawer 2321, Abilene, Tex., filed August 5, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between Dallas, Tex., and Fort Worth, Tex., over U. S. Highway 80.

No. MC-10872 (Deviation No. 1), BE-MAC TRANSPORT COMPANY, INC., 7400 North Broadway, St. Louis 15, Mo., filed August 2, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between Tulsa, Okla., and Joplin, Mo., as follows: from Tulsa over the Will Rogers Turnpike to Joplin and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between Oklahoma City, Okla., and Tulsa, Okla., on the one hand, and Joplin, Mo., on the other, over U. S. Highway 66.

No. MC-29910 (Deviation No. 1), ARKANSAS MOTOR FREIGHT LINES, INC., Fort Smith, Ark., filed August 5, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *gen-*

*eral commodities*, with certain exceptions, over a deviation route between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between Dallas, Tex., and Fort Worth, Tex. over U. S. Highway 80.

No. MC-30091 (Deviation No. 1), L. F. AND F. D. MILLER, doing business as MILLER & MILLER MOTOR FREIGHT LINES, P. O. Box 2370, Wichita Falls, Tex., filed August 5, 1957. Attorney for said carrier, Mert Starnes, 401 Perry Brooks Building, Austin, Tex. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between Dallas, Tex., and Fort Worth, Tex., over the following pertinent routes: from Dallas over Texas Highway 183 to Fort Worth; from Dallas over U. S. Highway 80 to Fort Worth; and return over the same routes.

No. MC-30250 (Deviation No. 1), HOUSTON & NORTH TEXAS MOTOR FREIGHT LINES, INC., 842 Slocum, Dallas, Tex., Attorney, Leroy Hallman, 617 First National Bank Building, Dallas, Tex. filed July 31, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between Dallas, Tex., and Fort Worth, Tex. as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth, and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities from Dallas, Tex., to Fort Worth, Tex., over U. S. Highway 80, and return over the same route.

No. MC-30319 (Deviation No. 1), SOUTHERN PACIFIC TRANSPORT COMPANY, 810 North San Jacinto Street, P. O. Box 4054, Houston, Tex. Attorney, Edwin N. Bell, 1600 Esperson Building, Houston, Tex., filed August 1, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth, and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities from Dallas, Tex., to Fort Worth, Tex., over U. S. Highway 80, and return over the same route.

No. MC-30867 (Deviation No. 1), CENTRAL FREIGHT LINES, INC., 303 South 12th Street, P. O. Box 238, Waco, Tex.,

filed August 2, 1957. Attorney for said carrier, Mert Starnes, 401 Perry Brooks Building, Austin, Tex. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between Dallas, Tex., and Fort Worth, Tex., over the following pertinent routes: from Dallas over Texas Highway 183 to Fort Worth; from Dallas over U. S. Highway 80 to Fort Worth; and return over the same routes.

No. MC-42329 (Deviation No. 2), HAYES FREIGHT LINES, INC., Adams Building, Springfield, Ill. filed August 1, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions over a deviation route, between Toledo, Ohio and Junction U. S. Highway Alternate 24, U. S. Highway 24, and U. S. Highway 25, near Trenton as follows: from Toledo, Ohio over U. S. Highway Alternate 24 to the junction of U. S. Highway 24 and U. S. Highway 25, near Trenton and return over the same route for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities from Toledo, Ohio, over U. S. Highway 24 to Detroit, and return over the same route.

No. MC 46054 (Deviation No. 1), BROWN EXPRESS, 434 South Main Avenue, San Antonio 4, Tex., filed August 5, 1957. Attorney for said carrier, Mert Starnes, 401 Perry Brooks Building, Austin, Tex. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between Dallas, Tex., and Fort Worth, Tex., over the following pertinent routes: from Dallas over Texas Highway 183 to Fort Worth; from Dallas over U. S. Highway 80 to Fort Worth; and return over the same routes.

No. MC 48963 (Deviation No. 1), REPUBLIC TRUCK LINES, 207 West Avery, Dallas, Tex., Attorneys Phinney & Hallman, 617 First National Bank Building, Dallas, Tex., filed July 31, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth, and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the

same commodities from Dallas, Tex., to Fort Worth, Tex., over U. S. Highway 80, and return over the same route.

No. MC-60388 (Deviation No. 1), SUNSET MOTOR LINES, 105 West Washington Drive, P. O. Box 1551, San Angelo, Tex., filed August 5, 1957. Attorney for said carrier, Mert Starnes, 401 Perry-Brooks Building, Austin, Tex. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between Dallas, Tex., and Fort Worth, Tex., over Texas Highway 183.

No. MC-104004 (Deviation No. 1), ASSOCIATED TRANSPORT, INC., 380 Madison Avenue, New York 17, N. Y., filed August 6, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between the New York-Massachusetts State Line and Boston, Mass., as follows: from the New York-Massachusetts State Line over the Massachusetts Turnpike to Boston, Mass. (using New York Highway 22 and Massachusetts Highway 102 as access routes) and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between the New York-Massachusetts State Line and Boston, Mass., over the following pertinent routes: from Albany, N. Y., over U. S. Highway 20 to New Lebanon, N. Y.; from New Lebanon, N. Y., over U. S. Highway 20 to Boston, Mass.; from Troy, N. Y., over U. S. Highway 20 to Pittsfield, Mass., thence over Massachusetts Highway 9 to Boston; and return over the same routes.

No. MC 109265 (Deviation No. 1), W. L. MEAD, INC., P. O. Box 31, Cleveland Road, Norwalk, Ohio, filed August 1, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *general commodities*, with certain exceptions, over a deviation route, between West Stockbridge, Mass., and Weston, Mass., as follows: from West Stockbridge, Mass., over Massachusetts Turnpike to Weston, Mass. and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over the following pertinent routes: from Boston over U. S. Highway 20 to Albany, N. Y.; and from Boston over Massachusetts Highway 9 to Worcester, Mass.; and return over the same routes.

#### MOTOR CARRIERS OF PASSENGERS

No. MC 56810 Sub 1 (Deviation No. 1), TEXAS MOTOR COACHES, INC., P. O. Box 110, Fort Worth, Tex., filed August 2, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle pas-

sengers, over a deviation route, between Dallas, Tex., and Fort Worth, Tex., as follows: from Dallas over the Dallas-Fort Worth Turnpike to Fort Worth and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport passengers between Dallas, Tex., and Fort Worth, Tex., over U. S. Highway 80.

No. MC-84728 (Deviation No. 1), SAFEWAY TRAILS, INC., 820 T Street NE., Washington 18, D. C., filed August 2, 1957. Carrier proposes to operate as a *common carrier* by motor vehicle of *passengers*, over a deviation route, as follows: from Junction of Black Horse Pike (New Jersey Highway 42) and access roads at or near Audubon Park Boro over bridge approaches, the Walt Whitman Bridge, and city streets to the Union Bus Terminal, 13th and Filbert Streets, Philadelphia, Pa., and return over the same routes, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport passengers over the following pertinent routes: from New York over U. S. Highway 1 to Washington; from New York over U. S. Highway 1 to Trenton, N. J., thence over U. S. Highway 206 to Junction U. S. Highway 130, thence over U. S. Highway 130 to Camden, N. J., thence across the Delaware River to Philadelphia, Pa., thence over U. S. Highway 13 to Junction U. S. Highway 40, thence U. S. Highway 40 to Baltimore, Md., thence over U. S. Highway 1 to Washington, D. C.; from Junction New Jersey Turnpike at Lincoln Tunnel Interchange over New Jersey Turnpike to Delaware Memorial Bridge Interchange; from Camden over New Jersey Highway 38 to Junction New Jersey Highway S-41 and access roads to New Jersey Turnpike at Philadelphia-Camden Interchange; from Camden over New Jersey Highway 42 and access roads to New Jersey Turnpike at Woodbury-South Camden Interchange; from Chester, Pa. over U. S. Highway 322 and access roads to New Jersey Turnpike at Swedesboro-Chester Interchange, and return over the same routes.

By the Commission.

[SEAL] HAROLD D. MCCOY,  
Secretary.

[F. R. Doc. 57-6651; Filed, Aug. 13, 1957;  
8:49 a. m.]

[Notice 177]

#### MOTOR CARRIER APPLICATIONS

AUGUST 9, 1957.

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers and by brokers under sections 206, 209, and 211 of the Interstate Commerce Act and certain other procedural matters with respect thereto (49 CFR 1.241)

All hearings will be called at 9:30 o'clock a. m., United States standard time (or 9:30 o'clock a. m., local daylight

saving time, if that time is observed), unless otherwise specified.

#### APPLICATIONS ASSIGNED FOR ORAL HEARING OR PRE-HEARING CONFERENCE

##### MOTOR CARRIERS OF PROPERTY

No. MC 1184 (Sub No. 9), (CORRECTION), GEORGE F. BURNETT COMPANY, INC., P. O. Box 2538, 20450 West Ireland Road, South Bend 14, Ind. Applicant's attorney: Walter N. Bieneman, Guardian Building, Detroit 26, Mich. Application published issue July 17, 1957, on page 5660, contained a condition restricting the commodities proposed to be transported to those manufactured at Stuttgart, Germany. This was in error. The passenger vehicles are actually manufactured in a suburb of Stuttgart which is named Sindelfingen, while the commercial vehicles are manufactured at Gaggenau and Mannheim, Germany. This notice will serve to correct the origin point contained in the restriction.

No. MC 29886 (Sub No. 104), (CORRECTION) DALLAS & MAVIS FORWARDING CO., INC., 4000 West Sample Street, South Bend 21, Ind. Applicant's attorney: Walter N. Bieneman, Guardian Building, Detroit 26, Mich. Application published issue July 17, 1957, on page 5661, contained a condition restricting the commodities proposed to be transported to those manufactured at Stuttgart, Germany. This was in error. The passenger vehicles are actually manufactured in a suburb of Stuttgart which is named Sindelfingen, while the commercial vehicles are manufactured at Gaggenau and Mannheim, Germany. This notice will serve to correct the origin point contained in the restriction.

No. MC 35469 (Sub No. 18), filed July 11, 1957, MODERN TRANSFER CO., INC., Hanover Avenue and Maxwell Street, Allentown, Pa. Applicant's attorney: Robert H. Shertz, 811-19 Lewis Tower Building, 225 South 15th Street, Philadelphia 2, Pa. For authority to operate as a *common carrier*, transporting: *General commodities*, except Class A and B explosives, household goods as defined in 17 M. C. C. 467, commodities in bulk, and those requiring special equipment, serving the Curtiss Wright Research and Development Center, near Quehanna Post Office, Pa., as an off-route point in connection with applicant's authorized regular route operations. Applicant is authorized to transport similar commodities in Delaware, Maryland, New Jersey, New York, and Pennsylvania.

HEARING: September 26, 1957, at the Offices of the Interstate Commerce Commission, Washington, D. C., before Examiner Charles H. Riegner.

No. MC 52974 (Sub No. 5), filed July 24, 1957, THE JACOBS TRANSFER COMPANY, INC., 61 Pierce Street NE., Washington 2, D. C. For authority to operate as a *contract carrier*, over irregular routes, transporting: *Meat and/or Packing House Products*, fresh, frozen and/or canned, from Washington, D. C. to points in Loudoun, Fairfax, Prince William, Arlington, Stafford, Fauquier and King George Counties, Va., and those in Charles, Calvert, Prince Georges,

Anne Arundel, Montgomery, Howard and St. Marys Counties, Md. Applicant is authorized to conduct operations in Maryland, Virginia and the District of Columbia.

**HEARING:** September 23, 1957, at the Offices of the Interstate Commerce Commission, Washington, D. C., before Joint Board No. 68.

No. MC 92722 (Sub No. 13), (CORRECTION) ROBERT R. WALKER, INC., 1818 West Sample Street, South Bend, Ind. Applicant's attorney: Walter N. Bieneman, Guardian Building, Detroit 26, Mich. Application published issue July 17, 1957, on page 5662, contained a condition restricting the commodities proposed to be transported to those manufactured at Stuttgart, Germany. This was in error. The passenger vehicles are actually manufactured in a suburb of Stuttgart which is named Sindelfingen, while the commercial vehicles are manufactured at Gaggenau and Mannheim, Germany. This notice will serve to correct the origin point contained in the restriction.

No. MC 93890 (Sub No. 14), (CORRECTION) McDOWALL TRANSPORT, INC., P. O. Box 3231, Orlando, Fla. Applicant's attorney: Walter N. Bieneman, Guardian Building, Detroit 26, Mich. Application published issue July 17, 1957, on page 5662, contained a condition restricting the commodities proposed to be transported to those manufactured at Stuttgart, Germany. This was in error. The passenger vehicles are actually manufactured in a suburb of Stuttgart which is named Sindelfingen, while the commercial vehicles are manufactured at Gaggenau and Mannheim, Germany. This notice will serve to correct the origin point contained in the restriction.

No. MC 96098 (Sub No. 17), filed July 25, 1957, H. H. FOLLMER CONTRACT HAULING, INC., North Front Street, P. O. Box 389, Milton, Pa. Applicant's representative: A. E. Enoch, Brodhead Block, 556 Main Street, Bethlehem, Pa. For authority to operate as a *contract carrier*, over irregular routes, transporting: *Salt*, in packages or in bulk, from Silver Springs, N. Y., to points in Bradford, Carbon, Columbia, Lackawanna, Luzerne, Wayne, Cameron, Monroe, Pike, Schuylkill, Susquehanna, Sullivan, Wyoming, Elk, Union, Montour, Snyder, Northumberland, Lycoming and Clinton Counties, Pa., and *empty containers or other such incidental facilities* (not specified) used in transporting the commodity specified on return. Applicant is authorized to conduct operations in Pennsylvania, New York, New Jersey, Maryland, Delaware, Ohio, Virginia, West Virginia and the District of Columbia.

**HEARING:** September 27, 1957, at the Offices of the Interstate Commerce Commission, Washington, D. C., before Examiner Allen W. Hagerty.

No. MC 109682 (Sub No. 21), (CORRECTION) BOLIN DRIVEAWAY CO., a corporation, 26400 Lakeland Boulevard, Cleveland 32, Ohio. Applicant's attorney: Walter N. Bieneman, Guardian Building, Detroit 26, Mich. Application published issue July 17, 1957, on page

5663, contained a condition restricting the commodities proposed to be transported to those manufactured at Stuttgart, Germany. This was in error. The passenger vehicles are actually manufactured in a suburb of Stuttgart which is named Sindelfingen, while the commercial vehicles are manufactured at Gaggenau and Mannheim, Germany. This notice will serve to correct the origin point contained in the restriction.

No. MC 112668 (Sub No. 13), filed July 29, 1957, HARVEY R. SHIPLEY & SONS, INC., Finksburg, Md. Applicant's representative: Donald E. Freeman, Uniontown Road, Westminster, Md. For authority to operate as a *common carrier*, over irregular routes, transporting: *Poultry manure, cow manure, poultry by-products, crab meal, and bone meal*, from the plant of the Melson Fertilizer Company, Inc., at or near Georgetown, Del., to points in Virginia, Delaware, Maryland, New Jersey, points in New York on and south of U. S. Highway 20, and points in Pennsylvania on and east of U. S. Highway 220. Applicant is authorized to transport similar commodities in Maryland, Pennsylvania, Virginia, and West Virginia.

**HEARING:** September 19, 1957, at the Offices of the Interstate Commerce Commission, Washington, D. C., before Examiner John McCarthy.

No. MC 116830, filed July 24, 1957, RAYMOND J. DAVIS, JR., Germantown, Md. Applicant's attorney: Henry F. Lerch, 815 15th Street, Washington 5, D. C. For authority to operate as a *contract carrier*, over irregular routes, transporting: *Flour*, in bags, from points in Montgomery and Frederick Counties, Md. to Newport News and Norfolk, Va., and points in Henrico, Nansemond, Norfolk, James City, Isle of Wight, Sussex, and Princess Anne Counties, Va.; *peanut meal*, in bags, from Newport News, Va. to points in Fauquier, Culpeper and Loudoun Counties, Va., those in Montgomery and Frederick Counties, Md., and those in York and Lancaster Counties, Pa.; *cottonseed meal*, in bags, from points in Edgecombe, Nash, and Wayne Counties, N. C. and Marlboro and Darlington Counties, S. C. to points in Fauquier, Culpeper and Loudoun Counties, Va., those in Montgomery and Frederick Counties, Md. and those in York and Lancaster Counties, Pa.; *masonry paint*, powdered or dry, in bags and buckets, from points in Washington County, Pa. to Baltimore, Md. and Washington, D. C., and points in Montgomery County, Md.; *empty containers or other such incidental facilities used in transporting the commodities specified in this application, and agricultural commodities* when transported in the same vehicle with non-exempt commodities, on return.

**HEARING:** September 27, 1957, at the Offices of the Interstate Commerce Commission, Washington, D. C., before Examiner Charles H. Riegner.

APPLICATIONS FOR BROKERAGE LICENSES

No. MC 12661 (Correction), filed June 3, 1957, published page 5884, issue of July 24, 1957, SAMUEL STEPHEN SANTANELLO, doing business as SANTANELLO'S TOURS, 932 Bangs Avenue, Asbury Park, N. J. For a license

(BMC 5) authorizing operations as a *broker* at Asbury Park, N. J., in arranging for the transportation in interstate or foreign commerce, by motor vehicle, of *Groups of passengers and their baggage*, in the same vehicle with passengers, beginning and ending at points in Monmouth, Ocean and Middlesex Counties, N. J., and extending to points in New York, Maryland, Delaware, Virginia, Pennsylvania, New Jersey, and the District of Columbia.

**HEARING:** Remains as assigned September 18, 1957, at the U. S. Court Rooms, Newark, N. J., before Joint Board No. 119, or, if the Joint Board waives its right to participate, before Examiner Robert A. Joyner.

APPLICATIONS IN WHICH HANDLING WITHOUT ORAL HEARING IS REQUESTED

MOTOR CARRIERS OF PROPERTY

No. MC 30061 (Sub No. 3), filed July 31, 1957, JOSEPH BEDNER, doing business as JOSEPH BEDNER TRANSFER LINE, 222 Park Street, Sun Prairie, Wis. Applicant's attorney: Edward J. Konkol, One West Main Street, Madison 3, Wis. For authority to operate as a *common carrier*, over irregular routes, transporting: *General commodities, including those of unusual value, and household goods* as defined by the Commission, but excluding Class A and B explosives, commodities in bulk, and those requiring special equipment, between Madison and Sun Prairie, Wis., on the one hand, and, on the other, North Bristol, York Center and East Bristol, Dane County, Wis. Applicant is authorized to conduct similar operations over a regular route in Wisconsin.

No. MC 34030 (Sub No. 5), filed August 5, 1957, KAUFFMAN & MINTEER, INC., Monmouth Road, Jobstown, N. J. Applicant's representative: G. Donald Bullock, Box 146, Wyncote, Pa. For authority to operate as a *contract carrier*, over irregular routes, transporting: *Petroleum products*, in bulk, in tank vehicles, from Tullytown, Pa., to points in Atlantic, Burlington, Hunterdon, Mercer, Monmouth, Ocean, and Somerset Counties, N. J.

No. MC 50544 (Sub No. 41) (Correction), filed July 1, 1957, published page 5666, issue of July 17, 1957, THE TEXAS AND PACIFIC MOTOR TRANSPORT COMPANY, Texas and Pacific Bldg., Dallas 2, Tex. Applicant's attorney: Tom L. Farmer, Law Dept., The Texas and Pacific Motor Transport Company, Texas and Pacific Building, Dallas 2, Tex. For authority to operate as a *common carrier*, transporting: *General commodities*, between Dallas, Tex. and Sherman, Tex. over U. S. Highway 75 as an alternate route for operating convenience only, serving no intermediate points and serving the termini as *origin and destination points as well as for the purpose of joinder*, in connection with applicant's authorized regular route operations between Dallas and Sherman over U. S. Highways 80, 377, and 82, and Texas Highway 10, subject to the restriction that carrier's service shall be limited to that which is auxiliary to, or supplemental of, train service of The Texas and Pacific Railway Company,

and such other restrictions imposed in Certificate No. MC 50544 as may be pertinent. Applicant is authorized to conduct operations in Texas and Louisiana.

No. MC 75320 (Sub No. 79), filed July 31, 1957, CAMPBELL SIXTY-SIX EXPRESS, INC., 2333 East Trafficway, P. O. Box 390, Springfield, Mo. For authority to operate as a *common carrier*, over a regular route, transporting: *General commodities*, except those of unusual value, Class A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, between Jackson, Miss., and junction of Causeway Boulevard (Lake Pontchartrain Causeway southern approach) and U. S. Highway 61, near New Orleans, La., from Jackson over U. S. Highway 49 to junction Mississippi Highway 13 (near Mendenhall, Miss.), thence over Mississippi Highway 13 to Columbia, Miss., thence over combined Mississippi Highway 35 and U. S. Highway 98 to junction Mississippi Highway 35 (west of Columbia, Miss.), thence over Mississippi Highway 35 to the Mississippi-Louisiana State line, thence over Louisiana Highway 21 to Covington, La., thence over U. S. Highway 190 to approaches to the Lake Pontchartrain Causeway (bridge) over Lake Pontchartrain to unnumbered approaches and highways (Causeway Blvd.) extending from southern end of Lake Pontchartrain Causeway (bridge) to intersection therewith with U. S. Highway 61 (approximately two miles west of city limits of New Orleans, La., and return over the same route, serving no intermediate points, as an alternate route for operating convenience only, in connection with applicant's authorized regular route operations between New Orleans, La., and Jackson, Miss. Applicant is authorized to transport similar commodities in Alabama, Arkansas, Illinois, Indiana, Kansas, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee and Texas.

NOTE: Applicant states no service or joiner is sought at any intermediate point.

No. MC 95743 (Sub No. 16), filed July 29, 1957, CHARLES U. MEHRING & WILLIAM F. MEHRING, a partnership, doing business as CHARLES U. MEHRING & SON, Keymar, Md. For authority to operate as a *common carrier*, over irregular routes, transporting: *Ladders*, wooden, in seasonal operation between September 1 and May 1 of each year, from Keysville, Md., to points in Florida. Applicant is authorized to transport fertilizer from Keymar, Md. to Littlestown, Pa., and ground burned lime from Woodsboro, Md. to points in Delaware.

No. MC 99149 (Sub No. 1), filed July 29, 1957, MIDWAY MOTOR FREIGHT LINES, INC., Glenwood, Ark. Applicant's attorney: Charles B. Mott, Jr., Pyramid Life Building, Little Rock, Ark. For authority to operate as a *common carrier*, over regular routes, transporting: *General commodities, including Class A and B explosives*, but excepting those of unusual value, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment, (1) between Little

Rock, Ark., and Texarkana, Ark.-Tex., from Little Rock over U. S. Highway 70 to Kirby, Ark., thence over Arkansas Highway 27 to Mineral Springs, Ark., thence over Arkansas Highway 55 to Fulton, Ark., and thence over U. S. Highway 67 to Texarkana, Ark.-Tex., and return over the same routes, serving all intermediate points, excepting that no service is to be rendered to or from intermediate points between Little Rock and Hot Springs, Ark., and that no shipments may be handled between Little Rock, on the one hand, and, on the other, Hot Springs; (2) between Hope, Ark. and Dierks, Ark., over Arkansas Highway 4; (3) between Murfreesboro, Ark., and Delight, Ark. over Arkansas Highway 26; (4) between Murfreesboro, Ark. and Narrows Dam, Ark. over Arkansas Highway 19; (5) between Mena, Ark. and Amity, Ark., over Arkansas Highway 8; (6) between Norman, Ark. and Mount Ida, Ark. over Arkansas Highway 27; (7) between Mount Ida, Ark. and Pencil Bluff, Ark., over U. S. Highway 270; (8) between Pencil Bluff and Mena, Ark. over Arkansas Highway 88, serving all intermediate points.

NOTE: This application is filed, in part, to obtain a Certificate of Public Convenience and Necessity authorizing continuance of interstate operations conducted under the second proviso of section 206 (a) (1), Interstate Commerce Act, corresponding to operations authorized in intrastate certificate on file with this Commission.

No. MC 112846 (Sub No. 15), published issue July 31, 1957, page 6028, filed July 2, 1957, CLARE M. MARSHALL, INC., P. O. Box 611, Oil City, Pa. Applicant's attorney: Paul F. Barnes, 811-819 Lewis Tower Building, 225 South 15th Street, Philadelphia 2, Pa. For authority to operate as a *common carrier*, over irregular routes, transporting: *Petroleum white mineral oil*, in bulk, in tank vehicles, from Petrolia, Pa., to Suffern, N. Y. Applicant is authorized to conduct similar operations in Delaware, Michigan, New Jersey, New York, Ohio, Pennsylvania and West Virginia.

The hearing previously assigned was cancelled upon the filing of verified statements on behalf of applicant.

No. MC 115959 (Sub No. 1), filed August 5, 1957, LEON LIBMAN, 664 Thwaites Place, New York 67, N. Y. Applicant's attorney: William J. Drohan, 260 East 161st Street, Bronx 51, N. Y. For authority to operate as a *contract carrier*, over irregular routes, transporting: *Toilet preparations and material, supplies and equipment* used in the manufacture of toilet preparations, between New York City, N. Y., and Passaic, Metuchen and Irvington, N. J.

#### MOTOR CARRIERS OF PASSENGERS

No. MC 114602 (Sub No. 1), filed July 26, 1957, SILVER FOX LINES, a Corporation, 1106 Riverside Drive, Danville, Va. For authority to operate as a *common carrier*, over regular routes, transporting: *Passengers and their baggage, and newspapers*, in the same vehicle with passengers, between junction North Carolina Highways 86 and 514, about one mile south of Purley, N. C., and junction North Carolina Highways 514 and 62.

about 8 miles north of Yanceyville, N. C. (also known as Taylor's Store), from junction North Carolina Highways 86 and 514 over North Carolina Highway 86 to junction U. S. Highway 158, thence over U. S. Highway 158 (via Yanceyville, N. C.) to junction North Carolina Highway 62, thence over North Carolina Highway 62 to junction North Carolina Highway 514 (or Taylor's Store), and return over the same route, serving all intermediate points.

No. MC 116614 (Sub No. 2), filed June 24, 1957, WINTER GARDEN BRACERO TRANSPORTATION CO., INC., a Corporation, 101 Commercial Street, Eagle Pass, Tex. Applicant's attorney: Ewell H. Muse, Jr., Suite 415, Perry Brooks Building, Austin, Tex. For authority to operate as a *contract carrier*, over irregular routes, transporting: *Passengers* (Mexican National Migratory Agricultural Workers), and their *baggage*, in the same vehicle with passengers, (1) between points in Maverick and Hidalgo Counties, Tex., on the one hand, and, on the other, points in Alabama, Arkansas, Tennessee, Kentucky, Michigan, Wisconsin, Mississippi, Louisiana, Oklahoma, Colorado, Illinois, Indiana, Georgia, Delaware, Missouri, Iowa, Kansas, Minnesota, Ohio, New Mexico and Texas, except those in El Paso County; and (2) between points in Alabama, Arkansas, Tennessee, Kentucky, Michigan, Wisconsin, Mississippi, Louisiana, Oklahoma, Colorado, Illinois, Indiana, Georgia, Delaware, Missouri, Iowa, Kansas, Minnesota, Ohio, New Mexico, and Texas, except those in El Paso County.

NOTE: Applicant's President and controlling stockholder holds Certificate No. MC 98674 as a common carrier of passengers in Texas.

#### APPLICATIONS UNDER SECTIONS 5 AND 210a (b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers under sections 5 (2) and 210a (b) of the Interstate Commerce Act and certain other procedural matters with respect thereto 49 CFR 1.240)

#### MOTOR CARRIERS OF PROPERTY

No. MC-F 6653. Authority sought for purchase by BRUCE MOTOR FREIGHT, INC. (IOWA CORPORATION), 2011 Easton Boulevard, Des Moines, Iowa, of the operating rights of BRUCE MOTOR FREIGHT, INC. (MISSOURI CORPORATION), 2011 Easton Boulevard, Des Moines, Iowa, and for acquisition by E. W. HARLAN, also of Des Moines, of control of such rights through the purchase. Applicants' attorney: Homer E. Bradshaw, 510 Central National Building, Des Moines 9, Iowa. Operating rights sought to be transferred: *General commodities*, except household goods as described by the Commission, as a *common carrier* over regular routes between Des Moines, Iowa, and Minneapolis and St. Paul, Minn., between Des Moines, Iowa, and Kansas City and St. Louis, Mo., between Des Moines, Iowa, and St. Louis.

Mo., and between Leon, Iowa, and Centerville, Iowa, serving certain intermediate and off-route points; several alternate routes for operating convenience only; *general commodities*, with certain exceptions including household goods and excluding commodities in bulk, between Des Moines, Iowa, and Colo., Iowa, and between St. Louis, Mo., and East Alton, Ill., serving certain intermediate and off-route points; alternate route for operating convenience only between Bloomfield, Iowa, and junction Missouri Highway 4 and U. S. Highway 61; *general commodities*, with certain exceptions including household goods and commodities in bulk, between Ames, Iowa, and Albert Lea, Minn., between junction Iowa Highway 2 and U. S. Highway 65, and junction U. S. Highways 65 and 69, between Centerville, Iowa, and junction Iowa Highway 2 and U. S. Highway 63, between Ottumwa, Iowa, and Oskaloosa, Iowa, between Des Moines, Iowa, and Perry, Iowa, and between Chicago, Ill., and Des Moines, Iowa, serving certain intermediate and off-route points; *general commodities*, with certain exceptions including household goods and commodities in bulk, over regular and irregular routes, between Minneapolis, St. Paul, South St. Paul, Invergrove, West St. Paul, Newport, North St. Paul, Columbia Heights, Robbinsdale, St. Louis Park, Hopkins, Edina, Richfield, Red Rock, McCarron Lake, Fort Snelling, and State Fair Grounds, Minn. (the authority described immediately above is to be construed as granting only authority to serve additional intermediate or off-route points in connection with the above-described regular-route operations, and as an extension of the following irregular-route operations, and should not be understood to duplicate any authority previously granted); *general commodities*, with certain exceptions including household goods and excluding commodities in bulk, over irregular routes between Minneapolis and St. Paul, Minn., and the site of the Twin City Ordnance Plant in Mounds View Township, Ramsey County, Minn.; *poultry, butter, and eggs*, from Osceola, Creston, Gowrie, and Coon Rapids, Iowa, to Chicago, Ill. Vendee holds no authority from this Commission. Application has not been filed for temporary authority under section 210a (b).

No. MC-F 6655. Authority sought for control and merger by SPECTOR FREIGHT SYSTEM, INC., 3100 South Wolcott Avenue, Chicago, Ill., of the operating rights and property of KNIGHT'S TRANSPORTATION CO., Harborside, 1 Washington Avenue, Providence, R. I., and for acquisition by W. STANHAUS and SIMON FISHER, both of Chicago, of control of such rights and property through the transaction. Applicants' attorney: Axelrod, Goodman & Steiner, 39 South La Salle Street, Chicago 3, Ill. Operating rights sought to be controlled and merged: *General commodities*, except those of unusual value, livestock, high explosives, automobiles, household goods as defined by the Commission, in truckload lots, commodities in bulk, commodities requiring special equipment, and those injurious

or contaminating to other lading, as a *common carrier* over irregular routes between Providence, R. I., on the one hand, and, on the other, points in Connecticut east of U. S. Highway 5, and those in Rhode Island and Massachusetts south and east of a line extending from Boston, Mass., along Massachusetts Highway 9 to Worcester, Mass., and thence south to Westerly, R. I. SPECTOR FREIGHT SYSTEM, INC., is authorized to operate as a *common carrier* in Ohio, Missouri, Massachusetts, Pennsylvania, Maryland, Connecticut, New York, Indiana, Illinois, Minnesota, Wisconsin, New Jersey, Kansas, Rhode Island, Iowa, Nebraska and the District of Columbia. Application has been filed for temporary authority under section 210a (b).

No. MC-F 6656. Authority sought for control by BRANCH MOTOR EXPRESS COMPANY, 455 West 16th Street, New York, N. Y., of MURDOCH & HATCH MOTOR TRANSPORT, INC., 84 State Street, Boston, Mass. Applicant's attorneys: Mark M. Horblit, 84 State Street, Boston 9, Mass., and Clarence D. Todd, 1825 Jefferson Place NW., Washington, D. C. Operating rights sought to be controlled: *General commodities*, with certain exceptions including household goods and commodities in bulk, as a *common carrier* over regular routes between Boston, Mass., and Stamford, Conn., between Boston, Mass., and New London, Conn., between Boston, Mass., and New Haven, Conn., between Boston, Mass., and Hartford, Conn., between Boston, Mass., and North Adams, Mass., between New Bedford, Mass., and Danbury, Conn., between Greenfield, Mass., and New Haven, Conn., between Sturbridge, Mass., and North Adams, Mass., between Providence, R. I., and Worcester, Mass., between Danbury, Conn., and New York, N. Y., and between Torrington, Conn., and New York, N. Y., serving certain intermediate and off-route points; *frozen fish livers*, over irregular routes, from Boston, Mass., to Provincetown, Mass.; *packing-house products, dairy products, agricultural commodities, and cloth*, from Boston, Mass., to Albany, N. Y., *groceries*, from Albany, N. Y., to Springfield, Mass., *agricultural commodities*, from New York, N. Y., to Worcester, Mass.; *petroleum and petroleum products*, in containers, from Sewaren, N. J., to Bristol and Torrington, Conn.; *malt beverages*, from Utica, N. Y., to Waterbury, Bridgeport, and Hartford, Conn.; *yeast, paper, groceries, tobacco, liquor, agricultural commodities, candy, and packing-house products*, between New York, N. Y., and Boston, Mass.; *fresh tomatoes*, from Boston, Mass., to Washington, D. C. BRANCH MOTOR EXPRESS COMPANY is authorized to operate as a *common carrier* in New York, Maryland, New Jersey, Pennsylvania, Delaware and the District of Columbia. Application has been filed for temporary authority under section 210a (b).

No. MC-F 6657. Authority sought for purchase by COOPER-JARRETT, INC., West 14th Street, Kansas City, Mo., of the operating rights of ANTHONY SERIO AND NICKOLAS SERIO, doing business as SERIO BROS. FAST EX-

PRESS & TRUCKING, 5-32 50th Avenue, Maspeth, Long Island, N. Y., and for acquisition by R. E. COOPER, JR., 100 Water Street, Jersey City, N. J., of control of such rights through the purchase. Applicants' attorneys: Irving Klein, 280 Broadway, New York 7, N. Y., and George A. Olsen, 69 Tonnelle Avenue, Jersey City 6, N. J. Operating rights sought to be transferred: *General commodities*, with certain exceptions including household goods and commodities in bulk, as a *common carrier* over irregular routes between New York, N. Y., on the one hand, and, on the other, points in New York and New Jersey within 50 miles of Columbus Circle, New York, N. Y. Vendee is authorized to operate as a *common carrier* in Missouri, Nebraska, Massachusetts, Illinois, Ohio, Pennsylvania, New York, Connecticut, Rhode Island, Kansas, New Jersey, Maryland, Indiana, Delaware, Colorado, Iowa, Oklahoma, Texas and the District of Columbia. Application has been filed for temporary authority under section 210a (b).

No. MC-F 6658. Authority sought for merger into SMITH'S TRANSFER CORPORATION OF STAUNTON, VA., 332 Kalorama Street SE., Staunton, Va., of the operating rights and property of SERVICE STORAGE & TRANSFER COMPANY, INC., Drawer 310, Bluefield, W. Va., and for acquisition by ROY R. SMITH and R. P. HARRISON, both of Staunton, of control of such rights and property through the transaction. Applicants' attorney: David G. Macdonald, 504 Commonwealth Building, Washington 6, D. C. Operating rights sought to be merged: *General commodities*, with certain exceptions including household goods and commodities in bulk, as a *common carrier* over irregular routes between Bluefield, Va., Bluefield, W. Va., and points within five miles of Bluefield, W. Va., between Bluefield, Va., and points within five miles of Bluefield, W. Va., respectively, on the one hand, and, on the other, points in that part of Virginia and West Virginia within 75 miles of that territory, between Bluefield, W. Va., on the one hand, and, on the other, points in West Virginia and certain points in Virginia, and between Bluefield, Va., and points in Virginia within five miles of Bluefield, and Bluefield, W. Va., and points in West Virginia within five miles of Bluefield, on the one hand, and, on the other, points in Pike, Letcher, and Harlan Counties, Ky. SMITH'S TRANSFER CORPORATION OF STAUNTON, VA., is authorized to operate as a *common carrier* in Virginia, Maryland, Pennsylvania, Delaware, New York, New Jersey, West Virginia, North Carolina, South Carolina and the District of Columbia. Application has not been filed for temporary authority under section 210a (b).

No. MC-F 6659. Authority sought for purchase by HAYES FREIGHT LINES, INC., 628 East Adams Street, Springfield, Ill., of the operating rights of KENNETH D. GUNION, doing business as GORE TRUCK LINE, 124 East Virginia Avenue, Memphis, Tenn., and for acquisition by DAVID H. RATNER, also of

Springfield, of control of such rights through the purchase. Applicants' attorneys: Axelrod, Goodman & Steiner, 39 South La Salle Street, Chicago 3, Ill., and John Paul Jones, 1012 Edway Building, Memphis 3, Tenn. Operating rights sought to be transferred: *General commodities*, with certain exceptions including household goods and commodities in bulk, as a *common carrier* over a regular route between Hernando, Miss., and Memphis, Tenn., serving the intermediate and off-route points in De Soto County, Miss., within seven miles of Hernando, Miss. Vendee is authorized to operate as a *common carrier* in Missouri, Iowa, Illinois, Indiana, Ohio, Kentucky, Michigan, Tennessee, Pennsylvania, West Virginia, Connecticut, Delaware, Massachusetts, Maine, Maryland, Mississippi, New Hampshire, New Jersey, New York, Rhode Island, Virginia, Vermont and Wisconsin. Application has been filed for temporary authority under section 210a (b).

No. MC-F 6660. Authority sought for control and merger by BUCKINGHAM TRANSPORTATION, INC., Omaha and West Boulevard, Rapid City, S. Dak., of the operating rights and property of BUCKINGHAM TRANSFER, INC., and BUCKINGHAM EXPRESS, INC., both of 2012 Burt Street, Omaha, Nebr., and for acquisition by EARL F. BUCKINGHAM and HAROLD D. BUCKINGHAM, both of Rapid City, of control of such rights and property through the transaction. Applicants' attorney: Marion F. Jones, 526 Denham Building, Denver 2, Colo. Operating rights sought to be controlled and merged: (BUCKINGHAM TRANSFER, INC.) *general commodities*, with certain exceptions excluding household goods and including commodities in bulk, as a *common carrier* over regular routes between St. Joseph, Mo., and Tarkio, Mo., serving all intermediate and certain off-route points; *general commodities*, with certain exceptions including household goods and commodities in bulk, between Westboro, Mo., and Omaha, Nebr., serving the intermediate points of Rockport, Fairfax, and Tarkio, Mo.; *general commodities*, with certain exceptions including household goods and excluding commodities in bulk, between Langdon, Mo., and Rockport, Mo., serving all intermediate points; *general commodities*, with certain exceptions including household goods and commodities in bulk, over irregular routes between certain points in Missouri, on the one hand, and, on the other, points in Illinois, Iowa, Nebraska, and Kansas; *general commodities*, with certain exceptions excluding household goods and including commodities in bulk, between points in Atchison, Nodaway, Andrew, Holt, and Buchanan Counties, Mo., on the one hand, and, on the other, certain points in Kansas, certain points in Nebraska, and certain points in Iowa; *household goods*, as defined by the Commission, and *emigrant movables*, between points in Atchison County, Mo., and certain points in Iowa, on the one hand, and, on the other, points in Missouri, Illinois, Iowa, Kansas, and Nebraska, and between Mound City, Mo., and points in Missouri within 25 miles thereof, on the one hand, and, on the other, points in that part of

Iowa, Kansas, and Nebraska within 100 miles of Mound City, Mo.; *washing machines*, from Newton, Iowa, to Mound City, Mo.; *farm machinery and farm implements and parts therefor*, *livestock*, and *oil - field equipment*, between Mound City, Mo., and points in Missouri within 25 miles thereof, on the one hand, and, on the other, points in that part of Iowa, Kansas, and Nebraska within 100 miles of Mound City, Mo.; (BUCKINGHAM EXPRESS, INC.) *general commodities*, with certain exceptions including household goods and commodities in bulk, as a *common carrier* over regular routes from Princeton, Mo., to East St. Louis, Ill., from Princeton, Mo., to Kansas City, Kans., and from Princeton, Mo., to St. Joseph, Mo., serving certain intermediate and off-route points; *general commodities*, with certain exceptions including household goods and liquid commodities in bulk, over irregular routes between St. Joseph, Mo., on the one hand, and, on the other, Gallatin, Altamont, and Winston, Mo.; *household goods*, as defined by the Commission, and *emigrant movables*, between Princeton, Mo., and points within 15 miles of Princeton, on the one hand, and, on the other, points in Iowa, Illinois, Missouri and Kansas; *livestock*, *feed*, *furnaces*, *paper*, *brick*, *new furniture*, *canned goods*, *junk*, *scrap iron*, *metals*, *tile*, *twine*, *hardware*, *sporting goods*, *wagons*, *spreaders*, *furniture*, *caskets*, *malt beverages*, *bottles*, and *seed*, from, to or between points and areas, varying with the commodity transported, in Missouri, Kansas, Illinois and Iowa. BUCKINGHAM TRANSPORTATION, INC., is authorized to operate as a *common carrier* in Minnesota, South Dakota, Nebraska, Iowa, Wyoming, Colorado, North Dakota, Montana, Illinois, Wisconsin, Utah, Washington, California and Nevada. Application has not been filed for temporary authority under section 210a (b).

No. MC-F 6661. Authority sought for control by W. D. SELLERS, JR., AND EDWIN M. SELLERS, 2 South 32nd Street, Birmingham, Ala., of HUCKABEE TRANSPORT CORP., Box 479, Columbia, S. C. Applicants' attorneys: James W. Wrape, Sterick Building, Memphis, Tenn., and Harold G. Hernly, 1624 Eye Street NW., Washington 6, D. C. Operating rights sought to be controlled: *General commodities*, with certain exceptions including household goods and commodities in bulk, as a *common carrier* over regular routes between Charleston, S. C., and Greenville, S. C., between Charleston, S. C., and Kings Mountain, N. C., between Columbia, S. C., and Pineville, N. C., between Columbia, S. C., and Augusta, Ga., and between Augusta, Ga., and Atlanta, Ga., serving certain intermediate and off-route points; *compressed inflammable gases*, in bulk, in Government-owned tube trailers, and *empty tube trailers*, and *classified and secret materials*, between the Savannah River Plant of the Atomic Energy Commission, at Dunbarton, S. C., and the site of the Atomic Energy Plant at Oak Ridge, Tenn., serving no intermediate points; *general commodities*, with certain exceptions including household goods and commodities in bulk, over irregular routes between Augusta, Ga., on

the one hand, and, on the other, points in Georgia within 100 miles of Augusta, between points in Georgia, on the one hand, and, on the other, points in South Carolina, and between Charlotte, N. C., on the one hand, and, on the other, certain points in South Carolina; *textile machinery and textile products*, between Winnsboro, S. C., on the one hand, and, on the other, Kannapolis, Gastonia, and Concord, N. C.; *the commodities* classified (a) as meats, meat products, and meat by-products, and (b) as dairy products in the appendix to the report in *Modification of Permits-Packing House Products*, 46 M. C. C. 23, between Columbia, S. C., and points within ten miles thereof, on the one hand, and, on the other, Fort Bragg, N. C., and points within ten miles thereof; *cotton*, from Winnsboro, S. C., to Gastonia, N. C., *hay*, from Beech Island, S. C., to Harlem, Ga., and from Augusta, Ga., to Walhalla, S. C.; *fertilizer*, from Augusta, Ga., to points in South Carolina; *flour*, from Augusta and Savannah, Ga., and Charleston, S. C., to points in South Carolina; *cotton seed*, from Beech Island, S. C., to Augusta, Ga.; *canned goods*, *meat*, and *sugar*, from Savannah, Ga., to Augusta, Ga.; *canned goods and agricultural commodities*, from Charleston, S. C., to Augusta, Ga. W. D. SELLERS, JR., and EDWIN M. SELLERS hold no authority from this Commission, but are affiliated with BAGGETT TRANSPORTATION COMPANY, which is authorized to operate as a *common and contract carrier* in Iowa, Alabama, Missouri, Illinois, New Jersey, West Virginia, Tennessee, Mississippi, Georgia, North Carolina, South Carolina, Indiana, Massachusetts, Florida, Louisiana, Texas, Kentucky, Virginia, New York, Colorado, Arkansas, Oklahoma, Kansas, Pennsylvania, Delaware, Maryland, Utah, Michigan, Minnesota, South Dakota, North Dakota, Ohio, Wyoming, Wisconsin, Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Nebraska and New Mexico. Application has not been filed for temporary authority under section 210a (b).

No. MC-F 6662. Authority sought for purchase by POINT EXPRESS, INC., 3535 Seventh Avenue, Charleston, W. Va., of the operating rights and property of MERCHANTS DISPATCH, INC., 1533 Hansford Street, Charleston, W. Va., and for acquisition by PAUL F. YOUNGBLOOD, also of Charleston, of control of such rights and property through the purchase. Applicants' attorneys: Francis W. McInnery, 504 Commonwealth Building, Washington 6, D. C., and John C. White, 400 Union Building, Charleston, W. Va. Operating rights sought to be transferred: *General commodities*, with certain exceptions including household goods and excluding commodities in bulk, as a *common carrier* over regular routes between Huntington, W. Va., and Columbus, Ohio, between Charleston, W. Va., and Beckley, W. Va., between Charleston, W. Va., and Webster Springs, W. Va., between Charleston, W. Va., and Clendenin, W. Va., and between Charleston, W. Va., and Nitro, W. Va., serving certain intermediate and off-route points; *general commodities*, with certain exceptions including household

goods and commodities in bulk, between Charleston, W. Va., and Cincinnati, Ohio, and between Gauley Bridge, W. Va., and White Sulphur Springs, W. Va., serving certain intermediate and off-route points; alternate route for operating convenience only between Lewis, W. Va., and Chillicothe, Ohio. Vendee is authorized to operate as a common carrier in West Virginia, Ohio, Kentucky, Pennsylvania and India. Application has not been filed for temporary authority under section 210a (b).

No. MC-F 6663. Authority sought for purchase by PAUL CROUSE, doing business as CROUSE CARTAGE COMPANY, P. O. Box 348, Carroll, Iowa, of the operating rights of WENDELL SATTERLEE, doing business as HARLAN EXPRESS, 1106 South Sixth Street, Omaha, Nebr. Applicants' attorneys: Einar Viren, 904 City National Bank Building, Omaha, Nebr., and Jack W. Marer, 854 Omaha National Bank Bldg., Omaha, Nebr. Operating rights sought to be transferred: *General commodities*, with certain exceptions including household goods and commodities in bulk, as a common carrier over a regular route between Manning, Iowa, and Omaha, Nebr., serving all intermediate points and the off-route points of Manilla, Templeton, Dedham, and Coon Rapids, Iowa; *general commodities*, with certain exceptions including household goods and excluding commodities in bulk, over irregular routes between Walnut, Iowa, and points within 20 miles of Walnut, on the one hand, and, on the other, Omaha, Nebr. Vendee is authorized to operate as a common carrier in Nebraska and Iowa. Application has been filed for temporary authority under section 210a (b).

By the Commission.

[SEAL] HAROLD D. MCCOY,  
Secretary.

[F. R. Doc. 57-6652; Filed, Aug. 13, 1957; 8:50 a. m.]

FOURTH SECTION APPLICATIONS FOR RELIEF  
AUGUST 9, 1957.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the General Rules of Practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 34096: *Vegetable oils from southern ports to Kentucky, Illinois, and Wisconsin points.* Filed by H. M. Engdahl, Agent, (No. 36-C), for interested rail carriers. Rates on vegetable oils, carloads, in packages or in tank cars, as described in the application from Gulf, south Florida, and south Atlantic ports, on traffic imported thereat and transported by rail to Covington, Ky., Elgin, Freeport, and Jacksonville, Ill., and Cudahy, Wis.

Grounds for relief: Port competition and relationships, and circuitous routes. Tariff: Supplement 11 to Agent Engdahl's tariff I. C. C. 150.

FSA No. 34097: *Fresh meats from western points to Louisiana and Texas points.* Filed by H. M. Engdahl, Agent, (No. 36-B), for interested rail carriers. Rates on fresh meats, carloads, as described in the application from specified points in Illinois, Iowa, Missouri, and Wisconsin to Lake Charles, La., and Texas Gulf ports, for export.

Grounds for relief: Port competition and relationships, and circuitry.

Tariff: Supplement 13 to Agent Engdahl's tariff I. C. C. 144.

FSA No. 34098: *Concrete Pressure Pipe—South Beloit, Ill., to Official Territory.* Filed by O. E. Schultz, Agent (ER No. 2396), for interested rail carriers. Rates on reinforced concrete pressure pipe and fittings, carloads (a) from South Beloit, Ill., to all points in official territory, including points in Illinois, southern Wisconsin and extended zone C in Wisconsin, and (b) from Cleveland and Dayton, Ohio, Detroit, Mich., and Melbourne, Ky., to all points in Illinois, southern Wisconsin and extended zone C in Wisconsin.

Grounds for relief: Short-line distance formula, and circuitous routes.

Tariffs: Supplement 3 to Agent H. R. Hinsch's tariff I. C. C. 4785. Supplement 10 to Agent H. R. Hinsch's tariff I. C. C. 4772. Supplement 6 to Agent R. G. Raasch's tariff I. C. C. 877.

FSA No. 34099: *Fine coal—Alabama and Tennessee mines to Acme, N. C.* Filed by O. W. South, Jr., Agent (SFA No. A3511), for interested rail carriers. Rates on fine coal, carloads as described in the application from Bass and Stevenson, Ala., and from specified points in Tennessee on The Nashville, Chattanooga & St. Louis Railway to Acme, N. C.

Grounds for relief: Competition with other sources of power fuels in connection with revised description.

By the Commission.

[SEAL] HAROLD D. MCCOY,  
Secretary.

[F. R. Doc. 57-6650; Filed, Aug. 13, 1957; 8:49 a. m.]

DEPARTMENT OF LABOR  
Wage and Hour Division

LEARNER EMPLOYMENT CERTIFICATES

ISSUANCE TO VARIOUS INDUSTRIES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended; 29 U. S. C. 201 et seq.), the regulations on employment of learners (29 CFR Part 522), and Administrative Order No. 414 (16 F. R. 7367), the firms listed in this notice have been issued special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the act. The effective and expiration dates, occupations, wage rates, number or proportion of learners, learning periods, and the principal product manufactured by the employer for certificates issued under general learner regulations (§§ 522.1 to 522.11) are as indicated below. Conditions provided in certificates issued under

special industry regulations are as established in these regulations.

Apparel Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.20 to 522.24, as amended).

The following learner certificates were issued authorizing the employment of 10 percent of the total number of factory production workers for normal labor turnover purposes. The effective and expiration dates are indicated.

Excelsior Manufacturing Co., Salisbury, Md.; effective 8-2-57 to 8-1-58 (children's and ladies' sportswear).

Rosemont Dress Co., 24 Moser Road, Pottstown, Pa.; effective 8-2-57 to 8-1-58 (ladies' dresses).

S. D. Dress Co., Mill and Frieda Streets, Dickson City, Pa.; effective 7-26-57 to 7-25-58 (dresses).

Sarajo Manufacturing Co., Sixth and Front Streets, Monett, Mo.; effective 8-5-57 to 8-4-58 (boys' pants).

Sarajo Manufacturing Co., Commercial Street, Pierce City, Mo.; effective 8-5-57 to 8-4-58 (boys' shirts).

The following learner certificates were issued for normal labor turnover purposes. The effective and expiration dates and the number of learners authorized are indicated.

Delmarva Manufacturing Co., Denton, Md.; effective 8-2-57 to 8-1-58; five learners (children's and ladies' sportswear).

McTague Manufacturing Co., Inc., West Presqueisle Street, Philipsburg, Pa.; effective 7-30-57 to 7-29-58; 10 learners (jackets).

Mylcraft Manufacturing Co., Inc., South Main and Jackson Streets, Rich Square, N. C.; effective 8-8-57 to 8-7-58; five learners (ladies' robes).

Salttillo Manufacturing Co., Inc., Salttillo, Tenn.; effective 8-1-57 to 7-31-58; 10 learners (sport shirts).

Scranton Wearing Apparel, Inc., 312 Penn Avenue, Scranton, Pa.; effective 8-5-57 to 8-4-58; six learners (boys' and men's outerwear).

Skyland Textile Co., Vance Street, Forest City, N. C.; effective 8-2-57 to 8-1-58; 10 learners (children's knitted outerwear).

Snow Hill Garment Co., Snow Hill, Md.; effective 8-2-57 to 8-1-58; five learners (children's and ladies' sportswear).

The following learner certificates were issued for plant expansion purposes. The effective and expiration dates and the number of learners authorized are indicated.

Oberman Manufacturing Co., Harrison, Ark.; effective 7-30-57 to 1-29-58; 25 learners (men's and boys' single pants).

Salttillo Manufacturing Co., Inc., Salttillo, Tenn.; effective 8-1-57 to 1-31-58; 25 learners (sport shirts).

Glove Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.60 to 522.65, as amended).

Haynesville Manufacturing Co., Inc., Haynesville, La.; effective 8-6-57 to 2-5-58; 10 learners for plant expansion purposes (work gloves).

Haynesville Manufacturing Co., Inc., Haynesville, La.; effective 8-6-57 to 8-5-58; 10 learners for normal labor turnover purposes (work gloves).

Indianapolis Glove Co., Inc., Indianapolis, Ind.; effective 7-30-57 to 7-29-58; 10 percent of the total number of factory production workers engaged in the authorized learner occupations for normal labor turnover purposes (Jersey and canton flannel work gloves).

Indianapolis Glove Co., Inc., Richmond, Ind.; effective 7-30-57 to 7-29-58; 10 learners for normal labor turnover purposes (work gloves).

Indianapolis Glove Co., Inc., Houlka, Miss.; effective 7-30-57 to 7-29-58; 10 learners for normal labor turnover purposes (canton flannel work gloves).

Indianapolis Glove Co., Inc., Coshocton, Ohio; effective 8-3-57 to 8-2-58; 10 learners for normal labor turnover purposes (canton flannel work gloves).

Indianapolis Glove Co., Inc., Eaton, Ohio; effective 8-3-57 to 8-2-58; 10 learners for normal labor turnover purposes (jersey work gloves).

St. Johnsbury Glovers, Inc., St. Johnsbury, Vt.; effective 8-11-57 to 8-10-58; 10 learners for normal labor turnover purposes (ladies' knit fabric gloves).

Hosiery Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.40 to 522.43, as amended).

Ellis Hosiery Mills, Inc., Hickory, N. C.; effective 8-5-57 to 8-4-58; 5 percent of the total number of factory production workers for normal labor turnover purposes (seamless).

Hollar Hosiery Mills, Inc., Hickory, N. C.; effective 8-5-57 to 8-4-58; five learners for normal labor turnover purposes (seamless).

C. D. Jessup & Co., Claremont, N. C.; effective 8-2-57 to 8-1-58; five learners for normal labor turnover purposes (seamless).

Melrose Hosiery Mills, Inc., 1541 English Street, High Point, N. C.; effective 8-1-57 to 7-31-58; 5 percent of the total number of factory production workers for normal labor turnover purposes (seamless).

Southland Sox, Inc., 937 Gault Avenue, North Fort Payne, Ala.; effective 8-1-57 to 7-31-58; 5 percent of the total number of factory production workers for normal labor turnover purposes (seamless).

Independent Telephone Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.70 to 522.74, as amended).

Monroeville Telephone Co., Inc.; Monroeville, Ala.; effective 8-1-57 to 7-31-58.

Knitted Wear Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.30 to 522.35, as amended).

Movie Star of Ellenville, Ellenville, Miss.; effective 7-30-57 to 1-29-58; 15 learners for plant expansion purposes (ladies' lingerie).

Shoe Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.50 to 522.55, as amended).

Aico Ranch Washable Footwear Co., 324 South Chadbourne Street, San Angelo, Tex.; effective 8-2-57 to 8-1-58; 10 percent of the total number of factory production workers for normal labor turnover purposes.

Regulations Applicable to the Employment of Learners (29 CFR 522.1 to 522.11, as amended).

Rose Handkerchief Works, 654 Broadway, New York, N. Y.; effective 8-5-57 to 2-4-58; authorizing the employment of two learners for normal labor turnover purposes, in the occupation of sewing machine operator for a learning period of 320 hours at the rates of 85 cents an hour for the first 160 hours and 90 cents an hour for the remaining 160 hours (handkerchiefs).

The following learner certificates were issued in Puerto Rico to the companies hereinafter named. The effective and expiration dates, learner rates, occupations, learning periods, and the number or proportion of learners authorized to be employed, are as indicated.

Columbia Manufacturing Co., San Lorenzo, P. R.; effective 7-21-57 to 1-20-58; authorizing the employment of 10 learners for plant expansion purposes, in the occupations of straightening; inspection; sand blast—washing—degrease—color; induction brazing; slot milling; and thread rolling; each for a learning period of 480 hours at the rates of 75 cents an hour for the first 240 hours and 85 cents an hour for the remaining 240 hours (metal cutting tools).

Fajardo Knitting Mills, Inc., Fajardo, P. R.; effective 7-16-57 to 1-15-58; authorizing the

employment of 14 learners for plant expansion purposes, in the occupations of: (1) Hand fashioning knitting machine operators, and loopers, each for a learning period of 480 hours at the rates of 58 cents an hour for the first 240 hours and 68 cents an hour for the remaining 240 hours; and (2) machine stitchers, pressers, and hand sewers, each for a learning period of 320 hours at the rates of 58 cents an hour for the first 160 hours and 68 cents an hour for the remaining 160 hours (sweaters).

Sanrico Sportswear Corp., Hato Rey, P. R.; effective 7-22-57 to 1-21-58; authorizing the employment of 48 learners for plant expansion purposes, in the occupation of sewing machine operators, for a learning period of 480 hours at the rates of 45 cents an hour for the first 240 hours and 53 cents an hour for the remaining 240 hours (slacks and shorts).

Each learner certificate has been issued upon the representations of the employer which, among other things, were that employment of learners at subminimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in Part 528 of Title 29 of the Code of Federal Regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 522.9.

Signed at Washington, D. C., this 7th day of August 1957.

VERL E. ROBERTS,  
Authorized Representative  
of the Administrator.

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