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Washington, Tuesday, November 19, 1957

TITLE 3—THE PRESIDENT EXECUTIVE ORDER 10738

INSPECTION OF ESTATE AND GIFT TAX RETURNS BY STATE TAX OFFICIALS

By virtue of the authority vested in me by section 55 (a) of the Internal Revenue Code of 1939 (53 Stat. 29; 54 Stat. 1008; 55 Stat. 722; 26 U. S. C. 55 (a)), and by section 6103 (a) of the Internal Revenue Code of 1954 (68A Stat. 753; 26 U. S. C. 6103 (a)), it is hereby ordered that any estate or gift tax return made under the Internal Revenue Code of 1939 or the Internal Revenue Code of 1954 shall be open to inspection by any official, body, or commission lawfully charged with the administration of any State tax law, such inspection to be in accordance and upon compliance with the rules and regulations prescribed by the Secretary of the Treasury for such inspection by Treasury Decision 4929, approved August 28, 1939, as amended, and as further amended and made applicable to the Internal Revenue Code of 1954 by the Treasury decision¹ approved by me this date.

This Executive order shall be effective upon its filing for publication in the FEDERAL REGISTER.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
November 15, 1957.

[F. R. Doc. 57-9612; Filed, Nov. 15, 1957;
4:59 p. m.]

EXECUTIVE ORDER 10739

AMENDMENT OF EXECUTIVE ORDER NO. 10152,² PRESCRIBING REGULATIONS RELATING TO INCENTIVE PAY FOR THE PERFORMANCE OF HAZARDOUS DUTY BY MEMBERS OF THE UNIFORMED SERVICES

By virtue of the authority vested in me by sections 204 and 501 (d) of the Compensation Act of 1949, as amended (50 U. S. C. 235, 301 (d)), and as President of the United States and Commander in Chief of the armed forces

¹ See T. D. 6271 under Title 26, *infra*.

² 3 CFR, 1950 Supp., p. 111; 15 F. R. 5489.

of the United States, it is ordered as follows:

1. Section 9 of Executive Order No. 10152 of August 17, 1950, as amended by Executive Order No. 10618 of June 28, 1955, is hereby further amended by adding the following new subsection at the end thereof:

“(h) The term ‘duty as human test subject in thermal stress experiments’ shall be construed to mean duty performed by members exposed as human thermal experimental subjects in thermal stress experiments conducted under the supervision of any laboratory designated by the Secretary concerned.”

2. This amendment shall be effective as of September 1, 1957.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
November 15, 1957.

[F. R. Doc. 57-9613; Filed, Nov. 15, 1957;
5:08 p. m.]

TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

DEPARTMENT OF AGRICULTURE

Effective upon publication in the FEDERAL REGISTER, paragraph (i) (2) is added to § 6.111 as set out below.

§ 6.111 *Department of Agriculture.* * * *

(i) *Agricultural Research Service.* * * *

(2) Temporary field positions concerned with the control, suppression, and eradication of emergency livestock diseases. Persons appointed under this authority may not be employed in these positions in the Agricultural Research Service for longer than one year under this authority, or under a combination of this and any other authorities for excepted appointment that may be appropriate, without prior approval of the Commission. This authority shall be

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appropriate only in situations declared by the Secretary of Agriculture to be emergencies threatening the livestock industry of the country.

(R. S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U. S. C. 631, 633)

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

[F. R. Doc. 57-9568; Filed, Nov. 18, 1957; 8:54 a. m.]

TITLE 6—AGRICULTURAL CREDIT

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

Subchapter B—Loans, Purchases, and Other Operations
[1957 C. C. C. Grain Price Support Bulletin 1, Supp. 1, Amdt. 2, Oats]

PART 421—GRAINS AND RELATED COMMODITIES

SUBPART—1957-CROP OAT LOAN AND PURCHASE AGREEMENT PROGRAM

BASIC COUNTY SUPPORT RATES
Correction

In Federal Register Document 57-8928, published at page 8727 in the issue for Wednesday, October 30, 1957, the following changes should be made in the listings under § 421.2483:

1. The rate per bushel for Macomb County, Michigan, should read ".63".
2. "Fores" County, Wisconsin, should read "Forest".

[1957 C. C. C. Grain Sorghums Distress Loan Program Bulletin 1]

PART 473—SPECIAL PRICE SUPPORT PROGRAM

1957 CROP GRAIN SORGHUM DISTRESS LOAN PROGRAM

A price support program has been announced for the 1957 crop of grain sorghums and the applicable regulations (22 F. R. 3216, 5975 and 6961) have been issued by the Commodity Credit Corporation. This bulletin contains the regulations applicable to the 1957 Crop Grain Sorghums Distress Loan Program through which, as an adjunct to the price support program, recourse loans on grain sorghums are made available through the Commodity Credit Corporation and the Commodity Stabilization Service (hereinafter referred to in this

bulletin as CCC and CSS, respectively). This program is designed to assist producers in holding their grain sorghums until they can qualify for nonrecourse loans under the price support program.

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473.303	Disbursement of loans.
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473.305	Eligible grain sorghums.
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473.310	Service charges.
473.311	Set-offs.
473.312	Interest rate.
473.313	Release of grain sorghums; transfer of producer's interest.
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473.317	Personal liability.
473.318	Loan rates.
473.319	Maturity.
473.320	Settlement.
473.321	Foreclosure.

AUTHORITY: §§ 473.301 to 473.321 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 15 U. S. C. 714c, 7 U. S. C. 1441, 1421.

§ 473.301 *Administration.* The program to which this subpart applies will be administered by CSS under the general direction and supervision of the Executive Vice President, CCC, and, in the field, will be carried out by Agricultural Stabilization and Conservation State Committees and Agricultural Stabilization and Conservation County Committees (hereinafter called State and county committees) and CSS commodity offices. All documents will be approved by the county office manager, or other employee of the county office designated by him to act in his behalf. Such designations shall be on file in the county office. Copies of all such documents shall be retained in the county office. County office managers, State and county committees, and CSS commodity offices do not have authority to modify or waive any of the provisions of this subpart or any amendments or supplements hereto.

§ 473.302 *Availability of loans—(a) Approved forms.* Loans will be evidenced by promissory notes and loan agreements and secured by chattel mortgages.

(b) *Area.* Distress loans are authorized on grain sorghums (1) stored on the ground, or (2) stored in temporary facilities, in areas in any State where the State Committee determines that conditions are such that the grain sorghums can be so stored temporarily. In areas where it is not feasible to store grain sorghums on the ground, the State Committee may authorize distress loans on grain sorghums stored in temporary facilities only.

(c) *Where to apply.* Application for a distress loan should be made at the office of the county committee which keeps the farm program records for the farm.

(d) *When to apply.* Loans will be available from the date the program is announced for the area by the State Committee. The final date of availabil-

ity of loans shall be 30 calendar days after the date the program is announced for the area, or 30 calendar days after the producer completed harvest of the grain sorghums tendered for loan, whichever is later, and the applicable loan documents must be signed by the producer and delivered to the office of the county committee not later than the final date of availability of loans. The applicable loan documents are the Producer's Note and Supplemental Loan Agreement, the Supplemental Loan Agreement—Distress Loans, and the Commodity Chattel Mortgage. It shall be the responsibility of the producer to ascertain from the county office whether the program has been announced for the area and the date that the program was announced.

§ 473.303 *Disbursement of loans.* Disbursement of loans will be made to producers by county offices by means of sight drafts drawn on CCC. No disbursements shall be made later than 15 days after the final date of availability of loans unless authorized by the Executive Vice President, CCC. The drawing of a sight draft shall constitute disbursement. Disbursement of the loan proceeds shall not be made unless the grain sorghums are in existence and in good condition. If the grain sorghums were not in existence and in good condition at the time of disbursement, the proceeds shall be promptly refunded by the producer. In the event the amount disbursed exceeds the amount authorized under this subpart, the producer shall be personally liable for repayment of the amount of such excess.

§ 473.304 *Eligible producer.* An eligible producer shall be an individual, partnership, association, corporation, estate, trust, or other business enterprise, or legal entity, and wherever applicable, a State, political subdivision of a State, or any agency thereof, producing grain sorghums in 1957 as landowner, landlord, tenant, or sharecropper. Two or more eligible producers may obtain a joint loan on eligible grain sorghums harvested by them and stored commingled. In the case of joint loans, each person signing the note shall be held jointly and severally responsible for the loan. Where the county office has experienced difficulties in settling farm-storage loans with a producer, the county committee shall determine he is not eligible for a distress loan.

§ 473.305 *Eligible grain sorghums.* The conditions of eligibility for grain sorghums shall be the same as under the 1957-crop grain sorghums price support program (§ 421.2428 of this chapter), as amended, except that there shall be no requirement for storing grain sorghums for a specified period prior to inspection.

§ 473.306 *Storage.* (a) Temporary storage facilities shall be facilities which, in the opinion of the county committee, are suitable for the temporary storage of grain sorghums.

(b) Grain sorghums piled on the ground shall be protected from animals and shall be piled on ground which will afford maximum protection from water damage.

§ 473.307 *Determination of quantity.* (a) The quantity of grain sorghums placed under loan will be estimated, but measurements, threshing records, and other guides shall be used to the extent that they are practicable or available.

(b) The quantity of any grain sorghums delivered to CCC shall be determined by weight. In determining the quantity by weight, a unit of 100 pounds shall be 100 pounds grain sorghums free of dockage. In determining the quantity of sacked grain sorghums by weight, a deduction of three-fourths of a pound for each sack shall be made.

§ 473.308 *Determination of quality.* The class, subclass, grade, grading factors, and all other quality factors shall be determined in accordance with the methods set forth in the Official Grain Standards of the United States for Grain Sorghums, whether or not such determinations are made on the basis of an official inspection.

§ 473.309 *Liens.* If there are any liens or encumbrances on the grain sorghums, waivers that will fully protect the interest of CCC must be obtained even though the liens or encumbrances are satisfied from the loan proceeds.

§ 473.310 *Service charges.* The producer shall pay a service charge of 2 cents per 100 pounds for each hundredweight of grain sorghums placed under a distress loan, or \$3.00 whichever is greater. Such service charge shall be collected from the proceeds of the loan at the time the loan is disbursed. State committees, however, are authorized to require prepayment of \$3.00 of the service charge at the time a producer applies for a loan. If, on or before the maturity date of the note, the producer obtains a nonrecourse price support loan on the grain sorghums under the 1957 grain sorghums price support program, he shall pay an additional service charge of 2 cents per 100 pounds if placed under farm-storage loan, and 1 cent per 100 pounds if placed under warehouse-storage loan, for each hundredweight by which the quantity of grain sorghums placed under the regular loan exceeds the total hundredweight placed under the distress loan. No refunds of service charges will be made.

§ 473.311 *Set-offs.* Set-offs shall be made against the proceeds of the distress loan in accordance with the provisions of § 421.2210 of this chapter.

§ 473.312 *Interest rate.* Loans shall bear interest at the rate of 3½ percent per annum from the date of disbursement of the loan, except that (a) where there is a default in satisfaction of the loan, the deficiency shall bear interest at the rate of 6 percent per annum from the date of default, and (b) where there has been a fraudulent representation by the producer in the loan documents or in obtaining the loan, the loan shall bear interest at the rate of 6 percent per annum from the date of disbursement of the loan.

§ 473.313 *Release of grain sorghums; transfer of producer's interest.* A producer may at any time obtain release of the grain sorghums under loan by paying

to the holder of the note the principal amount thereof, plus charges and accrued interest. All charges in connection with the collection of the note shall be paid by the producer. Upon presentation of the paid note, the county office shall arrange for the release of the chattel mortgage. The producer shall not transfer either his remaining interest in or his right to redeem the grain sorghums mortgaged as security for a distress loan nor shall anyone acquire such interest or right. A producer who wishes to liquidate all or part of his loan by contracting for the sale of the grain sorghums must obtain written prior approval of the county office on Commodity Loan Form 12 to remove the grain sorghums from the premises when the proceeds of the sale are needed to repay all or any part of the loan. Any such approval shall be subject to the terms and conditions set out in Commodity Loan Form 12, copies of which may be obtained by producers or prospective purchasers, at the office of the county committee.

§ 473.314 *Safeguarding of the grain sorghums.* The producer obtaining a distress loan shall take whatever action is practicable to keep the grain sorghums in good condition, and in the event of damage to the commodity, he shall immediately notify the county office in writing of such damage.

§ 473.315 *Insurance.* CCC will not require the producer to insure the commodity placed under loan; however, if the producer insures such commodity and an indemnity is paid thereon, such indemnity shall inure to the benefit of CCC to the extent of its interest.

§ 473.316 *Losses in quantity or quality.* CCC will not assume losses in the quantity or quality of the grain sorghums occurring for any reason.

§ 473.317 *Personal liability.* The making of any fraudulent representation by the producer in the loan documents, or in obtaining the loan or the conversion or unlawful disposition of any portion of the commodity by him, may render the producer subject to criminal prosecution under the Federal Law and shall render him personally liable not only for the amount of the loan (including interest) but also for any resulting expense incurred by any holder of the note. A producer shall be personally liable for any damage resulting from tendering to CCC grain sorghums containing mercurial compounds or other substances poisonous to man or animals which are inadvertently accepted by CCC.

§ 473.318 *Loan rates.* Loans will be made under this program at 80 percent of the basis county support rate established for the grain sorghums under the 1957-crop sorghums price support program.

§ 473.319 *Maturity.* Loans will mature 90 days from the date of the note, or March 31, 1958, whichever is earlier, or earlier on demand.

§ 473.320 *Settlement—(a) Producer who obtains a price support loan.* If on

or before maturity, the producer places the grain sorghums in approved farm-storage or in an approved warehouse, he may obtain a price support loan at the full support rate under §§ 421.2426 to 421.2436 of this chapter. The price support loan will be made at the full support rate on the basis of the quantity and quality of eligible grain sorghums which have been placed in an approved storage structure. When the price support loan is made, the principal of the distress grain sorghums loan, plus interest at the rate of 3½ percent per annum from the date of disbursement of the distress loan to the date of disbursement of the price support loan, shall be repaid to CCC either in cash or out of the proceeds of the price support loan.

(b) *Producer who does not obtain a price support loan.* The producer shall, upon maturity, repay his distress loan in cash or deliver the grain sorghums to CCC as set forth in paragraphs (c) and (d) respectively of this section unless: (1) He places the grain sorghums in approved farm storage or approved warehouse storage on or before maturity; (2) the grain sorghums are eligible for a price support loan under §§ 421.2426 to 421.2436 of this chapter; and (3) the producer obtains a price support loan under the provisions of such sections.

(c) *Repayment of distress loan.* Repayments made in satisfaction of distress loans shall be made in cash and shall include the amount of the principal due on the loan plus interest at the rate specified in § 473.312.

(d) *Delivery to CCC.* If the producer desires to deliver the grain sorghums he should, prior to maturity, give the county office notice in writing of his intention to do so. Delivery of the grain sorghums to CCC shall be made in accordance with instructions issued by the county office. When the grain sorghums are delivered to CCC under the distress loan, credit shall be given to the producer for the quantity and quality of grain sorghums actually delivered, at the market price at the time and place of delivery as determined by CCC: *Provided, however,* That if such grain sorghums are sold by CCC in order to determine the market price, the settlement value shall not be less than such sales price. If the amount of such credit exceeds the amount due on the principal of the loan plus interest, the amount of the excess shall be paid to the producer by sight draft drawn on CCC by the ASC County office subject to set-off in accordance with § 473.311. If the amount of such credit is less than the amount due on the principal of the loan plus interest, the amount of the deficiency plus interest thereon shall be paid to CCC. Any payment which would otherwise be due to the producer under any agricultural program administered by the Secretary of Agriculture, or any other payments which are due or may become due the producer from CCC or any other agency of the United States, may be set off against such deficiency.

(e) *Payments and collections; amounts not exceeding \$3.00.* To avoid administrative costs of making small payments and handling small accounts,

amounts due the producer of \$3.00 or less will be paid only upon his request and a deficiency of \$3.00 or less, including interest, may be disregarded by a producer unless demand for payment is made by CCC.

§ 473.321 *Foreclosure.* If the loan is not satisfied upon maturity, the holder of the note is authorized to remove the grain sorghums from storage; and also to sell, assign, transfer, and deliver the grain sorghums or documents evidencing title thereto at such time, in such manner, and upon such terms as the holder may determine, at public or private sale, either by separate contract or after pooling it with other lots of grain sorghums similarly held. Any such disposition may similarly be effected without removing the grain sorghums from storage. The grain sorghums may be processed before sale and the holder of the note may become the purchaser of the whole or any part of the grain sorghums. If the grain sorghums are pooled, the producer has no right of redemption after the date the pool is established, but shall share ratably in any overplus remaining upon liquidation of the pool. CCC shall have the right to treat the pooled grain sorghums as a reserve supply to be marketed under such sales policies as CCC determines will promote orderly marketing, protect the interests of producers and consumers, and not unduly impair the market for the current crop of grain sorghums even though part or all of such pooled grain sorghums are disposed of under such policies at prices less than the current domestic price for such grain sorghums. Any sum due the producer from the sale of the grain sorghums or from an insurance indemnity paid on the grain sorghums, or any ratable share resulting from the liquidation of a pool, after deducting the amount of the note, interest, and charges, shall be payable only to the producer without right of assignment by him. If the grain sorghums removed by CCC from storage are sold at less than the amount due on the loan including interest and charges, the producer shall pay to CCC the difference between the amount due on the loan and the sales proceeds of the grain sorghums. The amount of the deficiency may be set off against any payment which would otherwise be due to the producer under any agricultural program administered by the Secretary of Agriculture, or any other payments which are due or may become due the producer from CCC, or any other agency of the United States. The term "charges," as used in this section, means all fees, costs and expenses incident to insuring, carrying, handling, storing, conditioning, and marketing of the grain sorghums, and otherwise protecting the interest in the mortgaged grain sorghums of any holder of the note or the producer, including foreclosure costs.

Issued this 14th day of November 1957.

[SEAL] CLARENCE L. MILLER,
Acting Executive Vice President,
Commodity Credit Corporation.

[F. R. Doc. 57-9577; Filed, Nov. 18, 1957;
8:55 a. m.]

TITLE 7—AGRICULTURE

Chapter I—Agricultural Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture

PART 52—PROCESSED FRUITS AND VEGETABLES, PROCESSED PRODUCTS THEREOF, AND CERTAIN OTHER PROCESSED FOOD PRODUCTS

UNITED STATES STANDARDS FOR GRADES OF CONCENTRATED ORANGE JUICE FOR MANUFACTURING¹

On September 18, 1957, a notice of proposed rule making was published in the FEDERAL REGISTER (22 F. R. 7428) regarding a proposed amendment to the United States Standards for Grades of Concentrated Orange Juice for Manufacturing (7 CFR 52.2221-52.2231).

After consideration of all relevant matters presented, including the proposals in the aforesaid notice, and pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087 et seq., as amended; 7 U. S. C. 1621 et seq.), the United States Standards for Grades of Concentrated Orange Juice for Manufacturing are hereby amended to read as follows:

PRODUCT DESCRIPTION AND GRADES	
Sec.	Product description.
52.2221	Product description.
52.2222	Grades of concentrated orange juice for manufacturing.
FILL OF CONTAINER	
52.2223	Recommended fill of container.
FACTORS OF QUALITY	
52.2224	Ascertaining the grade of a sample unit.
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52.2226	Color.
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52.2229	Explanation of terms and analyses.
LOT INSPECTION AND CERTIFICATION	
52.2230	Ascertaining the grade of a lot.
SCORE SHEET	
52.2231	Score sheet for concentrated orange juice for manufacturing.

AUTHORITY: §§ 52.2221 to 52.2231 issued under sec. 205, 60 Stat. 1090, as amended; 7 U. S. C. 1624.

PRODUCT DESCRIPTION AND GRADES

§ 52.2221 *Product description.* Concentrated orange juice for manufacturing is the concentrated product obtained from sound, mature fruit of the sweet orange group (*Citrus sinensis*) and the Mandarin group (*Citrus reticulata*), except tangerines. The fruit is prepared by sorting and by washing prior to extraction of the juice and the extracted juice is concentrated. The concentrated orange juice is processed in accordance with good commercial practice; and may or may not require processing by heat,

¹ Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act or with applicable state laws and regulations.

subsequent refrigeration, or freezing to assure preservation of the product, but is not the product known as "frozen concentrated orange juice." The finished product may contain cold pressed orange oil to standardize the flavor and may contain chemical preservatives permissible under the Federal Food, Drug, and Cosmetic Act. The Brix value of the finished concentrate is not less than 20 degrees.

§ 52.2222 *Grades of concentrated orange juice for manufacturing.* (a) "U. S. Grade A for Manufacturing" (or "U. S. Fancy for Manufacturing") is the quality of concentrated orange juice which reconstitutes properly and of which the reconstituted juice possesses a reasonably good color; is practically free from defects; possesses a reasonably good flavor; and scores not less than 85 points when scored in accordance with the scoring system outlined in this subpart.

(b) "U. S. Grade C for Manufacturing" (or "U. S. Standard for Manufacturing") is the quality of concentrated orange juice which reconstitutes properly and of which the reconstituted juice possesses a fairly good color; is fairly free from defects; possesses a fairly good flavor; and scores not less than 70 points when scored in accordance with the scoring system outlined in this subpart.

(c) "Substandard for Manufacturing" is the quality of concentrated orange juice that fails to meet the requirements of U. S. Grade C for Manufacturing.

FILL OF CONTAINER

§ 52.2223 *Recommended fill of container.* The recommended fill of container is not incorporated in the grades of the finished product since fill of container, as such, is not a factor of quality for the purposes of these grades. It is recommended that each container be filled with concentrated orange juice as full as practicable without impairment of quality.

FACTORS OF QUALITY

§ 52.2224 *Ascertaining the grade of a sample unit—(a) General.* In addition to considering other requirements outlined in the standards the following quality factors are evaluated in ascertaining the grade of a sample unit of concentrated orange juice for manufacturing:

(1) *Factor not rated by score points.*
(i) Faculty of reconstituting properly.

(2) *Factors rated by score points.* The relative importance of each factor which is scored is expressed numerically on the scale of 100. The maximum numbers of points that may be given such factors are:

Factors:	Points
Color	20
Defects	40
Flavor	40
 Total score	 100

§ 52.2225 *Ascertaining the rating for the factors which are scored.* The essential variations within each factor which is scored are so described that the value may be ascertained for each factor and expressed numerically. The

numerical range within each factor which is scored is inclusive. (For example: "17 to 20 points" means 17, 18, 19, or 20 points).

§ 52.2226 *Color—(a) (A-Mfg.) classification.* Concentrated orange juice of which the reconstituted juice possesses a reasonably good color may be given a score of 17 to 20 points. "Reasonably good color" means that the color is a reasonably good yellow to yellow-orange color typical of properly processed and properly concentrated orange juice and is reasonably free from browning due to scorching, oxidation, caramelization, or other causes.

(b) *(C-Mfg.) classification.* If the reconstituted juice possesses a fairly good color, a score of 14 to 16 points may be given. Concentrated orange juice that falls into this classification shall not be graded above U. S. Grade C for Manufacturing regardless of the total score for the product (this is a limiting rule). "Fairly good color" means that the orange juice may be slightly amber or very light in color and may show evidence of slight browning but is not off color.

(c) *(SStd-Mfg.) classification.* Concentrated orange juice that fails to meet the requirements of paragraph (b) of this section may be given a score of 0 to 13 points and shall not be graded above Substandard for Manufacturing, regardless of the total score for the product (this is a limiting rule).

§ 52.2227 *Defects—(a) General.* The factor of defects refers to the degree of freedom from seeds and portions thereof, from excessive juice cells, from pulp, and from other defects.

(1) "Pulp" means particles of membrane, core, and peel.

(b) *(A-Mfg.) classification.* Concentrated orange juice of which the reconstituted juice is practically free from defects may be given a score of 34 to 40 points. "Practically free from defects" means that there may be present:

(1) Small seeds or portions thereof that are of such size that they could pass through round perforations not exceeding one-eighth inch in diameter, provided such seeds or portions thereof do not materially affect the appearance or drinking quality of the juice;

(2) Juice cells and pulp that do not materially affect the appearance or drinking quality of the juice; and

(3) Other defects that are not more than slightly objectionable.

(c) *(C-Mfg.) classification.* If the reconstituted juice is fairly free from defects, a score of 28 to 33 points may be given. Concentrated orange juice that falls into this classification shall not be graded above U. S. Grade C for Manufacturing, regardless of the total score for the product (this is a limiting rule). "Fairly free from defects" means that there may be present:

(1) Small seeds or portions thereof that are of such size that they could pass through round perforations not exceeding one-eighth inch in diameter, provided such seeds or portions thereof do not seriously affect the appearance or drinking quality of the juice;

(2) Juice cells and pulp that do not seriously affect the appearance or drinking quality of the juice; and

(3) Other defects that are not materially objectionable.

(d) *(SStd-Mfg.) classification.* Concentrated orange juice that fails to meet the requirements of paragraph (c) of this section may be given a score of 0 to 27 points and shall not be graded above Substandard for Manufacturing, regardless of the total score for the product (this is a limiting rule).

§ 52.2228 *Flavor—(a) (A-Mfg.) classification.* Concentrated orange juice of which the reconstituted juice possesses a reasonably good flavor may be given a score of 34 to 40 points. "Reasonably good flavor" means that the flavor is typical of reconstituted concentrated orange juice from properly processed and concentrated orange juice; that the flavor may range from high acidity to low acidity; is practically free from traces of scorching, caramelization, oxidation, or terpene; and is free from other off flavors of any kind. To score in this classification the ratio of the Brix value of the concentrate to the acid shall be not less than 8 to 1 nor more than 20 to 1.

(b) *(C-Mfg.) classification.* If the reconstituted juice possesses a fairly good flavor a score of 28 to 33 points may be given. Concentrated orange juice that falls into this classification shall not be graded above U. S. Grade C for Manufacturing regardless of the total score for the product (this is a limiting rule). "Fairly good flavor" means a normal flavor for reconstituted concentrated orange juice; and that the flavor may range from high acidity to low acidity; may have a slightly caramelized or slightly oxidized flavor or may possess traces of terpene but is free from off flavors of any kind. To score in this classification the ratio of the Brix value of the concentrate to the acid shall be not less than 8 to 1 nor more than 24 to 1.

(c) *(SStd-Mfg.) classification.* If the concentrated orange juice fails to meet the requirements of paragraph (b) of this section a score of 0 to 27 points may be given. Concentrated orange juice that falls into this classification shall not be graded above Substandard for Manufacturing, regardless of the total score for the product (this is a limiting rule).

EXPLANATIONS AND METHODS OF ANALYSES

§ 52.2229 *Explanation of terms and analyses.* (a) "Reconstituted juice" means the product obtained by thoroughly mixing the concentrate with a sufficient quantity of distilled water to produce an article of between 11.7 and 12.7 degrees Brix.

(b) "Reconstitutes properly" means that the reconstituted juice shows no material separation of colloidal or suspended matter after standing four (4) hours at a temperature of not less than 68 degrees Fahrenheit in a clear glass tube or cylinder (such as a 250 ml. graduated cylinder).

(c) "Acid" means the percent by weight of acid (calculated as anhydrous citric acid) in concentrated orange juice

and is determined by titration with standard sodium hydroxide solution using phenolphthalein as indicator.

(d) "Brix value" is the refractometric sucrose value of the thawed concentrate determined in accordance with the refractometric method for sugars and sugar products outlined in the "Official Methods of Analysis of the Association of Official Agricultural Chemists," and to which the applicable correction for acid is added.

TABLE I—CORRECTIONS FOR OBTAINING BRIX VALUE¹

Citric acid, anhydrous (percent by weight)	Correction to be added to refractometer sucrose value to obtain degrees Brix value	Citric acid, anhydrous (percent by weight)	Correction to be added to refractometer sucrose value to obtain degrees Brix value
2.0	0.39	3.6	0.70
2.2	.43	3.8	.74
2.4	.47	4.0	.78
2.6	.51	4.2	.81
2.8	.54	4.4	.85
3.0	.58	4.6	.89
3.2	.62	4.8	.93
3.4	.66	5.0	.97

¹ SOURCE: "Refractometric Determination of Soluble Solids in Citrus Juices," by J. W. Stevens and W. E. Baier, from the Analytical Edition of Industrial and Engineering Chemistry, vol. 11, p. 447, Aug. 15, 1939.

(e) "Brix" of the reconstituted juice means the degree Brix as determined by the Brix hydrometer calibrated at 20 degrees Centigrade (68 degrees Fahrenheit) and to which any applicable temperature correction has been applied.

LOT INSPECTION AND CERTIFICATION

§ 52.2230 *Ascertaining the grade of a lot.* The grade of a lot of concentrated orange juice for manufacturing covered by these standards is determined by the procedures set forth in the regulations governing inspection and certification of processed fruits and vegetables, processed products thereof, and certain other processed food products (§§ 52.1 through 52.87; 22 F. R. 3535).

SCORE SHEET

§ 52.2231 *Score sheet for concentrated orange juice for manufacturing.*

Size and kind of container	.....
Container mark or identification	.....
Label (including reconstitution factor)	.....
Liquid measure (fluid ounces)	.....
Net weight	.....
Brix value of concentrate (corrected for acid)	.....
Anhydrous citric acid in concentrate (percent by weight)	.....
Brix value to acid ratio	.....
Recoverable oil (ml./100 grams)	.....
Reconstitutes properly (Yes) (No)	.....
Factors	
	Score points
Color	(A-Mfg.) 17-20
	(C-Mfg.) 14-16
	(SStd-Mfg.) 10-13
Defects	(A-Mfg.) 34-40
	(C-Mfg.) 28-33
	(SStd-Mfg.) 10-27
Flavor	(A-Mfg.) 34-40
	(C-Mfg.) 28-33
	(SStd-Mfg.) 10-27
Total score	100
Grade for manufacturing	.....

¹ Indicates limiting rule.

Effective time and supersedure. The United States Standards for Grades of Concentrated Orange Juice for Manufacturing (which is the second issue) contained in this subpart shall become effective 30 days after the date of publication hereof in the FEDERAL REGISTER, and thereupon will supersede the United States Standards for Grades of Concentrated Orange Juice for Manufacturing (7 CFR 52.2221-52.2231) which have been in effect since December 12, 1953.

Dated: November 14, 1957.

[SEAL] FRANK E. BLOOD,
Acting Deputy Administrator,
Marketing Services.

[F. R. Doc. 57-9536; Filed, Nov. 18, 1957; 8:49 a. m.]

TITLE 14—CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 211]

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 Restricted Area, Alabama (R-131), amended August 14, 1957, in 22 F. R. 6498 is further amended to include the following described area: "Beginning at latitude 33°41'20", longitude 85°59'00"; South to latitude 33°40'40", longitude 85°59'00"; West to latitude 33°40'40", longitude 86°00'00"; North to latitude 33°41'20", longitude 86°00'00"; East to point of beginning".

2. Section 608.31, the Grand Marais Restricted Area, Minnesota (R-187), amended August 14, 1957, in 22 F. R. 6498, is further amended by changing the "Controlling Agency" column to read: "Commander, 343rd Fighter Group (Air Defense), Duluth, Minnesota".

(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 December 4, 1957.

[SEAL] WILLIAM B. DAVIS,
Acting Administrator
of Civil Aeronautics.

NOVEMBER 12, 1957.

[F. R. Doc. 57-9517; Filed, Nov. 18, 1957; 8:45 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 6809]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

NULIFE PRODUCTS CO. ET AL.

Subpart—*Advertising falsely or misleadingly: § 13.170 Qualities or properties of product or service: § 13.205 Scientific or other relevant facts.*

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Nulife Products Company et al., Philadelphia, Pa., Docket 6809, Oct. 18, 1957]

In the Matter of Nulife Products Company, a Corporation and Samuel Schimmel and Herbert Schimmel, Individually and as Officers of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging mail order sellers in Philadelphia with representing falsely in advertising in newspapers, circulars, etc., that use of the eyeglasses they sold would correct the defects in vision in all persons over 40 to the extent that they would be able to read fine print "with ease never before thought possible".

Following an agreement between the parties for a consent order, the hearing examiner made his initial decision and order to cease and desist which became on October 18 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondent, Nulife Products Company, a corporation trading under its said name or as Clear Vision Products or Nulife Products or under any other name, and its officers, and respondents Samuel Schimmel and Herbert Schimmel, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device in connection with the offering for sale, sale or distribution of eyeglasses, do forthwith cease and desist from:

1. Disseminating, or causing to be disseminated, any advertisement by means of the United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or by implication, that the eyeglasses sold by respondents will correct defects in the vision of persons over 40 years of age to the extent that they can read satisfactorily, unless expressly limited to those persons who do not have astigmatism or diseases of the eye and who require only simple magnifying lenses.

2. Disseminating, or causing to be disseminated, any advertisement by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of their eyeglasses in commerce, as "commerce" is defined

in the Federal Trade Commission Act, which advertisement contains the representation referred to in Paragraph One hereof unless expressly limited as provided therein.

By "Decision of the Commission", etc., report of compliance was required as follows:

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

Issued: October 18, 1957.

By the Commission.

[SEAL] JOHN R. HEIM,
Acting Secretary.

[F. R. Doc. 57-9521; Filed, Nov. 18, 1957;
8:46 a. m.]

[Docket 6655]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

GARY PHARMACAL CO. ET AL.

Subpart—*Advertising falsely or misleadingly*: § 13.90 *History of product or offering*; § 13.170 *Qualities or properties of product or service*. Subpart—*Neglecting, unfairly or deceptively, to make material disclosure*: § 13.1890 *Safety*; § 13.1895 *Scientific or other relevant facts*.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Gary Pharmacal Co. et al., Chicago, Ill., Docket 6655, Oct. 18, 1957]

In the Matter of Gary Pharmacal Company, a Corporation, and Saul C. Korkin, Individually and as an Officer of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a seller in Chicago with representing falsely in advertising that its drug preparation "Dry-Tabs" was a new discovery that would correct the bed-wetting habit in all cases, and with failing to reveal conspicuously in its advertising that the preparation was of no value except in cases of functional bed-wetting not involving organic defects or diseases and that it should not be used by children under six except on a physician's advice.

Following acceptance of an agreement between the parties containing a proposed order, the hearing examiner made his initial decision and order to cease and desist which became on October 18 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered. That respondent Gary Pharmacal Company, a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of "Dry-Tabs", or any other preparation of substantially similar compo-

sition or possessing substantially similar properties, do forthwith cease and desist from:

1. Disseminating or causing to be disseminated any advertisement, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or indirectly:

(a) That "Dry-Tabs" will be effective in stopping bed-wetting or correcting the bed-wetting habit in all cases.

(b) That "Dry-Tabs" is a new discovery for treatment of the bed-wetting habit.

2. Disseminating or causing to be disseminated any advertisement, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement fails to clearly and conspicuously reveal that said preparation is of no value in stopping bed-wetting or in correcting the bed-wetting habit, except in cases of functional bed-wetting not involving organic defects or diseases; and that the preparation should not be used by children less than six years of age except upon the advice of a physician.

3. Disseminating or causing to be disseminated any advertisement, by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of respondent's preparation, or similar products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains any of the representations prohibited in Paragraph 1 of this order, or which fails to comply with the affirmative requirements set forth in Paragraph 2 hereof.

It is further ordered, That the complaint be, and it hereby is, dismissed as to respondent Saul C. Korkin.

By "Decision of the Commission", etc., report of compliance was required as follows:

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

Issued: October 24, 1957.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F. R. Doc. 57-9522; Filed, Nov. 18, 1957;
8:46 a. m.]

[Docket 6829]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

WOLVERINE LABORATORIES, INC., ET AL.

Subpart—*Advertising falsely or misleadingly*: § 13.15 *Business status, advantages, or connections*: Producer status of dealer or seller: *Laboratory; Manufacturer*; § 13.90 *History of product or offering*; § 13.170 *Qualities or properties*

of product or service; § 13.205 *Scientific or other relevant facts*. Subpart—*Furnishing means and instrumentalities of misrepresentation or deception*: § 13.1055 *Furnishing means and instrumentalities of misrepresentation or deception*. Subpart—*Using misleading name*—Vendor: § 13.2445 *Producer or laboratory status of dealer or seller*.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Wolverine Laboratories, Inc., et al., Detroit, Mich., Docket 6829, Oct. 25, 1957]

In the Matter of Wolverine Laboratories, Inc., a Corporation, Lawrence R. O'Connor, Elaine J. O'Connor, Individually, and as Officers of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging distributors in Detroit, Mich., with representing falsely through advertising mats furnished to dealer-purchasers—in payment for use of which in advertising they participated—and through display cards and circulars also furnished for dealers' use, that their preparation "Alpha Tablets" constituted an effective treatment for all kinds of arthritis, rheumatism, neuritis, and neuralgia, and also afforded complete and permanent relief from the pains and discomforts thereof; that it was a new discovery and a new medicine; that the alfalfa ingredient was of value in such treatment; and through use of the words "Manufacturers" and "Laboratories" on stationery and in advertising literature, that they manufactured the product.

Following approval of an agreement between the parties containing a consent order, the hearing examiner made his initial decision and order to cease and desist which became on October 25 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents Wolverine Laboratories, Inc., a corporation, and its officers, and Lawrence R. O'Connor and Elaine J. O'Connor, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of the preparation "Alpha Tablets", or any preparation of substantially similar composition or possessing substantially similar properties, whether sold under the same name or under any other name, do forthwith cease and desist from, directly or indirectly:

I. Disseminating or causing to be disseminated by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which represents, directly or by implication, that said preparation:

(a) Is an adequate, effective or reliable treatment for any kind of arthritis, rheumatism, neuritis or neuralgia.

(b) Is an adequate, effective or reliable treatment for, or will afford complete or permanent relief of, the aches, pains or discomforts of any kind of arthritis, rheumatism, neuritis or neural-

gia, or has any beneficial effect in any of such conditions or disorders in excess of affording temporary relief of the minor aches and pains thereof.

(c) Is a new discovery or a new medicine.

(d) Possesses any value in the treatment of any kind of arthritis, rheumatism, neuritis or neuralgia, or in the relief of the aches, pains and discomforts thereof, by virtue of the alfalfa ingredient therein.

II. Disseminating or causing to be disseminated any advertisements by any means for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase in commerce, as "commerce" is defined in the Federal Trade Commission Act, of such preparation which contain any of the representations prohibited in Paragraph 1 of this order.

It is further ordered, That respondents Wolverine Laboratories, Inc., a corporation, and its officers, and Lawrence R. O'Connor and Elaine J. O'Connor, individually and as officers of said corporation; their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of Alpha Tablets or any other preparation or product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(a) Using the word "Laboratories", or any other word of similar import or meaning, in respondents' corporate name, or representing in any other manner, that respondents own, operate or control a laboratory.

(b) Representing, directly or by implication, through the use of words "Manufacturers" or "Manufactured", alone or in conjunction with other words, or in any other manner, that respondents manufacture the products which they sell or distribute.

By "Decision of the Commission", etc., report of compliance was required as follows:

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

Issued: October 25, 1957.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F. R. Doc. 57-9523; Filed, Nov. 18, 1957; 8:46 a. m.]

[Docket 6748]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

PHILADELPHIA CHEWING GUM CORP.

Subpart—Discriminating in price under section 2, Clayton Act, as amended—Price discrimination under 2 (a): \$13.700 Arbitrary or improper functional discounts.

No. 224—2

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interprets or applies sec. 2, 38 Stat. 730, as amended; 15 U. S. C. 13) [Cease and desist order, Philadelphia Chewing Gum Corporation, Havertown, Pa., Docket 6748, Oct. 26, 1957]

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a manufacturer of bubble gum in Havertown, Pa., with discriminating in price in violation of section 2 (a) of the Clayton Act by granting certain jobbers a 5 percent "supply house" discount in addition to the 5 percent discount or its equivalent in premiums granted all its jobbers and dealers.

Following acceptance of an agreement between the parties providing for entry of a consent order, the hearing examiner made his initial decision and order to cease and desist which became on October 26 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondent, Philadelphia Chewing Gum Corporation, a corporation, and its officers, representatives, agents, and employees, directly or through any corporate or other device, in, or in connection with the sale of chewing gum products in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of said chewing gum products of like grade and quality, by selling to any purchaser at net prices higher than the net prices charged any other purchaser, which purchasers, in fact, compete in the resale or distribution of such products.

By "Decision of the Commission", etc., report of compliance was required as follows:

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

Issued: October 25, 1957.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F. R. Doc. 57-9524; Filed, Nov. 18, 1957; 8:46 a. m.]

[Docket 6747]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

TOPPS CHEWING GUM, INC.

Subpart—Discriminating in price under section 2, Clayton Act, as amended—Price Discrimination under 2 (a): \$13.700 Arbitrary or improper functional discounts; [Discriminating in price under section 2, Clayton Act, as amended]—Payment for services or facilities for processing or sale under 2 (d): \$13.824 Advertising expenses.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interprets or apply sec. 2, 38 Stat. 730, as amended; 15 U. S. C. 13) [Cease and desist order, Topps Chewing Gum, Inc., Brooklyn, N. Y., Docket 6747, Oct. 26, 1957]

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a manufacturer in Brooklyn, N. Y., of bubble gum and "Clor-Aid" chiclet type of gum containing chlorophyll, with discriminating in price in violation of sections 2 (a) and 2 (d) of the Clayton Act, respectively, by such practices as (a) selling its "Bazooka" brand bubble gum and picture card bubble gum to some jobbers at a 5 percent discount from the prices charged others; and (b) paying a chain of food stores \$2,200 as compensation for advertising, etc., in connection with its products, while not making comparable offers to the chain's retailer competitors.

Following acceptance of an agreement between the parties providing for entry of a consent order, the hearing examiner made his initial decision and order to cease and desist which became on October 26 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondent, Topps Chewing Gum, Inc., a corporation, and its officers, representatives, agents, and employees, directly or through any corporate or other device, in, or in connection with the sale of chewing gum products in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

1. Discriminating, directly or indirectly, in the price of said chewing gum products of like grade and quality, by selling to any purchaser at net prices higher than the net prices charged any other purchaser, which purchasers, in fact, compete in the resale or distribution of such products.

2. Making or contracting to make, to or for the benefit of any customer, any payment or allowance of anything of value as compensation or in consideration for any advertising or other services or facilities furnished by or through such customer, in connection with the handling, offering for resale, or resale of products sold to him by respondent, unless such payment or allowance is affirmatively offered or otherwise made available on proportionally equal terms to all other customers competing in the distribution or resale of such products.

By "Decision of the Commission," etc., report of compliance was required as follows:

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

Issued: October 25, 1957.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F. R. Doc. 57-9525; Filed, Nov. 18, 1957; 8:47 a. m.]

TITLE 22—FOREIGN RELATIONS

Chapter I—Department of State

[Dept. Reg. 108.347]

MISCELLANEOUS AMENDMENTS TO
CHAPTER

Pursuant to the authority vested in the Secretary of State by section 4 of the act of May 26, 1949 (63 Stat. 111; 5 U. S. C. 151c); and by section 503 of the Nationality Act of 1940 (54 Stat. 1171, 1172; 8 U. S. C. 903) as continued by section 405 (a) of the Immigration and Nationality Act as it relates to Part 50, Nationality Procedures Under the Immigration and Nationality Act; and by paragraph 126 of Executive Order No. 7856 (3 F. R. 799; 22 CFR 51.77), under authority of section 1 of the act of Congress approved July 3, 1926 (44 Stat. 887; 22 U. S. C. 211a) as it relates to Part 52, Passports: Validation and Issuance in Wartime; and by section 215 of the Immigration and Nationality Act (66 Stat. 190; 8 U. S. C. 1185), and Presidential Proclamation No. 3004 of January 17, 1953, as they relate to Part 53, Control of Persons Entering and Leaving the United States in Wartime; and by Executive Order No. 8820 (6 F. R. 3421; 22 CFR 107; section 302, 60 Stat. 1001; 22 U. S. C. 842) as it relates to Part 107, Control of Nationals, those parts of Title 22 of the Code of Federal Regulations are hereby amended as follows:

PART 50—NATIONALITY PROCEDURES UNDER
THE IMMIGRATION AND NATIONALITY
ACT

Part 50—Nationality Procedures Under the Immigration and Nationality Act is amended by the addition of the following sections:

CERTIFICATE OF IDENTITY FOR ADMISSION TO
THE UNITED STATES TO PROSECUTE AN ACTION
UNDER SECTION 503 OF THE NATIONALITY
ACT OF 1940

Sec.

- 50.45 Issuance of certificate of identity under the Nationality Act of 1940.
50.46 Application for certificate of identity.
50.47 Independent investigation.
50.48 Good faith and substantial basis of claim of United States nationality.
50.49 Denial of a right or privilege as a national of the United States.
50.50 Proof of institution of action.
50.51 In case of doubt as to issuance of certificate of identity.
50.52 Form and issuance of certificate of identity.
50.53 Period of validity of certificate of identity.
50.54 Denial of certificate of identity.
50.55 Appeal by applicant.
50.56 Certificate of identity obtained by fraud or other illegality.
50.57 Repeal of section 503, and savings clause.

Authority: §§ 50.45 to 50.57 issued under sec. 503, 54 Stat. 1171, sec. 4, 63 Stat. 111; 8 U. S. C. 903, 5 U. S. C. 151c.

CERTIFICATE OF IDENTITY FOR ADMISSION TO
THE UNITED STATES TO PROSECUTE AN
ACTION UNDER SECTION 503 OF THE
NATIONALITY ACT OF 1940

§ 50.45 *Issuance of certificate of identity under the Nationality Act of 1940.* Section 503 of the Nationality Act of 1940 (54 Stat. 1171, 1172; 8 U. S. C. 903) provided:

If any person who claims a right or privilege as a national of the United States is denied such right or privilege by any Department or agency, or executive official thereof, upon the ground that he is not a national of the United States, such person, regardless of whether he is within the United States or abroad, may institute an action against the head of such Department or agency in the District Court of the United States for the District of Columbia or in the district court of the United States for the district in which such person claims a permanent residence for a judgment declaring him to be a national of the United States. If such person is outside the United States, and shall have instituted such an action in court, he may, upon submission of a sworn application showing that the claim of nationality presented in such action is made in good faith and has a substantial basis, obtain from a diplomatic or consular officer of the United States in the foreign country in which he is residing a certificate of identity stating that his nationality status is pending before the court, and may be admitted to the United States with such certificate upon the condition that he shall be subject to deportation in case it shall be decided by the court that he is not a national of the United States. Such certificate of identity shall not be denied solely on the ground that such person has lost a status previously had or acquired as a national of the United States; and from any denial of an application for such certificate the applicant shall be entitled to an appeal to the Secretary of State, who, if he approves the denial, shall state in writing the reasons for his decision. The Secretary of State, with approval of the Attorney General, shall prescribe rules and regulations for the issuance of certificates of identity as above provided.

§ 50.46 *Application for certificate of identity—(a) What application shall show.* The application for a certificate of identity shall show:

- (1) The full and true name of the applicant;
- (2) The place of his residence outside the United States;
- (3) That he claims to be a national of the United States, and the basis of such claim and evidence submitted in support thereof;
- (4) That such claim is made in good faith and upon a substantial basis;
- (5) That he claims a right or privilege as a national of the United States, and specifically the nature of such claim;
- (6) That such right or privilege has been denied him by a specified department or agency or executive official of the United States on the ground that the applicant is not a national of the United States, and the date and place of such denial;
- (7) That an action for a judgment declaring applicant to be a national of the United States has been instituted by him against the head of such department or agency in the District Court of the United States for the District of Columbia or in the district court of the United States for the specified district in which he claims permanent residence;
- (8) That such action was instituted in good faith with the intention of prosecuting it to conclusion and is pending in such court;
- (9) That he desires to proceed to the United States to prosecute such action;
- (10) That, if granted a certificate of identity and admitted to the United States for the purpose of prosecuting

such action, he will do so with due diligence;

(11) That he understands that admission to the United States upon such certificate of identity shall be under regulations prescribed by the Immigration and Naturalization Service, and upon the condition that he shall be subject to deportation if the final outcome of such court action is not to the effect that he is a national of the United States and if he then fails to depart therefrom without delay in accordance with directions from the Immigration and Naturalization Service; and

(12) Such other facts and proofs, with respect to the foregoing, as may be required by the application form or by the diplomatic or consular officer before whom the application for a certificate of identity is executed.

(b) *Supporting witness.* The application for a certificate of identity shall be supported by the affidavit of a credible witness, but this requirement may be waived in the discretion of the officer before whom the application is executed.

(c) *Form and execution.* The application for a certificate of identity shall be made in quadruplicate on an approved form and shall be signed and sworn to (or affirmed) by the applicant in person before a diplomatic or consular officer of the United States. The affidavit of the witness, if not waived, shall also be made before a diplomatic or consular officer of the United States. The application shall be accompanied by four photographs of the applicant taken within thirty days of the date on which the application is filed. The photographs shall be 2 by 2 inches in size, unmounted, printed on thin paper, have a light background, and clearly show a full front view of the features of the applicant (with head bare, unless the applicant is a member of a religious order wearing a headdress), with the distance from the top of head to point of chin approximately 1¼ inches. Snapshot, group, or full length pictures will not be accepted. The applicant, except in the case of a person physically or otherwise incapable of signing his name, shall sign each copy of the photograph with his full, true name in such manner as not to obscure the features. The signature shall be by mark if the applicant is unable to write. One photograph shall be glued to the original application and one to each copy thereof and impressed with the legend machine so as not to cover the features. Officers not having a legend machine will use the impression seal. The consular impression seal should invariably be used in completing the application. Fingerprints of the applicant shall be required and attached to the application and each copy thereof, as in the case of a visa.

§ 50.47 *Independent investigation.* When an application for a certificate of identity is executed before a diplomatic or consular officer, an independent investigation of the facts in the case should be made, as far as practicable, by such officer, even though the application and proofs submitted therewith may on their face appear to justify issuance of a certificate of identity.

§ 50.48 *Good faith and substantial basis of claim of United States nationality*—(a) *Relationship to provision concerning loss of nationality.* The provision in section 503 of the Nationality Act of 1940 that a certificate of identity shall not be denied "solely on the ground that such person has lost a status previously had or acquired as a national of the United States" is to be read with the provision of the section that the claim of nationality presented in the court action be made in good faith and have a substantial basis.

(b) *Meaning of good faith.* Good faith means an honest belief of the applicant that he is a national of the United States, and is to be determined by the diplomatic or consular officer of the United States in the light of the facts and circumstances of each case. For example, where it appears that United States nationality has been lost by naturalization of the person upon his own application in a foreign state, good faith would appear to be lacking in the absence of a satisfactory showing to the contrary. Special care should be taken in the examination of the case of an applicant who, while in a foreign state, has exercised any rights or performed any duties for which only nationals of such state are eligible.

(c) *Meaning of substantial basis.* A substantial basis of a claim of United States nationality means one which satisfies the diplomatic or consular officer of the United States that the claim of the applicant that he is a national of the United States is, notwithstanding any previous ruling of a department, agency, or executive official of the United States, sufficiently meritorious to justify resort to the court for a determination of the question.

§ 50.49 *Denial of a right or privilege as a national of the United States.* Denial by a department or agency or executive official of the United States of a right or privilege as a national of the United States may have occurred in the administration of various laws. For example, it may have occurred where a person applied as a national of the United States for a passport or for registration at an American consulate or for nonquota status as an alien wife or alien minor child of an American citizen under sections 4 and 9 of the Immigration Act of 1924, and the application was denied on the ground that the applicant was not a national of the United States.

§ 50.50 *Proof of institution of action.* Proof that the applicant has instituted an action referred to in § 50.46 is best made by presentation of a duly certified copy of the complaint filed in the action. The presentation of such a copy may be waived only when other evidence is furnished which satisfactorily establishes that the suit has been instituted and is pending.

§ 50.51 *In case of doubt as to issuance of certificate of identity.* Where it appears that the presence of the applicant in the United States would endanger the public safety or where the diplomatic or consular officer believes that the applicant is a national of the United

States and entitled to a passport as such or where the diplomatic or consular officer has any doubt with respect to the action he should take upon the application for a certificate of identity, the officer should suspend action and consult the Department of State.

§ 50.52 *Form and issuance of certificate of identity.* The certificate of identity shall be issued on the approved form, printed upon the application form. It shall be signed and sealed by the diplomatic or consular officer, who shall state on the original and each copy thereof the date and place of issuance. The three copies shall be marked "copy". One copy and any documentary evidence submitted by the applicant shall be retained in the files of the issuing office, and two copies sent to the Department of State, one of which shall be forwarded to the Central Office, Immigration and Naturalization Service, Department of Justice.

§ 50.53 *Period of validity of certificate of identity.* A certificate of identity shall expire six months from the date of its issuance, unless extended by direction of the Secretary of State.

§ 50.54 *Denial of certificate of identity.* In case the certificate of identity is denied by a diplomatic or consular officer, a notation to that effect shall be made by him in the space provided therefor at the end of the original application and on each copy thereof. The notation shall set forth definitely the grounds for the denial. The original application and any documentary evidence submitted by the applicant shall be retained in the files of the office to which the application was submitted. One copy shall be returned to the applicant, and two copies shall be sent to the Department of State, one of which shall be forwarded to the Central Office, Immigration and Naturalization Service, Department of Justice.

§ 50.55 *Appeal by applicant.* When an applicant is denied a certificate of identity, he may appeal by a written statement to the Secretary of State, setting forth fully the pertinent facts and the grounds upon which United States nationality is claimed and his reasons for considering that the denial of his application by the diplomatic or consular officer is not justified. The statement shall be executed in quadruplicate and submitted to the diplomatic or consular office in which the denial was made. If the statement contains facts not set forth in the application it shall be sworn to (or affirmed) by the applicant before a diplomatic or consular officer of the United States. The original statement and one copy shall be forwarded by the diplomatic or consular officer to the Department of State with two copies of the application for the certificate of identity and any documentary evidence submitted by the applicant, if the copies have not already been sent to that Department. One copy of the statement shall be retained in the files of the diplomatic or consular office in which the denial was made and one copy returned to the applicant. If it is not practicable

for the statement to be sworn to or affirmed by the applicant in the diplomatic or consular office in which the denial was made, it may be sworn to or affirmed in any other diplomatic or consular office of the United States. In such case, the original and two copies of the statement shall be forwarded by that office to the diplomatic or consular office in which the application was denied, but if that is not practicable they shall be sent directly to the Department of State. One copy shall be returned to the applicant.

§ 50.56 *Certificate of identity obtained by fraud or other illegality.* Whenever a certificate of identity is found by a diplomatic or consular officer of the United States to have been obtained by fraud or other illegality, or to be in the possession of a person other than the rightful holder, such officer shall, if practicable, obtain possession of the certificate and send it, together with a report on the matter, directly to the Department of State.

§ 50.57 *Repeal of section 503, and savings clause.* Section 503 of the Nationality Act of 1940 was repealed by section 403 (a) (42) of the Immigration and Nationality Act of 1952. However, section 405 (a) of that act provides in part as follows:

Nothing contained in this Act, unless otherwise specifically provided therein, shall be construed to affect the validity of any declaration of intention, petition for naturalization, certificate of naturalization, certificate of citizenship, warrant of arrest, order or warrant of deportation, order of exclusion, or other document or proceeding which shall be valid at the time this Act shall take effect; or to affect any prosecution, suit, action, or proceedings, civil or criminal, done or existing, at the time this Act shall take effect; but as to all such prosecutions, suits, actions, proceedings, statutes, conditions, rights, acts, things, liabilities, obligations, or matters the statutes or parts of statutes repealed by this Act are, unless otherwise specifically provided therein, hereby continued in force and effect.

PART 52—PASSPORTS: VALIDATION AND ISSUANCE IN WARTIME

Part 52—Passports: Validation and Issuance in Wartime is hereby revoked.

PART 53—TRAVEL CONTROL OF CITIZENS AND NATIONALS IN TIME OF WAR OR NATIONAL EMERGENCY

The part heading of Part 53—Control of Persons Entering and Leaving the United States in Wartime is amended to read as set forth above and the part is amended in its entirety as follows:

AMERICAN CITIZENS AND NATIONALS

- Sec.
- 53.1 Definition of the term "United States".
 - 53.2 Limitations upon travel.
 - 53.3 Exceptions to regulations in § 53.2.
 - 53.4 Persons considered as bearing passports.
 - 53.5 Prevention of departure from or entry into the United States.
 - 53.6 Attempt of a citizen or national to enter without a valid passport.
 - 53.7 Optional use of a valid passport.

AUTHORITY: §§ 53.1 to 53.7 issued under sec. 215, 66 Stat. 190; 8 U. S. C. 1185.

§ 53.1 *Definition of the term "United States".* The term "United States" as used in this part includes the Canal Zone, and all territory and waters, continental or insular, subject to the jurisdiction of the United States.

§ 53.2 *Limitations upon travel.* No citizen of the United States or person who owes allegiance to the United States shall depart from or enter into or attempt to depart from or enter into any part of the United States as defined in § 53.1, unless he bears a valid passport which has been issued by or under authority of the Secretary of State or unless he comes within one of the exceptions prescribed in § 53.3.

§ 53.3 *Exceptions to regulations in § 53.2.* No valid passport shall be required of a citizen of the United States or of a person who owes allegiance to the United States:

(a) When traveling between the continental United States and the Territory of Hawaii, the Commonwealth of Puerto Rico, and the Virgin Islands, or between any such places; or

(b) When traveling between the United States and any country or territory in North, Central, or South America or in any island adjacent thereto: *Provided*, That this exception shall not be applicable to any such person when traveling to or arriving from a place outside the United States for which a valid passport is required under this part, if such travel is accomplished via any country or territory in North, Central, or South America or any island adjacent thereto: *And provided also*, That this section shall not be applicable to any seaman except as provided in paragraph (c) of this section; or

(c) When departing from or entering the United States in pursuit of the vocation of seaman: *Provided*, That the person is in possession of a specially validated United States merchant mariner's document issued by the United States Coast Guard; or

(d) When departing from or entering into the United States as an officer or member of the enlisted personnel of the United States Army or the United States Navy on a vessel operated by the United States Army or the United States Navy; or

(e) When traveling as a member of the Armed Forces of the United States or a civil employee of the Department of Defense between the continental United States, the Canal Zone, and all territories, continental or insular, subject to the jurisdiction of the United States, and any foreign country or territory for which a valid passport is required under the regulations in this part: *Provided*, That he is in possession of a document of identification issued for such purposes by the Department of Defense; or

(f) When traveling as an air crewman on board an American aircraft which is engaged in commercial air-transport service for the carriage of goods, passengers, or mail between the United States and a foreign country: *Provided*, That he is in possession of an identification card issued by the Civil Aeronautics Board which complies with the International

Civil Aviation Organization requirements; or

(g) When specifically authorized by the Secretary of State, through the appropriate official channels, to depart from or enter into the United States, as defined in § 53.1.

§ 53.4 *Persons considered as bearing passports.* Every citizen of the United States, or person who owes allegiance to the United States, who is included in a valid passport issued by or under authority of the Secretary of State shall for the purpose of the rules and regulations in this part be considered as bearing a separate valid passport if such passport is presented to the appropriate official at the time he departs from or enters into or attempts to depart from or enter into any territory of the United States as defined in § 53.1.

§ 53.5 *Prevention of departure from or entry into the United States.* (a) Nothing in this part shall be construed as prohibiting the Secretary of State or his representative at a port in the United States from preventing the departure from or entry into the United States, as defined in § 53.1, of a citizen of the United States or a person who owes allegiance to the United States, unless he bears a passport, card of identification, or other document of identity issued by or under authority of the Secretary of State, notwithstanding the fact he may be destined for or arriving from a place outside any such territory of the United States for which a valid passport is not required under the regulations in this part.

(b) Nor shall anything in the regulations in this part be construed as prohibiting the Secretary of State or his representative at a port in the United States from preventing temporarily the departure from or entry into the United States, as defined in § 53.1, of a citizen of the United States or a person who owes allegiance to the United States, notwithstanding the fact that such person may bear a valid passport, card of identification, or other document of identity issued by or under authority of the Secretary of State or be destined for or arriving from a place outside any such territory of the United States for which a valid passport is not required under the regulations in this part.

§ 53.6 *Attempt of a citizen or national to enter without a valid passport.* If any person who alleges that he is a citizen of the United States or a person who owes allegiance to the United States attempts to enter the United States contrary to the provisions of the regulations in this part, the appropriate officer of the United States at the port at which the attempt is made to enter the United States, if satisfied that such person is a citizen of the United States or a person who owes allegiance to the United States, shall detain such person and immediately report the facts in the case to the Secretary of State and await his instructions.

§ 53.7 *Optional use of a valid passport.* Nothing in this part shall be construed to prevent the use of a valid passport by any citizen of the United

States, or a person who owes allegiance to the United States, in a case in which a passport is not required by this part.

PART 107—CONTROL OF NATIONALS

Part 107—Control of Nationals is hereby revoked.

Dated: November 13, 1957.

For the Secretary of State.

LOY W. HENDERSON,
Deputy Under-Secretary
for Administration.

[F. R. Doc. 57-9580; Filed, Nov. 18, 1957;
8:56 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

Subchapter E—Administrative Provisions Common to Various Taxes

[T. D. 6271]

PART 458—INSPECTION OF RETURNS

INSPECTION OF ESTATE AND GIFT TAX RETURNS BY STATE TAX OFFICIALS

PARAGRAPH 1. Pursuant to the provisions of section 55 (a) of the Internal Revenue Code of 1939 (53 Stat. 29; 54 Stat. 1008; 55 Stat. 722; 26 U. S. C. 55 (a)), and the Executive order signed this date,¹ section 463C.23 (26 CFR (1939) 458.61) of Treasury Decision 4929, approved August 28, 1939, relating to inspection by State officials of estate and gift tax returns, is amended to read as follows:

§ 458.61 *Inspection by State tax officials.* Any properly authorized official, body, or commission, lawfully charged with the administration of any State tax law, or any properly designated representative of such official, body, or commission, may, in the discretion of the Commissioner, be permitted to inspect estate tax returns and notices and gift tax returns for the purpose of such administration, provided a like cooperation is given by the State to the Commissioner or his representatives for use in the administration of the Federal tax laws. Requests for permission to inspect returns or notices shall be in writing signed by the governor of the State under the seal of the State and shall be addressed to the Commissioner of Internal Revenue, Washington 25, D. C., who will set a convenient time and place for such inspection. The request shall state (1) the kind of returns it is desired to inspect; (2) the name of the official, body, or commission by whom or which inspection is to be made; (3) the name of the representative of such official, body, or commission, designated to make the inspection; (4) by specific reference, the State tax law which such official, body, or commission is charged with administering and the law under which he, she, or it is so charged; (5) the purpose for which the inspection is to be made; and (6) that the State gives to the Commissioner and his representatives like co-

¹ See Executive Order 10738, *supra*.

operation with respect to the inspection of returns of estate, inheritance, legacy, succession, gift, or other tax of the State, for use in the administration of the Federal tax laws. (Section 463C.23)

(Sec. 6103, 68A Stat. 753; 26 U. S. C. 6103)

PAR. 2. Pursuant to the provisions of section 6103 (a) of the Internal Revenue Code of 1954 (68A Stat. 753; 26 U. S. C. 6103 (a)), and the Executive order signed this date, Treasury Decision 4929, approved August 28, 1939, as amended by Treasury Decision 4991, approved July 20, 1940, Treasury Decision 5019, approved November 7, 1940, and this Treasury decision, is hereby prescribed under and made applicable to section 6103 (a) of the Internal Revenue Code of 1954 until superseded by regulations issued under the Internal Revenue Code of 1954.

Because this Treasury decision constitutes a general statement of policy and establishes a rule of Departmental practice and procedure, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4 (c) of that act.

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

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

Approved: November 15, 1957.

DWIGHT D. EISENHOWER,
The White House.

[F. R. Doc. 57-9614; Filed, Nov. 18, 1957;
11:35 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter I—Office of the Secretary of Defense

Subchapter G—Defense Contract Financing

PART 81—STATEMENT OF POLICY FOR TREATMENT OF DEPRECIATION ON EMERGENCY FACILITIES

CONTRACT PRICING

Section 81.3 (h) of this part has been amended to clarify the right of contractors to use either normal depreciation or true depreciation; if normal depreciation is used for contract pricing during the emergency period, it will be used after the emergency period. Section 81.3 (h), as amended, reads as follows:

§ 81.3 Basic principles. * * *

(h) Contractors may use normal depreciation without requesting a determination of true depreciation, or may elect to use normal depreciation even though a determination of true depreciation has been made. In either such case, contract pricing for both the emergency period and the post-emergency period (i. e., throughout the entire life of the emergency facility) will be based upon normal depreciation; and in such cases § 15.205 (b) (ii) of this chapter, is not intended to apply to assets fully amortized on the contractor's books of account

under certificates of necessity. In all other cases, contract pricing for the post-emergency period will be based on depreciation computed by allocating the undepreciated cost of the emergency facilities at the end of the emergency period (cost less true depreciation for that period) over the estimated remaining life of the facilities, provided the remaining undepreciated portion of such cost shall not include any amount of unrecovered true depreciation.

(64 Stat. 798-822, as amended; 50 U. S. C. App. 2061-2166)

GLENN V. GIBSON,
Director, Planning and
Requirements Policy.

[F. R. Doc. 57-9515; Filed, Nov. 18, 1957;
8:45 a. m.]

Chapter V—Department of the Army

Subchapter G—Procurement

PART 591—PROCUREMENT BY FORMAL ADVERTISING

PART 592—PROCUREMENT BY NEGOTIATION

PART 596—CONTRACT CLAUSES

PART 606—SUPPLEMENTAL PROVISIONS

MISCELLANEOUS AMENDMENTS

1. Amend § 591.203 by revising the section heading and paragraph (b) and by adding new paragraph (c), as follows:

§ 591.203 *Office of permanent record.* * * *

(b) *Contract administration file.* Each purchasing office or installation which administers contracts awarded by formal advertising will maintain files which will provide a complete résumé of the administration of each contract. These files need not be retained in a central location in the purchasing office or installation when it is administratively advantageous to maintain portions thereof on the site of performance. Unless these files are set up on an individual contract basis they must be so organized that they will provide an accurate and complete identification and cross-reference to related files. Upon final payment all papers pertaining to the administration of a particular contract will be consolidated into a single file. This file will be preserved in such office or installation for a period of 6 years following the final payment on the contract unless retired under pertinent Army regulations.

(c) The policy and procedure for the organization and maintenance of all contract files are set forth in § 606.211 of this chapter.

2. Section 592.212-2 is revised, and in § 592.405-3, revise the opening portion and paragraphs (a) and (b), as follows:

§ 592.212-2 *Application.* (a) As a matter of general procurement policy, contracting officers shall negotiate, rather than procure by formal advertising, when the proposed contract or purchase order or the supplies or services being procured are classified "Confidential" or higher, including "Confidential Modified Handling Authorized." This authority shall not be used to negotiate a

contract or an amendment thereof, regardless of dollar amount, where any other authority to negotiate may be cited (§§ 592.205-2 and 592.211-2).

(b) In addition to the requirements of § 7.104-12 of this title and § 596.104-12 of this chapter, DD Form 254 (Security Requirements Check List) will be used in precontract negotiations when it is necessary for proposed contractors and subcontractors to have access to classified matter.

§ 592.405-3 *Letter contract.* The policy of the Department of the Army is to avoid use of letter contracts to the greatest extent possible. In amplification of § 3.405-3 of this title, letter contracts shall be used only where the contracting officer determines that the interest of the national defense demands that the contractor be given a binding commitment so that work can be commenced immediately, negotiation of a definitive contract in sufficient time to meet the essential procurement need is not possible, and that no other type of contract is suitable. A copy of each determination made by a contracting officer and a copy of the request for approval will be forwarded by the head of the procuring activity to the Deputy Chief of Staff for Logistics, Headquarters, Department of the Army, ATTN: Chief, Contracts Branch.

(a) *Approval requirement.* Letter contracts, or any other type of preliminary contract, will not be used without prior approval of the Chief, Contracts Branch, Deputy Chief of Staff for Logistics, Headquarters, Department of the Army, except that, subject to the limitation set forth in § 3.405-3 of this title and this section. Chiefs and acting chiefs of technical services are authorized to issue letter contracts in amounts representing not more than 50 percent of the total estimated amount of the definitive contract, provided, the estimated amount of the definitive contract does not exceed the approval authority of the particular technical service as authorized in §§ 606.204-3, 606.204-4 and 606.204-6 of this chapter. When the total estimated amount of the proposed definitive contract exceeds that which the procuring technical service is authorized to approve, or where it is desired to award a letter contract in an amount in excess of 50 percent of the total estimated amount of the proposed definitive contract, prior approval of the Chief, Contracts Branch, Deputy Chief of Staff for Logistics, Headquarters, Department of the Army, is required.

(b) *Conditions for use.* In addition to the provisions of § 3.405-3 of this title, the authority to issue letter contracts is contingent upon compliance with the following:

(1) That the definitive contracts will contain all required standard clauses, in addition to such standard optional clauses as are necessary to protect fully the interest of the Government, and that this provision will be made a condition of each letter contract.

(2) That all fixed-price contracts, when there is no information upon which to base reasonableness of price, will contain applicable standard price redetermi-

nation clauses with upward limitations thereunder held to a minimum, but in no event to exceed 25 percent, and that this provision shall be made a condition of each applicable letter contract.

(i) Irrespective of total estimated definitive contract amount, a definitive contract or letter contract providing for a price redetermination clause with upward revision exceeding 25 percent must have prior approval of the Chief, Contracts Branch, Deputy Chief of Staff for Logistics, Headquarters, Department of the Army.

(ii) Independent Government estimate, prepared prior to receiving estimate from the proposed contractor, may be used to determine reasonableness of price.

(3) That the fixed-fee in a cost-reimbursement type contract will not exceed the limitations set forth in § 3.404-3 (c) of this title, with further consideration given to the following:

(i) The absence of risk to the contractor.

(ii) The estimated quantity of the following as compared with the total estimated definitive contract price: (a) Material, (b) subcontracting, (c) purchased parts, and (d) "off-the-shelf" items.

(iii) The size of the proposed contract.

(4) That the profit to be paid shall be consistent with the protection afforded to the contractor in the minimizing or removal of risk to him, with due consideration given to the estimated quantity of the following as compared to the total estimated contract price: (i) Material, (ii) subcontracting, (iii) purchased parts, and (iv) "off-the-shelf" items.

(5) That the duration of the letter contract will not exceed 180 days from the date of execution. Extensions which increase the duration beyond 180 days will not be made without prior approval of the Deputy Chief of Staff for Logistics, Headquarters, Department of the Army, Attn: Chief, Contracts Branch.

3. Revise §§ 596.150-1 and 606.202 and add new § 606.211, as follows:

§ 596.150-1 *Progress payments clause.*
(a) Percentage of total costs clause (see § 82.59-1 of this title).

(b) Percentage of direct labor and materials cost clause (see § 82.59-2 of this title).

(c) Progress payments to subcontractors (see § 82.59-3 of this title).

§ 606.202 *Execution of contracts; requirements—(a) Availability of funds.* Contracting officers will, prior to the incurrence of an obligation, obtain from the finance and accounting officer a certificate which will contain a citation of the proper funds to be charged and a statement that sufficient funds are available for payment of the contractual obligation to be incurred. The certificate shall be retained in the contract file. The finance and accounting officer who is accounting for the funds will be responsible for determining the proper funds to be charged and the sufficiency thereof and for reserving in the fiscal accounts an amount sufficient to pay the obligation to be incurred. The appro-

priation and allotment chargeable will be cited on all contracts, purchase orders, and delivery orders. The signature of a contracting officer on a contract, purchase order, or delivery order constitutes a certification of the availability and sufficiency of the funds cited. The contracting officer will be responsible for assuring that final delivery, acceptance and payment, under the terms of the contract, are completed prior to expiration of the period in which the funds cited in the contract are authorized for expenditure.

(b) *Contracting officer's signature.* In the case of formal advertising, the personal signature of the contracting officer on the award consummates the contract. In the case of negotiated contracts, the contracting officer will personally sign on behalf of the United States after the contractor has signed, except where otherwise required by the particular contract form, as for example when DA Form 47 is used. In addition, the contracting officer's rank or title will be indicated. Proxy and facsimile signatures are not permissible.

(c) *Signature by agents of contractors.* Contracts executed on behalf of contractors by agents must be accompanied by evidence, satisfactory to the contracting officer, of the agent's authority to do so.

(d) *Signature by corporate officers.* In the case of corporations, the amount and type of evidence to be required to determine the authority of a particular corporate officer to bind a corporation is for administrative determination by the contracting officer, subject to the limitation that the interest of the Government shall be protected. The contracting officer need not require that corporations execute a certificate in the form included in DD Form 351-2 (Signature and Certificate Sheet), provided he obtains other evidence which satisfactorily shows that the agent is empowered to bind the corporation.

(e) *Contracts with partnerships.* Contracts entered into with partnerships shall be executed in the partnership name and shall enumerate the names of all the partners. The contract need be signed by only one partner provided the authority of the particular partner to effectively bind the partnership has been established. The contracting officer need not require that partnerships execute a certificate in the form included in DD Form 351-2 provided he obtains other evidence which satisfactorily shows that the partner is empowered to bind the partnership.

(f) *Presigned contracts subject to approval.* Contracts subject to the approval of higher authority as prescribed by these procedures (e. g., §§ 606.204-2 and 606.204-5) or by instructions of heads of procuring activities or both, are not binding on the Government until so approved, even though signed by both parties.

(g) *Contracts subject to approval of award.* Where approval of award of a contract is required either by these procedures (e. g., §§ 606.204-6 and 606.204-8) or by instructions of heads of procuring activities or both, no contract will be entered into or signed by a contracting

officer until approval to award the contract has been obtained.

§ 606.211 *Organization and maintenance of contract files.* This section establishes general guidelines which will insure that every pre-award transaction file and contract administration file is fully documented to provide a complete history of the contractual actions and the basis for the individual actions taken, and establish a system for the organization of these files which will facilitate locating any particular document with the least practicable delay. The types of documents set forth in this section shall be included in these files to the extent applicable. Where procurements utilize the simplified purchase procedures, compliance with the requirements of those procedures will be considered to constitute adequate contract file documentation.

(a) *Pre-award file; Section A—Pre-award Section.* (1) Copy of procurement directive.

(2) When procurement is by negotiation appropriate documentation as to necessity for negotiation when over \$2,500.

(3) List of firms solicited, or justification in the event only one firm was solicited.

(4) Security Requirements Checklist.

(5) Pre-award survey.

(6) Invitation for bids or requests for proposals, including drawings and specifications, or reference thereto.

(7) Bids or proposals received, including:

(i) Complete record of negotiation,

(ii) Price and cost analysis data.

(iii) Memorandums for record,

(iv) Statement that notice was sent to unsuccessful bidders, and

(v) Bid bond.

(8) Summary of proposals or abstract of bids.

(9) Report of equal bids.

(10) Determinations and findings.

(11) Review of proposed award(s).

(12) Approval of award.

(13) Exemption from "Buy American Act."

(14) Deviation approvals.

(15) Any other pre-award documents and correspondence not covered by the above subjects.

(b) *Contract Administration File; Section B—Contract Section.* (1) Contract (signed number) including any letter contract.

(2) Change orders in numerical sequence.

(3) Supplemental agreements in numerical series. (A single numerical series may be used for subparagraphs (2) and (3) of this paragraph.)

(4) Bonds, except bid bonds.

(5) Copy of individual procurement action report.

(6) Information regarding royalties.

(7) Contractor's statement of contingent fees.

(8) Neutrality Act certification of registration.

(9) Priority data and Controlled Materials Plan data.

(10) Price adjustment data, including contractors' proposals, price analyst recommendations, audit reports, and negotiation reports.

(11) Waivers.

(12) Any other documents and correspondence not covered by above items which properly belong in this section.

(c) *Contract Administration File; Section C—Property Section.* (Separate files sections may be maintained for Government-furnished property and for contract items.)

(1) End item delivery data, i. e., Material Inspection and Receiving Report, or other shipping documents with recap and storage data as appropriate. (Provision 303.3 of § 30.2 of this title.)

(2) Subsidiary inspection documents such as lot No. reports, technical data, report of sub-lots inspection, etc.

(3) Inspection requisitions and correspondence by other districts relating to inspection.

(4) Other inspection correspondence.

(5) Statement as to quality of contractor's product.

(6) Bills of lading.

(7) Report of Survey (incident to shipment) and other instruments affecting relief of responsibility for Government property except "Written Advice," i. e., special reports from the contractor on which the property administrator determines a "Written Advice" is not required or other instances where, under provision 402 of § 30.2 of this title, a contractor is relieved of responsibility for property other than consumption. (Provision 303.1 (d) of § 30.2 of this title and § 602.1709-2 of this chapter.)

(8) Copy of contracting officer's written determination and findings concerning loss, damage, shortage, or destruction of contract items or of Government property used, including excess consumption. (Provisions 402.1 (e) and 402.2 (a) of § 30.2 of this title.)

(9) Disposal data—at contract completion. (Subpart F, Part 8 of this title.)

(10) Property correspondence in chronological order or sufficiently indexed for ready reference.

(11) Where the Government maintains the official property control records under the deviation authority contained in provision 301 (a) of § 30.2 of this title or provision 207.1 of § 30.3 of this title, the property file will contain those records set forth in §§ 30.2 or 30.3 of this title necessary for effective property control. (§ 602.1706-1 (a) of this chapter.)

(12) Contractor's written receipt for Government-furnished property. (Provision 303.1 of § 30.2 of this title.)

(13) Data, where appropriate, in connection with contractor acquired facilities. (§ 602.1706-1 (b).)

(14) All other records required to be maintained by §§ 30.2 or 30.3 of this title.

(d) *Contract Administration File; Section D—Fiscal Section.* (1) Invoices and Vouchers.

(2) Other documents relating to payments.

(3) Documents and correspondence relating to financial assistance to contractor.

(e) *Contract Administration File; Section E—Termination Section.* (1) Notice of Termination.

(2) Contractor's settlement proposal.

(3) Auditor's report and work papers.

(4) Price analyst report.

(5) Inventory schedule.

(6) Storage or Layaway agreement.

(7) All termination correspondence.

(8) Negotiator's report.

(9) Property disposal.

(10) If termination for default, (i) copy of contracting officer's findings, (ii) summary of initial action taken to buy against, and all subsequent actions on appeals taken, if any.

(f) *Contract Administration File; Section F—renegotiation data.* (1) Efficiency of contractor.

(2) Reasonableness of costs and profits.

(3) Capital employed.

(4) Extent of risk assumed.

(5) Contribution to the National Security.

(6) Character of business.

4. In § 606.703, revise paragraph (c) and add new paragraph (d), as follows:

§ 606.703 Policy. * * *

(c) *Inclusion of small business in research and development procurement.*

(1) As a continuing activity, technical personnel, contracting officers, and small business specialists are responsible for actively seeking out and developing information as to the technical competence of small business concerns to perform research and development contracts. The selection of technically qualified concerns will be the primary responsibility of the contracting officer assisted by technical personnel and the small business specialist. The small business specialist shall assist in analyzing all available information and by making his recommendation to the contracting officer as to any small business concern whom he considers to be technically competent.

(2) Research and development contracts shall, as a policy, be awarded to those concerns which have the technical competence in the specific branch of science or technology required for the successful conduct of the project. The following factors will be considered in determining the technical competence of a contractor: (i) Availability of properly qualified and experienced scientific or technical personnel; (ii) availability, from any source, of suitable research facilities; (iii) experience or pertinent and novel ideas in the specific science or technology required by the proposed contract; and (iv) willingness to provide with diligence all resources at their disposal.

(d) *Information concerning small business firms or facilities.* The Department of the Army will give to representatives of the Small Business Administration access to any and all lists of small business firms or facilities which they have prepared for the purpose of consolidation by the Small Business Administration with such combined inventories of small business concerns and their facilities as the Small Business Administration may deem it advantageous to maintain.

5. In § 606.715, revise paragraphs (d), (e) and (f), and add new paragraph (g), as follows:

§ 606.715 Certificate of competency. * * *

(d) *Recommendation as to technical ability or competence.* The small business specialist may recommend to the contracting officer one or more contractors for consideration for the award of a research and development contract if he is convinced, after analyzing all available information, that the contractor has the technical competence (as outlined in § 606.703 (c)) required to perform the specific research or development.

(e) *Appeals procedure.* (1) In the event that the contracting officer questions the issuance of a proposed Certificate of Competency after complete interchange of information, he will so notify the representative of the Small Business Administration stating his reasons, and request that the Administrator, Small Business Administration, consider non-issue or withdrawal of the certificate, and that the contracting officer be notified in writing of the action taken.

(2) In the further event that nonissue or withdrawal of the certificate is declined by Small Business Administration and a certificate is issued, and the contracting officer then determines that acceptance would not be in the best interest of the Government the following procedure will be followed:

(i) The contracting officer will withhold award of the contract, pending decision by higher authority.

(ii) The contracting officer will promptly forward to the Head of the Procuring Activity a written request for withdrawal of the certificate. This request shall be supported by a complete statement of the facts leading to the contracting officer's determination that the certificate should not be applied.

(iii) The Head of the Procuring Activity, if supporting the contracting officer, will refer the request to the Office of the Deputy Chief of Staff for Logistics.

(3) A preaward survey is still required and awards can only be made in accordance with § 1.307 of this title and § 590.307 of this chapter except as amended by the Small Business Act of 1953 (§ 606.702 (a)).

(f) *Notification to Small Business Administration—(1) Policy.* Contracting officers will advise Small Business Administration representatives with respect to small firms which, in spite of having submitted otherwise acceptable bids or proposals that would normally place them in a position to receive an award, have been found deficient as to capacity and/or credit, and for this reason contemplated awards to such small business firms are being or may be withheld. Based upon this notification the Small Business Administration may, after their own investigation and evaluation, issue a Certificate of Competency. Unless a Certificate of Competency is received by the purchasing office within 10 working days after receipt by Small Business Administration of the contracting officer's advice on a specific small business firm, it will be assumed by the purchasing office that no certificate will be issued and the contracting officer will make award in accordance

with normal procedures. Upon request, Small Business Administration representatives will be supplied with all reasonably available pertinent information developed by or known to the purchasing office with respect to the small business firm under consideration. Such information shall be furnished solely by the purchasing office.

(2) *Application.* (i) This procedure will not apply to proposed awards of less than \$1,000.

(ii) This procedure may be utilized by the contracting officer on proposed awards of \$1,000 and over and less than \$10,000 at his option.

(iii) This procedure will be followed on proposed awards of \$10,000 and over.

(g) *Termination for default.* No contract involving a Certificate of Competency issued by Small Business Administration will be terminated for default without prior administrative approval of the head of the procuring activity, due to the fact that another Government agency is involved.

6. Subpart L is revised to read as follows:

SUBPART L—CONTRACT FINANCING POLICIES AND PROCEDURES

§ 606.1201 *Definitions and references.*—(a) *Contract financing.* The term "contract financing" covers guaranteed loans (V-loans), advance payments, and progress payments necessary for both performance and termination purposes. The term does not include partial payments (§ 82.58-1 of this title).

(b) *Contract financing office.* The term "contract financing office" refers to the Comptroller of the Army, Washington 25, D. C.

(c) *Guaranteed loan.* See § 82.6 of this title.

(d) *Progress payments.* See §§ 82.10 and 82.58 of this title.

(e) *Advance payments.* See § 82.8 of this title.

(f) *Partial payments.* See § 82.58-1 of this title.

§ 606.1202 *Policy.*

§ 606.1202-1 *Basic policies.* (a) Basic policies are outlined in Subpart B, Part 82 of this title. Financing must support procurement and be administered in such manner as to avoid risk of monetary loss to the Government, to the extent compatible with aiding essential procurement. Procuring activities, in placing contracts, must give due regard to the financial capabilities of prospective suppliers. Government financing should be provided only if, and to the extent, reasonably required for prompt and efficient contract performance. Generally, contract financing should be considered as a supplement to the contractor's capital investment and should bear a reasonable relationship thereto. Contract financing is intended to supplement other funds available to contractors for Government contract performance. It must be kept in mind that while the authorizing of Government financial assistance may materially assist the performance of Government contracts, it does not insure satisfactory contract performance, nor is it a proper

substitute for any factor in determining a contractor's or prospective contractor's responsibility. The risk of financial loss assumed by the Government in authorizing financial assistance must be appropriately considered in the light of essentiality of the procurement concerned and other factors which would warrant the extent of risk to be assumed by the Government.

(b) Financing through advance payments and/or guaranteed loans may be made available, upon proper approval, to a supplier in cases where (1) the production or service is essential, and (2) no alternate source is readily available without prejudice to the National Defense. The availability of alternate sources, however, will not apply in cases of guaranteed loans to small business concerns (§ 606.701).

(c) In determining what form of financing shall be recommended or made available to suppliers the following order of preference will be observed:

(1) Private financing (without Government guarantee or participation).

(2) Guaranteed loans (with financing institutions participating to an extent appropriate to the risk involved).

(3) Progress payments.

(4) Advance payments.

§ 606.1202-2 *Limitations.* (a) Guaranteed loans under section 301 of the Defense Production Act of 1950, as amended, will be used primarily for working capital purposes. Such guarantee authority will not be used for loans for facilities expansion; however, this limitation is not intended to preclude guarantees in cases in which a relatively small part of the loan might be used for facilities expansion of a minor or incidental nature provided that the borrower's financial condition is such that the facilities expansion will not delay or impair repayment of a guaranteed loan which would be granted on a commercial banking basis.

(b) Guaranteed loans, progress payments, and advance payments should be self-liquidating from contract performance and therefore will not be used to finance fixed asset acquisitions for contractor ownership.

(c) The limitations outlined above do not apply to contracts under which the facilities are being acquired for Government ownership.

§ 606.1203 *General requirements.*

§ 606.1203-1 *Selection of contractors.* As indicated in § 1.307 of this title and § 590.307 of this chapter, contracting officers are responsible for determining that a proposed contractor has the financial as well as productive resources necessary to perform the contract concerned. The necessity for supplementing a contractor's working capital by contract financing should not deter contracting officers from considering proposed contractors where benefits from dealing with such contractors would accrue to the Government. In such cases, before awarding any contract or making any recommendations in connection with contract financing, contracting officers will make, or cause to be made, an adequate investigation into the financial

condition of the proposed contractor. For this purpose, the contracting officer should use the services of the Army Audit Agency.

§ 606.1203-2 *Surveillance of contract financing and reports of adverse developments.*—(a) *Surveillance of contract financing.* Surveillance will be maintained over all contractors who have been authorized guaranteed loans, progress payments, or advance payments. The degree of surveillance required depends upon the nature of the procurement, the type and amount of Government financing involved, and the character and financial ability of the contractor. The surveillance of contractors, to the extent considered appropriate by the contracting officer or Head of the Procuring Activity should include, but not be limited to, (1) frequent or periodic visits to the contractor's plant; (2) securing advice of the contractor's backlog of all undelivered contractual commitments; (3) securing financial statements from the contractor as often as deemed necessary; (4) having the resident representative, resident or traveling inspector (as the case may be) submit to the contracting officer not less frequently than monthly or more often if deemed necessary, his appraisal of the operations of the contractor to reflect such items of information as the quality of production or performance; rejection rate; contractor's ability to meet delivery schedules, and any other pertinent information regarding the contractor's operations.

(b) Wherever a contractor appears to be in financial or production difficulties which might impair the security or liquidation of Government-furnished financial assistance, the services of the U. S. Audit Agency may be utilized to conduct an analysis of the contractor's accounts and financial operations.

(c) If at any time with regard to any contractor who has been authorized guaranteed loans, progress payments, or advance payments, the contracting officer or Head of the Procuring Activity determines (or has reason to believe) that: (1) The contractor's financial condition is becoming sufficiently serious to prevent the purchase of materials necessary for production under Government contracts, thereby causing delay, possible default in deliveries, or stoppage in production; or (2) the contractor is approaching insolvency or possible bankruptcy or (3) production problems or other adverse conditions may seriously delay performance or cause the contractor to default on Government contracts, a complete report of such situation will be prepared and forwarded on a priority basis, through channels, to the Chief, Contracts Branch, Office, Deputy Chief of Staff for Logistics, Headquarters, Department of the Army. In forwarding this report, the Head of the Procuring Activity will include his recommendations as to the action which he considers should be taken. A separate copy of this report will be forwarded by the preparing office direct to the Comptroller of the Army, ATTN: Director of Contract Financing, Washington, D. C. It is essen-

tial that cases as described in this paragraph be reported immediately after the situation becomes known. This report, "Contractors in Difficulty Authorized Guaranteed Loans, Progress Payments or Advance Payments" is assigned Reports Control Symbol CSGLD-585.

§ 606.1203-3 *Advance approval.* In addition to the requirements outlined in § 606.204, all proposed contracts or letter contracts which will be financed by a combination of advance payments and guaranteed loans will be submitted to the Chief, Contracts Branch, Office, Deputy Chief of Staff for Logistics, for approval, prior to award.

§ 606.1204 *Guaranteed loans.*

§ 606.1204-1 *Policy.* (a) See § 606-1202-2.

(b) See Subparts B and C, Part 82 of this title.

§ 606.1204-2 *Procedures.* See Subpart C, Part 82 of this title.

§ 606.1204-3 *Reports.* See § 606.1203-2.

§ 606.1205 *Progress payments.*

§ 606.1205-1 *References.* Section 606.1201 and Subpart E, Part 82 of this title.

§ 606.1205-2 *Definitions.* See § 82.58 of this title.

§ 606.1205-3 *General considerations.* See provision V, Appendix 5 to Part 82 of this title.

§ 606.1205-4 *Contract provision for progress payments.* (a) Provision for progress payments in invitations for bids and requests for proposals will be in accord with Part 82 of this title.

(b) The provisions of § 82.56-1 of this title do not apply to requests for progress payments which involve amendment of existing contracts. The consideration for amending contracts to incorporate a progress payment provision will be determined by the contracting officer.

(c) All requests involving progress payments at rates exceeding 90 percent of direct labor and material costs or exceeding 75 percent of total costs, if regarded favorably by the Head of a Procuring Activity, or by a general officer designated by him, will be forwarded with supporting information through the Chief, Contracts Branch, Office of the Deputy Chief of Staff for Logistics, to the Comptroller of the Army, in accordance with the provisions of § 82.64 of this title.

§ 606.1205-5 *Reports.* (a) The reporting requirements applicable to progress payments are prescribed in AR 35-227 (Administrative regulations of the Department of the Army).

(b) See § 606.1203-2.

§ 606.1205-6 *Contract clause.* Progress Payment clauses are contained in § 82.59 of this title.

§ 606.1206 *Advance payments.*

§ 606.1206-1 *Policies and procedures.* (a) See § 606.1202.

(b) See § 82.9 and Subparts A and D, Part 82 of this title.

§ 606.1206-2 *Reports.* See § 606.1203-2.

§ 606.1207 *Ascertainment and collection of debts owed by contractors.* Policies, responsibilities and procedures regarding the ascertainment and collection of contractors indebtedness are prescribed in AR 35-3290 (Administrative regulations of the Department of the Army).

[C 35, APP, August 8, 1957] (Sec. 3012, 70A Stat. 157; 10 U. S. C. 3012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U. S. C. 2301-2314)

[SEAL]

HERBERT M. JONES,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 57-9516; Filed, Nov. 18, 1957;
8:45 a. m.]

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration

PART 3—VETERANS CLAIMS

PUBLIC LAW 212, 72D CONGRESS, AS AMENDED

In § 3.358, paragraph (a) is amended to read as follows:

§ 3.358 *Public Law 212, 72d Congress, as amended.* (a) Effective July 1, 1932, section 212 of Public Law 212, 72d Congress, as amended, which is permanent legislation, prohibits the concurrent payment of retirement pay other than that payable on and after July 1, 1947, to retired reserve officers during a period of actual membership in the Organized Reserve Corps of a Reserve component of the Armed Forces (Tanner v. U. S., 129 C. Cls. 792 and Comp. Gen. B-123382, June 11, 1957), and salary from the United States Government or the Municipal Government of the District of Columbia, or any corporation, the majority of the stock of which is owned by the United States, except under certain specified conditions. However, such prohibition is inapplicable if the disability for which retired was incurred in combat with an enemy of the United States. The above restriction is also inapplicable on and after July 15, 1940, if the disability for which retired resulted from an explosion of an instrumentality of war in line of duty and on and after January 1, 1951, if such disability was caused by an instrumentality of war in line of duty. A finding by the Board of Veterans Appeals that a disability is the direct result of the performance of duty, or that on all the evidence of record it is clearly shown that the disability for which retirement was granted was incurred in or aggravated by active service in fact in line of duty without benefit of any statutory or regulatory presumption of any kind, does not of itself meet the requirements of Public Law 212. There must be a specific finding of combat occurrence of a disability for which retirement was granted or a specific finding that the disability resulted from an explosion of an instrumentality of war or was caused by an instrumentality of war in line of duty during enlistment or employment as provided in Part I,

paragraph I, Veterans Regulation 1 (a) (38 U. S. C. ch. 12A). If a retired officer is also an employee of the United States within the purview of section 212, Public Law 212, 72d Congress, as amended, and his retired pay is at a rate equal to or in excess of \$10,000 per annum, he must elect which form of payment he desires during the period of such incumbency. If the rate of the retired pay and the rate of civilian compensation, when combined, are equal to or less than \$10,000 per annum, he is entitled to both. On the other hand, if the civilian compensation is at a rate of less than \$10,000 and the retired pay is also at a rate of less than \$10,000, he is entitled to the full amount of his civilian pay and to such additional amount from the retired pay as will make a total payment annually of \$10,000 (Comptroller General—June 25, 1942, B-24989—Public Law 239, 84th Cong.). If the retired pay is at a rate of less than \$10,000 and the civilian pay is at a rate in excess of \$10,000, there is no right of election, the civilian pay must be paid, and even though it is a part-time position and the salary actually paid is less than \$10,000 per annum, there is no right to any portion of the retired pay (Comptroller General—August 17, 1932, 12 Comp. Gen. 256). The claim of a part-time employee should be adjudicated on the "rate" of pay for the position rather than on the part-time pay received. It is, therefore, necessary to ascertain from the department or establishment where the veteran is employed, the annual rate of pay for the position held. Section 212, Public Law 212, 72d Congress, as amended, is applicable to persons receiving fees from the Federal Government only when such fees are paid in connection with employment in "a civilian office or position, appointive or elective, under the United States Government or Municipal Government of the District of Columbia, or under corporation, the majority of the stock of which is owned by the United States." However, when the fees are based on services furnished under contract, i. e., when the person receiving same is not an "employee," section 212, Public Law 212, 72d Congress, as amended, is not for application. For example, employment by the Veterans Administration of former officers of the Armed Forces retired for disability as consultants upon a fee basis pursuant to section 14 (a) of Public Law 293, 79th Congress, is not in contravention of section 212 of Public Law 212, 72d Congress, inasmuch as such consultants do not occupy an "office or position" within the meaning of those terms as used in the cited statute, notwithstanding that the term "compensation" as used therein is sufficiently broad to include fees (Comp. Gen. B-62616, January 17, 1947).

(Sec. 5, 43 Stat. 608, as amended, sec. 2, 46 Stat. 1016, sec. 7, 48 Stat. 9; 38 U. S. C. 11a, 426, 707)

This regulation is effective November 19, 1957.

[SEAL]

H. V. HIGLEY,
Administrator of Veterans Affairs.

[F. R. Doc. 57-9544; Filed, Nov. 18, 1957;
8:50 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 14—NONMAILABLE MATTER

PART 17—CONDITIONS APPLICABLE TO PARCELS ADDRESSED TO CERTAIN MILITARY POST OFFICES OVERSEAS

MISCELLANEOUS AMENDMENTS

1. Section 14.9 *Certain items to overseas military post offices*, is amended to read as follows:

§ 14.9 *Certain items to overseas military post offices*. In addition to other nonmailable items mentioned in this part, the following may not be mailed to military post offices overseas:

- (a) Matter likely to decay or spoil.
- (b) Penicillin and streptomycin, except when sent in official shipments.
- (c) Matches.

Articles prohibited or restricted in parcels are also prohibited or restricted in letter mail. For other restrictions see Part 17 of this chapter.

NOTE: The corresponding Postal Manual section is 124.9.

(R. S. 161, 396, as amended; sec. 1, 62 Stat. 781, as amended; 5 U. S. C. 22, 369, 18 U. S. C. 1716)

2. Part 17 is amended to read as follows:

§ 17.1 *Conditions applicable to parcels addressed to certain military post offices overseas*.

Military APO No.	Post offices Navy No.*	Cigarettes and other tobacco products prohibited ¹	Coffee prohibited	Other prohibited items	Weight restricted to 50 pounds	Customs declaration on Form 2966 or 2976-A required
3				1 X		
4				1 X		
7				1 X		
9				1 X		
10		X		1 X		3 X
11		X		1 X		3 X
12		X	X	1 X		
13		X		1 X		
16		X		1 X		3 X
17		X		1 X		3 X
18		X		1 X		
19		X		1 X		3 X
21		X		1 X		3 X
22		X		1 X		3 X
24		X		1 X		
26		X	X	1 X		
28		X	X	1 X		
29		X	X	1 X		
30		X		1 X		3 X
31		X		1 X		
34		X	X	1 X		
35		X	X	1 X		
36		X	X	1 X		
38		X	X	1 X		
39		X	X	1 X		
42		X	X	1 X		
43		X	X	1 X		
44		X		1 X		3 X
46		X	X	1 X		
47		X		1 X		
54		X		1 X		3 X
55		X		1 X		3 X
56		X		1 X		
57		X	X	1 X		3 X
58		X		1 X		3 X
59		X		1 X		
61		X	X	1 X		3 X
62		X		1 X		
64		X		1 X		
65		X	X	1 X		
66		X	X	1 X		
68		X		1 X		
69		X		1 X		
70		X		1 X		

See footnotes at end of table.

Military APO No.	Post offices Navy No.*	Cigarettes and other tobacco products prohibited ¹	Coffee prohibited	Other prohibited items	Weight restricted to 50 pounds	Customs declaration on Form 2966 or 2976-A required	Military APO No.	Post offices Navy No.*	Cigarettes and other tobacco products prohibited ¹	Coffee prohibited	Other prohibited items	Weight restricted to 50 pounds	Customs declaration on Form 2966 or 2976-A required
72				1 X			219		X		1 X		3 X
73				1 X			220	220	X		1 X		3 X
74				1 X			221		X		1 X		3 X
75				1 X			223		X		1 X		3 X
76				1 X			224		X		1 X		3 X
77				1 X			225		X	X	1 X		3 X
78		X		1 X		3 X	226		X		1 X		3 X
79		X		1 X		3 X	227		X	X	1 X		3 X
80		X	X	1 X		3 X	230		X		1 X		3 X
82		X	X	1 X		3 X	231		X		1 X		3 X
83		X		1 X		3 X	232		X		1 X		3 X
84		X		1 X		3 X	235		X		1 X		3 X
85		X		1 X		3 X	237		X		1 X		3 X
87		X		1 X		3 X	238		X		1 X		3 X
97	100	X		1 X	X	3 X	239		X		1 X		3 X
102				1 X			240	240	X		1 X		3 X
106				1 X			241		X		1 X		3 X
107		X		1 X			242		X		1 X		3 X
108		X		1 X			243		X		1 X		3 X
109		X		1 X			245		X	X	1 X		3 X
110		X		1 X			247		X		1 X		3 X
111		X		1 X		3 X	250		X	X	1 X		3 X
112		X		1 X		3 X	252		X	X	1 X		3 X
113		X		1 X		3 X	253		X		1 X		3 X
114		X	X	1 X		3 X	254		X		1 X		3 X
115		X		1 X		3 X	255		X		1 X		3 X
116		X		1 X		3 X	256		X		1 X		3 X
117		X		1 X		3 X	257		X		1 X		3 X
118		X		1 X		3 X	258		X		1 X		3 X
119		X		1 X		3 X	259		X		1 X		3 X
120		X		1 X		3 X	271		X		1 X		3 X
121	121			1 X		3 X	287		X		1 X		3 X
122				1 X		3 X	288		X		1 X		3 X
123		X		1 X		3 X	289		X		1 X		3 X
124		X		1 X		3 X	291		X		1 X		3 X
125		X		1 X		3 X	292		X		1 X		3 X
126		X		1 X		3 X	293		X		1 X		3 X
127		X		1 X		3 X	294		X		1 X		3 X
128		X		1 X		3 X	301		X		1 X		3 X
129		X		1 X		3 X	305		X	X	1 X		3 X
130		X		1 X		3 X	317		X		1 X		3 X
131		X		1 X		3 X	319		X	X	1 X		3 X
132		X		1 X		3 X	320		X	X	1 X		3 X
135		X		1 X		3 X	322		X		1 X		3 X
139		X		1 X		3 X	323		X		1 X		3 X
147		X		1 X		3 X	324		X		1 X		3 X
154		X		1 X		3 X	325		X		1 X		3 X
157		X		1 X		3 X	326		X	X	1 X		3 X
162	161			1 X		3 X	328		X		1 X		3 X
163		X		1 X		3 X	331		X		1 X		3 X
164		X		1 X		3 X	333		X	X	1 X		3 X
165		X		1 X		3 X	343		X		1 X		3 X
166		X		1 X		3 X	349		X		1 X		3 X
167		X		1 X		3 X	354		X		1 X		3 X
168		X		1 X		3 X	358		X		1 X		3 X
169		X		1 X		3 X	378		X		1 X		3 X
170		X		1 X		3 X	380		X	X	1 X		3 X
171		X		1 X		3 X	403		X		1 X		3 X
172		X		1 X		3 X	407		X		1 X		3 X
173		X		1 X		3 X	455		X		1 X		3 X
175		X		1 X		3 X	500		X		1 X		3 X
176		X		1 X		3 X	503		X		1 X		3 X
177		X		1 X		3 X	510	510	X		1 X		3 X
178		X		1 X		3 X	520	525	X		1 X		3 X
179		X		1 X		3 X	547	535	X		1 X		3 X
180		X		1 X		3 X	613		X		1 X		3 X
181		X		1 X		3 X	616		X		1 X		3 X
183		X		1 X		3 X	633		X	X	1 X		3 X
185		X		1 X		3 X	660		X		1 X		3 X
186	188	X		1 X		3 X	696		X	X	1 X		3 X
188		X		1 X		3 X	703		X		1 X		3 X
189		X		1 X		3 X	710		X		1 X		3 X
190		X		1 X		3 X	712		X		1 X		3 X
191		X		1 X		3 X	713		X		1 X		3 X
193		X		1 X		3 X	742	720	X	X	1 X		3 X
194		X		1 X		3 X	743		X	X	1 X		3 X
195		X		1 X		3 X	751		X	X	1 X		3 X
196		X		1 X		3 X	755		X	X	1 X		3 X
197		X		1 X		3 X	757		X	X	1 X		3 X
198		X		1 X		3 X	794		X	X	1 X		3 X
199		X		1 X		3 X	800		X	X	1 X		3 X
201		X		1 X		3 X	807		X	X	1 X		3 X
202		X		1 X		3 X	815		X		1 X		3 X
203		X		1 X		3 X	825		X		1 X		3 X
204		X		1 X		3 X	826		X		1 X		3 X
205		X		1 X		3 X	827		X		1 X		3 X
207		X	X	1 X		3 X	828		X		1 X		3 X
208		X	X	1 X		3 X	829		X		1 X		3 X
210		X		1 X		3 X	832		X		1 X		3 X
211		X		1 X		3 X	834	830	X		1 X		3 X
212		X		1 X		3 X	837		X		1 X		3 X
213		X		1 X		3 X	843		X		1 X		3 X
215	214	X		1 X		3 X	846		X		1 X		3 X
216		X		1 X		3 X	850	850	X		1 X		3 X
217		X		1 X		3 X			X	X	1 X		3 X
218		X		1 X		3 X	872		X	X	1 X		3 X

Military APO No.	Post offices Navy No.*	Cigarettes and other tobacco products prohibited ¹	Coffee prohibited	Other prohibited items	Weight restricted to 50 pounds	Customs declaration on Form 2865 or 2976-A required
917	875	X	X	X		
919	913			X		
925				X		
928				X		
930				X		
929				X		
950				X		
959	955			X		
970	961			X		
971				X		
994				X		
1000				X		
	3002			X		
	3835			X		
	3867			X		
	3912			X		
	3923			X		

*Mail addressed to personnel attached to Commander in Chief, U. S. Naval Forces, Eastern Atlantic and Mediterranean, or CINCPACFLT, Fleet Post Office, New York, is subject to limitations applicable to Navy No. 100.

¹ Parcels may not contain: a. Medicines and vaccines not conforming to French laws; b. nonauthorized publications, reprints, and publications prohibited on account of their political character or immoral contents; c. monies, currencies, gold and silver bullion; d. securities.

² Parcels may not contain securities, precious metals, or currency.

³ Customs declaration tags are not required for parcels which: a. Contain official matter from Government agencies and are addressed to a military organization or to military personnel; b. contain materials or supplies sent by contractors for Government use and bear the endorsement Contents for Official Use—Exempt from Customs Requirements.

⁴ Articles will be liable for customs duty and/or purchase tax unless they are bona fide gifts, personal effects, or items for personal use intended for military personnel or their dependents. Where the contents of a parcel meet these requirements, the mailer should place a certification similar to the following on the customs form under the heading—Description of Contents: Certified to be a bona fide gift, personal effects, or items for personal use of military personnel and dependents thereof. The following articles may not be accepted: a. Securities; b. precious metals; c. currency.

⁵ Parcels may not exceed the following dimensions:

Length	Not over
42 inches	72 inches length and girth combined.
Over 42 to 44 inches	24 inches girth.
Over 44 to 46 inches	20 inches girth.
Over 46 to 48 inches	16 inches girth.
Maximum length 48 inches.	

⁶ Parcels may not contain firearms of any type.

⁷ Parcels may not contain currency, foreign or domestic, except when sent in official shipments.

⁸ Gift shipments of cigarettes, tobacco, and tobacco products donated by tobacco companies to hospitalized military personnel may be accepted when addressed to the commanding officer of a military hospital.

NOTE: The corresponding Postal Manual part is Part 127.

(R. S. 161, 396, as amended, 398, as amended; 5 U. S. C. 22, 369, 372)

[SEAL] HERBERT B. WARBURTON,
Acting General Counsel.

[F. R. Doc. 57-9446; Filed, Nov. 18, 1957; 8:45 a. m.]

PART 22—SECOND CLASS

PART 46—RURAL SERVICE

MISCELLANEOUS AMENDMENTS

a. In § 22.1 *Second-class rates*, make the following changes:

1. In paragraph (d) (2) delete the country item "Morocco (Spanish Zone)" from the listing of countries therein.

NOTE: Corresponding Postal Manual section is 132.142.

2. Add new paragraph (g) to read as follows:

(g) *Minimum rate.* The minimum rate is computed on individually addressed copies or pieces. Bundles of unaddressed copies to which the minimum rate will not apply should be declared on separate Form 3542.

NOTE: Corresponding Postal Manual section is 132.17.

b. In § 22.4 *What may be mailed at the second-class rates*, amend paragraph (h) (3) by inserting immediately after the first sentence the following: "Novelty pages must be prepared specifically for and intended as integral pages of newspapers or other periodical publications."

NOTE: Corresponding Postal Manual section is 132.483.

(R. S. 161, 396, as amended; 5 U. S. C. 22, 369)

c. In § 46.3 *Carrier service*, amend paragraph (d) to read as follows:

(d) *Withdrawal of service.* Service will not be withdrawn from any box without specific authority from the district manager.

NOTE: Corresponding Postal Manual section is 156.34.

d. In § 46.5 *Rural boxes*, make the following changes in paragraph (a) (4):

1. Insert the following companies in proper alphabetical sequence:

Chicago Heights Furnace Supply Co., Inc., 96-104 East 22d Street, Chicago Heights, Ill.
Hermitage Stamping Co., 917-919 Ewing Avenue, Box 966, Nashville 4, Tenn.
Macklanburg-Duncan Co., 4041 North Santa Fe Street, Oklahoma City, Okla.

2. Delete the company Phillips & Buttorff Mfg. Co., 217-223 Third Avenue, North, Nashville 3, Tenn. from the list of manufacturers.

NOTE: Corresponding Postal Manual section is 156.514.

(R. S. 161, 396, as amended, sec. 1, 39 Stat. 423; 5 U. S. C. 22, 369, 39 U. S. C. 191, 192)

[SEAL] HERBERT B. WARBURTON,
Acting General Counsel.

[F. R. Doc. 57-9526; Filed, Nov. 18, 1957; 8:47 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 12141; FCC 57-1233]

PART 1—PRACTICE AND PROCEDURE

PART 43—REPORTS OF COMMUNICATION COMMON CARRIERS AND CERTAIN AFFILIATES

ANNUAL REPORT FORM M FOR CLASS A AND CLASS B TELEPHONE COMPANIES

In the matter of amendment of Annual Report Form M, for Class A and Class B Telephone Companies; Docket No. 12141.

1. On August 23, 1957, the Commission adopted a Notice of Proposed Rule Making proposing to amend certain schedules in Annual Report Form M in

accordance with amendments made in the accounting for station apparatus, station installations and station wiring. This Notice was published in the FEDERAL REGISTER on August 23, 1957 (22 F. R. 6935) in accordance with section 4 (a) of the Administrative Procedure Act. Interested parties were given until September 30, 1957, to file comments on the proposed amendments and ten days thereafter were allowed for filing comments or briefs in reply to the original comments. Annual Report Form M is prescribed by § 43.21 of Part 43—Reports of Communication Common Carriers and Certain Affiliates and § 1.544 of Part 1—Practice and Procedure of the Commission's rules.

2. In brief, it was proposed in the Notice of Proposed Rule Making to delete in Schedule 12A, Analysis of Telephone Plant Accounts, of Form M the lines provided for plant accounts 232, "Station installations," 233, "Drop and block wires," 234, "Private branch exchanges," and 235, "Booths and special fittings," and to substitute in their place lines for accounts 232, "Station connections," and 234, "Large private branch exchanges." In Schedule 12B, Analysis of Credits for Telephone Plant Retired, it was proposed to eliminate the lines for accounts 605, "Repairs of station equipment," and 607, "Station removals and changes." In Schedules 14A, Analysis of Entries in Depreciation Reserve, 14B, Theoretical Depreciation Reserve Study, and 14C, Bases of Charges for Depreciation, it was proposed to delete the lines for accounts 234, "Private branch exchanges" and 235, "Booths and special fittings," and to substitute therefor lines for accounts 232, "Station connections," and 234, "Large private branch exchanges." Also in Schedule 14A it was proposed to delete the footnote reference to account 607, "Station removals and changes." In Schedule 35, Operating Expenses, it was proposed to delete line 15 reading "607 Station removals and changes." In Schedule 52, Telephones in Service, it was proposed to insert a new classification of telephones captioned "Coin." These telephones are now being reported as a part of business telephones. Two new schedules were proposed to be added to be designated 58A, Stations Left in Place, and 58B, Station Apparatus in Stock. The stations left in place would be classified as between business, coin and residential. They are now reported in total only in Schedule 52. Under station apparatus in stock it was proposed that there be reported the number in stock at the end of the year of telephones, teletypewriters and radiotelephones. It was proposed that the Form M for 1957, only, would contain copies of both the revised and present schedules 12A, 12B, 14A, 14B, 14C and 35 because some companies adopted the new accounting January 1, 1957, while others were deferring such adoption until January 1, 1958.

3. The time for filing comments on the above-mentioned proposed rule making has expired and the only comments received were from the United States Independent Telephone Association and from the American Telephone and Tele-

graph Company on behalf of the Bell System Telephone Companies.

4. USITA favored the adoption of the changes in the report form as proposed in the Notice of Proposed Rule Making.

5. The American Telephone and Telegraph Company offered three suggestions with respect to the proposed changes in Form M. One was that the Commission postpone the proposed deletion of a line from Schedule 35, Operating Expenses, inasmuch as it would be convenient to retain for 1957 the line captioned "Account 607, Station Removals and Changes," in filling out column (c) headed "Increase Over Preceding Year." The Commission believes this suggestion has merit and is therefore retaining Schedule 35 in its present form for 1957 and 1958, after which it will be deleted. As noted hereinbefore, some companies are not changing their accounting until 1958 while others made the changes in 1957.

6. The American Telephone and Telegraph Company's other two suggestions pertained to proposed new Schedule 58B, "Station Apparatus in Stock." The Company requested that instruction No. 1 be changed to read as follows:

1. In each of the three columns (b), (c) and (d), report the number of units either of the item designated by the heading, or of the respective "key item" which is inventoried by respondent as the closest practicable approach to the designated item. For example, "talking sets" may be reported in column (b) instead of telephones, "typing units" may be reported in column (c) instead of teletypewriters, and "transmitter-receiver combinations and separate receivers" may be reported in column (d) instead of mobile radiotelephones, subject to appropriate annotation.

If the data for columns (b), (c) and (d) are not available as of the end of the year, report data from the most recent annual inventory taken during the year, specifying the date thereof.

The Commission is accepting, with a minor modification, the suggested change in the first paragraph of the revised instruction inasmuch as it will furnish data equivalent to that initially indicated and in terms of units which are used for administrative purposes. As adopted by the Commission, the words "talking sets" may be reported in column (b) instead of telephones, "have been deleted from the second sentence of the suggested instruction inasmuch as there does not appear to be any distinction between a talking set and a telephone.

7. The American Telephone and Telegraph Company has indicated that the second paragraph of the revised instruction is desired so that the companies of the Bell System will not need to incur the expense of additional inventories or special record keeping which will be possible if they are permitted to use annual inventories which are generally taken not more than three months before the end of each year. The Company further states that under present practices Bell System companies will have year-end data which could be reported, but this may not always be the case. The Commission believes it is desirable that data relating to station apparatus in service be as of the end of the year. This will result in all data pertaining to station

apparatus being reported as of the same and the most recent date. The requirement that such information be reported as at the end of each year is retained.

It appearing that the proposed rule making proceeding in this matter has indicated the desirability of amending certain schedules in Annual Report Form M in the form set forth in the Notice of Proposed Rule Making except as otherwise noted:

It is ordered, That under authority contained in sections 4 (1) and 219 of the Communications Act of 1934, as amended, certain schedules in Annual Report Form M for 1957 and subsequent years are hereby amended in exactly the form proposed in the Notice of Proposed Rule Making except as indicated in paragraphs 5, 6 and 7 hereof with respect to effective date and substance.

(Sec. 4, 48 Stat. 1066, as amended; 47 U. S. C. 154)

Adopted: November 13, 1957.

Released: November 14, 1957.

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

[F. R. Doc. 57-9546; Filed, Nov. 18, 1957;
8:50 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

[S. O. 920]

PART 95—CAR SERVICE

MISSOURI PACIFIC RAILROAD AUTHORIZED TO OPERATE OVER CERTAIN TRACKAGE OF THE MISSOURI-KANSAS-TEXAS RAILROAD CO.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of November A. D. 1957.

It appearing, that the Missouri Pacific Railroad Company has asked the right to perform service over that portion of the Missouri-Kansas-Texas Railroad Company's trackage situated in Council Grove, Kansas, extending from the present Missouri Pacific Railroad—Missouri-Kansas-Texas Railroad Company crossing in the east end of Council Grove to a point 2,910 feet west thereof, together with industrial tracks totaling 4,707 feet in length or a total aggregate length of 7,617 feet. The Commission is of the opinion that there is need for service over this line of railroad which the Missouri-Kansas-Texas Railroad Company has abandoned and that the operation of this line will best promote the service in the interest of the public and the commerce of the people; and that notice and public procedure are impracticable and contrary to the public interest and that good cause exists for making this order effective upon less than thirty days' notice.

It is ordered, That:

§ 95.920 *Missouri Pacific Railroad—*
(a) *Car service.* The Missouri Pacific Railroad Company be, and it is hereby authorized to perform service over the tracks of the Missouri-Kansas-Texas

Railroad Company situated in Council Grove, Kansas, extending from the present Missouri Pacific Railroad—Missouri-Kansas-Texas Railroad Company's crossing in the east end of Council Grove to a point 2,910 feet west thereof and also over 4,707 feet of industrial trackage making a total aggregate length of 7,617 feet in order to serve the public and the commerce of the people.

(b) *Application.* The provisions of this order shall apply to intrastate and foreign traffic as well as interstate traffic.

(c) *Effective date.* This order shall become effective at 12:01 a. m., November 12, 1957.

(d) *Expiration date.* The provisions of this order shall expire at 11:59 p. m., June 30, 1958, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, That copies of this order and direction shall be served upon the State Corporation Commission of Kansas and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 1, 24 Stat. 379, as amended; 49 U. S. C. 1)

By the Commission, Division 3.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F. R. Doc. 57-9532; Filed, Nov. 18, 1957;
8:48 a. m.]

[S. O. 921]

PART 95—CAR SERVICE

CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD CO. AUTHORIZED TO OPERATE OVER CERTAIN TRACKAGE OF THE MISSOURI-KANSAS-TEXAS RAILROAD CO.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of November A. D. 1957.

It appearing that the Chicago, Rock Island and Pacific Railroad Company has asked the right to perform service over a portion of the Missouri-Kansas-Texas Railroad Company's trackage situated in White City, Kansas. The trackage consists of 4,600 feet of industrial tracks located in and about White City, Kansas. The Commission is of the opinion that there is need for service over this line of railroad formerly operated by the Missouri-Kansas-Texas Railroad Company and that operation of this line will best promote the service in the interest of the public and the commerce of the people; and that notice and public procedure are impracticable and contrary to the public interest and that good cause exists for making this order effective upon less than thirty days' notice.

It is ordered, That:

§ 95.921 *Chicago, Rock Island and Pacific Railroad Company*—(a) *Car service*. The Chicago, Rock Island and Pacific Railroad Company be, and it is hereby authorized to perform service over the tracks of the Missouri-Kansas-Texas Railroad Company situated in and about White City, Kansas, consisting of 4,600 feet of industrial tracks in order to serve the public and the commerce of the people.

(b) *Application*. The provisions of this order shall apply to intrastate and foreign traffic as well as interstate traffic.

(c) *Effective date*. This order shall become effective at 12:01 a. m., November 12, 1957.

(d) *Expiration date*. The provisions of this order shall expire at 11:59 p. m., June 30, 1958, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, That copies of this order and direction shall be served upon the State Corporation Commission of Kansas and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 1, 24 Stat. 379, as amended; 49 U. S. C. 1)

By the Commission, Division 3.

[SEAL] HAROLD D. McCoy,
Secretary.

[F. R. Doc. 57-9533; Filed, Nov. 18, 1957;
8:49 a. m.]

[S. O. 922]

PART 95—CAR SERVICE

UNION PACIFIC RAILROAD CO. AUTHORIZED TO OPERATE OVER CERTAIN TRackage OF THE MISSOURI-KANSAS-TEXAS RAILROAD CO.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of November A. D. 1957.

It appearing, that the Union Pacific Railroad Company has asked the right to perform service over a portion of the Missouri-Kansas-Texas Railroad Company's trackage situated at Junction City, Kansas. The trackage consists of 3,639 feet of industrial tracks located in and about Junction City. The Commission is of the opinion that there is need

for this service over this line of railroad formerly operated by the Missouri-Kansas-Texas Railroad Company and the operation of this line will best promote the service in the interest of the public and the commerce of the people; and that notice and public procedure are impracticable and contrary to the public interest and that good cause exists for making this order effective upon less than thirty days' notice.

It is ordered, That:

§ 95.922 *Union Pacific Railroad Company*—(a) *Car service*. The Union Pacific Railroad Company be, and it hereby authorized to perform service over the tracks of the Missouri-Kansas-Texas Railroad Company situated in and about Junction City, Kansas, consisting of 3,639 feet of industrial tracks in order to serve the public and the commerce of the people.

(b) *Application*. The provisions of this order shall apply to intrastate and foreign traffic as well as interstate traffic.

(c) *Effective date*. This order shall become effective at 12:01 a. m., November 12, 1957.

(d) *Expiration date*. The provisions of this order shall expire at 11:59 p. m., June 30, 1958, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, That copies of this order and direction shall be served upon the State Corporation Commission of Kansas and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 1, 24 Stat. 379, as amended; 49 U. S. C. 1)

By the Commission, Division 3.

[SEAL] HAROLD D. McCoy,
Secretary.

[F. R. Doc. 57-9534; Filed, Nov. 18, 1957;
8:49 a. m.]

[S. O. 923]

PART 95—CAR SERVICE

ATCHISON, TOPEKA AND SANTA FE RAILWAY CO. AUTHORIZED TO OPERATE OVER CERTAIN TRackage OF THE MISSOURI-KANSAS-TEXAS RAILROAD CO.

At the session of the Interstate Commerce Commission, Division 3, held at

its office in Washington, D. C., on the 12th day of November A. D. 1957.

It appearing, that the Atchison, Topeka and Santa Fe Railway Company has asked the right to perform service over a portion of the Missouri-Kansas-Texas Railroad Company's trackage situated in Emporia and Burlington, Kansas, consisting of 6,892 feet of industrial trackage at Emporia and 3,037 feet of industrial trackage at Burlington, Kansas. The Commission is of the opinion that there is need for service over this line of the railroad formerly operated by the Missouri-Kansas-Texas Railroad Company and that operation of this line will best promote the service in the interest of the public and the commerce of the people; and that notice and public procedure are impracticable and contrary to the public interest and that good cause exists for making this order effective upon less than thirty days' notice.

It is ordered, That:

§ 95.923 *Atchison, Topeka and Santa Fe Railway Company*—(a) *Car service*. The Atchison, Topeka and Santa Fe Railway Company be, and it is hereby authorized to perform service over the tracks of the Missouri-Kansas-Texas Railroad Company situated in and about Emporia and Burlington, Kansas, consisting of 6,892 feet of trackage at Emporia and 3,037 feet of trackage at Burlington in order to serve the public and the commerce of the people.

(b) *Application*. The provisions of this order shall apply to intrastate and foreign traffic as well as interstate traffic.

(c) *Effective date*. This order shall become effective at 12:01 a. m., November 12, 1957.

(d) *Expiration date*. The provisions of this order shall expire at 11:59 p. m., June 30, 1958, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, That copies of this order and direction shall be served upon the State Corporation Commission of Kansas and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 1, 24 Stat. 379, as amended; 49 U. S. C. 1)

By the Commission, Division 3.

[SEAL] HAROLD D. McCoy,
Secretary.

[F. R. Doc. 57-9535; Filed, Nov. 18, 1957;
8:49 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 989]

RAISINS PRODUCED FROM RAISIN VARIETY GRAPES GROWN IN CALIFORNIA

NOTICE OF PROPOSED RULE MAKING WITH RESPECT TO ADMINISTRATIVE RULES AND PROCEDURES AND SUPPLEMENTARY ORDERS

Notice is hereby given that the Secretary of Agriculture has under consideration proposals to amend the administrative rules and procedures (7 CFR 989.101-989.176) for use in connection with the operation of Marketing Agreement No. 109, as amended, and Marketing Order No. 89, as amended (7 CFR Part 989), regulating the handling of raisins produced from raisin variety grapes grown in California, effective pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.). The proposals (except for minor modifications which have been made for the purposes of this notice) were submitted by the Raisin Administrative Committee, the administrative agency for the operation of the marketing agreement and order.

Consideration will be given to any data, views, or arguments pertaining thereto which are filed in triplicate with the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D. C., and received not later than the close of business on the tenth day after the date of publication of this notice in the FEDERAL REGISTER, except that, if said tenth day after publication should fall on a legal holiday or Saturday or Sunday, each submission will be received by the Director not later than the close of business on the next following business day.

The administrative rules and procedures as proposed to be amended are as follows:

§ 989.101 *Order.* "Order" means Marketing Agreement No. 109, as amended, and Order No. 89, as amended (§§ 989.1 to 989.97), regulating the handling of raisins produced from raisin variety grapes grown in California, or as the same may be amended further hereafter.

§ 989.102 *Inspection agency.* The "inspection agency" shall be the Processed Products Standardization and Inspection Branch of the United States Department of Agriculture.

§ 989.103 *Terms in the order.* Terms defined in the order shall have the same meaning when used in this subpart.

§ 989.104 *Lot.*—(a) *Natural condition raisins.* For purposes of incoming or outgoing inspection of natural condition raisins, "lot" means any quantity of such raisins of the same varietal type or of differing varietal types when commingled within their containers (including sweat and picking boxes), which does not exceed a car, truck, or truck-trailer

load, and which is submitted for inspection at one time and in the same place: *Provided*, That (1) where a portion of the quantity submitted for inspection meets the minimum grade and condition standards and has been separated from the remainder of the raisins failing to meet grade, that portion shall be one lot and the portion failing to meet grade shall be another lot, (2) if a quantity of raisins which are not in units of a car, truck, or truck-trailer load are submitted for inspection, the quantity may, at the discretion of the inspector, be separated into such portions, either prior to or in the course of inspection, as can be properly inspected, and each such portion shall be a lot, and (3) raisins which are resubmitted for inspection after reconditioning (such as sorting or drying) shall be a new lot.

(b) *Packed raisins.* For the purpose of outgoing inspection of packed raisins, "lot" means any quantity of packed raisins of the same varietal type and style or of differing varietal types or styles when commingled within their containers, which are in containers of the same size and type, and which are located in the same or adjacent warehouses or storage areas and are available for inspection at any one time: *Provided*, That (1) any of such raisins which are in a separate pile or piles which differ from the other raisins as to grade or other factors may be deemed to be a separate lot, (2) any portion of the raisins in a particular pile which bear an identification mark on the containers different from the marks of other raisins in that pile may be deemed to be a separate lot if determined to be of lower grade or different in other factors, or (3) if applicant requests more than one inspection certificate covering different portions of such raisins, the quantity of the raisins covered by each certificate shall be deemed to be a separate lot.

§ 989.105 *Inspection point for incoming raisins.* An inspection point shall be any plant or receiving station of a handler, and any other place where raisins are received by him in any considerable volume, at which there are reasonably adequate facilities (not necessarily scales) for receiving, weighing of samples, and inspecting raisins, and which will permit the practical administration of this part. Where a handler operates or has control over the operation of a dehydration business which includes the dehydration of raisins, the inspection point(s) of the handler shall include the area(s) in which he receives raisins for further dehydration unless he keeps his raisin dehydration business separate, physically and by records, from his business of handling raisins. The separation shall be such that it may easily be determined at any time whether any of the handler's raisins or transactions in raisins constitute part of his raisin handling business or a part of his dehydration business. In order that the committee may supervise properly the movement of natural condition raisins into his in-

spection points, each handler other than a processor shall submit promptly to the committee a description, including the boundaries and other pertinent detail, of each of his inspection points. Each such designated inspection point which complies with this definition shall be binding on such handler and the committee until notice of any modification thereof is received by the committee. In the event the committee determines that an inspection point does not comply with this definition, it shall refuse to consider such point as an inspection point, and shall advise the handler of the modifications needed to comply.

RAISIN ADVISORY BOARD

§ 989.129 *Voting at nomination meetings.* Any person (defined in § 989.3 as an individual, partnership, corporation, association, or any other business unit) who is engaged, in a proprietary capacity, in the production of raisin variety grapes and who qualifies under the provisions of § 989.29 (b) (2) shall be eligible to cast one vote for a nominee for each producer member position and one vote for a nominee for each producer alternate member position on the board which is to be filled for his district. Such person must be the one who or which: (a) Owns and farms land resulting in his or its ownership of the raisin variety grapes produced thereon; (b) rents and farms land, resulting in his or its ownership of all or a portion of the raisin variety grapes produced thereon; or (c) owns land which he or it does not farm and, as rental for such land, obtains the ownership of a portion of the raisin variety grapes produced thereon or of raisins obtained therefrom. In this connection, a partnership shall be deemed to include two or more persons (including a husband and wife) with respect to land the title to which or lease-hold interest in which, is vested in them as tenants in common, joint tenants, tenants by the entirety, or, under community property laws, as community property. In a landlord-tenant relationship, wherein each of the parties is a producer, each such producer shall be entitled to one vote for a nominee for each producer member position and one vote for each producer alternate member position. Hence, where two persons operate land as landlord and tenant on a share-crop basis, each person is entitled to one vote for each such position to be filled. Where land is leased on a cash rental basis, only the person who is the tenant or cash renter (producer) is entitled to vote. A partnership or corporation, when eligible, is entitled to cast only one vote for a nominee for each producer position to be filled in its district.

RAISIN ADMINISTRATIVE COMMITTEE

§ 989.148 *Compensation for attendance of alternates at committee meeting.* Whenever a member has reason to believe that he will be unable to attend a committee meeting and has so notified his alternate or the committee manager,

such notification or a request from the manager shall be held to be a request for the alternate to attend and he shall be reimbursed for reasonable expenses subject to the limitations contained in § 989.48.

§ 989.152 *Mail or telegraphic voting.* Whenever a mail or telegraphic vote is taken, every reasonable effort shall be made to communicate with and obtain a vote from each committee member. If a committee member cannot be reached at his usual address or he is not readily available within normal distances for communicating with individual members, such member's alternate shall be requested to vote.

GRADE AND CONDITION STANDARDS

§ 989.158 *Natural condition raisins—*
(a) *Incoming inspection.* (1) Each handler shall, at his expense, provide at each of his inspection points, reasonably adequate facilities for receiving, weighing of samples, and inspecting natural condition raisins. At the time of inspection of any lot, the handler shall, at his expense, provide the inspector with any assistance necessary in the inspection of the raisins, including the dumping of the containers. The weight of raisins tendered for receiving, storage, reconditioning, or acquirement shall be substantiated by an official "State Certificate of Weights and Measures" issued by a public weighmaster whether located at the inspection point or otherwise.

(2) No handler other than a processor shall receive natural condition raisins from a tenderer, either for acquirement, for storage, for reconditioning, or for inspection, at points other than a designated inspection point: *Provided*, That this shall not preclude a handler from dehydrating at separate dehydrating facilities described in § 989.105, raisins not delivered to an inspection point, free from the provisions of this part. Any handler who accepts raisins at an inspection point for drying or other reconditioning shall be deemed to have received the raisins for reconditioning and shall be subject to the provisions of this part with respect to such raisins.

(3) For each lot of natural condition raisins received by a handler for acquirement, reconditioning, storage, or inspection, the handler shall, immediately upon physical receipt and tentative acceptance thereof, issue a prenumbered (numbered serially in advance) door receipt or weight certificate showing the name and address of the tenderer, the weight of the lot, the number and type of containers in the lot, and any other information necessary to identify the lot. For the purpose of identifying incoming lots of raisins, a handler, if it is impracticable for him to issue immediately a door receipt or weight certificate, may issue for temporary use only a prenumbered "Request for USDA Inspection" on a form furnished by the committee. Any raisins so received by a handler shall, prior to their acceptance, be inspected at an inspection point during the unloading process, and if certified as standard raisins shall, upon acceptance by the handler, either be acquired by him or received by him

for storage on memorandum receipt, as the case may be: *Provided*, That in the absence of an inspector to perform inspection during unloading, the handler shall not permit unloading to occur unless such absence is during normal business hours and the handler has a written statement from the inspection agency to the effect that inspection service cannot be furnished within a reasonable time: *And provided further*, That the raisins so unloaded shall be inspected promptly upon an inspector being available. It shall be the handler's responsibility in any case to arrange for the inspection and furnish weight certificates promptly. The inspection certificates covering any lot of off-grade raisins shall state whether or not such off-grade raisins are storable. One of the tenderer's or handler's options (as referred to in § 989.58 (e)), with respect to any raisins which do not meet the applicable minimum grade standards, shall be exercised within five business days after inspection or three business days after issuance of the inspection certificate, whichever is later: *Provided*, That these time limits may be extended by the committee under such conditions as it may deem necessary in the circumstances. Any such lot of off-grade raisins shall, pending the exercise of one of the options, be identified by fixing to each pallet a prenumbered RAC control card (to be furnished by RAC), and kept separate and apart from any other raisins in the handler's possession. In the event the handler does not normally use pallets in his operation the RAC control card shall be affixed to one or more of the containers in each lot. The RAC control card shall remain fixed to each pallet or containers as the case may be, until such raisins have been reconditioned, or have been delivered to the handler for the account of the committee, or have been returned to the person making the tender.

(4) If any lot of natural condition raisins tendered to a handler is separated into two or more lots because a portion of the original lot failed to meet minimum grade requirements, the handler shall issue a prenumbered weight certificate for each such lot not returned to the tenderer, showing the name and address of the tenderer, the weight of the lot, and the number and type of containers in the lot.

(5) An appeal inspection shall be made by the inspection agency upon the request of any interested party and upon the payment of any fees assessed by the inspection agency for such appeal inspection. No appeal inspection shall be made unless the raisins, in their original containers, are identifiable and shall not have been removed from the original inspection point.

(6) Raisins produced by a handler (i. e., handler-owned tonnage) shall, upon being hauled to an inspection point of a handler (either the same or another handler), be treated the same as provided in subparagraphs (3) and (4) of this paragraph for any other raisins received by the handler. Also, raisins produced by a handler by drying in a dehydrator located in an inspection point

of the handler shall, immediately upon completion of the dehydration operation, be treated the same as provided in subparagraphs (3) and (4) of this paragraph for raisins received by the handler.

(7) Where lots of natural condition raisins which are comprised of raisins of different varietal types commingled within their containers are presented for inspection, each varietal type shall be inspected separately, except where Layer Muscat raisins are commingled within their containers with natural (sundried) Muscat raisins. Based upon such inspection, the inspection agency shall issue an inspection certificate showing the percentage which the raisins of each varietal type is of the total raisins contained in the lot and whether each varietal type meets the minimum grade standards established for such type. In the event that the raisins of any one varietal type contained in a lot should fail to meet the minimum grade standards established for the varietal type, none of the lot shall be certified as meeting the minimum grade standards unless it is found to be practicable to separate the raisins into new lots of standard and off-grade raisins, respectively.

(b) *Submission of inspection certificates to the committee.* A copy of each inspection certificate which a handler is required to submit to the committee pursuant to § 989.58 (d) shall be submitted not later than Wednesday of the week following the week for which such certificate was issued. This may be accomplished by authorizing the inspection agency to submit a copy of each such inspection certificate directly to the committee. A copy of such authorization shall be furnished to the committee.

(c) *Off-grade raisins—*(1) *Temporary holding.* Each lot of off-grade raisins held by a handler for reconditioning and subsequent inspection, or which are in his possession pending exercise of one of the options provided for in § 989.58 (e), shall be stored and/or marked in such a manner as to maintain its identity to the satisfaction of the inspector, which requirement shall be in addition to those requirements set forth in paragraph (a) (3) and (4) of this section.

(2) *Storage of storable off-grade raisins for the account of the committee.* All off-grade raisins received by a handler which have been certificated by an inspector as storable and which are held by the handler for the account of the committee shall be identified as such and shall be stored separate and apart by varietal types from all other raisins in such a manner as to be accessible to the committee: *Provided*, That any lots of off-grade raisins which consist of different varietal types commingled within their containers shall be identified as such and stored separate and apart from all other raisins.

(3) *Reconditioning of off-grade raisins.* Each handler shall furnish to the committee within five business days after the issuance of the inspection certificate for any lot of off-grade raisins held for reconditioning, two copies of the written agreement entered into between the handler and the tenderer of the raisins for such reconditioning. This

may be accomplished by submitting two copies of the agreement to the inspection agency. Such written agreements shall be signed by the handler and the tenderer and shall contain as a minimum, the following terms and conditions: (i) Name of handler, (ii) name and address of producer or tenderer, (iii) quantity and varietal type of off-grade raisins to be reconditioned, (iv) the inspection certificate number or numbers applicable to the off-grade lots of raisins to be reconditioned, (v) whether the reconditioning is to be performed on an identity preserved basis with a reweighing of the standard raisins after reconditioning, or whether the reconditioning is to be performed on a commingled basis, the quantity of standard raisins to be determined on a computed basis reflecting the excess defects over permitted tolerance as shown on the applicable inspection certificates, (vi) whether or not the handler is to acquire the standard raisins resulting from such reconditioning operations, and (vii) the latest date by which the handler expects to complete such reconditioning. In addition to these minimum terms and conditions which are necessary for the administration of this part, each such agreement may contain any other terms and conditions which are necessary to establish responsibility as between the tenderer and the handler, such as the amount of the charges to be paid by the tenderer for reconditioning, the financial and sale arrangements for any stemmed raisins which have not been reconditioned successfully and must be disposed of by the handler (as provided in subparagraph (4) of this paragraph), and which person is responsible for any deterioration of the raisins which may occur subsequent to their receipt by the handler. If such raisins are produced by the handler, he shall within the same period notify the committee, in writing, of his intention to recondition such raisins. Also, the handler shall notify the inspection agency at least one business day in advance of the time he plans to begin reconditioning each lot of raisins unless a shorter period is acceptable to the inspection agency. Natural condition raisins which have been reconditioned shall continue to be considered natural condition raisins for purposes of reinspection after such reconditioning has been completed, if no water or moisture has been added; otherwise, such raisins shall meet the minimum grade standards for packed raisins. If, after reconditioning, such raisins meet the minimum grade standards but no longer are natural condition raisins as defined in § 989.9, any handler who acquires such raisins shall meet his reserve and surplus obligations from natural condition standard raisins of the same varietal type acquired by him. The weight of the reconditioned raisins acquired shall be adjusted to natural condition weight by the use of factors established by the committee, applicable to the various degrees of processing accomplished. The inspector of the reconditioned raisins shall select from among the factors fixed by the committee the factor applicable to the lot. In reconditioning off-grade

raisins, different off-grade lots may be run simultaneously provided the written agreement for each lot specifies that the reconditioning is to be on a commingled basis and the weight of the standard raisins resulting from such reconditioning is to be computed on the basis of the information contained in the respective incoming inspection certificates. On raisins reconditioned in separate lots the weight of the standard raisins after the reconditioning has been completed shall be determined by the reweighing of the lot and adding thereto any additional recovery of raisins from the residual material as provided in § 989.159 (g) (1). No off-grade lots may be reconditioned by blending them with raisins acquired as standard raisins. Reconditioning of off-grade raisins by a handler shall be done in accordance with such procedure as will enable the inspector to observe any lot of off-grade raisins at any time and to make a proper inspection. A handler may recover raisins from residual raisins obtained from his reconditioning operations in conformity with the applicable provisions of § 989.159 (g) (1). Any handler who has reconditioned off-grade raisins shall report such reconditioning to the committee as required in § 989.173 (c) (3).

(4) *Off-grade raisins which are not reconditioned successfully.* No handler shall return to the tenderer any off-grade raisins received for reconditioning which, after his reconditioning of them is complete, have been stemmed (and thus are no longer in their natural condition) and which then fail to meet the applicable minimum grade standards. The handler shall maintain the identity of such raisins and mark them as stemmed raisins which failed to meet the minimum grade requirements after reconditioning, and shall hold them separate and apart from any other raisins. He shall physically dispose of such raisins as soon as practicable pursuant to § 989.159 (g) (2), for distillation, animal feed, or for any use other than for human consumption. Where the tenderer has not sold such raisins to the handler, the choice of prescribed disposition outlets shall be with the tenderer and the sale for the account of the tenderer.

(5) *Return of off-grade raisins to tenderer.* Any off-grade raisins which are to be returned to the tenderer pursuant to subparagraph (1) of § 989.58 (e), shall be physically returned within five business days after the issuance of the inspection certificate: *Provided*, That the time limit may be extended by the committee as justified by extenuating circumstances. The handler shall file with the committee a report of the returned raisins as required in § 989.173 (b) (4).

(d) *Reinspection of raisins held more than one hundred and twenty days on memorandum receipt.* No handler shall acquire raisins held on memorandum receipt for a period longer than one hundred and twenty (120) days unless such raisins have been reinspected and certified immediately prior to acquirement as meeting the minimum requirements for standard raisins: *Provided*, That the committee at any time may require such reinspection and certification of raisins

held on memorandum receipt as a prerequisite to acquisition if it has reason to believe that the raisins do not meet such requirements.

§ 989.159 *Regulation of the handling of raisins subsequent to their acquisition—(a) Inspection facilities.* Each handler shall, at his expense, provide at each place where packed raisins are to be inspected reasonably adequate space and facilities for inspecting such raisins.

(b) *Identification of inspected raisins.* (1) Each handler shall mark each shipping container with legible code or other identification, satisfactory to the committee and the inspector, which shall indicate the date that the raisins in such shipping container were packed: *Provided*, That in such marking of shipments of natural condition raisins, the date shall be the date of inspection.

(2) Each handler shall furnish promptly to the committee through the inspector, a certified report, on a form furnished by the committee, showing the handler's count and weight of the raisins of each pack and varietal type packed each day.

(c) *Outgoing inspection.* (1) Outgoing inspection and certification of raisins as required by § 989.59 (d) shall be made as set forth in this paragraph.

(2) Such inspection of natural condition raisins (which is subject to exceptions and exemptions provided in this part) shall be made of each individual lot and in each case not more than five days before the date of shipment or other final disposition of the lot. The certificate that the raisins meet the applicable minimum grade and condition standards for natural condition raisins which the handler is required to obtain and submit to the committee pursuant to § 989.59 (d) shall be on Form FV-209 labelled "Certificate of Quality and Condition for Processed Fruits and Vegetables." If shipment involves exportation to a foreign country, the handler shall surrender to the United States Customs Service at the port of exit two copies of the inspection certificate. Such an inspection and certification (on Form FV-209) may, if requested by the handler, be made at the time of his receipt or acquisition of the raisins. In such an event, no additional inspection shall be required if the lot remains intact and identifiable, and shipment or other final disposition takes place within five days after the date of the inspection.

(3) Such inspection of packed raisins shall be made prior to shipment or other final disposition and unless made during the final processing or packing operations so as to facilitate proper sampling, the inspector shall perform the inspection on the basis of samples drawn from representative containers of the packed raisins. Each handler shall notify the committee in writing, at the beginning of each marketing year and at any time during the year when there is a change in his position, whether outgoing inspection conducted at each of its facilities is continuous from its production line at time of packing or on the basis of representative sampling drawn from

containers of previously packed raisins. It shall be the responsibility of the handler to arrange with the inspection agency for an inspector to be present when the inspection is needed.

(4) Where a lot of packed raisins is comprised of raisins of different varietal types or sub-types commingled within their containers and is presented for inspection, each such type shall be inspected separately, except for moisture. Based upon such inspection, the inspection agency shall issue an inspection certificate showing the percentage which the raisins of each such type is of the total of the lot and whether each type meets the minimum grade standards established therefor. In the event that the raisins of any one varietal type or sub-type contained in a lot should fail to meet the requirements, other than for moisture, of the applicable minimum grade standards established therefor, none of the lot shall be certified as meeting the minimum grade standards unless it is found to be practicable to separate the raisins into new lots which meet and which fail to meet the applicable minimum standards, respectively. Any lot of mixed types of packed raisins for which minimum grade standards are prescribed for each type pursuant to § 989.59 (a) but which in their commingled form cannot be inspected against the standards for the respective varietal types or sub-types and hence are excluded from the category of "mixed types" as defined in the United States Standards for Grades of Processed Raisins, and any raisins which as a mixed lot contain moisture in excess of 18 percent, shall not be certified as meeting the minimum grade standard.

(d) *Submission of inspection certificates to the committee.* A copy of each inspection certificate which a handler is required to submit to the committee pursuant to § 989.59 (d) shall be submitted within five business days after it is issued. This may be accomplished by authorizing the inspection agency to submit a copy of each such inspection certificate directly to the committee. A copy of such authorization shall be furnished to the committee.

(e) *Term of inspection certificate.* Any handler who fails to ship or make other disposition of any lot of packed raisins within 21 calendar days or any lot of natural condition raisins within 5 calendar days, after the date of the last inspection of the lot made in connection with the proposed disposition thereof shall, before making any shipment or other disposition, have the raisins inspected for condition and furnish promptly to the committee (which may be through the inspector) a copy of the inspection certificate showing that the raisins meet the applicable minimum grade standards.

(f) *Exemption of gift and specialty packs—(1) Shipment under exemption.* Upon obtaining approval of the committee as provided in this paragraph, any handler may ship or dispose of raisins in gift or specialty packs without regard to the provisions of § 989.59 (a), (b), and (d). For the purpose of these exceptions: "gift packages" means raisins spe-

cially packaged for gift purposes, composed either wholly of raisins or raisins in combination with other fruit, which are either (i) given or donated by a handler to others or (ii) sold by a handler for final or ultimate disposition as gifts; and "specialty packs" means raisins of special processing either as to moisture or coating and which may or may not be packed in tin or materials other than those employed in normal industrial or consumer packs.

(2) *Application for exemption.* Each application for exemption shall be filed with the committee in triplicate. The application shall contain information as to: (i) The name and address of the handler; (ii) the estimated quantity of each varietal type of raisins that will be shipped or disposed of under the exemption during the crop year; (iii) whether any special processing of the raisins is involved; (iv) each type of package or packages in which the raisins will be packed and the net weight content of each type of container; (v) the outlets in which disposition of the gift packages or specialty packs will be made, i. e., whether disposition will be made direct to consumers, to wholesalers or retailers for resale, or to persons or organizations for distribution as gifts, and any special uses expected to be made of the raisins; and (vi) the general quality, style and condition of the raisins expected to be shipped under exemption.

(3) *Committee action on application.* The committee, in its discretion, shall approve each application for exemption of any varietal type of raisins where the value of the raisins (or raisin products in case the form of the raisins is not changed) by virtue of their processing or packaging exceeds the value of normally processed or packaged raisins of comparable varietal type and where it can conclude that such exemption will not jeopardize the quality control or price objectives of the marketing order program. The committee shall notify the handler promptly in writing of its approval or disapproval of his application, and if the application is approved, the maximum quantity for which approval is granted. If the application is disapproved, the committee shall inform the handler of the reasons therefor.

(4) The handler shall report shipments or other dispositions under an approved exemption as required pursuant to § 989.173 (f).

(g) *Disposition of raisins which fail to meet grade accumulated by handlers—*

(1) *Recovery of raisins.* For the purpose of §§ 989.59 (f) and 989.158 (c) (3), a handler may recover raisins from: (i) Residual raisins obtained from his processing of standard raisins; (ii) any raisins acquired as standard raisins by a handler which fail to meet the applicable outgoing grade standards for shipment or final disposition as raisins; and (iii) residual raisins obtained from the reconditioning of off-grade raisins: *Provided*, That such recovery under subdivision (iii) of this subparagraph must occur without blending with standard raisins, and the weight of standard raisins in such residual shall be credited on the basis of the original inspection certificate or recovery to the same lot or lots

from which the residual was obtained. The provisions of this paragraph are not intended to excuse any failure to comply with all applicable food and sanitary rules and regulations of city, county, state, federal, or other agencies having jurisdiction.

(2) *Shipment of raisins which fail to meet minimum grade standards.* No handler shall ship for any purpose, except as provided in this subparagraph, raisins which do not meet the applicable minimum grade standards. As used in this subparagraph, such raisins include, but are not limited to, (i) natural condition raisins which do not meet the minimum grade and condition standards, (ii) stemmer waste or other residual material resulting from the packing of standard raisins or the reconditioning of off-grade raisins, (iii) off-grade raisins which are not reconditioned successfully, (iv) off-grade raisins received by a handler and which are for disposition pursuant to § 989.162 (b), and (v) raisins which are received as standard raisins but which later do not meet the minimum grade standards. A handler who has received or acquired such raisins in conformity with the provisions of this part may ship them to points within the continental United States for distillation, animal feed, or uses other than for human consumption if he files, in advance, a written application with the committee for permission to make such shipment and receives its approval prior to shipment: *Provided*, That such requirement shall not apply to the transfer of such raisins by a handler from one of his plants to another of his plants in the State of California, nor shall it apply to the shipment by a packer between points within the State of California, for such purposes, of stemmer waste and other raisin waste resulting from the processing, packing, or reconditioning of raisins. Each such application shall include as a minimum: (a) The name and address of the handler and of the buyer, and the address to which the raisins are to be shipped if different from that of the buyer; (b) the quantity of such raisins to be shipped; (c) a description of such raisins, as to type or origin; (d) the present location of the raisins; (e) the expected time of shipment; (f) a copy of the sales contract (which may be on a form furnished by the committee) wherein the buyer agrees to dispose of the raisins for distillation, animal feed, or uses other than for human consumption, not to resell them, and to permit representatives of the committee or of the Secretary of Agriculture to examine all of his books and records relating to such raisins; and (g) a provision wherein the handler in consideration of the committee approving his application, agrees that, in the event any raisins that are shipped pursuant to an approved application are not disposed of for distillation or animal feed but are disposed of for use for human consumption, it will cause serious and substantial damage to the committee and to producers and handlers of raisins, it will be difficult if not impossible to prove the extent of such damage, and therefore, he (the handler) shall pay to the

committee the sum of \$200.00 as liquidated damages for each ton so used or disposed of, such sum being fair measure of damages and not a penalty. If disposition of the shipped raisins is to be made by the handler, the application shall set forth similar information insofar as it is applicable. In addition to filing any such application, the handler shall make available at his office at any time during business hours all of his books and records relating to such raisins for examination by representatives of the committee and of the Secretary of Agriculture. The committee shall approve or disapprove such application, specifying the maximum quantity of such raisins for which approval is granted. In the event the committee has cause to believe that such raisins may not be disposed of for distillation, animal feed, or uses other than for human consumption, or that adequate safeguards are or will not be provided to prevent such raisins from being used for other than such purposes, the committee shall disapprove the application and shall notify the applicant of such disapproval and the reason therefor. If the application is approved, the committee shall notify the applicant in writing of such action.

§ 989.160 *Storing, pooling and disposition of storable off-grade raisins—(a) Obligation of handlers.* Each handler shall hold in storage all storable off-grade raisins received by him for the account of the committee until he has been relieved of the responsibility by the committee. The handler shall store such off-grade raisins without the addition of moisture and in such manner as will maintain the raisins in the same condition as when they were received except for normal and natural deterioration and shrinkage and except for loss through fire, acts of God, force majeure, or other conditions beyond the handler's control.

(b) *Disposition.* All off-grade raisins held for the account of the committee shall be physically disposed of by the committee on or before June 30 of each crop year: *Provided*, That any of such off-grade raisins received between June 1 and August 31 shall be physically disposed of within 30 days after they are received.

(c) *Payment for receiving, storing, handling, and inspection.* (1) Each handler shall be compensated at the rate of \$3.95 per ton (natural condition weight at time of acquisition) for receiving, storing and handling storable off-grade raisins: (i) Received during the period September 1–May 31 of a particular crop year and held for the account of the committee during all or any part of the same crop year; or (ii) received during the period June 1–August 31 of a particular crop year and held for the account of the committee during all or any part of the period from June 1 to September 30 of the succeeding crop year.

(2) Each handler shall be reimbursed by the committee for inspection costs applicable to storable off-grade raisins received and held by him for the account of the committee. Such payment shall be made on a weekly basis at the appli-

cable rate per ton paid by such handler to the inspection agency and on the quantity reported by the handler for the applicable week.

(d) *Payment for other services.* (1) In addition to the payments provided for in paragraph (c) of this section, each handler shall be compensated only for such other services performed by him with respect to off-grade raisins as are set forth in this paragraph.

(2) The committee may arrange with handlers for the transportation of off-grade raisins held for its account. Payment for any such transportation shall be based on prevailing transportation rates for the type of service to be performed.

(3) Handlers shall be compensated in an amount determined by the committee, for placing in sacks or other containers off-grade raisins held for its account, which amount shall be specified in the offer made by the committee to handlers for such services.

(4) In the event the committee determines from time to time that it is necessary that handlers fumigate off-grade raisins held for its account, handlers shall be compensated for the reasonable costs therefor at a specified rate or rates per ton.

(e) *Distribution to equity holders of net proceeds from sale of off-grade raisins held for the account of the committee.* All expenses of the off-grade raisin pool shall be paid from the proceeds of that pool. The net proceeds shall be distributed by the committee to the respective producers, or their successors in interest thereto, on the basis of the volume of their respective contributions to the off-grade pool. Distribution of proceeds in connection with off-grade raisins contributed by non-profit cooperative marketing associations which have authority to market the raisins of their members and to allocate the proceeds therefrom to such members shall be made to such associations. Advance or progress payments may be made as sufficient funds become available.

§ 989.161 *Exemptions.* A processor may receive or acquire any raisins for use in distillation, animal feed, or uses other than for human consumption, and dispose of them in such outlets, without having them inspected and certified. No processor who receives or acquires raisins under such exemption, or otherwise receives or acquires raisins which do not meet the minimum grade standards, shall ship them except in conformity with the provisions of § 989.159 (g) (2). Processors shall report acquisitions and make such other reports as are or may be required pursuant to §§ 989.73 and 989.173.

§ 989.162 *Above parity situation—(a) Application of other provisions.* Whenever it is found that the season average price to producers for raisins will be in excess of the season average parity price, the provisions of this subpart which pertain to the storing, pooling, and disposition of off-grade raisins for the account of the committee shall not be effective during the pertinent crop year or any remaining portion

thereof, except insofar as they may be required for the storage and disposition of any raisins which may be in the off-grade pool at the time the aforesaid finding is made. Except as otherwise specifically provided in this section and in § 989.173 (b) (1), all other provisions of this subpart which relate to the minimum grade and condition standards, inspection requirements, reports and records, and the administration and enforcement of such provisions shall continue in effect, irrespective of whether the estimated season average price to producers for raisins is in excess of the parity level.

(b) *Holding and disposition of off-grade raisins.* During any period when, pursuant to paragraph (a) of this section, the provisions of this subpart which pertain to the storing, pooling, and disposition of off-grade raisins are not effective or when any of these provisions are effective only insofar as may be necessary for the liquidation of any raisins in the off-grade pool, any handler (other than a processor) who receives an off-grade lot of raisins which he does not return to the tenderer or accept for reconditioning shall maintain the identity of such raisins, mark them as off-grade raisins, and hold them separate and apart from raisins of any other category. Each handler, including processors, shall dispose of any such off-grade raisins for distillation, animal feed, or uses other than for human consumption, and any shipment shall be pursuant to § 989.159 (g) (2). The provisions of § 989.159 (g) (1) with respect to recovery of raisins shall not apply to such off-grade raisins.

VOLUME REGULATION

§ 989.166 *Reserve, surplus, and storable off-grade tonnage generally—(a) Shrinkage allowance for normal and natural shrinkage in weight.* For each crop year each handler shall be entitled to a shrinkage allowance for normal and natural shrinkage in weight of one percent of the original natural condition weight on those reserve tonnage raisins, surplus tonnage raisins, and storable off-grade raisins acquired by him during the crop year and held by him for the account of the committee on the Saturday nearest to May 1 of the same crop year. The handler shall be entitled to no other allowance for normal and natural shrinkage in weight for any of such raisins acquired during the crop year: *Provided*, That the committee shall grant an additional allowance for any normal and natural shrinkage in weight of any of such raisins held for the account of the committee beyond the end of the crop year of acquisition upon submission by the handler of satisfactory proof of such shrinkage during the period the raisins were so held.

(b) *Satisfaction of reserve and surplus obligation with residual Muscat raisins from layering operations.* Any handler who desires to satisfy his reserve or surplus tonnage obligations referable to his acquisitions of Layer Muscat raisins with residual Muscat raisins obtained by him in layering operations

shall, prior to setting aside such raisins for the account of the committee, have them dried to a moisture content not exceeding 16 percent, inspected and obtain from the inspection agency a certificate, a copy of which shall be submitted to the committee (which may be through the inspection agency) within five business days after it is issued, showing that the raisins meet the minimum grade and condition standards for natural (sun-dried) Muscat raisins (those standards for natural condition Muscat raisins other than Layer Muscat and Valencia Muscat raisins). The inspection of the residual raisins shall be made at the expense of the handler. The handler shall file with the committee on forms furnished by it, within seven days (exclusive of Saturdays, Sundays, and legal holidays) after setting aside the raisins, a certified report with respect to such use of the residual raisins, including the name of the producer of the Layer Muscat raisins and the quantity of the residual raisins so used. Also, he shall obtain a written statement from the producer evidencing agreement for the residual tonnage to be used to meet such obligation, and shall retain it for at least two years after the termination of the crop year in which the raisins were acquired.

(c) *Setaside obligations referable to acquisition of mixed varietal types of raisins.* A handler who acquires any lot of natural condition raisins of mixed varietal types (commingled within their containers) shall meet his reserve and surplus tonnage setaside obligations for each varietal type contained in the mixed lot separately and with raisins of the particular varietal type unmingled with raisins of other varietal types. The obligation as to each varietal type shall be computed according to the reserve and surplus percentages established by the Secretary and the percentage of the varietal type contained in the lot as shown by the incoming inspection certificate.

(d) *Storage requirements as to reserve and surplus raisins.* Each handler shall store separate and apart from other raisins and from each other, each varietal type of reserve tonnage raisins held for the account of the committee and each varietal type of surplus tonnage raisins so held. Raisins shall be considered as stored separate and apart from other raisins when they are identifiable from other raisins. Handlers shall store reserve and surplus tonnage raisins in sweat boxes, picking boxes, or in other portable containers not exceeding one ton capacity: *Provided*, That, in the event reserve or surplus pool raisins which are held in portable containers other than sweat or picking boxes are to be transferred from the premises of the handler storing them, such handler shall at his own expense, place such raisins in either sweat or picking boxes: *Provided further*, That such raisins at the time of transfer shall meet the applicable minimum grade requirements except for such normal and natural deterioration and shrinkage as would have occurred if such raisins had been stored in sweat boxes or picking boxes.

(e) *Deferment of obligation.* (1) Any handler who desires to defer the meeting of his reserve and surplus tonnage obligations pursuant to § 989.66 (c) shall file with the committee on a form furnished by it a certified application for deferment of his reserve and surplus tonnage obligations, containing: (i) The date of the application and the name and address of the handler; (ii) the period for which deferment is requested; (iii) with respect to each varietal type, the total reserve and the total surplus tonnage on which deferment is requested, segregated as to his current holdings and his expected acquisitions during the deferment period; (iv) a full description of the surety bond offered; and (v) the reasons why deferment is desired.

(2) The committee shall grant such an application upon a showing by the handler that he has a need for the deferment and meets the requirements as to the written undertaking and bond which are prescribed in § 989.66 (c). The committee shall notify the applicant promptly of its decision with regard to his application, including the amount of the bond required by the terms of § 989.66 (c). The amount of said bond for a varietal type of raisins shall be the product obtained by multiplying the quantity for which deferment is granted by the then current field price for free tonnage raisins of the same varietal type. At any time during the period for which a deferment has been granted, the handler may request the committee to increase or decrease the amount of his deferment and the committee shall grant the revision after the necessary increase or decrease, as the case may be, is made in the amount of the bond. Also, at the request of the handler the committee may extend the deferment beyond the original period (not beyond November 15 of the crop year) for such a quantity as is specified in the request provided the bond is extended in the necessary amount.

(3) No handler shall use any of such reserve or surplus tonnage raisins as free tonnage raisins until he shall have received written approval of his application from the committee and shall have filed the required bond with the committee.

(f) *Remedy in the event of failure to deliver reserve, surplus, or off-grade raisins.* Except as provided otherwise in connection with a deferment granted pursuant to § 989.66 (c) and paragraph (e) of this section, a handler who fails to deliver to the committee, upon request, any reserve, surplus or off-grade tonnage raisins in the quantity or of a quality for which he has become obligated (after any shrinkage allowances which may then be in effect are applied and allowances for any deterioration due to conditions beyond his control are made), shall compensate the committee for the amount of the loss that is occasioned by his failure to so deliver. The amount of compensation for any shortage of tonnage shall be determined by multiplying the quantity of reserve, surplus, or off-grade raisins not delivered by the latest weighted average price per ton received by producers during the particular crop year for free tonnage raisins of the par-

ticular varietal type or types, plus any charges already paid or credited to the handler and any costs to the committee which is caused by the handler's failure to deliver. Such sales on which such weighted average price is computed shall include those during the particular crop year up to the time such cash payment is requested by the committee or up to the end of the particular crop year, whichever date may be earlier. The amount which a handler shall compensate the committee for any raisins (off-grade, reserve or surplus) which have deteriorated in quality during storage for reasons within his control, shall be the latest weighted average price received by the committee for the applicable varietal type of the particular reserve, surplus, or off-grade pool raisins, as the case may be, less the amount received by the committee in the disposition of the raisins delivered by the handler (or the reasonable value of such raisins, as determined by the committee, if not sold). Any amounts paid to the committee in satisfaction of such deficiencies shall be considered as being part of the particular reserve, surplus or off-grade tonnage pools involved. The remedies provided in this paragraph shall be in addition to and not exclusive of, any of the remedies or penalties prescribed in the act with respect to the failure on the part of the handler to comply with the applicable provisions of the act or this part.

(g) *Payments to handlers for services performed with respect to reserve and surplus tonnage raisins—(1) Payments for crop year of acquisition.* (i) Each handler shall, beginning with the crop year which began September 1, 1955, be compensated at the rate of \$3.95 per ton (natural condition weight at the time of acquisition) for receiving, storing and handling reserve and surplus tonnage raisins acquired during a particular crop year and held by him for the account of the committee during all or any part of the same crop year.

(ii) Each handler shall, beginning with September 1, 1955, be reimbursed by the committee for inspection costs applicable to the reserve and surplus pool raisins received and held by him for the account of the committee. Such payment shall be made on a weekly basis at the applicable rate per ton paid by such handler to the inspection agency, and on the quantity for the particular week reported by the handler. The committee shall pay the cost of any inspection required by it of any such pool raisins while they are being held for its account or are delivered in accordance with the request: *Provided*, That the cost of inspection of any raisins which a handler substitutes for raisins in the reserve or surplus pools or which he received by transfer from another handler pursuant to paragraph (j) (3) of this section shall be borne by the handler.

(iii) Each handler shall, beginning with the crop year which began on September 1, 1955, be paid an allowance for fumigation of \$1.50 per ton of reserve and surplus tonnage raisins received during the crop year of acquisition and held

by him for the account of the committee during all or any part of such crop year.

(2) *Additional payments for surplus tonnage raisins held beyond the crop year of acquisition.* Each handler who holds surplus tonnage raisins for the account of the committee on September 1 of any crop year (beginning with September 1, 1955) which were also held on August 15 of the preceding crop year, shall be compensated: (i) For storing and handling such raisins at the rate of \$1.00 per ton for the period ending November 30, or any part thereof, 50 cents per ton for the next three months or any part thereof, and 15 cents per ton for the next three months, or any part thereof, and 15 cents per ton for the last three months of the crop year, or any part thereof; and (ii) for fumigation services at the rate of 15 cents per ton for each fumigation required to maintain such raisins in good condition.

(h) *Payment of rental on boxes containing surplus pool raisins held beyond the crop year of acquisition.* Each handler and each producer, dehydrator or other person who furnishes boxes in which surplus pool raisins are held for the account of the committee on September 1 of any crop year (beginning with September 1, 1955) which were also held on August 15 of the preceding crop year, shall be compensated for the use of such boxes at the rate of 15 cents for each 160 pounds of raisins so held. No further compensation shall be paid unless the boxes are held on the succeeding September 1.

(i) *Payment for other services.* (1) In addition to the payments provided in paragraphs (g) and (h) of this section, handlers shall be compensated only for those services performed with respect to reserve and surplus tonnage raisins as are set forth in this paragraph.

(2) The committee may arrange with any handlers for transporting reserve or surplus tonnage raisins. Payment for such transportation shall be in an amount based on prevailing haulage rates for the type of transportation required.

(3) A handler who accepts an offer by the committee to pack surplus tonnage raisins for its account shall be compensated for such packing in an amount determined by or acceptable to the committee. In considering the amount of compensation to be paid, the committee shall take into account, among other factors, the particular varietal type of raisins to be packed, the particular pack or package required, and the quantity and quality of the raisins to be packed.

(4) In the event that the committee removes surplus tonnage raisins of a previous crop year from a handler upon request as provided in § 989.66 (f) and such handler subsequently desires redelivery to it of surplus tonnage raisins for contract packing or otherwise, such handler shall reimburse the committee for the net costs to it of the removal, storage, and redelivery of such raisins as a condition precedent to such redelivery: *Provided*, That the committee may waive payment by the handler of part or all of such costs if it determines that such waiver is necessary in order to facilitate disposition of the raisins.

(j) *Offers of surplus tonnage raisins to handlers for sale in export.* (1) Whenever the committee offers surplus tonnage raisins to handlers for sale in export, the committee shall specify, among other terms of the offer: (i) The period within which each handler shall be given the opportunity to purchase his share of the offer; (ii) the additional period during which, if any of the offer then remains unpurchased, a handler may purchase from his holdings of surplus tonnage raisins in excess of his share; and (iii) the further additional period during which, if any of the offer then remains unpurchased, a handler may purchase surplus tonnage raisins in excess of his share and in excess of his holdings. Approvals of handler's applications to purchase during the periods specified in subdivisions (i) and (iii) of this subparagraph shall be made in the same order in which the applications are filed with the committee. The committee shall fix the length of each of the three periods so as to facilitate disposition of surplus tonnage raisins.

(2) Whenever a handler's share or allocation under an offer, in any crop year, of surplus tonnage raisins for sale in export, is less than or exceeds his holdings of surplus tonnage raisins by not more than two tons, the committee may adjust such handler's share or allocation so as to avoid the cost of the physical transfer of raisins.

(3) If, prior to the expiration of the period specified in subparagraph (1) (i) or (ii) of this paragraph, a handler has need for more surplus tonnage than is available to him on the basis of his allocation or his holdings, as the case may be, he may negotiate with another handler for uncommitted tonnage. During the period specified in said subparagraph (1) (i) of this paragraph, he may negotiate with another handler for the transfer to him of any unpurchased portion of the other handler's share of an offer. Any such transfer shall not be deemed to reduce the transferring handler's share or to increase the transferee handler's share, for the purpose of determining shares of subsequent offers: During the period specified in said subparagraph (1) (ii) of this paragraph and while part of the offer remains unpurchased, he may negotiate with another handler for all or any part (not more than the unpurchased portion of the offer) of the other handler's uncommitted holdings. Any such transfer shall be permitted by the committee only upon receipt of written authorization, on a form furnished by the committee, by the transferring handler. All limitations applicable to the transferred surplus tonnage shall continue to apply. Such surplus tonnage raisins will be released by the committee to the transferee handler upon submission of his completed application(s) and full payment for such raisins, and such transferee handler shall be responsible to the committee for the documents required under such sale(s). Any cost involved in such transfers shall be borne by the handlers concerned.

§ 989.167 *Reserve tonnage*—(a) *Termination of price.* Whenever, pursuant to § 989.67 (b), the committee finds with respect to any varietal type of raisins that a downward trend in the price received by producers for free tonnage or in the prices received by handlers for free tonnage packed raisins makes it impracticable to sell reserve tonnage at the average price received by producers for free tonnage, plus pooling costs, the committee may sell reserve tonnage raisins at the currently prevailing field price for free tonnage raisins of the same varietal type unless such price is deemed to be unrepresentative of the current f. o. b. price of packed raisins. In such an event or if there is no current field price, the committee shall make any offer of reserve tonnage at approximately the computed field price obtained by deducting from the current f. o. b. price for free tonnage packed raisins of the varietal type to be offered, the normal packing and handling margin between that price and the field price for free tonnage raisins.

(b) *Reserve tonnage raisins which become off-grade.* Any reserve tonnage raisins held by or for the account of the committee which have been inspected by the inspection agency and found to be off-grade shall, as the committee determines, either be reconditioned or disposed of or marketed by the committee for distillation, animal feed, or uses other than for human consumption.

§ 989.168 *Disposition of surplus tonnage raisins for distillation or for uses other than human consumption.* Any surplus tonnage raisins held by or for the account of the committee which have been inspected by the inspection agency and found to be off-grade shall, as the committee determines, either be reconditioned or disposed of or marketed by the committee for distillation, animal feed, or uses other than for human consumption. In the event that the committee has been unable to dispose of standard quality surplus tonnage raisins at more remunerative prices in one of the other outlets authorized by the order for disposition of surplus tonnage raisins, it may, subject to the Secretary's disapproval, offer to sell, and sell, such surplus tonnage raisins for distillation: *Provided*, That no such offer or sale shall be made during the period August 1 to October 15 of any calendar year. Whenever the committee proposes to offer to sell standard surplus tonnage raisins for distillation, animal feed, or uses other than for human consumption, it shall file with the Secretary complete information with respect thereto and the basis therefor. The Secretary shall have the right to disapprove, within seven calendar days, the making of such an offer or any term or condition thereof.

§ 989.169 *Substitution for Layer Muscats.* A handler who substitutes natural (sun-dried) Muscat or Valencia raisins for Layer Muscat raisins (as provided in § 989.69) shall file with the committee on forms furnished by it, within 7 days (exclusive of Saturdays, Sundays, and legal holidays) after making the substitution, a certified report with respect to

such substitution, including the name of the producer of the Layer Muscat raisins for which the substitution was made, and the quantity of such Layer Muscat raisins. He shall obtain a written statement from the producer evidencing agreement to the substitution and shall retain it for at least two years after the termination of the crop year in which the substitution occurred.

REPORTS AND RECORDS

§ 989.173 *Reports*—(a) *Inventory reports*. Each handler shall file with the committee as of the close of business on August 31 of each crop year, and not later than the following September 6, an inventory report which shall show, with respect to each varietal type of raisins: (1) The quantity of free tonnage raisins held by him, segregated as to locations where they are stored and whether they are natural condition or packed; (2) the quantities of reserve tonnage, surplus tonnage, and off-grade raisins, respectively, held for the account of the committee. Upon request by the committee, each handler shall file at other times and as of other dates any of the said information which may reasonably be necessary for the determination or revision of marketing policy and which the committee shall specify in its request.

(b) *Reports of raisins received and/or acquired*—(1) *General*. (i) Except as otherwise provided in subdivision (ii) of this subparagraph, each handler shall file with the committee (on forms furnished by it) for each week and not later than the following Wednesday the reports specified in subparagraphs (2), (3), (4) and (5) of this paragraph.

(ii) Whenever it is found that the season average price to producers for raisins will be in excess of the season average parity price, each handler shall, during the pertinent crop year or any remaining portion thereof, file with the committee for each month, and not later than the fifth business day of the succeeding month, the reports specified in subparagraphs (4) and (6) of this paragraph, and shall file for each week (not later than the following Wednesday) the reports specified in subparagraphs (2) and (5) of this paragraph: *Provided*, That if the committee finds it unnecessary that the reports specified in subparagraphs (2) and (5) be filed for each week during all or any part of the crop year, it shall prescribe a longer reporting period, and shall give notice thereof to each handler.

(iii) For each report required to be filed pursuant to this paragraph, the required information shall be shown separately for each varietal type. With each report, other than that specified in subparagraph (4) of this paragraph, the handler shall submit a copy of the door receipt or weight certificate for each lot of raisins received or acquired by him during the reporting period and for each lot of raisins held on memorandum storage which was returned to the tenderer during such period, which shall show the information to be contained on such receipts or weight certificates as specified in § 989.158 (a) (3). At the time he files the reports specified in subparagraphs (2) and (5) of this

paragraph with the committee, each handler shall submit a copy of each such report to the inspection agency.

(2) *Acquisition of standard raisins*. Each handler shall report: (i) The total net weight of the standard raisins acquired during the reporting period, segregated when appropriate as to reserve and surplus tonnage; (ii) the locations of the reserve and surplus tonnage raisins; and (iii) the cumulative totals of such acquisitions (as so segregated) from the beginning of the then current crop year.

(3) *Storable off-grade raisins acquired for the account of the committee*. Each handler shall report: (i) The net weight of the storable off-grade raisins acquired by the handler for the account of the committee during the reporting periods; (ii) the locations of such storable off-grade raisins; and (iii) the cumulative totals at the end of the reporting period of such acquisitions from the beginning of the then current crop year.

(4) *Off-grade raisins returned to tenderers (producers or dehydrators)*. Each handler shall report with respect to each lot of off-grade raisins which the handler returned during the reporting period to the tenderer pursuant to subparagraph (1) of § 989.58 (e): (i) The inspection certificate number; (ii) the net weight as indicated on the inspection certificate; and (iii) the name and address of the tenderer; and (iv) the date the lot was returned to the tenderer.

(5) *Standard raisins received for memorandum storage*. Each handler shall report: (i) The net weight of the standard raisins held at the start of the reporting period for memorandum receipt, storage bailment, or warehousing (raisins received other than by acquisition or interhandler transfer); (ii) the net weight of such raisins received during the reporting period; (iii) the net weight of such raisins acquired during such period and included with the acquisitions required to be reported pursuant to subparagraph (2) of this paragraph; (iv) the net weight of such raisins returned during such period to the persons from whom they were received; and (v) the net weight(s), and location(s) of such raisins held at the end of such period.

(6) *Off-grade raisins received and retained without reconditioning for disposition in prescribed outlets*. Each handler who is not a processor shall report: (i) The name and address of each tenderer and the net weight of each tender of the off-grade raisins received by the handler during the reporting period and retained by him without reconditioning for disposition for distillation, animal feed, or uses other than for human consumption; (ii) the locations where such off-grade raisins were received; (iii) the name and address of each person to whom disposition was made of such raisins during the reporting period, and the net weight delivered to each buyer; and (iv) the net weight of such off-grade raisins (according to location) held by him at the end of the reporting period.

(c) *Special raisin reports*—(1) *Monthly report of raisins acquired by*

processors under exemption. Each processor who avails himself of the exemptions from the grade and inspection requirements as provided in §§ 989.58 (a), 989.59 (f) and 989.161 and acquires raisins (as the first handler thereof) shall file with the committee on or before the fifth day of each month a report of all such raisins acquired during the preceding month. Each report shall show for each varietal type and each acquisition: (i) The name and address of the person from whom the off-grade raisins were acquired; (ii) the date of the acquisition; (iii) the net weight of each acquisition; and (iv) the ultimate disposition made or to be made of such raisins.

(2) *Disposition reports by processors*. Each processor shall file with the committee, upon its request, such of the following information and for such period as the committee shall specify: (i) The quantity of raisins and raisin material used by the processor in his processing operations, segregated as to the processing outlets and the kinds of raisins or raisin material which the committee shall specify; and (ii) the quantity of raisins or raisin material sold or otherwise disposed of by the processor, segregated as to specified outlets and kinds of raisins or raisin material.

(3) *Off-grade raisins received under agreements with the tenderers (producers or dehydrators) for reconditioning*. Each handler who has received off-grade raisins pursuant to subparagraph (3) of § 989.58 (e) for reconditioning, shall file with the committee on or before the fifteenth day of each month a report of all such raisins reconditioned by him during the preceding month. Each such report shall contain the following information: (i) The name and address of the person from whom the off-grade raisins were received for reconditioning; (ii) the net weight of the off-grade raisins; (iii) the net weight of the standard raisins after reconditioning; (iv) inspection certificate number covering the recovered standard raisins; (v) whether the standard raisins were acquired by the handler or returned to the tenderer; (vi) net weight of such residual matter after reconditioning; (vii) disposition outlet of such residual matter, including, if sold, the name and address of the buyer; and (viii) net weight of any raisins which were not reconditioned successfully (as distinguished from normal residual matter) and disposed of, or held for disposition, by the handler pursuant to § 989.158 (c) (4), shown according to applicable inspection certificate and the person to whom disposition, if any, was made.

(4) *Disposition by handlers (other than processors) of off-grade raisins, stemmer waste, or raisin offal*. Each handler who is not a processor shall report to the committee upon its request all sales and other dispositions of off-grade raisins, stemmer waste, or raisin offal resulting from his sorting and/or packing operations made during such period as is specified in the request. Such report shall be filed on a form furnished by the committee and shall

include the following information: (i) Date of sale or other disposition; (ii) name and address of buyer; and (iii) description and weight of material sold.

(d) *Monthly report of disposition of free tonnage raisins.* Each handler who is not a processor shall file with the committee on or before the fifth day of each month a report for the preceding month showing the aggregate quantity of each varietal type of free tonnage packed raisins and standard natural condition raisins which were shipped (exclusive of interhandler or interplant transfers within the State of California) or otherwise disposed of by him during the month. Such information shall be segregated as to (1) domestic outlets (exclusive of Federal Government purchases) according to consumer and bulk packs, (2) Federal Government purchases, (3) export outlets according to consumer and bulk packs, and (4) each of any other outlets for such raisins (other than interhandler or interplant transfers) in which the handler has made disposition of such raisins. For the purposes of this paragraph, Canada shall be considered as a domestic outlet and not an export outlet.

(e) *Reports of interhandler transfers.* Any handler who transfers free tonnage raisins to another handler within the State of California shall file with the committee, not later than five calendar days following such transfer a report showing: (1) The date of transfer; (2) the name(s) and address(es) of the handler or handlers and the locations of the plants; (3) the varietal type, net weight and condition of the raisins transferred; and (4) if packed, the inspection certificate number in the event such raisins had been inspected prior to such transfer. Two copies of such report shall be forwarded to the receiving handler at the time the report is submitted to the committee, on one of which the receiving handler shall certify to the receipt of such raisins and submit it to the committee within five calendar days after the raisins or the copies of such report have been received by him, whichever is later.

(f) Each handler who obtains an exemption pursuant to § 989.159 (f) for the shipment of gift or specialty packs of raisins shall file with the committee on a copy of the approved application for exemption a report showing the quantity of raisins shipped or disposed of under such exemption. The handler shall file the report promptly after the end of the crop year or after completion by him of all shipments of such exempted raisins, whichever is earlier.

(g) *Reports pertaining to the release of reserve tonnage and marketing policy information.* Upon request of the committee, each handler shall file with the committee on forms furnished by it a report containing such of the following information for each specified varietal type of raisins as the committee may request: (1) The quantity of free tonnage raisins held by him in and outside California as of the date specified in the committee's request, segregated by the portion sold and the portion not sold; (2) the total quantity of raisins

expected to be acquired by him subsequent to the date specified by the committee, pursuant to purchase contracts with producers and dehydrators, which are in effect as of the date specified by the committee; (3) the weighted average price paid by him to producers and dehydrators for free tonnage raisins, natural condition basis, during the period specified by the committee and the quantity of raisins for which such average was computed; (4) the quantity of free tonnage raisins sold or sold and shipped (as to which category the committee shall specify) by him during a period specified by the committee, segregated to show the quantities sold or sold and shipped in (i) domestic markets, including Canada, and (ii) foreign markets, detailed by country; (5) the average weighted f. o. b. sales prices received from sales during a period specified by the committee of raisins in 30 pound fibre cases in domestic markets (including Canada) and the quantity of raisins for which such average prices were computed. Each such report shall be filed not later than the end of the fifth calendar day following either the date of the request by the committee or the ending date of the period to be covered by the report, whichever is later.

(h) *Certification of reports.* All reports submitted to the committee pursuant to this part shall be dated, and certified to the United States Department of Agriculture and to the Raisin Administrative Committee as to the truthfulness, accuracy and completeness of the information shown thereon.

(i) *Reporting by non-profit cooperative associations.* Non-profit cooperative associations need not submit door tags, door receipts, weight certificates or other similar documents with its reports as to raisins received or acquired from its members.

(j) *Exemption from filing report.* A handler may be relieved of filing any of the reports required pursuant to paragraph (b) of this section which he shall specify in a written application therefor to the committee stating that no transactions subject to such reports are contemplated for the balance of the crop year: *Provided*, That any such exemption shall remain in effect only so long as said handler has no such transactions subject to such reports.

§ 989.176 *Records.* Each handler shall maintain complete, accurate, and current records of all of his business affairs concerning which he is required to file reports with the committee, and shall maintain such records for at least two years after the termination of the crop year in which the transaction occurred.

§ 989.180 *Assessable tonnage.* During any crop year or any portion of a crop year for which reserve or surplus percentages are not effective, all standard raisins acquired by handlers during such period shall be free tonnage for purposes of levying assessments.

Inasmuch as the latest amendment of said marketing agreement and order (7 CFR Part 989; 21 F. R. 8182) contains, in § 989.66, a portion of current § 989.266, and proposed § 989.166 is intended to im-

plement said § 989.66, it is also proposed to revoke current § 989.266.

Dated: November 14, 1957.

[SEAL]

S. R. SMITH,
Director,
Fruit and Vegetable Division.

[F. R. Doc. 57-9576; Filed, Nov. 18, 1957;
8:55 a. m.]

DEPARTMENT OF COMMERCE

Civil Aeronautics Administration

[14 CFR Part 618]

HIGH DENSITY AIR TRAFFIC ZONES AND AIRPORTS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Administrator of Civil Aeronautics proposes to designate the following high density zones and airports at which certain speed and communication requirements shall be applicable in accordance with § 60.18 of the Civil Air Regulations. The proposed designations have been coordinated with the Air Coordinating Committee, Airspace Panel. However, other interested persons may participate in the making of the proposed designations by submitting such written data, views, or arguments as they desire to the Director, Office of Air Traffic Control, Civil Aeronautics Administration, Washington 25, D. C., on or before December 16, 1957.

In view of the foregoing, it is proposed to amend Part 618 as follows:

1. By amending Subpart B by adding the designation of the new high density air traffic zones within the following boundaries:

Chicago, Ill., High Density Air Traffic Zone. All of the airspace extending upwards from the surface to and including an altitude of 3,000 feet above the surface within the following boundaries: Beginning at latitude 42°09'00" North, longitude 88°07'30" West; thence to latitude 41°43'00" North, longitude 88°01'30" West; thence to latitude 41°40'00" North, longitude 88°00'00" West; thence to latitude 41°40'00" North, longitude 87°27'00" West; thence north along the west shore of Lake Michigan to latitude 42°13'15" North, longitude 87°48'30" West; thence to the point of beginning.

Dallas-Fort Worth, Tex., High Density Air Traffic Zone. All of the airspace extending upwards from the surface to and including an altitude of 3,000 feet above the surface within the following boundaries: Beginning at latitude 32°59'50" North, longitude 97°31'25" West; thence east to latitude 32°59'50" North, longitude 96°56'30" West; thence clockwise around the arc of an 11½ mile radius circle centered at latitude 32°50'58" North, longitude 96°50'52" West on Love Field to latitude 32°41'00" North, longitude 96°50'00" West; thence south to latitude 32°39'00" North, longitude 96°50'00" West; thence west to latitude 32°39'00" North, longitude 97°05'00" West; thence west southwest to latitude 32°35'20" North, longitude 97°24'40" West; thence west to latitude 32°35'25" North, longitude 97°28'50"; thence north along the current western boundaries of Carswell Air Force Base control zone and control zone extensions (published in § 601.2029 of this chapter), to latitude 32°59'50" North, longitude 97°31'25" West, the point of beginning.

2. By amending Subpart C by adding the designation of the following high density airports:

Chicago—Midway Airport, Chicago, Ill.
 Chicago—O'Hare International Airport,
 Chicago, Ill.
 Glenview Naval Air Station, Glenview, Ill.
 Love Field, Dallas, Tex.
 Hensley Naval Air Station, Dallas, Tex.
 Greater Fort Worth International (Amon
 Carter) Airport, Fort Worth, Tex.
 Carswell Air Force Base, Fort Worth, Tex.
 (Sec. 601, 52 Stat. 1007, as amended; 49
 U. S. C. 551)

[SEAL] WILLIAM B. DAVIS,
 Acting Administrator of
 Civil Aeronautics.

NOVEMBER 12, 1957.

[F. R. Doc. 57-9519; Filed, Nov. 18, 1957;
 8:45 a. m.]

**FEDERAL COMMUNICATIONS
 COMMISSION**

[47 CFR Part 3]

[Docket No. 12251; FCC 57-1251]

TELEVISION BROADCAST STATIONS;
 PANAMA CITY, FLA.

TABLE OF ASSIGNMENTS

In the matter of amendment of § 3.606
Table of assignments, Television Broad-
 cast Stations, Panama City, Florida,
 Docket No. 12251.

1. Notice is hereby given of rule mak-
 ing in the above-entitled matter.

2. The Commission has before it for
 consideration a petition filed on Septem-
 ber 27, 1957, by WKRK-TV, Inc., re-
 questing rule making to amend § 3.606
Table of assignments, Television Broad-
 cast Stations, so as to assign Channel 13
 to Panama City, Florida, as follows:

City	Channel No.	
	Present	Proposed
Panama City, Fla.....	7+, *30, 36+	7+, 13, *30, 36+

3. WKRK-TV, Inc. submits that there
 is only one statio in operation in Panama
 City, WJDM on Channel 7, and that
 there are no applications on file for the
 UHF channels; that Panama City is an
 important and rapidly growing com-
 munity and therefore needs a second
 local channel; that there are virtually no
 UHF receivers in the area and it is un-
 likely that any UHF station will be con-
 structed in the foreseeable future; that
 the proposal conforms to the Rules; that
 there is an area in which transmitter
 sites are available; and that an applica-
 tion will be filed for the assignment in
 the event it is adopted by the Commis-
 sion. The area where transmitter sites
 could be located is centered about 30
 miles east of Panama City, with the
 nearest point to Panama City about 23
 miles from the city.

4. The Commission is of the view that
 rule making proceedings should be in-
 stituted in this matter in order that all
 interested parties may submit their views
 and relevant data.

5. Authority for the adoption of the
 amendment proposed by petitioner is
 contained in sections 4 (i), 301, 303 (c),

(d), (f) and (r) and 307 (b) of
 the Communications Act of 1934, as
 amended.

6. Any interested party who is of the
 view that the proposed amendments
 should not be adopted, or should not be
 adopted in the form set forth herein, may
 file with the Commission on or before
 December 16, 1957, a written statement
 setting forth his comments. Comments
 supporting the proposed amendments
 may also be filed on or before the same
 date. Comments in reply to original
 comments may be filed within 10 days
 from the last date for filing said origi-
 nal comments. No additional comments
 may be filed unless (1) specifically re-
 quested by the Commission or (2) good
 cause for the filing of such additional
 comments is established.

7. In accordance with the provisions
 of § 1.764 of the rules, an original and 14
 copies of all written comments shall be
 furnished the Commission.

Adopted: November 13, 1957.

Released: November 14, 1957.

FEDERAL COMMUNICATIONS
 COMMISSION,

[SEAL] MARY JANE MORRIS,
 Secretary.

[F. R. Doc. 57-9547; Filed, Nov. 18, 1957;
 8:50 a. m.]

[47 CFR Part 3]

[Docket No. 11757; FCC 57M-1122]

TELEVISION BROADCAST STATIONS, EVANS-
 VILLE, IND., AND LOUISVILLE, KY.; TABLE
 OF ASSIGNMENTS

ORDER DIRECTING PARTIES TO APPEAR AT PRE-
 HEARING CONFERENCE

In the matters of amendment of § 3.606
Table of assignments, Television Broad-
 cast Stations, Evansville, Indiana, and
 Louisville, Kentucky, and order directing
 Evansville Television, Inc., to show cause
 why its authorization for Station WTVW,
 Evansville, Indiana, should not be modi-

fied to specify operation on Channel 31
 in lieu of Channel 7; Docket No. 11757.

It is ordered, This 13th day of Novem-
 ber 1957, that all parties, or their coun-
 sel, in the above-entitled proceeding are
 directed to appear for a pre-hearing con-
 ference pursuant to the provisions of
 § 1.813 of the Commission's rules, at the
 offices of the Commission in Washington,
 D. C., at 10 o'clock a. m., December 2,
 1957.

Released: November 14, 1957.

FEDERAL COMMUNICATIONS
 COMMISSION,

[SEAL] MARY JANE MORRIS,
 Secretary.

[F. R. Doc. 57-9548; Filed, Nov. 18, 1957;
 8:50 a. m.]

DEPARTMENT OF LABOR

Wage and Hour Division

[29 CFR Part 672]

[Administrative Order 494]

CONSTRUCTION, BUSINESS SERVICE, MO-
 TION PICTURE, AND MISCELLANEOUS IN-
 DUSTRY IN PUERTO RICO

RESIGNATION AND APPOINTMENT OF INDUS-
 TRY COMMITTEE EMPLOYER MEMBER

Arturo Diaz, Jr., of Rio Piedras,
 Puerto Rico, appointed employer mem-
 ber of Industry Committee No. 35-B by
 Administrative Order No. 492 (22 F. R.
 8265), has resigned from Industry Com-
 mittee No. 35-B. The Secretary of
 Labor pursuant to authority under the
 Fair Labor Standards Act of 1938 (52
 Stat. 1060, as amended; 29 U. S. C. 201
 et seq.), hereby appoints Henry C.
 Rexach, of Santurce, Puerto Rico, to
 serve in the place of Arturo Diaz, Jr. on
 such committee for the employers.

Signed at Washington, D. C., this 14th
 day of November 1957.

JAMES P. MITCHELL,
 Secretary of Labor.

[F. R. Doc. 57-9574; Filed, Nov. 18, 1957;
 8:55 a. m.]

NOTICES

DEPARTMENT OF THE TREASURY

Office of the Secretary

[Dept. Circ. 570, Rev. Apr. 20, 1943, 1957;
 Supp. 173]

PENNSYLVANIA THRESHERMAN & FARMERS'
 MUTUAL CASUALTY INSURANCE Co.

SURETY COMPANIES ACCEPTABLE ON FEDERAL
 BONDS

NOVEMBER 13, 1957.

A Certificate of Authority has been
 issued by the Secretary of the Treasury
 to the following company under the act
 of Congress approved July 30, 1947, 6
 U. S. C. secs. 6-13, as an acceptable surety
 on Federal bonds. An underwriting limi-
 tation of \$975,000.00 has been established

for the company. Further details as to
 the extent and localities with respect to
 which the company is acceptable as
 surety on Federal bonds will appear in
 the next issue of Treasury Department
 Form 356, copies of which, when issued,
 may be obtained from the Treasury De-
 partment, Bureau of Accounts, Surety
 Bonds Branch, Washington 25, D. C.

Name of company, location of principal ex-
 ecutive office and State in which incorpo-
 rated: Pennsylvania Threshermen & Farmers'
 Mutual Casualty Insurance Company, Harris-
 burg, Pennsylvania.

[SEAL] JULIAN B. BAIRD,
 Acting Secretary of the Treasury.

[F. R. Doc. 57-9542; Filed, Nov. 18, 1957;
 8:49 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

MARIA LIGUORI ET AL.

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

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

Claimant, Claim No., and Property

Maria Liguori, Rome, Italy; Maria Sette Liguori, Rome, Italy; Marcella Liguori, Rome, Italy; Valerie Liguori, Rome, Italy; Germana Liguori, Rome, Italy; An undivided two-fourteenths interest to Maria Liguori and an undivided two-fourteenths interest to Maria Sette Liguori, Marcella, Valerie and Germana Liguori in the property described in Vesting Order No. 201 (8 F. R. 625, January 16, 1943) relating to United States Letters Patent No. 2,270,320; subject, however, to the royalty free, non-exclusive License Agreement dated March 7, 1944 (License No. 580) by and between the Alien Property Custodian and Lewyt Corporation, Brooklyn, New York relating to the above patent and the royalty free, non-exclusive License Agreement dated July 7, 1945 (License No. 1501) by and between the Alien Property Custodian and the Raytheon Manufacturing Company, Newton, Massachusetts relating to the aforesaid patent. Claim No. 62994. Vesting Order No. 201.

Executed at Washington, D. C., on November 12, 1957.

For the Attorney General.

[SEAL]

PAUL V. MYRON,
Deputy Director,
Office of Alien Property.

[F. R. Doc. 57-9545; Filed, Nov. 18, 1957;
8:50 a. m.]

DEPARTMENT OF COMMERCE

Federal Maritime Board

MEMBER LINES OF PACIFIC COAST RIVER PLATE BRAZIL CONFERENCE

NOTICE OF AGREEMENT FILED FOR APPROVAL

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U. S. C. 814):

Agreement No. 6400-9, between the member lines of the Pacific Coast River Plate Brazil Conference, modifies the basic agreement of that conference (No. 6400, as amended) to provide that member lines and their agents shall not represent any vessel in the trade covered by the agreement other than those operated for the account of a member line, except as husbanding agents or as agents for vessels loading full or partial cargoes of open-rated commodities, or as may be agreed by unanimous vote of the conference.

Interested parties may inspect this agreement and obtain copies thereof at

the Regulation Office, Federal Maritime Board, Washington, D. C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: November 14, 1957.

By order of the Federal Maritime Board.

GEO. A. VIEHMANN,
Assistant Secretary.

[F. R. Doc. 57-9572; Filed, Nov. 18, 1957;
8:54 a. m.]

MITSUI STEAMSHIP CO. AND BULL INSULAR LINE, INC.

NOTICE OF AGREEMENT FILED FOR APPROVAL

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U. S. C. 814):

Agreement No. 8254, between Mitsui Steamship Company, Ltd., and Bull Insular Line, Inc., covers the transportation of general cargo under through bills of lading from the Far East to Puerto Rico, with transshipment at New York.

Interested parties may inspect this agreement and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D. C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: November 14, 1957.

By order of the Federal Maritime Board.

GEO. A. VIEHMANN,
Assistant Secretary.

[F. R. Doc. 57-9569; Filed, Nov. 18, 1957;
8:54 a. m.]

MEMBER LINES OF NORTH ATLANTIC WESTBOUND FREIGHT ASSOCIATION

NOTICE OF AGREEMENT FILED FOR APPROVAL

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U. S. C. 814):

Agreement No. 5850-2, between the member lines of the North Atlantic Westbound Freight Association, modifies the basic agreement of that conference (No. 5850, as amended) to provide that freight and charges payable in the U. S. A. shall be collected at the current rate of exchange in New York as of the date of the vessel's sailing from the final port of loading in the U. K., rather than as of the date of the vessel's entry at Custom House at the port of discharge as presently provided in Agreement No. 5850, as amended.

Interested parties may inspect this agreement and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D. C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: November 14, 1957.

By order of the Federal Maritime Board.

GEO. H. VIEHMANN,
Assistant Secretary.

[F. R. Doc. 57-9570; Filed, Nov. 18, 1957;
8:54 a. m.]

NORTHERN PAN AMERICA LINE AKTIESELSKAB ET AL.

NOTICE OF AGREEMENT FILED FOR APPROVAL

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U. S. C. 814):

Agreement No. 8257, between The Northern Pan America Line Aktieselskab, Aktieselskabet Sobral, and the carriers comprising the A. P. Moller-Maersk Line joint service, covers the establishment and maintenance of a joint cargo and passenger service, under the trade name "Gulf West Africa Line", in the trade between U. S. Atlantic and Gulf ports and ports on the West Coast of Africa not south of Angola, including Azores, Cape Verde Islands, Madeira and Canary Islands.

Interested parties may inspect this agreement and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D. C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: November 14, 1957.

By order of the Federal Maritime Board.

GEO. A. VIEHMANN,
Assistant Secretary.

[F. R. Doc. 57-9571; Filed, Nov. 18, 1957;
8:54 a. m.]

MEMBER LINES OF TRANS-PACIFIC FREIGHT CONFERENCE OF JAPAN

NOTICE OF AGREEMENT FILED FOR APPROVAL

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U. S. C. 814):

Agreement No. 150-8, between the member lines of the Trans-Pacific Freight Conference of Japan, modifies the basic agreement of that conference (No. 150, as amended) to exclude mem-

ber lines' own branch offices from the provision limiting member lines to only one office of their own or one agent or sub-agent at any one port in Japan, Okinawa or Korea.

Interested parties may inspect this agreement and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D. C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: November 14, 1957.

By order of the Federal Maritime Board.

GEO. A. VIEHMANN,
Assistant Secretary.

[F. R. Doc. 57-9573; Filed, Nov. 18, 1957;
8:54 a. m.]

[Docket No. M-81]

BOSTON SHIPPING CORP.

NOTICE OF HEARING ON APPLICATION TO
BAREBOAT TWO N3-M-A1 TYPE VESSELS

Notice is hereby given that a public hearing will be held before Examiner Arnold J. Roth pursuant to section 5 (e), Merchant Ship Sales Act, 1946, as amended (Public Law 591, 81st Cong., 50 U. S. C. App., 1738), on December 10, 1957, at 10:00 a. m., in Room 4519, New General Accounting Office Building, Washington, D. C., upon the application of Boston Shipping Corp. to bareboat charter two N3-M-A1 type vessels for employment in servicing off-shore oil rigs in the Gulf of Mexico.

The purpose of the hearing is to receive evidence with respect to whether the service for which such vessels are proposed to be chartered is required in the public interest and is not adequately served, and with respect to the availability of privately-owned, American-flag vessels for charter on reasonable conditions and at reasonable rates for use in such service. Evidence will be received with respect to any restrictions or conditions that may be necessary or appropriate to protect the public interest in respect of such charter as may be granted and to protect privately owned vessels against competition from the vessels chartered as a result of this proceeding.

All persons having an interest in the application will be given an opportunity to be heard if present, and oral argument may be had before Examiner Roth at the conclusion of the receipt of evidence, in lieu of briefs. An initial decision will be issued. The time for filing exceptions thereto is hereby restricted to fifteen (15) days, and no replies to exceptions will be received.

Dated: November 14, 1957.

By order of the Federal Maritime Board.

JAMES L. PIMPER,
Secretary.

[F. R. Doc. 57-9520; Filed, Nov. 18, 1957;
8:45 a. m.]

ATOMIC ENERGY COMMISSION

NOTICE OF REVIEW OF ATOMIC ENERGY PATENT PROGRAM

Notice is hereby given that the Atomic Energy Commission is currently reviewing its entire patent program. In order to effectively reevaluate this program, the Commission is considering holding a public meeting at a later date at which time persons will be given an opportunity to express their views. To assist the Commission in determining the matters to be discussed at such a meeting, the Commission would appreciate receiving written comments from any person concerning problems or suggestions as to the patent program in the atomic energy field. Further, any person wishing to make an oral presentation of his views should so indicate. Communications concerning these matters should be submitted within thirty days after filing of this notice in the FEDERAL REGISTER. Such communications should be addressed to the Atomic Energy Commission, Office of the General Counsel, Washington 25, D. C., Attention, Patent Branch.

Dated at Washington, D. C., this 8th day of November 1957.

R. W. COOK,
Acting General Manager.

[F. R. Doc. 57-9543; Filed, Nov. 18, 1957;
8:49 a. m.]

[Docket No. 50-29]

YANKEE ATOMIC ELECTRIC CO.

NOTICE OF FINDINGS AND ORDER, AND ISSUANCE OF CONSTRUCTION PERMIT

Please take notice that pursuant to an order of the Atomic Energy Commission dated October 31, 1957, in the above-entitled matter, a construction permit was issued on November 4, 1957, to Yankee Atomic Electric Company, in the form annexed to said order, authorizing the construction of a pressurized light water-moderated and -cooled reactor to produce 134,000 kilowatts of electrical energy, as described in the application for license. The Commission order is set out below. A "Memorandum of Opinion of the Commissioners", issued in connection with the order, is on file in the Commission's Public Document Room, 1717 H Street NW., Washington, D. C.

Dated at Washington, D. C., this 12th day of November 1957.

For the Atomic Energy Commission.

H. L. PRICE,
Director,
Division of Civilian Application.

ATOMIC ENERGY COMMISSION

In the matter of Yankee Atomic Electric Company.

At a session of the Atomic Energy Commission held in Washington, D. C., on the 30th day of October 1957, Chairman Lewis L. Strauss and Commissioners Willard F. Libby, Harold S. Vance, John S. Graham, and John F. Floberg present, it appeared that:

On July 9, 1956, Yankee Atomic Electric Company filed its application for a license under section 104 b. of the Atomic Energy Act of 1954, as amended, to construct and operate a nuclear reactor. Amendments to the application were filed on January 22, February 1, April 16, July 19, and September 3, 1957. An application was filed by the applicant on October 8, 1957, pursuant to § 50.12 of the Commission's regulations, for a temporary exemption from the financial requirements of §§ 50.40 (b) and 50.60 (c) (2). No petitions for leave to intervene were filed. Statements on behalf of the Honorable James T. Patterson, Congressman from the State of Connecticut, the Conol Sales Company, and the New England Council of the CIO-AFL Councils, were received pursuant to § 2.731 of the Commission's rules of practice and made a part of the record. Further, the Commission has received a statement from Carl and Anna Walz and placed this statement in the record pursuant to § 2.731 of the Commission's rules of practice. The report of the Advisory Committee on Reactor Safeguards, dated September 16, 1957, with respect to the application and amendments thereto, has been duly made available to the public and incorporated in the record herein.

Pursuant to section 189a of the Atomic Energy Act of 1954, as amended, a hearing was duly held on the application, as amended, on October 8 and 24, 1957.

Upon due consideration of the foregoing, the evidence adduced at the hearing, and the stipulations of the parties entered into at the hearing, and in light of the considerations expressed in the annexed memorandum of opinion of the Commissioners, it is found that:

A. The reactor proposed by Yankee Atomic Electric Company (hereinafter "Yankee") will be a utilization facility as defined in the Commission's regulations contained in Title 10, Chapter I, CFR, Part 50, "Licensing of Production and Utilization Facilities".

B. Yankee proposes to utilize the reactor in the conduct of research and development activities leading to the demonstration of the practical value of that type of reactor for industrial and commercial purposes.

C. Yankee and its contractors, Westinghouse Electric Corporation and Stone & Webster Engineering Corporation, are technically qualified to design and construct the proposed reactor.

D. There is sufficient information to provide reasonable assurance that a reactor of the general type proposed can be constructed and operated at the proposed location without undue risk to the health and safety of the public; and that additional information required to complete the application will be supplied. The Commission believes that the applicant has identified the subjects which should be further investigated and that the plans described for carrying out these investigations will produce the information which will be needed prior to consideration of final design and operating procedures and conversion of this construction permit to a license.

E. The issuance of a construction permit to Yankee will not be inimical to the common defense and security or to the health and safety of the public.

F. Although the evidence submitted by Yankee to date does not justify a finding with respect to the financial qualifications of Yankee, good cause has been shown why the applicant should be granted an exemption for a temporary period from the financial requirements of §§ 50.40 (b) and 50.60 (c) (2). Accordingly the continued effectiveness of the construction permit will be conditioned upon a further showing in this regard as stated in the construction permit.

It is ordered, That a construction permit be issued to the applicant in the form annexed hereto.

Dated: October 31, 1957.

ATOMIC ENERGY COMMISSION,
[SEAL] W. B. McCool, Secretary.

CONSTRUCTION PERMIT

Pursuant to the Atomic Energy Act of 1954, as amended, and Title 10, CFR, Chapter I, Part 50, "Licensing of Production and Utilization Facilities," the Commission hereby issues a construction permit to Yankee Atomic Electric Company (hereinafter "Yankee") to construct a utilization facility in accordance with the application and amendments thereto. This permit shall be deemed to contain and be subject to the conditions specified in §§ 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Atomic Energy Act of 1954, as amended, and rules, regulations and orders of the Atomic Energy Commission now or hereafter in effect; and is subject to any additional conditions specified or incorporated below:

A. The earliest date for the completion of the reactor is December 1959. The latest date for the completion of the reactor is June 1961. The term "completion date" as used herein means the date on which construction of the reactor is completed except for the introduction of the fuel material.

B. The site proposed for the location of the reactor is the location in Rowe, Massachusetts, described in the application.

C. The general type of facility authorized for construction is a pressurized light water-moderated and -cooled reactor to produce 134,000 kilowatts of electrical energy, as described in the application.

D. Unless, within twelve months from the date of this construction permit, Yankee submits sufficient information relating to its financial resources to enable the Commission to make a finding that the company has adequate financial resources to meet the requirements of the law and regulations, this permit shall expire: *Provided*, That the Commission may for good cause shown extend the time for the submission of such data.

E. The applicant may proceed to design and construct the proposed reactor without further authorization in accordance with the application and amendments thereto. However, this does not constitute final approval of any technical specification of the reactor. Before the license is issued to operate the facility, the Commission must finally approve all technical specifications. If the applicant desires final approval of any particular technical specification prior to the issuance of the license to operate, he may request that the Commission grant specific approval of any technical specification by appropriate amendment to this permit.

This permit is provisional to the extent that a license authorizing operation of the reactor will not be issued by the Commission unless Yankee has submitted to the Commission (by proposed amendment to the application) the complete, final Hazards Summary Report (portions of which may be submitted and evaluated from time to time) and the Commission has found that the final design provides reasonable assurance that the health and safety of the public will not be endangered by operation of the reactor in accordance with the specified procedures.

Upon completion (as defined in Paragraph A above) of the construction of the facility in accordance with the terms and conditions of this permit, upon the filing of any additional information needed to bring the original application up to date, upon filing of proof of financial protection and execution of

an indemnification agreement as required by section 170 of the act and the Commission's regulations, and upon a finding that the facility authorized has been constructed in conformity with the application as amended, and in conformity with the provisions of the act and the rules and regulations of the Commission and in the absence of any good cause being shown to the Commission why the granting of a license would not be in accordance with the act, the Commission will issue a Class 104 license to Yankee pursuant to section 104 (b) of the act, which license shall expire forty (40) years after the date of this construction permit.

Pursuant to § 50.50 of the regulations in Title 10, Chapter I, CFR, Part 50, the Commission has allocated to Yankee for use in connection with the reactor, 6,052 kilograms of uranium 235 contained in uranium at the isotopic ratios specified in Yankee's application for the license. Estimated schedules of special nuclear material transfers to Yankee and returns to the Commission are contained in Appendix "A" which is attached hereto. Shipments by the Commission to Yankee in accordance with column 2 in Appendix "A" will be conditioned upon Yankee's return to the Commission of material substantially in accordance with column 3 of Appendix "A".

For the Atomic Energy Commission.

Director,
Division of Civilian Application.

APPENDIX "A" TO CONSTRUCTION PERMIT

ESTIMATED SCHEDULE OF TRANSFER OF SPECIAL NUCLEAR MATERIAL FROM THE COMMISSION TO YANKEE AND TO THE COMMISSION FROM YANKEE

(1) Date of transfer (fiscal year)	(2) Transfers from AEC to Yankee* kgs. U-235	(3) Returns by Yankee to AEC (kilograms U-235)		(4) Net-yearly distribution kgs. U-235	(5) Cumulative distribution kgs. U-235
		Recoverable scrap ^a	Spent fuel ^b		
1960	710.66			710.06	710.06
1961	322.66	61.36		261.30	971.36
1962	1,142.44	145.86	609.90	386.08	1,358.04
1963	356.98	28.34	230.85	97.79	1,455.83
1964	356.98	28.34	230.85	97.79	1,553.62
1965	713.96	56.68	461.70	195.58	1,749.20
1966	356.98	28.34	230.85	97.79	1,846.99
1967	713.96	56.68	461.70	195.58	2,042.57
1968	356.98	28.34	230.85	97.79	2,140.36
1969	713.96	56.68	461.70	195.58	2,335.94
1970	356.98	28.34	230.85	97.79	2,433.73
1971	356.98	28.34	230.85	97.79	2,531.52
1972	713.96	56.68	471.70	195.58	2,727.10
1973	356.98	28.34	230.85	97.79	2,824.89
1974	713.96	56.68	461.70	195.58	3,020.47
1975	356.98	28.34	230.85	97.79	3,118.26
1976	713.96	56.68	461.70	195.58	3,313.84
1977	356.98	28.34	230.85	97.79	3,411.63
1978	356.98	28.34	230.85	97.79	3,509.42
1979	713.96	56.68	461.70	195.58	3,705.00
1980	356.98	28.34	230.85	97.79	3,802.79
1981	713.96	56.68	461.70	195.58	3,998.37
1982	356.98	28.34	230.85	97.79	4,096.16
1983	713.96	56.68	461.70	195.58	4,291.74
1984	356.98	28.34	230.85	97.79	4,389.53
1985	356.98	28.34	230.85	97.79	4,487.32
1986	713.96	56.68	461.70	195.58	4,682.90
1987	356.98	28.34	230.85	97.79	4,780.69
1988	713.96	56.68	461.70	195.58	4,976.27
1989	356.98	28.34	230.85	97.79	5,074.06
1990	713.96	56.68	461.70	195.58	5,269.64
1991	356.98	28.34	230.85	97.79	5,367.43
1992	356.98	28.34	230.85	97.79	5,465.22
1993	713.96	56.68	461.70	195.58	5,660.80
1994	356.98	28.34	230.85	97.79	5,758.59
1995	713.96	56.68	461.70	195.58	5,954.17
1996	356.98	28.34	230.85	97.79	6,051.96
1997			692.55	(692.55)	5,359.41
1998			91.52	(91.52)	5,267.89

* 2.6 percent.

^b 1.9 percent except for (e) which is 2.6 percent.

[F. R. Doc. 57-9567; Filed, Nov. 18, 1957; 8:53 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 8641]

FLYING TIGER LINE, INC.; ENFORCEMENT
PROCEEDING

NOTICE OF HEARING

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, that a hearing in the above-entitled proceeding is assigned to be held on December 2, 1957, at 10:00 a. m., e. s. t., in Room 1064, Temporary Building No. 5, 16th Street and Constitution Avenue NW., Washington, D. C., before Examiner Richard A. Walsh.

Dated at Washington, D. C., November 13, 1957.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 57-9579; Filed, Nov. 18, 1957; 8:56 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 11982, etc.; FCC 57M-1117]

ENTERPRISE BROADCASTING CO. ET AL.

ORDER SCHEDULING FURTHER PREHEARING
CONFERENCE

In re application of Enterprise Broadcasting Company, Fresno, California; Docket No. 11982, File No. BP-10319; Air Waves Incorporated (KONG), Visalia, California; Docket No. 11983, File No. BP-10432; Radio Dinuba Company (KRDU), Dinuba, California; Docket No. 11984, File No. BP-10735; for construction permits.

It is ordered, This 12th day of November 1957, that a further prehearing conference in the above-entitled matter will be held at 10:00 a. m., December 12, 1957, in the offices of the Commission at Washington, D. C.

Released: November 13, 1957.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] MARY JANE MORRIS,
Secretary.

[F. R. Doc. 57-9549; Filed, Nov. 18, 1957; 8:50 a. m.]

[Docket No. 12098 etc.; FCC 57M-1116]

MOUNTAIN VIEW BROADCASTING CO. ET AL.

ORDER CONTINUING HEARING

In re applications of Mountain View Broadcasting Company, Jonesboro, Tennessee; Docket No. 12098, File No. BP-10900; Eugene Slatkin and Boyce H. Hanna, d/b as Cleveland County Broadcasting Company, Shelby, North Carolina; Docket No. 12099, File No. BP-11062; L. C. Young, tr/as Scott County Broadcasting Co., Gate City, Virginia; Docket No. 12100, File No. BP-11082; Daniel Gabriel and Arnold H. Johnson d/b as Lee County Broadcasting Company, Pennington Gap, Virginia; Docket No. 12101, File No. BP-11141; for construction permits.

Upon oral motion made by counsel for Cleveland County Broadcasting Company, on November 12, 1957, with the agreement of all other counsel in the above-entitled proceeding, and for good cause shown, the hearing presently scheduled for November 13, 1957, at 9:15 a. m., be and the same is hereby continued to November 22, 1957, at 10 o'clock a. m.

Dated this 12th day of November 1957.

Released: November 13, 1957.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] MARY JANE MORRIS, Secretary.

[F. R. Doc. 57-9550; Filed, Nov. 18, 1957; 8:50 a. m.]

[Docket Nos. 12124, 12125; FCC 57M-1121]

GEOFFREY A. LAPPING AND PHOENIX BROADCASTING CO.

ORDER CONTINUING HEARING

In re applications of Geoffrey A. Lapping, Phoenix, Arizona; Docket No. 12124, File No. BP-10963; Harold Lampel and Dawkins Espy d/b as Phoenix Broadcasting Company, Phoenix, Arizona; Docket No. 12125, File No. BP-10964; for construction permits.

It is ordered, This 13th day of November 1957, on the Hearing Examiner's own motion, that hearing in this proceeding, now tentatively scheduled for December 2, 1957, be, and the same is hereby, continued to December 4, 1957, at the Commission's offices in Washington, D. C., at 10 o'clock a. m.

Released: November 14, 1957.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] MARY JANE MORRIS, Secretary.

[F. R. Doc. 57-9551; Filed, Nov. 18, 1957; 8:50 a. m.]

[Docket No. 12196 etc.; FCC 57M-1120]

RADIO VOICE OF NEW HAMPSHIRE, INC. (WMUR-TV) ET AL.

ORDER SCHEDULING PREHEARING CONFERENCE

In re application of The Radio Voice of New Hampshire, Inc. (WMUR-TV), Manchester, New Hampshire; Docket No. 12196, File No. BRCT-130; for renewal of license. In re application of The Radio Voice of New Hampshire, Inc. (WMUR-TV), Manchester, New Hampshire; Docket No. 12197, File No. BLCT-488; for license to cover construction permit. In re application of Television for New Hampshire, Inc., Manchester, New Hampshire; Docket No. 12198, File No. BPCT-2290; for construction permit for a television broadcast station.

It is ordered, This 13th day of November 1957, that all parties, or their counsel, in the above-entitled proceeding are directed to appear for a pre-hearing conference pursuant to the provisions of Section 1.813 of the Commission's

rules, at the offices of the Commission in Washington, D. C., at 2 o'clock p. m., November 27, 1957.

Released: November 14, 1957.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] MARY JANE MORRIS, Secretary.

[F. R. Doc. 57-9552; Filed, Nov. 18, 1957; 8:51 a. m.]

[Docket Nos. 12235, 12236; FCC 57M-1119]

LOUISIANA PURCHASE CO. AND SIGNAL HILL TELECASTING CORP.

NOTICE OF PREHEARING CONFERENCE

In re applications of Louisiana Purchase Company, St. Louis, Missouri; Docket No. 12235, File No. BPCT-2295; for construction permit for a new television broadcast station. Signal Hill Telecasting Corporation, St. Louis, Missouri; Docket No. 12236, File No. BMPCT-4615; for modification of construction permit.

A prehearing conference will be held Wednesday, December 4, 1957, at 10:00 a. m., in the offices of the Commission, Washington, D. C.

Dated: November 13, 1957.

Released: November 14, 1957.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] MARY JANE MORRIS, Secretary.

[F. R. Doc. 57-9553; Filed, Nov. 18, 1957; 8:51 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-9873, etc.]

SUPERIOR OIL CO. ET AL.

NOTICE OF APPLICATIONS AND DATE OF HEARING

NOVEMBER 13, 1957.

In the matters of The Superior Oil Company, Docket No. G-9873; Natural Gas Pipeline Company of America, Docket No. G-10197; Texoma Production Company, Docket No. G-10198; Sohio Petroleum Company, Docket No. G-10274; Stanolind Oil and Gas Company (now Pan American Petroleum Corporation), Docket No. G-10301; United Producing Company, Inc., Docket No. G-10606.

Take notice that there has been filed with the Federal Power Commission applications for certificates of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of certain facilities necessary for receiving and transporting natural gas in interstate commerce for resale and for the sale of natural gas in interstate commerce, as hereinafter described, subject to the jurisdiction of the Commission, all as more fully described in the respective applications, which are on file with the Commission and open to public inspection.

On April 3, 1956, Texoma Production Company (Texoma), an independent

producer, filed an application in docket No. G-10198 for a certificate authorizing the sale of natural gas to Natural Gas Pipeline Company of America (Natural Gas Pipeline) from its well (State School Land No. 1) located in Sec. 5-T4N-R23ECM, Beaver County, Oklahoma, pursuant to a gas sales contract dated February 3, 1956.

On January 16, April 16, and April 23, 1956, Superior Oil Company (Superior), Sohio Petroleum Company (Sohio), and Stanolind Oil and Gas Company, now Pan American Petroleum Corporation (Pan American), independent producers, filed in docket Nos. G-9873, G-10274, and G-10301, respectively, their applications for certificates authorizing the sale of natural gas to Natural Gas Pipeline from production from their respective interests in the McFarland Gas Unit No. 1, located in NW/4 of Sec. 33-T5N-R23 ECM, Beaver County, Oklahoma. Both Superior's and Sohio's contracts are dated December 1, 1955. Pan American's contract with Natural Gas Pipeline is dated January 27, 1956.

United Producing Company, Inc. (United Producing), an independent producer, filed its application on June 18, 1956, in docket No. G-10606, for a certificate authorizing the sale of natural gas to Natural Gas Pipeline from its production from Sec. 22 T5N, R23ECM, Beaver County, Oklahoma, under a gas sales contract dated December 1, 1955, as ratified January 31, 1956.

Natural Gas Pipeline, having its principal place of business in Chicago, Illinois, filed its application on April 3, 1956, in docket No. G-10197, for a certificate authorizing the construction and operation of approximately 7,500 feet of 4-inch supply lateral pipeline extending from a proposed main line tap on its existing main transmission line in Beaver County, Oklahoma, to a meter station to be located in Sec. 5-T4N-R23ECM, Beaver County, Oklahoma. The proposed facilities will be used to receive and transport the natural gas which is the subject of these consolidated proceedings, as well as other production in the area.

The estimated total cost of the proposed facilities of Natural Gas Pipeline is \$53,000, which will be financed from company funds.

These related matters should be heard on a consolidated record and 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 December 16, 1957, at 9:30 a. m., e. 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: *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 Applicants 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 December 1, 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. 57-9554; Filed, Nov. 18, 1957;
8:51 a. m.]

[Docket Nos. G-10260, G-10531]

PACIFIC NORTHWEST PIPELINE CORP. AND
UNION PACIFIC RAILROAD CO.

NOTICE OF APPLICATIONS AND DATE OF
HEARING

NOVEMBER 13, 1957.

In the matters of Pacific Northwest Pipeline Corporation, Docket No. G-10260; Union Pacific Railroad Company, Docket No. G-10531.

Take notice that Pacific Northwest Pipeline Corporation (Pacific), a Delaware corporation with its principal place of business in Salt Lake City, Utah, and Union Pacific Railroad Company (Union), an independent producer, filed applications for certificates of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of certain facilities for receiving and transporting natural gas and for the sale of natural gas, as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the respective applications which are on file with the Commission and open to public inspection.

On April 13, 1956, Pacific filed in Docket No. G-10260 an application for a certificate of public convenience and necessity authorizing the construction and operation of approximately 1.12 miles of 6-inch lateral supply pipeline to extend from a point on Pacific's existing 26-inch main transmission line in Rio Blanco County, Colorado, to a point of connection at the outlet of the existing Rangely Gasoline Plant in the Rangely Field, Rio Blanco County, Colorado, together with a 220 horsepower compressor station and necessary appurtenances. These proposed facilities will enable Pacific to buy and receive residue gas at the outlet of the existing Rangely Gasoline Plant produced by Union.

The estimated total cost of the proposed facilities is \$156,792, which cost is to be financed from available funds.

On June 7, 1956, Union filed in Docket No. G-10531 an application for a certificate of public convenience and necessity covering the aforesaid sale of gas to Pacific to be made pursuant to a gas sales contract dated April 25, 1955, between Pacific and Union.

These related matters should be heard on a consolidated record and 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 December 17, 1957 at 9:30 a. m., e. 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: *Provided, however*, That the Commission may, after a noncontested 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 Applicants 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 December 1, 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. 57-9555; Filed, Nov. 18, 1957;
8:51 a. m.]

[Docket Nos. G-10422, G-10466, G-10467]

MISSISSIPPI RIVER FUEL CORP.

NOTICE OF APPLICATIONS AND DATE OF
HEARING

NOVEMBER 13, 1957.

Take notice that Mississippi River Fuel Corporation (Applicant), a Delaware corporation with its principal place of business in St. Louis, Missouri, filed applications in the above-designated proceedings, pursuant to section 7 of the Natural Gas Act, for authority to render natural gas service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the respective applications, which are on file with the Commission and open to public inspection.

In docket No. G-10422, filed on May 17, 1956, Applicant proposes to sell Natural gas in interstate commerce to Texas Eastern Transmission Corporation for resale, under a contract dated April 12, 1956, covering certain acreage in the Bethany-Longstreet Field Area, De Soto Parish, Louisiana.

Applicant, in docket No. G-10466, filed on May 24, 1956, seeks authority to sell natural gas in interstate commerce to Tennessee Gas Transmission Company for resale under a contract dated April 2, 1956, covering acreage in the La Rosa Field, Lafourche Parish, Louisiana.

In docket No. G-10467, filed on May 24, 1956, Applicant seeks authority to sell natural gas in interstate commerce to Tennessee Gas Transmission Company for resale under a contract dated January 4, 1956, covering certain acreage in the Little Lake Field, Jefferson Parish, Louisiana.

These related matters should be heard on a consolidated record and 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 December 16, 1957, at 9:30 a. m., e. 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: *Provided, however*, That the Commission may, after a noncontested 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 December 1, 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. 57-9556; Filed, Nov. 18, 1957;
8:51 a. m.]

[Docket Nos. G-13289, G-3646]

TEXAS CO.

NOTICE OF APPLICATION AND DATE OF
HEARING

NOVEMBER 13, 1957.

Take notice that on September 18, 1957, The Texas Company (Applicant), a Delaware corporation, having its principal place of business in Houston, Texas, filed an application for a certificate of public convenience and necessity in Docket No. G-13289 for authorization to sell natural gas to United Fuel Gas Company (United), pursuant to section 7 of the Natural Gas Act, as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open to public inspection.

Applicant proposes to sell natural gas to United from its interest in the so-called "6300 foot sand" in the Erath Field, Vermilion Parish, Louisiana, pursuant to a letter agreement dated July 5, 1957, which dedicates natural gas pro-

duced from such sand to a basic sales contract between the two parties dated September 10, 1952. Applicant was previously authorized in Docket No. G-3646 to sell gas under the aforesaid basic contract of September 10, 1952, covering its interest in the Erath Field.¹ The gas from the 6300 foot sand will be delivered by Applicant at a point specified in the basic Erath contract or at some other mutually agreeable site in the subject field into the facilities of Gulf Interstate Gas Company (Gulf). Gulf will transport such gas for the account of United and deliver same into United's facilities at points in Kentucky. Gulf's facilities were authorized in Docket No. G-2058.

The letter agreement with United, dated July 5, 1957, increases the daily contract quantity specified in the basic contract, and dedicates to the increased contract quantity reserves in a new sand (6300 feet) in the Erath Field, Vermillion Parish, Louisiana. Applicant proposes to deliver the additional contract quantity under the terms and conditions of the original contract. It appears that the letter agreement of July 5, 1957, provides for the sale of additional gas by Applicant to United from reserves in a different geological sand in the Erath Field and amounts to an increase in volumetric obligation covered under Applicant's existing rate schedule.

This proposed amendment to the certificate issued to Applicant in Docket No. G-3646 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 December 11, 1957; at 9:30 a. m., e. 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) 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 December 5, 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. 57-9557; Filed, Nov. 18, 1957; 8:51 a. m.]

¹ A unit created by a Unit Operating Agreement of June 1, 1942.

[Docket No. G-13664]

SUN OIL Co.

ORDER FOR HEARING AND SUSPENDING
PROPOSED CHANGES IN RATES

NOVEMBER 8, 1957.

Sun Oil Company (Sun) on October 10, 1957, filed a request for reconsideration of the Commission's action of September 13, 1957, rejecting Sun's application for a certificate of public convenience and necessity in Docket No. G-13059 and rejecting Sun's filing of its contract, dated August 1, 1957, providing for sales to Southern Natural Gas Company (Southern Natural) of natural gas produced from Gwinville Field, Jefferson Davis County, Mississippi, at a proposed rate of 20¢ per Mcf, which it submitted as an initial rate schedule. By separate order issued concurrently herewith we have denied such motion for reconsideration.

As an alternative to the motion for reconsideration, Sun tendered the above-mentioned contract of August 1, 1957, as a proposed change in rate, with a notice of the change¹ which have been designated as Supplements Nos. 3 and 4 to Sun's FPC Gas Rate Schedule No. 55.

In support of the proposed increased rates of 20¢ per Mcf, Sun states the price was determined by bargaining at arm's length and constitutes an integral part of the contract consideration. Sun further states the price does not exceed the market price, market value, or commodity value of gas in the area and is just and reasonable, particularly in view of the long term of the contract and the nature and location of the gas reserves.

The increased rates and charges tendered by Sun have not been shown by Sun to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: 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 said proposed change and that the supplements above described be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary, concerning the lawfulness of the proposed increased rates and charges.

(B) Pending such hearing and decision thereon, said supplements be and they are hereby suspended and the use thereof deferred until April 10, 1958, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplements hereby suspended, nor the rate schedule sought

¹ Notice of Change dated October 9, 1957, filed October 10, 1957.

to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Interested State commissions may participate as provided in §§ 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 (Commissioner Digby dissenting).

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57-9558; Filed, Nov. 18, 1957; 8:52 a. m.]

[Docket No. G-13675]

L. A. DOUGLAS ET AL.

ORDER FOR HEARING AND SUSPENDING
PROPOSED CHANGE IN RATES

NOVEMBER 13, 1957.

L. A. Douglas (Operator), et al. (Douglas), on October 14, 1957, tendered for filing a proposed change in his presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, dated October 10, 1957.

Purchaser: Texas Eastern Transmission Corporation.

Rate schedule designation: Supplement No. 3 to Douglas' FPC Gas Rate Schedule No. 1

Effective date: November 14, 1957 (effective date is the first day after expiration of the required 30 days' notice).

In support of the proposed periodic rate increase, Douglas states that the proposed rate is a matter of contractual obligation resulting from bona fide arm's-length negotiation in a competitive market, and it would be unfair and confiscatory not to approve the rate and at the same time require him to deliver gas without the increase since it would have the effect of depriving him of his property without due process of law. Douglas also states that the prices in the contract are an integral part and constitute a single, indivisible rate and to grant the increase would not adversely affect the competition of gas with other fuels.

The increased rate and charge so proposed has not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: 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 said proposed change, and that Supplement No. 3 to Douglas' FPC Gas Rate Schedule No. 1 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18

CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 3 to Douglas' FPC Gas Rate Schedule No. 1.

(B) Pending such hearing and decision thereon, said supplement be and it is hereby suspended and the use thereof deferred until April 14, 1958, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) 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 (Commissioners Digby and Kline dissenting).

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57-9559; Filed, Nov. 18, 1957;
8:52 a. m.]

[Docket No. G-9138]

NEW YORK STATE NATURAL GAS CORP.

NOTICE OF APPLICATION AND DATE OF
HEARING

NOVEMBER 13, 1957.

Take notice that New York State Natural Gas Corporation (Applicant), a New York corporation with its principal place of business in Pittsburgh, Pennsylvania, filed an application on July 15, 1955, as supplemented on August 10, 1955, pursuant to section 7 of the Natural Gas Act, for a certificate of public convenience and necessity authorizing the construction and operation of certain natural gas facilities, as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application, as supplemented, which is on file with the Commission and open to public inspection.

Applicant seeks authorization for the replacement of 56.5 miles of 20-inch natural gas transmission line with 30-inch pipeline in Tioga County, Pennsylvania, and Steuben, Chemung, Tompkins, and Schuyler Counties, New York; and the addition of a 2,000 horsepower compressor engine to its Boom Compressor Station in Tioga County, Pennsylvania. The pipeline involved herein extends from Boom Station north to Ithaca.

Applicant states that at present it operates two 20-inch looped natural gas transmission lines, line 1 and line 31, between Boom Compressor Station, Tioga County, Pennsylvania, and Ithaca Compressor Station, Tompkins County, New York, serving principally Syracuse and markets on route. New York Natural proposed to replace line 1 with 30-inch pipe between these stations, a total distance of 56.5 miles. Line 1 has been in

continuous service since 1932 and will not sustain high pressures. Applicant proposes immediate replacement of the first 12 miles of this line north of Boom Station, and subsequent replacement of the remainder of the line to Ithaca Station in increments of 17 miles, 14.6 miles, and 12.9 miles during 1956, 1957, and 1958, respectively. New York Natural also plans immediate installation of a 2,000 horsepower engine in the Boom Compressor Station. Boom Station presently discharges gas into lines 1 and 31, which gas is drawn from the southern portion of the system and from the Tioga Gas Storage Pool, at which it is located.

Lines 1 and 31 transport gas for delivery to various resale utility customers, including New York State Electric and Gas Corporation and Niagara Mohawk Power Corporation, distributing gas in various New York State communities, including Ithaca, Syracuse, Schenectady, and Albany. Anticipated peak day deliveries from Boom Station through Applicant's lines 1 and 31 (with the replacement) are estimated to be 401,000 Mcf in 1956 and 502,000 Mcf in 1959, and a maximum potential delivery of 683,000 Mcf per day.

The application states that the existing facilities fail by 17,000 Mcf per day in capacity to meet these estimated peak day demands in 1956 and lack about 118,000 Mcf per day in capacity to meet the estimated peak day demands in 1959, which increased demand is due primarily to the growth of domestic house-heating load in the area served by its wholesale customers.

Total cost of the proposal is estimated at \$7,002,800, including \$433,000 for purchase and installation of the 2,000 horsepower engine in Boom Station. Expenditures are scheduled as follows:

1955 (including compressor) ----	\$1,823,000
1956 -----	1,978,800
1957 -----	1,699,400
1958 -----	1,501,600
	<hr/>
	7,002,800

Applicant will finance the program in part from available funds and in part from notes or stock issued to its parent company, Consolidated Natural Gas Company.

Applicant states the proposed construction will be used to supply natural gas to existing customers under present service agreements and that annual gas revenues will not be increased by the proposed construction except as generally related to the system.

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 December 17, 1957 at 9:30 a. m., e. 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 December 1, 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. 57-9560; Filed, Nov. 18, 1957;
8:52 a. m.]

[Docket No. G-9649]

CITIES SERVICE GAS CO.

NOTICE OF APPLICATION AND DATE OF
HEARING

NOVEMBER 13, 1957.

Take notice that Cities Service Gas Company (Applicant), a Delaware corporation with its principal place of business in Oklahoma City, Oklahoma, filed an application on November 14, 1955, as amended on December 27, 1955, pursuant to section 7 of the Natural Gas Act, for a certificate of public convenience and necessity, authorizing the construction and operation of natural gas facilities, as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application, which is on file with the Commission and open to public inspection.

Applicant, by its amended application, seeks authority to construct and operate 6.5 to 6.7 miles of 6-inch pipeline to receive and transport natural gas in interstate commerce produced in the Glenwood Field, Beaver County, Oklahoma.

The natural gas to be transported will be purchased from Orville H. Parker, et al., and J. M. Huber Corporation, which sales have been previously authorized in Docket Nos. G-9655 and G-9871, respectively, by the Commission's order issued May 21, 1956.

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 December 16, 1957, at 9:30 a. m., e. 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 December 1, 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. 57-9561; Filed, Nov. 18, 1957;
8:52 a. m.]

GULF OIL CORP. AND MICHIGAN WISCONSIN
PIPE LINE CO.

NOTICE OF APPLICATIONS AND DATE OF
HEARING

NOVEMBER 13, 1957.

In the matters of Gulf Oil Corporation, Operator, Docket No. G-9991; Michigan Wisconsin Pipe Line Company, Docket No. G-9992.

Take notice that Michigan Wisconsin Pipe Line Company (Michigan Wisconsin), a Delaware corporation with its principal place of business in Detroit, Michigan, and Gulf Oil Corporation, Operator (Gulf), an independent producer, filed separate applications, pursuant to section 7 of the Natural Gas Act, for certificates of public convenience and necessity authorizing the construction and operation of certain facilities necessary for receiving and transporting natural gas in interstate commerce for resale and for the sale of natural gas as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the respective applications, which are on file with the Commission and open to public inspection.

On February 23, 1956, Michigan Wisconsin filed in docket No. G-9992 an application for a certificate authorizing the construction and operation of approximately 8.0 miles of 8 $\frac{1}{2}$ inch O. D. supply lateral together with metering and dehydration facilities extending from the Nichols Field, Kiowa County, Kansas, to its existing Compressor Station No. 2 on its 24-inch main transmission line in Kiowa County, Kansas. In addition, Michigan Wisconsin proposes to construct and operate approximately 5.6 miles of field lines in the Nichols Field, Kiowa County, Kansas, varying in size from 2 $\frac{3}{4}$ inch to 8 $\frac{1}{2}$ inch O. D., together with metering facilities. These proposed facilities will receive gas from Gulf produced in the Nichols Field. The estimated total cost of all proposed facilities is \$349,467. The cost is to be financed from company funds.

On February 23, 1956, Gulf filed an application in docket No. G-9991 for a certificate authorizing the sale of natural gas in interstate commerce to Michigan Wisconsin for resale from production in the Nichols Field, Kiowa County, Kansas, under a contract dated January 17, 1956, between Gulf and Michigan Wisconsin.

These related matters should be heard on a consolidated record and 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 December 16, 1957, at 9:30 a. m., e. 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: *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 Applicants 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 December 1, 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. 57-9562; Filed, Nov. 18, 1957;
8:52 a. m.]

[Docket Nos. 10380, 10421]

EDWIN M. JONES OIL CO. ET AL. AND
UNITED GAS PIPE LINE CO.

NOTICE OF APPLICATIONS AND DATE OF
HEARING

NOVEMBER 13, 1957.

In the matters of Henrietta Yerger Jones, d/b/a Edwin M. Jones Oil Company, et al., Docket No. G-10380; United Gas Pipe Line Company, Docket No. G-10421.

Take notice that Henrietta Yerger Jones, d/b/a Edwin M. Jones Oil Company, et al.¹ (Jones, et al.) and United

¹ "Et al." includes Nancy Lewis Welsh joined pro forma by her husband, James R. Welsh, Van Lewis, W. Earl Rowe, Preston G. Northrup, Field M. Davis, Joe W. Bates, M. E. Forney, Charles J. Worrell, and Robert N. Throop; all of whom are signatory parties, together with Henrietta Yerger Jones, d/b/a Edwin M. Jones Oil Co., to sales contract involved.

Gas Pipe Line Company (United) filed applications, pursuant to section 7 of the Natural Gas Act, for certificates of public convenience and necessity authorizing the sale of natural gas and the construction and operation of natural gas facilities, as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the respective applications, which are on file with the Commission and open to public inspection.

On May 17, 1956, United filed in docket No. G-10421 an application for a certificate of public convenience and necessity authorizing the construction and operation of a purchase meter with appurtenant facilities to be installed on United's existing 20-inch transmission line in Karnes County, Texas, in order to receive gas produced by Jones, et al., in the North Hondo Creek Field, Karnes County, Texas. The estimated total cost of \$3,200 is to be financed from company funds.

On May 10, 1956, Jones, et al., filed in docket No. G-10380 an application for a certificate of public convenience and necessity covering its sale of gas from the North Hondo Creek Field to be made pursuant to a contract dated March 12, 1956, as supplemented April 13, 1956, between United and Jones, et al.

These related matters should be heard on a consolidated record and 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 December 16, 1957, at 9:30 a. m., e. 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: *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 Applicants 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 December 1, 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. 57-9563; Filed, Nov. 18, 1957;
8:53 a. m.]

[Docket No. G-11529]

HOME GAS CO.

NOTICE OF APPLICATION AND DATE OF HEARING

NOVEMBER 13, 1957.

Take notice that on November 26, 1956, Home Gas Company (Applicant) a New York corporation and a subsidiary of The Columbia Gas System, Inc., having its principal place of business at 800 Union Trust Building, Pittsburgh, Pennsylvania, filed an application, pursuant to section 7 of the Natural Gas Act, for a certificate of public convenience and necessity authorizing it to construct and operate 2.7 miles of 6-inch pipeline within the Town of Owego, Tioga County, New York to replace an existing 3-inch and 4-inch line for the sale and delivery of gas to New York State Electric and Gas Corporation (New York Electric) for resale in the Village of Owego and vicinity. In connection therewith, Applicant requests permission, under section 7 (b) of the Natural Gas Act, to abandon the existing 3-inch and 4-inch line, which it proposes to replace.

The estimated gas requirements of the Owego area of New York Electric are as follows:

Year	1955	1956	1957	1958
Peak day.....	Mcf. 1,424	Mcf. 1,700	Mcf. 1,700	Mcf. 1,700
Annual.....	Mcf. 179,653	Mcf. 193,761	Mcf. 204,900	Mcf. 216,400

The estimated cost of the proposed construction is \$66,000. It is estimated that by reason of the retirement of 2.57 miles of 3-inch and 4-inch line there will be a credit to fixed capital of \$9,800; that the cost of retirement will be \$100, and that there will be salvage amounting to \$100. The proposed construction will be financed by The Columbia Gas System, Inc.

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 December 12, 1957, at 9:30 a. m., e. 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

December 2, 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. 57-9564; Filed, Nov. 18, 1957;
8:53 a. m.]

[Docket No. G-13676]

MAGNOLIA PETROLEUM CO.

ORDER FOR HEARING AND SUSPENDING PROPOSED CHANGE IN RATES

NOVEMBER 13, 1957.

Magnolia Petroleum Company (Magnolia), on October 15, 1957, tendered for filing a proposed change in its presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission.¹ The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, undated. Purchaser: Texas Eastern Transmission Corporation.

Rate schedule designation: Supplement No. 7 to Magnolia's FPC Gas Rate Schedule No. 43.

Effective date: November 15, 1957 (effective date is the first day after expiration of the required thirty days' notice).

In support of the proposed periodic rate increase, Magnolia states arm's-length bargaining resulted in an installment price schedule for the long term of the contract; denial of the increase would be confiscatory, and increasing costs of exploration, production, and processing of natural gas requires additional revenue.

The increased rate and charge so proposed has not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: 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 said proposed change, and that Supplement No. 7 to Magnolia's FPC Gas Rate Schedule No. 43 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 7 to Magnolia's FPC Gas Rate Schedule No. 43.

(B) Pending such hearing and decision thereon, said supplement be and

¹ Present rate previously suspended and is in effect subject to refund in Docket No. G-12210.

it is hereby suspended and the use thereof deferred until April 15, 1958, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) 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 (Commissioners Digby and Kline dissenting).

[SEAL] JOSEPH H. GUTRIDE,
Secretary.[F. R. Doc. 57-9565; Filed, Nov. 18, 1957;
8:53 a. m.]

[Docket No. G-13677]

PAN AMERICAN PETROLEUM CORP.

ORDER FOR HEARING AND SUSPENDING PROPOSED CHANGE IN RATES

NOVEMBER 13, 1957.

Pan American Petroleum Corporation (Pan American), on October 15, 1957, tendered for filing a proposed change in its presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, dated October 14, 1957.

Purchaser: United Gas Pipe Line Company. Rate schedule designation: Supplement No. 7 to Pan American's FPC Gas Rate Schedule No. 79.

Effective date: November 15, 1957 (effective date is the first day after expiration of the required thirty days' notice).

In support of the proposed redetermined rate increase, Pan American states that the proposed rate is a matter of contractual obligation resulting from bona-fide arm's-length negotiation in a competitive market, and it would be unfair and confiscatory not to approve the rate and at the same time require it to deliver gas without the increase since it would have the effect of depriving it of its property without due process of law. Pan American also states that the prices in the contract are an integral part and constitute a single, indivisible rate and to grant the increase would not adversely affect the competition of gas with other fuels. Pan American submitted a copy of a letter agreement with United Gas Pipe Line Company providing for the redetermined rate.

The increased rate and charge so proposed has not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: 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 Com-

mission enter upon a hearing concerning the lawfulness of the said proposed change, and that Supplement No. 7 to Pan American's FPC Gas Rate Schedule No. 79 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 7 to Pan American's FPC Gas Rate Schedule No. 79.

(B) Pending such hearing and decision thereon, said supplement be and it is hereby suspended and the use thereof deferred until April 15, 1958, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) 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. 57-9566; Filed, Nov. 18, 1957;
8:53 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 811-670]

SPRINGFIELD SECURITIES CORP.

NOTICE OF FILING OF APPLICATION FOR ORDER
DECLARING THAT COMPANY HAS CEASED TO
BE AN INVESTMENT COMPANY

NOVEMBER 13, 1957.

Notice is hereby given that Springfield Securities Corporation ("Springfield") a corporation organized under the laws of the State of Massachusetts on January 23, 1945, and which is registered under the Investment Company Act of 1940 ("act") as a closed-end non-diversified investment company, has filed an application pursuant to section 8 (f) of the act for an order of the Commission declaring that Springfield has ceased to be an investment company.

The application recites that the outstanding securities of Springfield consist of three shares of common voting stock, all of a single class and owned by one person. Springfield has no assets other than the \$30.00 paid in respect of the three common shares outstanding, and has no liabilities. The company has not made, is not now making and does not presently propose to make a public offering of its securities. Springfield has no plans for liquidation, but it does not

presently intend to transact any business.

Section 8 (f) of the act provides, in pertinent part, that whenever the Commission upon application finds that a registered investment company has ceased to be an investment company it shall so declare by order and upon the taking effect of such order the registration of such company shall cease to be in effect.

Notice is further given that any interested person may, not later than November 27, 1957, at 5:30 p. m., submit to the Commission in writing any facts bearing upon the desirability of a hearing on the matter and may request that a hearing be held, such request stating the nature of his interest, the reason 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 application may be granted as provided in Rule N-5 of the rules and regulations promulgated under the act.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 57-9527; Filed, Nov. 18, 1957;
8:47 a. m.]

[File No. 70-3619]

BROCKTON EDISON CO.

NOTICE OF FILING OF AMENDED APPLICATION-
DECLARATION REGARDING REQUEST FOR
EXEMPTION FROM COMPETITIVE BIDDING
OF PROPOSED SALE OF PREFERRED STOCK

NOVEMBER 12, 1957.

Notice is hereby given that Brockton Edison Company ("Brockton"), an exempt holding company and a public utility subsidiary of Eastern Utilities Associates ("EUA"), a registered holding company, has filed an amended application-declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("act") and the rules and regulations promulgated thereunder, designating sections 6 (a) and 7 and Rule U-50 (a) (5) as applicable to the proposed transactions, in respect of an exemption from the competitive bidding requirements of Rule U-50 of the proposed issue and sale of 30,000 shares of preferred stock.

All interested persons are referred to the amended application-declaration on file in the offices of the Commission for a statement of the transactions therein proposed, which are summarized as follows:

By order issued October 16, 1957, the Commission approved a proposal by Brockton to issue and sell, pursuant to the competitive bidding requirements of Rule U-50, 30,000 shares of an initial series of \$100 par value cumulative preferred stock. Pursuant to said order, Brockton publicly invited bids to be submitted on October 23, 1957. Two groups qualified, but no bids were received.

Subsequently the Commission, upon the request of Brockton, informally authorized the company to negotiate with underwriters either for a public offering or a private placement of its preferred stock. Pursuant to said authorization Brockton entered into discussions with eight investment houses with the result that two of said firms evidenced no interest in the matter and two were interested only in a private placement. Upon further authorization by the Commission, Brockton entered into negotiations with the four remaining investment houses for a public offering of Brockton's preferred stock, subject to the condition that any proposal resulting from such negotiations be submitted to the Commission for approval.

After consideration of the terms indicated by each of the underwriters with which negotiations were undertaken, the company has determined that the offer submitted by Kuhn, Loeb & Co. provided the best basis for negotiation. The offer submitted by Kuhn, Loeb & Co. indicated that the preferred stock could be sold to the public at par to yield 6 percent, and that the underwriting compensation might vary from a maximum of 2½ percent of the gross amount of the issue to a minimum of 1⅞ percent resulting in a cost of money to the company of between 6.138 percent and 6.115 percent.

Brockton proposes to negotiate a definitive agreement with Kuhn, Loeb & Co. for the underwriting and public sale of the 30,000 shares of preferred stock.

Notice is further given that any interested person may not later than November 27, 1957 request in writing that a hearing be held on such matter stating the nature of his interest, the reasons for such request, the issues of fact or law raised by said filing which he desires to controvert, or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after said date, the amended application-declaration as filed or as it may hereafter be amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act of the Commission may grant exemption from its rules as provided in Rules U-20 (a) and U-100 or take such other action as it may deem appropriate.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 57-9528; Filed, Nov. 18, 1957;
8:47 a. m.]

[File No. 70-3633]

SUBURBAN ELECTRIC CO.

NOTICE OF FILING OF APPLICATION REGARDING
ISSUANCE AND SALE AT COMPETITIVE
BIDDING OF BONDS

NOVEMBER 13, 1957.

Notice is hereby given that Suburban Electric Company ("Suburban"), a pub-

the utility subsidiary of New England Electric System ("NEES"), a registered holding company, has filed an application with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("act"), designating section 6 (b) of the act and Rules U-50 and U-42 (b) (2) promulgated thereunder as applicable to the proposed transactions.

All interested persons are referred to said application on file in the offices of the Commission for a statement of the proposed transactions which are summarized as follows:

Suburban proposes to issue and sell, pursuant to the competitive bidding requirements of Rule U-50, \$4,500,000 principal amount of First Mortgage Bonds ("New Bonds"), Series B, -- percent, to be dated December 1, 1957, and to mature December 1, 1987. The interest rate on the New Bonds (which shall be a multiple of $\frac{1}{8}$ of 1 percent) and the price, exclusive of accrued interest, to be paid to Suburban (which shall not be less than 100 percent nor more than 102 $\frac{3}{4}$ percent of the principal amount thereof) will be determined by the competitive bidding.

The New Bonds are proposed to be issued under Suburban's First Mortgage Indenture and Deed of Trust dated as of March 1, 1954, to the Old Colony Trust Company, Trustee, as proposed to be supplemented by a First Supplemental Indenture to be dated as of December 1, 1957.

The proceeds from the sale of the New Bonds, exclusive of accrued interest, will be applied to the payment of \$4,500,000 of short-term note indebtedness incurred for capitalizable expenditures.

The application states that the Massachusetts Department of Public Utilities has jurisdiction over the proposed issue and sale of securities by Suburban and that an application has been made for approval of the proposed issue and sale and the use of the proceeds therefrom. The application also states that no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

If the interest rate on the New Bonds exceeds 6 percent per annum, or such other maximum as may be stated in the order of the Massachusetts Department of Public Utilities, a further order of that Department will be necessary before a sale of the New Bonds may be consummated.

The fees and expenses to be incurred by Suburban in connection with the above transactions are estimated at \$45,000, including services of Lybrand, Ross Bros. & Montgomery, accountants, \$2,000, and \$18,000 payable to New England Power Service Company, an affiliated service company, consisting of \$10,000 for legal services, \$7,000 for accounting services, and \$1,000 for miscellaneous services. The fee and expenses of counsel for the purchasers are to be paid by the successful bidders and will be supplied by amendment.

Notice is further given that any interested person may, not later than November 27, 1957, at 5:30 p. m., request the Commission in writing that hearing be held on such matters, stating the nature of his interest, the reasons for such re-

quest, and the issues of fact or law raised by said filing which he desires to controvert, or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after said date, the application, as filed or as it may hereafter be amended, may be granted, as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may grant exemption from its rules as provided in Rules U-20 (a) and U-100 or take such other action as it may deem appropriate.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 57-9529; Filed, Nov. 18, 1957;
8:47 a. m.]

[File. No. 24FW-1115]

UNIVERSAL OIL RECOVERY CORP.

ORDER TEMPORARILY SUSPENDING EXEMPTION, STATEMENT OF REASONS THEREFOR, AND NOTICE OF OPPORTUNITY FOR HEARING

NOVEMBER 13, 1957.

I. Universal Oil Recovery Corporation (Universal), a Delaware corporation, 30 North La Salle Street, Chicago 2, Illinois, filed with the Commission on October 3, 1957, a notification on Form 1-A and an offering circular relating to an offering of 12,500 shares of its no par value common stock at \$10 per share for an aggregate of \$125,000, for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3 (b) thereof and Regulation A promulgated thereunder;

II. The Commission has reasonable cause to believe that no exemption is available under Regulation A for the securities purported to be offered thereunder by Universal in that appropriate escrow arrangements have not been made with respect to 50,000 shares of Universal stock which are presently held by directors, officers and promoters, and such shares, when computed at the proposed public offering price of \$10 per share, exceed the \$300,000 maximum offering permitted by Regulation A;

III. The Commission has reasonable cause to believe that:

A. The terms and conditions of Regulation A have not been complied with, in that:

1. Item 9 of the notification fails adequately to describe transactions involving the original issuance of shares to the promoters, an apparent subsequent reclassification of shares by charter amendment, exchange of reclassified shares for the previously outstanding shares, and the transfer of 15,000 shares of the promoter's personally owned stock in satisfaction of loans to them aggregating \$15,000, and exemptions from registration relied upon in connection with such transactions; and

2. The exhibit filed pursuant to Item 11 (a) fails to cover rights attaching to the securities being offered with respect

to the nonassessable character of the shares, rights to dividends and upon liquidation and voting rights.

B. The offering circular contains untrue statements of material facts and omits to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, concerning, among other things:

1. The failure to disclose expenses of the offering to be borne by Universal.

2. The failure to disclose Universal's transactions with its predecessor by which Universal's properties will be acquired and the considerations to be paid by Universal therefor;

3. The failure to disclose the sale by the promoters of 15,000 shares of their personally owned stock to a group of friends and relatives at the price of \$1 per share in satisfaction of a loan of \$15,000 previously made to the promoters by such persons, whereas public investors are required to pay \$10 per share for any shares purchased by them;

4. The failure to disclose whether or not any arrangements have been or will be made to return the funds of purchasers in the event all shares being offered are not sold;

5. The failure to disclose that the offering price of \$10 per share, which public investors are required to pay for such shares as they may purchase, is arbitrarily fixed and bears no relationship to the company's present operations and properties, or interests in properties;

6. The cash balance as shown on the Statement of Assets in that it does not reconcile with the difference between cash receipts and cash disbursements;

7. The failure to include the names and addresses of the underwriters of the proposed offering and letters of consent from such underwriters, consenting to being named in the offering circular;

8. The failure to state that \$750,000 worth of oil over and above royalty, development costs and operating and overhead charges must be produced in order for a purchaser of the stock being offered to effect the return of his investment;

9. The failure to disclose that a very small portion of the 360 acres involved has apparently ever yielded any oil through primary methods;

10. The failure to include an adequate detailed map which would show the location of all productive wells and all dry holes on the acreage which Universal has under option as well as on the entire area contiguous thereto within a distance of half a mile in every direction from the outer limits of Universal's acreage;

11. The failure to disclose that the fact that such a small portion of the acreage yielded oil through primary production methods renders even more remote the possibility that the leases involved would ever be susceptible to successful waterflooding; and

12. The failure to disclose that not all leases which have produced under primary methods are, by any means, susceptible to successful waterflooding.

IV. It is ordered, Pursuant to Rule 261 of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Reg-

ulation A be, and it hereby is, temporarily suspended.

Notice is hereby given to Universal Oil Recovery Corporation and to any person having any interest in the matter that this order has been entered, that the Commission upon receipt of a written request within thirty days after entry of this order will, within twenty days after the receipt of such request, set the matter down for hearing at a place to be designated by the Commission for the purpose of determining whether to vacate the order or to enter an order permanently suspending the exemption without prejudice, however, to the consideration and presentation of additional matters at the hearing, that, if no hearing is requested and none is ordered by the Commission, the order shall become permanent on the thirtieth day after its entry and shall remain in effect unless or until it is modified or vacated by the Commission, and that notice of the time and place for any hearing will promptly be given by the Commission.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 57-9530; Filed, Nov. 18, 1957;
8:48 a. m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

NOVEMBER 14, 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. 34292: *Iron and steel articles—Sault Ste. Marie, Mich., to Milwaukee, Wis.* Filed by The Duluth, South Shore and Atlantic Railroad Company (No. A-2), for itself and interested rail carriers. Rates on iron and steel articles, carloads from Sault Ste. Marie, Mich., to Milwaukee, Wis.

Grounds for relief: Market competition.

Tariff: Supplement 25 to Duluth, South Shore and Atlantic Railroad Company's tariff I. C. C. 3931.

FSA No. 34293: *Substituted service—Motor and rail, Erie Railroad.* Filed by The Eastern Central Motor Carriers Association, Inc., Agent (No. 67), for and on behalf of the Erie Railroad Company, General Expressways, Inc., and other interested motor carriers. Rates on property loaded in highway motor-truck trailers and transported in substituted service on railroad flat cars between Chicago, Ill., and Hammond, Ind., on the one hand, and Jersey City, N. J., on the other, on traffic originating at or destined to points beyond the named points reached by applicant motor-truck carriers.

Grounds for relief: Motor-truck competition.

Tariff: The Eastern Central Motor Carriers Association, Inc., Agent, tariff I. C. C. 17.

FSA No. 34294: *Substituted service—Motor and rail, Erie and N. Y. N. H. & H. R. R.* Filed by The Eastern Central Motor Carriers Association, Inc., Agent (No. 68), for the Erie Railroad Company, the New York, New Haven and Hartford Railroad Company, General Expressways, Inc., and other interested motor carriers. Rates on property loaded in highway motor-truck trailers and transported in substituted rail service on railroad flat cars between Chicago, Ill., and Hammond, Ind., on the one hand, and Boston and Worcester, Mass., and Providence, R. I., on the other, on traffic originating at or destined to points beyond the named points reached by applicant motor carriers.

Grounds for relief: Motor-truck competition.

Tariff: The Eastern Central Motor Carriers Association, Inc., Agent, tariff I. C. C. No. 17.

FSA No. 34295: *Substituted service—Motor and rail, B. & M., D. & H., and Pennsylvania Railroads.* Filed by The Eastern Central Motor Carriers Association, Inc., Agent (No. 69), for the Boston & Maine Railroad, and other interested rail and motor carriers. Rates on property loaded in highway motor-truck trailers and transported in substituted rail service on railroad flat cars between Chicago and East St. Louis, Ill., on the one hand, and Kearny, N. J., or Philadelphia, Pa., on the other, on traffic originating at or destined to points on applicant motor carriers beyond the named points.

Grounds for relief: Motor-truck competition.

Tariff: The Eastern Central Motor Carriers Association, Inc., Agent, tariff I. C. C. No. 17.

FSA No. 34296: *Substituted service—Motor and rail, Pennsylvania Railroad.* Filed by The Eastern Central Motor Carriers Association, Inc., Agent (No. 70), for the Pennsylvania Railroad, and the Associated Transport, Inc., and other interested motor carriers. Rates on property loaded in highway motor-truck trailers and transported in substituted rail service on railroad flat cars between Cleveland, Ohio, on the one hand, and Baltimore, Md., Kearny, N. J., and Philadelphia, Pa., on the other, on traffic originating at or destined to points reached by applicant motor carriers beyond the named points.

Grounds for relief: Motor-truck competition.

Tariff: The Eastern Central Motor Carriers Association, Inc., Agent, tariff I. C. C. No. 17.

FSA No. 34297: *Substituted service—Motor and rail, N. H. N. H. & H., and Pennsylvania Railroads.* Filed by The Eastern Central Motor Carriers Association, Inc., Agent (No. 71), for the New York, New Haven and Hartford, Railroad Company, The Pennsylvania Railroad Company, the Liberty Motor Freight Lines, Inc., and other interested motor carriers. Rates on property loaded in highway motor-truck trailers and transported in substituted rail service on railroad flat cars between (a) Chicago, East St. Louis, Ill., Cleveland, Ohio, and Indianapolis, Ind., on the one hand, and Providence, R. I., and Worcester, Mass., on the other, and (b) Cincinnati, Toledo, Ohio, Detroit, Mich., and Louisville, Ky., on the one hand, and Boston and Worcester, Mass., and Providence, R. I., on the other.

Grounds for relief: Motor-truck competition.

Tariff: The Eastern Central Motor Carriers Association, Inc., Agent, tariff I. C. C. No. 17.

By the Commission.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F. R. Doc. 57-9531; Filed, Nov. 18, 1957;
8:48 a. m.]

