THE NATIONAL ARCHIVES OF THE UNITED STATES
LITTERA SCRIPTA MANET
1934

FEDERAL REGISTER

VOLUME 22 NUMBER 229

Washington, Tuesday, November 26, 1957

TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter B—Farm Ownership Loans

PART 331—POLICIES AND AUTHORITIES

PART 332—PROCESSING INITIAL LOANS

Subchapter C—Operating Loans

PART 341—POLICIES AND AUTHORITIES

Subchapter D—Soil and Water Conservation Loans

PART 351—POLICIES AND AUTHORITIES

PART 352—PROCESSING LOANS TO INDIVIDUALS

Subchapter G—Miscellaneous Regulations

PART 381—EMERGENCY LOANS

PART 383—FARM HOUSING LOANS

PART 384—SPECIAL LIVESTOCK LOANS

PART 392—LOANS TO INDIANS, AND PERMITTEES AND LESSEES ON INDIAN TRUST LANDS

LOANS TO INDIANS, AND PERMITTEES AND LESSEES ON INDIAN TRUST LANDS; MISCELLANEOUS AMENDMENTS

Chapter III of Title 6, Code of Federal Regulations, is amended as follows to prescribe additional policies and procedures applicable to the making of Farmers Home Administration loans to Indians, and permittees and lessees on Indian trust lands:

1. Section 331.1 (21 F. R. 10443) is amended to read as follows:

§ 331.1 *General.* This part outlines the policies and authorities for making insured and direct loans referred to in this part as Farm Ownership loans, under Title I of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000, et seq.). The making of Farm Ownership loans to Indians is subject to the additional policies and procedures contained in Part 392 of this chapter.

(Sec. 41, 60 Stat. 1066; 7 U. S. C. 1015).

2. Section 332.16 (21 F. R. 8266) is revoked.

3. Section 341.1 (a) (22 F. R. 685) is amended to read as follows:

§ 341.1 *General.* (a) This subpart prescribes the policies and authorities for making Operating loans to full-time operators of family-type farms as authorized under Title II of the Bankhead-Jones Farm Tenant Act. The making of such loans to Indians, and permittees and lessees on Indian trust lands is subject to the additional policies and procedures contained in Part 392 of this chapter.

4. Section 341.21 (a) (22 F. R. 691) is amended to read as follows:

§ 341.21 *General.* (a) This subpart prescribes the policies and authorities for making Operating loans to part-time farmers including operators of less than family-type farms as authorized under Title II of the Bankhead-Jones Farm Tenant Act, as amended. The making of such loans to Indians, and permittees and lessees on Indian trust lands is subject to the additional policies and procedures contained in Part 392 of this chapter.

(Sec. 41, 60 Stat. 1066; 7 U. S. C. 1015)

5. The introductory statement preceding paragraph (a) of § 351.1 (20 F. R. 1962) is amended to read as follows:

§ 351.1 *General.* Sections 351.1 to 351.6 outline the general policies and authorities for making Soil and Water Conservation loans. The making of such loans to Indians, and permittees and lessees on Indian trust lands is subject to the additional policies and procedures contained in Part 392 of this chapter.

(R. S. 161, Sec. 6, 50 Stat. 870, Sec. 10, 68 Stat. 735; 5 U. S. C. 22, 16 U. S. C. 590w, 590x-3)

6. Section 352.8 (21 F. R. 8266) is revoked.

7. The introductory statement preceding paragraph (a) § 381.1 (21 F. R. 10359) is amended to read as follows:

§ 381.1 *General.* This part provides the policies, authorities, and routines for making Emergency loans. The making of such loans to Indians, and permittees and lessees on Indian trust lands is sub-

(Continued on p. 9411)

CONTENTS

FEDERAL REGISTER

Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Federal Register Division, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U. S. C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $1.50 per month or $15.00 per year, payable in advance. The charge for individual copies (minimum 15 cents) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D. C.

The regulatory material appearing herein is keyed to the CODE OF FEDERAL REGULATIONS, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended August 5, 1953. The CODE OF FEDERAL REGULATIONS is sold by the Superintendent of Documents. Prices of books and pocket supplements vary.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER, or the CODE OF FEDERAL REGULATIONS.

CONTENTS—Continued

CONTENTS—Continued

CONTENTS—Continued

CODIFICATION GUIDE

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

CODIFICATION GUIDE—Con.

ject to the additional policies and procedures contained in Part 392 this chapter. The term "Emergency loans" includes the following:

(R. S. 161; 5 U. S. C. 22)

8. Section 383.1 (21 F. R. 3477) is amended to read as follows:

§ 383.1 *General.* This part prescribes the policies, authorities, and procedures for making direct Farm Housing loans under section 502 of the Housing Act of 1949, as amended. The making of such loans to Indians is subject to the additional policies and procedures contained in Part 392 of this chapter.

9. Section 383.6 (d) (21 F. R. 3479, 22 F. R. 3) is revoked.

(R. S. 161, Sec. 510, 63 Stat. 438; 5 U. S. C. 22, 42 U. S. C. 1480)

10. Section 384.1 (18 F. R. 4944) is amended by the addition of paragraph (c) as follows:

§ 384.1 *General.* * * *

(c) The making of Special Livestock loans to Indians, and permittees and lessees on Indian trust lands is subject to the additional policies and procedures contained in Part 392 of this chapter.

(R. S. 161; 5. U. S. C. 22)

11. Part 392 is added as follows:

Sec.
392.1 General.
392.2 Policies.
392.3 Processing loan applications from Indians.
392.4 Servicing loans to Indians.
392.5 Permittees and lessees of Indian trust lands.

AUTHORITY: §§ 392.1 to 392.5 issued under R. S. 161, secs. 41, 6, 50 Stat. 528, as amended, 870, sec. 510, 63 Stat. 437, sec. 10, 68 Stat. 735; 5 U. S. C. 22, 7 U. S. C. 1015, 16 U. S. C. 590w, 42 U. S. C. 1480, 16 U. S. C. 590x–3. Statutes interpreted or applied are cited to text in parentheses.

§ 392.1 *General.* This part outlines the general procedures and policies for making and servicing Farm Ownership, Farm Housing, Soil and Water Conservation, Operating, Emergency, and Special Livestock loans to Indians owning land or chattel property in a trust or restricted status or who have undivided interests in tribal property. This part also outlines procedures to be followed in order to enable permittees and lessees (whether Indian or non-Indian) on Indian Trust Lands who are obtaining any such loans to provide the required chattel security for their loans.

§ 392.2 *Policies.* An Indian who (1) holds individually all of his land under fee patents or unrestricted deeds, (2) owns all non-trust chattel property, and (3) has no undivided interest in tribal lands is eligible for all loans provided he meets all eligibility factors required of non-Indians. An Indian who meets all eligibility factors required of non-Indians but who does not meet the applicable requirements of paragraphs (1), (2) and/or (3) of this section may be made loans only upon fulfillment of the applicable requirements set forth in § 392.2 to § 392.5.

(a) Loans to be secured by real estate liens may be made to Indians holding land in severalty under trust patents or deeds containing restriction against alienation subject to statutes under which said land may be validly mortgaged with the approval of the Secretary of Interior such as 70 Stat. 62, 63. An Indian applicant who owns land in a trust or restricted status and applies for a loan to acquire land to enlarge a farm will not be required to convert the trust or restricted land he owns to an unrestricted status. The land purchased with loan funds will be acquired and held by the Indian in an unrestricted status.

(Sec. 2, 50 Stat. 523, as amended, sec. 502, 63 Stat. 433, sec. 9, 68 Stat. 735; 7 U. S. C. 1003, 42 U. S. C. 1472, 16 U. S. C. 590x–2)

(b) Loans to be secured by chattel security only may be made to Indians who hold land in severalty under trust patents or deeds containing restrictions against alienation subject to statutes under which such land may be validly mortgaged with the approval of the Secretary of the Interior and who own cnattel property in a trust or restricted status or who have undivided interests in tribal property. Such loans also may be made to those tribal Indians who live within or without the boundaries of the Indian reservations and who have available a suitable farm or ranch under satisfactory tenure arrangements. An Indian applicant who owns chattels in trust or restricted status and applies for an operating loan will be required to convert the trust or restricted chattels to an unrestricted status before such loan is made when such property is to serve as security for the loan.

(Sec. 21, 50 Stat. 524, as amended, sec. 2, 63 Stat. 44, as amended, sec. 2, 67 Stat. 150, sec. 9, 68 Stat. 735, sec. 2, 68 Stat. 999, as amended; 7 U. S. C. 1007, 12 U. S. C. 1148a–2, 12 U. S. C. 1148a–4, 16 U. S. C. 590x–2, 12 U. S. C. 1148a–1 note)

(c) Utilization of split lines of chattel credit:

(1) *Definitions.* "Split lines of chattel credit" are those where the financing of a particular enterprise is undertaken by more than one lender. "Split Security" means that the Indian Lending Organization and the Farmers Home Administration each have liens of equal priority on a different part of the livestock of a particular type owned by a borrower.

(2) *Policy*—(i) *Operating loans.* A split line of credit in connection with a particular livestock herd or flock is unarthorized in connection with operating loans.

(ii) *Emergency and Special Livestock loans.* Such loans may be made even though such may result in a split line of credit if the following conditions are met:

(*a*) The arrangement with respect to the split financing is acceptable to both the Farmers Home Administration, the Indian Lending Organization, and the Bureau of Indian Affairs representative.

(*b*) The applicant's farming or ranching operations after he receives the loan will be sound and, under the conditions likely to prevail, will enable him to make the required payments of all his indebtedness on schedule.

(*c*) When loans for operating expenses result in the Farmers Home Administration acquiring the liens on livestock from which payments on the loan are expected, and such livestock are subject to a prior lien of the Indian Lending Organization, an agreement will be reached before such loans are closed as to an equitable division of livestock income for application on the loans of the two lenders. Form FHA–916, "Agreement-Special Livestock Loans," or a similar form will be used for this purpose and will be executed by an authorized representative of the Indian Lending Organization and by the Bureau of Indian Affairs. In the case of cattle, separate brands will be used to identify the cattle, descriptions will be used by each lender which will make possible the identification of property serving as security for each loan.

§ 392.3 *Processing loan applications from Indians*—(a) *County Committee or Special Livestock Loan Committee action.* When any such committee determines that an Indian applicant is clearly ineligible for the loan applied for, the applicant must be notified in writing of this determination by the Farmers Home Administration County Supervisor.

(b) *Development of loan dockets.* If the applicant is found eligible the loan docket will be developed in accordance with applicable Farmers Home Administration regulations. After a real estate loan has been approved and the title evidence has been furnished, the docket will

be submitted to the appropriate Attorney in Charge, Office of the General Counsel, U. S. Department of Agriculture, for review and preparation of closing instructions.

(c) *Special loan closing conditions*—(1) *Loans on real estate.* (i) When preparing closing instructions, the Attorney in Charge will insert at the end of the security instrument, after the form provided for acknowledgment of the borrower's signature a "Certificate of Approval" to be executed on behalf of the Secretary of Interior by a duly authorized agent.

(ii) After execution, but before recording the security instrument, the County Supervisor will submit the original executed security instrument to the Bureau of Indian Affairs. Upon return of the original executed security instrument with the Certificate of Approval duly signed and acknowledged by the authorized representative of the Secretary of Interior, the County Supervisor will file it for record. No loans funds will be disbursed until the security instrument is filed for record and the loan is, in all other respects, properly closed.

(2) *Loans on chattels.* Where an Indian applicant obtaining a Farmers Home Administration loan requiring chattel security holds grazing permits or agricultural leases on Indian trust lands, the lien clauses in said instrument(s) must be modified as prescribed for non-Indian permittees and lessees in § 392.5.

(d) *When consent of Bureau of Indian Affairs required.* No consent is necessary on deeds, mortgages or other instruments affecting non-trust or unrestricted property whether real estate or chattels; mortgages of trust chattels against which there is no indebtedness to the Indian Lending Organization; for mortgages on crops grown on trust or restricted land after severance if there is no prior lien thereon; and mortgages on crops on tribal land leased to an Indian under the same terms and conditions as leases of tribal land to non-Indians. Consent is necessary on mortgages or deeds on trust or restricted property, both real estate and chattels; mortgages on trust chattels against which there is indebtedness to the Indian Lending Organization; and mortgages on crops grown on trust or restricted land prior to severance, and after severance if there is a prior lien thereon.

§ 392.4 *Servicing loans to Indians.* (a) Assignment of income from trust property: When repayment of any loans made hereunder is dependent in whole or in part upon income the borrower will receive from trust or restricted land, the Indian must, upon request by the County Supervisor, execute Form 5–845, "Assignment of Income from Trust Property," in favor of the Farmers Home Administration. Before execution, the form must be modified by the County Supervisor by adding in the first paragraph, line 3, between the words "loans" and "all," the following: _____ percent (_____ %) of,".

(b) Supervision provided by the Farmers Home Administration: County Supervisors and other officials shall give the same supervisory assistance afforded to non-Indian borrowers to the extent such be necessary or desirable for effectuating the purpose of the loan as well as to assure the orderly repayment thereof. Where an Indian Lending Organization has a lien on the borrower's land or chattels, or the borrower owns land or chattels in a trust or restricted status or leases land through the Bureau of Indian Affairs, the County Supervisor and the Bureau of Indian Affairs will review jointly each borrower's plans of operation.

(c) All collection and foreclosure policies applicable to non-Indian borrowers shall be equally applicable to Indian borrowers.

§ 392.5 *Permittees and lessees of Indian trust lands.* In order to enable loan applicants, whether Indian or non-Indian, who hold a grazing permit on Form No. 5–512 or an agricultural lease on Form No. 5–180 to give the required security for chattel loans, the lien clause in Form No. 5–512 must first be modified to read as follows:

When the permittee obtains a loan from the Farmers Home Administration, it is understood and agreed that the prior and first lien upon said livestock and other property under this provision in the permit shall be subordinated to the lien of all chattel mortgages now held or hereafter acquired by the Farmers Home Administration from the permittee except as to the payment of the annual grazing fees due for the first operating year of the loan.

and Form 5–180 must first be modified to read as follows:

When the lessee obtains a loan from the Farmers Home Administration, it is understood and agreed that the prior and first lien upon "all implements, livestock, or other property of the lessee on the premises," under this provision of the lease shall be subordinated to the lien of all chattel mortgages now held or hereafter acquired by the Farmers Home Administration from the lessee except as to the payment of the annual rentals due for the first year of the loan.

Unless such permits or leases are modified as above specified by a duly authorized representative of the Bureau of Indian Affairs, no loans shall be made, the chattel security for which may become subject to either of said lien clauses.

Dated: November 20, 1957.

[SEAL] H. C. SMITH,
Acting Administrator,
Farmers Home Administration.

[F. R. Doc. 57-9788; Filed, Nov. 25, 1957; 8:58 a. m.]

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

Subchapter B—Loans, Purchases, and Other Operations

[1957 CCC Tung Bulletin]

PART 443—OILSEEDS

SUBPART—1957 CROP TUNG NUT PRICE SUPPORT PROGRAM

This bulletin contains the regulations applicable to the 1957 crop Tung Nut Price Support Program under which the Secretary of Agriculture makes price support available through the Commodity Credit Corporation and the Commodity Stabilization Service (hereinafter referred to as "CCC" and "CSS", respectively).

Sec.

AUTHORITY: §§ 443.1361 to 443.1385 issued under sec. 4, 62 Stat. 1070 as amended; 15 U. S. C., 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 201, 401, 63 Stat. 1052, 1054; 15 U. S. C. 714c, 7 U. S. C. 1446, 1421.

§ 443.1361 *Administration.* (a) The program will be administered by the Oils and Peanut Division, CSS, under the general direction and supervision of the Executive Vice President, CCC, or the Vice President, CCC, who is Deputy Administrator for Price Support, CSS. In the field, the program will be carried out by Agricultural Stabilization and Conservation State Committees and by Agricultural Stabilization and Conservation County Committees (hereinafter called State and County Committees) and the Dallas CSS Commodity Office.

(b) It will be the responsibility of the State committee in each State to carry out the provisions of the 1957 tung nut price support program in such a manner that price support will be available to all eligible producers of tung nuts.

(c) Forms will be distributed through the offices of State and county committees. All documents in connection with warehouse storage loans on tung oil and purchase agreements on tung nuts and tung oil will be approved by the county committee which will retain copies of all such documents. The county committee may authorize the county office manager to prepare and approve purchase agreement and loan documents on behalf of the committee.

(d) State and county committees and the Commodity office do not have authority to modify or waive any of the provisions of this bulletin or any amendments or supplements hereto.

§ 443.1362 *Availability*—(a) *Area.* The program will be available in the States of Alabama, Florida, Georgia, Louisiana, Mississippi, and Texas.

(b) *When to apply.* Purchase agreements covering tung nuts will be available from the beginning of the marketing year, November 1, 1957, through January 31, 1958. Loans and purchase agreements covering tung oil will be available from November 1, 1957, through June 30, 1958.

(c) *Where to apply.* Application for price support should be made through the office of the county committee which keeps the farm program records for the farm.

§ 443.1363 *Methods of price support.* Price support will be available to eligible producers of tung nuts by means of purchase agreements for eligible tung nuts and tung oil and nonrecourse loans on eligible tung oil stored in approved storage facilities.

§ 443.1364 *Eligible producer.* (a) An eligible producer shall be any individual, partnership, corporation, association, estate, or other legal entity producing tung nuts of the 1957 crop as landowner, landlord, tenant, or share-cropper. The beneficial interest in the tung nuts tendered for purchase under a purchase agreement, and in the tung nuts and the resultant tung oil tendered for a loan or for purchase under a purchasing agreement, must be in the producer making such tender, and must have always been in him or in him and a former producer whom he succeeded either as landowner, landlord, tenant, or share-cropper before the tung nuts were harvested. Any eligible producer or group of eligible producers may designate in writing, on the form or forms approved by CCC, an agent to act on the producer's behalf or on the joint behalf of a group of producers in obtaining price support under this program.

(b) Any cooperative association of producers (hereinafter called "cooperative") which normally handles or crushes tung nuts delivered to it by eligible producers or markets tung oil delivered to it by eligible producers shall also be considered an eligible producer with respect to the oil produced from 1957 crop tung nuts delivered to it by eligible producers or with respect to eligible tung oil delivered to it by eligible producers provided all the following requirements are met:

(1) The beneficial interest in the tung oil and the tung nuts from which such tung oil was extracted is and always has been in the eligible producers who deliver the tung nuts or tung oil to the cooperative or in such producers and former producers whom such producers succeeded either as landowner, landlord, tenant, or sharecropper, before the tung nuts were harvested;

(2) The major part of the tung oil handled or marketed by the cooperative is extracted from tung nuts grown by members who are eligible producers;

(3) The producers share proportionately in the proceeds from marketings according to the quantity and quality of tung nuts or tung oil each delivers to the cooperative;

(4) The cooperative has the legal right to pledge the tung oil as security for a loan as well as the authority to sell such tung oil under purchase agreements;

(5) The cooperative shall maintain a record showing separately (i) the total quantity of tung oil processed by it from 1957 crop tung nuts obtained from all sources, (ii) the total quantity of tung oil obtained from all sources, (iii) the total quantity of tung oil processed by it from 1957 crop tung nuts obtained from all eligible producers, (iv) the total quantity of tung oil obtained from all eligible producers, (v) the total quantity of tung oil processed from 1957 crop tung nuts obtained from eligible producer-members, and (vi) the total quantity of tung oil obtained from eligible producer-members. The cooperative shall make its records available to CCC for inspection at all reasonable times through June, 1960.

§ 443.1365 *Eligible tung nuts and tung oil*—(a) *Tung nuts.* Tung nuts must be from the 1957 crop, and must be matured, air dried with hard hulls dark in color and suitable for milling.

(b) *Tung oil.* Tung oil must have been extracted from 1957 crop tung nuts and must meet sections 3 and 4 of Federal Specification TT–T–775, Tung Oil, Raw (Chinawood) dated May 28, 1957 (hereinafter referred to as Federal Specifications). The eligibility of tung oil delivered under this program must be evidenced by a certification, signed by the producer or an agent designated as provided in § 443.1370 (f) or in the case of a cooperative by an authorized officer thereof, in the form prescribed in § 443.1370 (d) or (e), whichever form is appropriate.

§ 443.1366 *Disbursement of loans.* Disbursement of loans on tung oil will be made by approved lending agencies or by sight drafts drawn on CCC by the ASC county office. Disbursements shall not be made later than 15 days after the final date of the availability of loans, unless authorized by the Executive Vice President, CCC, or the Vice President, CCC who is the Deputy Administrator for Price Support, CSS. The producer shall not present the loan documents for disbursement unless the tung oil represented by the loan documents is in existence and in good condition. If the tung oil is not in existence and in good condition at the time of disbursement, the loan proceeds shall be refused or promptly refunded by the producer. In the event the amount disbursed exceeds the amount authorized, the producer shall be personally liable for repayment of the amount of such excess.

§ 443.1367 *Approved lending agencies.* An approved lending agency shall be any bank, cooperative, corporation, partnership, individual, or other legal entity with which CCC has entered into a Lending Agency agreement on CCC Form 322 (4–22–54) and CCC Form 322–1 (6–22–56) or other form prescribed by CCC.

§ 443.1368 *Approved storage facilities.* Approved facilities shall consist of storage facilities made available by tung oil mills and others having adequate facilities for handling and storing tung oil for which a tung oil storage agreement on Commodity Credit Corporation Form 77 (Revised November 1957) for the 1957 crop has been entered into with CCC through the Dallas CSS Commodity Office. The names of owners or operators of approved facilities may be obtained from the Dallas CSS Commodity Office and State and county ASC offices.

§ 443.1369 *Maturity date of loans and period of notification to sell under purchase agreement.* (a) Loans on tung oil mature on October 31, 1958, or on such earlier date as may be determined by CCC.

(b) Producers who elect to sell tung nuts under a purchase agreement must notify the county committee of their intentions within a 30-day period ending March 31, 1958, or ending on such earlier date as may be determined by CCC. Producers who elect to sell tung oil under a purchase agreement must notify the county committee of their intentions within the 30-day period ending October 31, 1958, or ending on such earlier date as may be determined by CCC.

§ 443.1370 *Applicable forms.* The approved forms consist of the purchase agreement forms, loan forms, and such other forms and documents as may be required, which together with the provisions of this bulletin, and any supplements and amendments hereto, govern the rights and responsibilities of the producer. Note and loan agreements must have State documentary and revenue stamps affixed thereto when required by law. Purchase agreement or loan documents executed by an administrator, executor, or trustee, will be acceptable only where legally valid.

(a) *Purchase agreement documents.* The purchase agreement forms shall consist of the Purchase Agreement, Commodity Purchase Form 1; Delivery Instructions, Commodity Purchase Form 3; Purchase Agreement Settlement, Commodity Purchase Form 4; Lien Waiver for Purchase, Commodity Purchase Form 5; and other applicable forms prescribed in paragraph (c) of this section.

(b) *Loan documents.* Loan forms shall consist of the Producer's Note and Loan Agreement, Commodity Form B, and other applicable forms prescribed in paragraph (c) of this section.

(c) *Other forms.* Warehouse receipts, chemical analysis certificates issued by approved chemists, certification of eligibility of tung oil, producer's designation of agent, and such other forms as may be prescribed by CCC.

(d) *Producer's certification of eligibility of tung oil.* Before a loan is made on tung oil to a producer, other than a cooperative, or before delivery of tung oil from such producer under a purchase agreement can be accepted by the county committee, the producer, or his agent designated as provided in paragraph (f) of this section, must sign a statement in substantially the following form:

I hereby certify:

(1) That the _____ pounds of tung oil located in _____ at
(Name of storage facility)

_____
(Address)

which I am pledging to CCC as collateral for loan or am tendering for delivery to CCC under purchase agreement was delivered to me as oil processed for my account by _____ out of _____
(Name of plant)
tons of 1957 crop tung nuts produced by me which I delivered to such plant for toll processing;

(2) That the beneficial interest in such tung nuts and in the resultant tung oil described above is and always has been in me or in me and a former producer whom I succeeded either as landowner, landlord, tenant or share-cropper, before such tung nuts were harvested.

(Signature) _____
(Producer)
By _____
(Agent)

_____
(Date)

(e) *Cooperative's certification of eligibility of tung oil.* Before a loan is made to a cooperative or delivery of tung oil from such cooperative under a purchase agreement can be accepted by the county committee, the manager or the official empowered to sign contracts for or on behalf of the cooperative must sign a statement in substantially the following form:

I hereby certify:

(1) That _____ pounds of tung oil which are being pledged to CCC as collateral for a loan, or are being tendered for delivery to CCC under purchase agreement were processed from _____ tons of eligible 1957 crop tung nuts which were delivered by eligible producers to tung mills in quantities as follows:

(1) Name and address of tung mill	(2) 1957 crop tung nuts delivered for crushing (Tons)	(3) Tung oil crushed from tung nuts in column 2 (Pounds)

and that such tung oil is presently stored at these mill locations unless otherwise noted below:

(2) That the beneficial interest in such tung nuts and in the resultant tung oil described above is and always has been in such producers or in such producers and former producers whom such producers succeeded, either as landowner, landlord, tenant, or share-cropper, before such tung nuts were harvested.

_____
(Date)

_____
(Name of Cooperative)
By _____
Title _____

(f) *Designation of agent by a producer or group of producers.* A single eligible producer may designate an agent to act in his behalf in obtaining price support, or two or more eligible producers may designate an agent to act in their joint behalf in obtaining price support. In such event the producer or group of producers shall execute a form substantially equivalent to CCC Tung Nut Form 1 (1957) for purchase agreements or to CCC Tung Nut Form 1–A (1957) for loans. A copy of each designation of agent signed by the producer(s) and indicating the maximum quantity of eligible tung nuts which the producer (or each producer in the case of a group) will produce on the producer's own farm, and on which price support is desired, must be delivered to the county committee before any purchase agreement or loan documents filed by the agent on behalf of such producer(s) are approved by the county committee. A separate certification of eligibility must be executed for or on behalf of each producer.

U. S. Department of Agriculture
CCC Tung Nut Form 1 (1957) No. _____

PRODUCERS DESIGNATION OF AGENT
PURCHASE AGREEMENT

1957 TUNG NUT PRICE SUPPORT PROGRAM

I (we) the undersigned eligible tung nut producer(s) hereby appoint _____,
(Name)
_____ my (our) agent with full
(Address)
authority to act for me (us) and in my (our) name and stead in obtaining price support under the 1957 crop tung nut price support program of the Commodity Credit Corporation, which is administered through State and County ASC Committees of the United States Department of Agriculture. In exercising such authority the above named person is empowered to execute all applicable purchase agreement documents, to notify Commodity Credit Corporation of my (our) intention to sell tung nuts or tung oil, to pool my (our) tung nuts or tung oil with tung nuts or tung oil owned by other eligible producers and to warehouse such tung nuts or tung oil at my (our) pro rata expense, and to sell and deliver such pooled tung nuts or tung oil to Commodity Credit Corporation, to make joint settlement and receive payment on my (our) behalf for tung nuts or tung oil so sold and delivered, and to perform any and all other acts necessary or appropriate to the above authority to all intents and purposes as if performed by me (us) personally. This appointment shall continue in effect until it is revoked in writing and a signed copy of the revocation is delivered to Commodity Credit Corporation through the ASC county committee. The approximate quantity of tung nuts of the 1957 crop produced on my (our) farm(s) is indicated below.

In witness whereof I (we) have hereunto affixed my (our) signature(s) this _____ day of _____, 195__.

In presence of—

_____, _____, _____
(Witness) (Signature) (Tons)
_____, _____, _____
(Witness) (Signature) (Tons)
_____, _____, _____
(Witness) (Signature) (Tons)

U. S. Department of Agriculture
CCC Tung Nut Form 1–A (1957) No. _____

PRODUCERS DESIGNATION OF AGENT
TUNG OIL LOAN

1957 TUNG NUT PRICE SUPPORT PROGRAM

I (We) the undersigned eligible tung nut producer(s) hereby appoint _____,
(Name)
_____ my (our) agent with full
(Address)
authority to act for me (us) and in my (our) name and stead in obtaining price support under the 1957 crop tung nut price support program of the Commodity Credit Corporation, which is administered through State and County ASC Committees of the United States Department of Agriculture. In exercising such authority the above-named person is empowered to execute all loan documents, to pool my (our) tung oil with tung oil owned by other eligible producers, to pledge to CCC as security for loan(s) warehouse receipts representing such pooled oil, to receive the proceeds of such loan(s) on my (our) behalf, to distribute all of such proceeds pro rata among me (us) and any other producers in accordance with the respective producer's interest in the pooled oil under loan, and to perform any and all other acts necessary or appropriate to the above authority to all intents and purposes as if performed by me (us) personally, including but not limited to the authority to redeem pooled oil under loan in accordance with instructions from me (us) and other producers having an interest in such oil. This appointment shall continue in effect until revoked in writing and a signed copy thereof delivered to Commodity Credit Corporation through the ASC county committee. The approximate quantity of tung oil crushed from tung nuts of the 1957 crop produced on my (our) farms is indicated below.

In witness whereof I (we) have hereunto affixed my (our) signature(s) this _____ day of _____, 195__.

In presence of—

_____, _____, _____
(Witness) (Signature) (Pounds)
_____, _____, _____
(Witness) (Signature) (Pounds)
_____, _____, _____
(Witness) (Signature) (Pounds)

(g) *Warehouse receipts.* Warehouse receipts representing tung oil in approved warehouse storage to be placed under loan or to be delivered under a purchase agreement, must meet all the following requirements:

(1) Must be issued in the name of the producer (in case of a cooperative, in the name of the producer delivering tung nuts or tung oil to it), show storage location, describe the quantity and quality of tung oil delivered to the warehouseman, be signed by the warehouseman and be properly endorsed in blank by the producer so as to vest title in the holder.

(2) Must guarantee that when delivered out by the warehouse, the oil will meet Federal specifications.

(3) Must contain the warehouseman's statement that the oil is insured as required in § 443.1376. If such insurance was not effective as of the date of deposit of the tung oil in the warehouse, the warehouseman must certify as of the effective date of the insurance and that the oil is in the warehouse and undamaged.

(4) Must show the date of issue.

(5) Must carry an endorsement in substantially the following form:

Warehouse charges through October 31, 1958, on the tung oil represented by this warehouse receipt have been paid or otherwise provided for and the warehouseman has no lien upon such tung oil for such charges.

(6) Must contain such other terms and conditions as CCC may require in tung oil storage agreement with approved warehousemen.

§ 443.1371 *Personal liability of the producer.* Any fraudulent representation made by any producer or agent of the producer in executing any of the purchase agreement or loan documents or in obtaining the purchase agreement or loan proceeds, or the conversion or unlawful disposition of any portion of the commodity by the producer, or agent of the producer, will render the producer or agent subject to criminal prosecution under Federal Law and liable for any damages suffered by CCC as a result of purchase of the commodity, for the amount of the loan (including interest), and for

any resulting expense incurred by any holder of the note.

§ 443.1372 *Determination of quantity*—(a) *Tung nuts.* The quantity of tung nuts delivered under purchase agreement shall be determined on the basis of net weight at point of delivery to CCC. The net weight is the gross scale weight less foreign material and bags.

(b) *Tung oil.* Where the tung oil pledged to secure a loan or tendered under a purchase agreement is represented by warehouse receipts issued by approved warehouses, the determination of quantity for purposes of settlement with the producer shall be based on the net weight specified on such warehouse receipts. Where tung oil tendered under a purchase agreement is not stored in an approved warehouse, the quantity of such tung oil shall be determined on the basis of approved scale weight at destination.

§ 443.1373 *Determination of quality.* (a) The determination of the oil content of the tung nuts and the quality of tung oil not stored in approved warehouses which is delivered under purchase agreement shall be made on the basis of samples taken by inspectors authorized or licensed by the Secretary of Agriculture. The samples shall be analyzed by chemists approved by the Department of Agriculture (hereinafter referred to as "approved chemists"). The oil content of the tung nuts shall be determined on the basis of a sample drawn as of the time of delivery of the tung nuts to CCC. The time of determining the quality of the tung oil and evidence of such quality shall be as provided in § 443.1381 (b) (5). The cost of sampling and analysis shall be borne by the producer.

(b) In the case of tung oil stored in approved warehouses where appropriate warehouse receipts are delivered to CCC in connection with a purchase agreement or a loan on such tung oil, the quality of such tung oil for the purposes of settlement with the producer shall be the quality shown on the warehouse receipts.

§ 443.1374 *Liens.* If there are any liens or encumbrances on the tung nuts or tung oil, waivers acceptable to the county committee must be obtained.

§ 443.1375 *Service charges.* Producers shall pay to the county committee service charges on the quantity of the commodity placed under loan or specified in the purchase agreement, computed at the following rates:

	Rates	Minimum charges
Tung oil	6 cents per hundredweight	$1.50
Tung nuts	18 cents per ton	1.50

No service charges will be refunded.

§ 443.1376 *Insurance.* Tung oil tendered for loan or under purchase agreement which is stored in an approved warehouse on a commingled basis must be insured by the warehouseman for not less than the full market value against loss or damage by fire, lightning, inherent explosion, windstorm, cyclone, tornado, leakage and such other hazards as are normally insured against by the warehouseman or required by statute.

§ 443.1377 *Set-offs.* (a) If the producer is indebted to CCC on any accrued obligation, or if any installments on any loan made available by CCC on farm storage facilities or mobile drying equipment are past due or are payable or prepayable under the provisions of the note evidencing such loan out of the proceeds of the price support loan or purchase, such producer must designate CCC or the lending agency holding such note as the payee of the proceeds of the purchase or loan to the extent of such indebtedness or installments, but not to exceed that portion of the proceeds remaining after deduction of service charges and amounts due prior lienholders. In the case of a cooperative, the cooperative must designate CCC, or the lending agency holding the note evidencing a loan on farm storage facilities or mobile drying equipment, as the payee of the proceeds of the purchase or loan to the extent of any such indebtedness or installments due by any individual producer who delivered to the cooperative tung oil or the tung nuts from which was processed the oil constituting the basis for the loan or the purchase agreement. For purposes of this provision the cooperative must deliver to the county committee a list of the individual producers who delivered the tung oil or the tung nuts to the cooperative together with the quantity of oil processed for each producer. The county committee will furnish the cooperative with the names of such producers which appear on the county debt register and the amount of their indebtedness.

(b) If the producer is indebted to any other agency of the United States, and such indebtedness is listed on the county debt register, he must designate such agency as the payee of the proceeds as provided in this section. Indebtedness owing to CCC or to a lending agency as provided in this section shall be given first consideration after payment of service charges and claims of prior lienholders.

(c) Compliance with the provisions of this section shall not constitute a waiver of any right of the producer to contest the justness of the indebtedness involved either by administrative appeal or legal action.

§ 443.1378 *Interest rate.* Loans shall bear interest at the rate of 3.5 percent per annum from the date of disbursement to the date of repayment.

§ 443.1379 *Transfer of producer's right or equity*—(a) *Loans.* The right of a producer to transfer either his right to redeem the tung oil under loan or his remaining interest may be restricted by CCC.

(b) *Purchase agreements.* The producer may not assign his interest in the purchase agreement.

§ 443.1380 *Release of tung oil under loan.* A producer may at any time on or before maturity obtain release of the tung oil under loan by paying to the holder of the note and loan agreement, 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. Partial release prior to maturity may be arranged with the county committee by paying to the holder of the note the amount of the loan, plus charges and accrued interest, represented by the quantity of the commodity to be released. However, the quantity to be released must be equal to the quantity covered by one or more warehouse receipts.

§ 443.1381 *Liquidation of the loans and delivery under purchase agreement*—(a) *Liquidation of the loan.* If the producer does not repay his loan by maturity, CCC shall have the right to sell or pool the tung oil to satisfy the loan in accordance with the provisions of the note and loan agreement and this section. If tung oil is 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 pooled tung oil 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 the commodity, even though part or all of such pooled tung oil is disposed of under such policies at prices less than the current domestic price for such commodity. Any payment due the producer as a result of the sale of the commodity, or out of the proceeds of insurance on the commodity, or any ratable share resulting from the liquidation of a pool, will be made by the Dallas CSS Commodity Office and shall be payable only to the producer or his agent without right of assignment by him.

(b) *Delivery and payment under purchase agreement.* (1) A producer who signs a purchase agreement, Commodity Purchase Form 1, will not be obligated to sell any specified quantity of tung nuts or tung oil to CCC but shall have the option subject to subparagraphs (4) and (5) of this paragraph of delivering to CCC at the support price any quantity of tung nuts or tung oil within the maximum specified in the purchase agreement executed by him.

(2) A producer who has signed a purchase agreement in terms of tung nuts, may, at his option, deliver in lieu of tung nuts not in excess of the quantity of eligible tung oil which has been processed from such tung nuts: *Provided,* That tung oil shall be delivered in accordance with subparagraph (4) or (5) of this paragraph whichever is applicable.

(3) Eligible tung nuts will be purchased on the basis of the net weight and the oil content as shown by a chemical analysis. CCC will not accept delivery until a determination of eligibility has been made and a sample for chemical analysis has been drawn. The producer shall deliver tung nuts to CCC in accordance with instructions issued by the county committee on or after March 31, 1958. If the producer is required by such instructions to make delivery to a

point more distant from the farm than his usual milling point, CCC will pay the difference, if any, between the cost of transportation from the farm to the designated delivery point and the cost of transportation from the farm to the usual milling point but not in excess of an amount which the county committee determines is a reasonable difference in cost for such services. The producer must complete delivery of tung nuts within a 15-day period immediately following the date the county committee issues delivery instructions unless the county committee determines that more time is needed for delivery.

(4) In the case of tung oil stored in approved storage facilities, the producer must, not later than the day following the final date of the 30-day notification period prescribed in § 443.1369 (b), or during such period of time thereafter as may be specified by CCC, submit to the county committee warehouse receipts issued in the form prescribed in § 443.1370 (g). The total quantity of oil represented by such warehouse receipts shall not exceed the quantity shown on Commodity Purchase Form 1. CCC will not accept delivery of less than the total quantity of tung oil covered by a warehouse receipt. The certification of the eligibility of tung oil, as provided in § 443.1370 (d) or (e), whichever is applicable, must accompany the warehouse receipt.

(5) In the case of tung oil stored in storage facilities which have not been approved, delivery will be accepted only f. o. b. tank cars at the producer's usual milling point or at other locations approved by CCC. The county committee will on or after the final date of the 30-day notification period prescribed in § 443.1369 (b), issue delivery instructions to the producer. Before issuance of such delivery instructions, the producer must submit a chemical analysis certificate (issued by an approved chemist) covering such tank car offered showing that oil meets Federal Specifications; or if it is found by the county committee that a submission of these analyses certificates on tank car lots would cause undue delay in shipment, the producer may (i) submit evidence that a sample of each car lot of oil has been properly drawn and submitted to an approved chemist for analysis, provided that the producer (*a*) waives his right of appeal of the findings of the approved chemist, (*b*) agrees that demurrage incurred as a result of delay in receiving the chemical analysis prior to final acceptance, shall be for the producer's account, and (*c*) agrees further that if the tung oil does not meet Federal Specifications the car shall be rejected with all freight, demurrage, and handling charges reverting to the account of the producer; or (ii) the producer may submit chemical analysis certificates (issued by an approved chemist) showing that the tung oil offered meets Federal Specifications and is stored in sealed identity preserved tanks, provided that the producer agrees to have such tung oil check-loaded by a representative of CCC into tank cars for delivery to CCC and to bear all handling and other costs prior to acceptance by CCC f. o. b. tank cars. The producer must submit a certification of the eligibility of tung oil, as provided in § 443.1370 (d) or (e), whichever is applicable, and complete delivery within a 15-day period immediately following the date the county committee issues delivery instructions unless the county committee determines that more time is needed for delivery. Notwithstanding the above provisions of this section, delivery of less than tank car lots may be accepted by CCC f. o. b. tank truck or other conveyance in those cases where the Dallas CSS Commodity Office determines that such action is in the interest of CCC. The tung nuts or tung oil will be purchased by CCC at the applicable support rate and payment will be made by sight drafts drawn on CCC by the ASC county office.

§ 443.1382 *Purchase of notes.* The county committee, acting on behalf of CCC, will purchase from approved lending agencies notes evidencing approved loans which are secured by warehouse receipts issued by approved warehouses. The purchase price will be the principal sums remaining due on such notes, plus interest computed according to the lending agency agreement. Lending agencies shall submit notes and reports to the county office where the loan documents were approved.

§ 443.1383 *Storage and handling charges*—(a) *Tung nuts.* CCC will not pay or assume any of the costs of transportation (except as provided in § 443.1381 (b) (3)), storage, cleaning, insurance premiums, bags and bagging, sampling, testing and analysis reports, and tagging accruing prior to delivery of the tung nuts to CCC under a purchase agreement, nor will CCC assume the cost of handling or processing expenses which are necessary to prepare the tung nuts to meet eligibility requirements.

(b) *Tung oil.* CCC will not pay or assume the cost of transportation, sampling, insurance, testing and analysis accruing on the tung oil prior to delivery under a purchase agreement or prior to the maturity date of the loan on tung oil placed under loan, nor will CCC pay or assume any handling or processing charges which are necessary to prepare the tung oil to meet eligibility requirements. Storage charges on tung oil stored in approved warehouse shall be paid by the producer through October 31, 1958. Storage charges accruing on such tung oil after such date will be for the account of CCC. All storage charges on tung oil stored in unapproved warehouses shall be for the account of the producer.

(c) *Unexpired storage time and services.* CCC and any subsequent holder of warehouse receipts covering tung oil shall be entitled to any unexpired portion of the storage time and outloading services to which the producer became entitled under any contract between the producer and the warehouseman.

§ 443.1384 *Support prices*—(a) *Tung nuts.* The support price for tung nuts containing 18.5 percent oil (original moisture basis) shall be $52.13 per ton in all areas. This price shall be adjusted upward or downward by 30 cents per ton for each variation of 1/10 of 1 percent oil from the base of 18.5 percent oil content (original moisture basis) on the basis of chemical analysis certificates issued by an approved chemist.

(b) *Tung oil.* The equivalent price for eligible tung oil will be 20.5 cents per pound in all areas.

§ 443.1385 *CSS Commodity Office.* The Dallas CSS Commodity Office will serve the tung area and the States served by it are shown below:

Address and States

500 South Ervay Street, Dallas 1, Tex.; Alabama, Florida, Georgia, Louisiana, Mississippi, and Texas.

Issued this 21st day of November, 1957.

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

[F. R. Doc. 57-9787; Filed, Nov. 25, 1957; 8:58 a. m.]

TITLE 7—AGRICULTURE

Chapter VII—Commodity Stabilization Service (Farm Marketing Quotas and Acreage Allotments), Department of Agriculture

PART 730—RICE

SUBPART—1958–59 MARKETING YEAR

PROCLAMATIONS AND DETERMINATIONS WITH RESPECT TO MARKETING QUOTAS AND NATIONAL ACREAGE ALLOTMENT FOR 1958 CROP, AND APPORTIONMENT OF 1958 NATIONAL ACREAGE ALLOTMENT AMONG THE SEVERAL STATES

Sec.
730.901 Basis and purpose.
730.902 Marketing quotas on 1958 crop of rice.
730.903 National acreage allotment of rice for 1958.
730.904 Apportionment of 1958 national acreage allotment of rice among the several States.

AUTHORITY: §§ 730.901 to 730.904 issued under sec. 375, 52 Stat. 66; 7 U. S. C. 1375. Interpret or apply secs. 301, 352, 353, 354, 52 Stat. 38, 60, 61, as amended; 7 U. S. C. 1301, 1352, 1353, 1354.

§ 730.901 *Basis and purpose.* (a) Section 730.902 is issued under and in accordance with sections 301 and 354 of the Agricultural Adjustment Act of 1938, as amended, to proclaim the total supply and normal supply of rice for the marketing year beginning August 1, 1957, and to proclaim that marketing quotas will be applicable to the 1958 crop of rice. Section 730.903 is issued under and in accordance with sections 352 and 353 of the Agricultural Adjustment Act of 1938, as amended, to proclaim the national acreage allotment of rice for the calendar year 1958. Section 353 (c) (6) of the act provides that the national acreage allotment of rice for 1958 shall be not less than the total acreage allotted in 1956. Section 730.904 is issued under and in accordance with section 353 of the Agricultural Adjustment Act of 1938, as amended, to apportion among the

several States the national acreage allotment of rice for 1958 as proclaimed in § 730.903. Section 353 of the act provides that the national acreage allotment of rice for 1958, less a reserve of not to exceed one per centum for apportionment to farms receiving inadequate allotments, shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956.

(b) The findings and determinations made in §§ 730.902, 730.903, and 730.904 have been made on the basis of the latest available statistics of the Federal Government. The findings in § 730.902 show that marketing quotas are required for the 1958 crop of rice. The determinations made in §730.903 indicate the amount of the 1958 national acreage allotment of rice.

(c) Prior to taking action herein, public notice (22 F. R. 7865) was given in accordance with the Administrative Procedure Act (5 U. S. C. 1003), that the Secretary was preparing to determine whether marketing quotas are required for the 1958 crop of rice, to determine and proclaim the national acreage allotment of rice for 1958, and to apportion among the States the 1958 national acreage allotment of rice. All written submissions which were received within the period stated in the notice have been considered within the limits permitted by the Agricultural Adjustment Act of 1938, as amended.

(d) The Agricultural Adjustment Act of 1938, as amended, requires that the Secretary's proclamation with respect to marketing quotas for the 1958 crop of rice be issued not later than December 31, 1957; that the referendum to determine whether farmers are in favor of or opposed to such quotas be held within 30 days after the issuance of the proclamation; and that insofar as practicable operators of farms be notified of their farm rice acreage allotments prior to the holding of the referendum. Therefore, it is necessary to waive the 30-day effective date provision of section 4 of the Administrative Procedure Act and such provision is hereby waived. Accordingly, the regulations in §§ 730.901 to 730.904, inclusive, shall become effective upon the filing of this document with the Director, Division of the Federal Register.

§ 730.902 *Marketing quotas on 1958 crop of rice.* The total supply of rice in the United States for the marketing year beginning August 1, 1957, is determined to be 63,193 thousand hundredweight (rough basis). The normal supply of rice for such marketing year is determined to be 50,630 thousand hundredweight. Since the total supply of rice for the 1957–58 marketing year exceeds the normal supply for such marketing year by more than 10 per centum, marketing quotas shall be in effect on the 1958 crop of rice.

§ 730.903 *National acreage allotment of rice for 1958.* The normal supply of rice for the marketing year commencing August 1, 1958, is determined to be 47,512 thousand hundredweight (rough basis). The carry-over of rice on August 1, 1958, is determined to be 17,000 thousand hundredweight. Therefore, the production of rice needed in 1958 to make available a total supply of rice for the 1958–59 marketing year equal to the normal supply for such marketing year is 30,512 thousand hundredweight. The national average yield of rice for the five calendar years, 1953 through 1957 is determined to be 2,792 pounds per planted acre. The national acreage allotment of rice for 1958 computed on the basis of the production of rice needed in 1958 and the national average yield per planted acre of rice for the five calendar years, 1953 through 1957, is 1,092,837 acres. Since this amount is less than the total acreage allotted in 1956, which is the minimum for 1958 provided by law, the national acreage allotment of rice for the calendar year 1958 shall be 1,652,596 acres.

§ 730.904 *Apportionment of 1958 national acreage allotment of rice among the several States.* The national acreage allotment proclaimed in § 730.903, less a reserve of 300 acres, is hereby apportioned among the several rice-producing States as follows:

State:	*Acres*
Arizona	229
Arkansas	399,014
California	299,767
Florida	957
Illinois	20
Louisiana	475,010
Mississippi	46,675
Missouri	4,767
North Carolina	29
Oklahoma	149
South Carolina	2,846
Tennessee	517
Texas	422,316

Issued at Washington, D. C., this 20th day of November 1957. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,
Acting Secretary.

[F. R. Doc. 57-9739; Filed, Nov. 25, 1957; 8:45 a. m.]

TITLE 14—CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 11]

PART 514—TECHNICAL STANDARD ORDERS FOR AIRCRAFT MATERIALS, PARTS, PROCESSES, AND APPLIANCES

AIRCRAFT AUDIO AND INTERPHONE AMPLIFIERS (FOR AIR CARRIER AIRCRAFT)

Minimum performance standards for audio and interphone amplifiers to be used in civil aircraft of the United States engaged in air carrier operations are defined in § 514.49.

Section 514.49 appeared as a notice of proposed rule making in 22 F. R. 7564 on September 24, 1957. All interested persons have been afforded an opportunity to submit written views, data or argument. No comments were received.

Section 514.49 is added under Subpart B of this part to read as follows:

§ 514.49 *Aircraft audio and interphone amplifiers for air carrier aircraft—TSO–C50*—(a) *Applicability*—(1) *Minimum performance standards.* Minimum performance standards are hereby established for aircraft audio and interphone amplifiers which are to be used in civil aircraft of the United States engaged in air carrier operations. New models of aircraft audio and interphone amplifiers manufactured for use in civil aircraft on or after December 1, 1957, shall meet the minimum performance standards as set forth in Radio Technical Commission for Aeronautics' Paper entitled "Minimum Performance Standards Aircraft Audio and Interphone Amplifiers" (Paper 45–57/DO–78, dated March 15, 1957,[1] with the exception listed in subparagraph (2) of this paragraph. Aircraft audio and interphone amplifiers approved by the Civil Aeronautics Administration prior to December 1, 1957, may continue to be manufactured under the provisions of their original approval.

(2) *Exception.* The exception applies to section 3.0, Minimum Performance Standards Under Environmental Test Conditions. Radio Technical Commission for Aeronautics' Paper 100–54/DO–60 dated April 13, 1954,[1] which is incorporated by reference in and thus is a part of Paper 45–57/DO–78, outlines environmental test procedures for equipment designed to operate under three different temperature ranges as specified therein under Procedures A, B, and C. Only aircraft audio and interphone amplifiers which meet the operating requirements in the temperature range of −55° C to +55° C or −40° C to +55° C, whichever is applicable, as outlined in Procedure A or Procedure B of Paper 100–54/DO–60, are eligible under this order.

(b) *Marking.* In addition to the information required in § 514.3, equipment which has been designed to operate over a temperature range of −55° C to +55° C as outlined in Procedure A of RTCA Paper 100–54/DO–60 shall be marked as Category A equipment. Equipment which has been designed to operate over a temperature range of −40° C to +55° C, as outlined in Procedure B of this same paper shall be marked as Category B equipment.

(c) *Data requirements.* One copy each of the manufacturer's operating instructions, schematic diagrams, and installation procedures shall be furnished the Chief, Aircraft Engineering Division, Civil Aeronautics Administration, Washington 25, D. C., with the statement of conformance.

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

Effective date. December 1, 1957.

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

NOVEMBER 15, 1957.

[F. R. Doc. 57-9747; Filed, Nov. 25, 1957; 8:46 a. m.]

[1] Copies of these papers may be obtained from the RTCA Secretariat, Room 1064, T–5 Building, Sixteenth and Constitution Avenue NW., Washington 25, D. C.

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T. D. 54489]

PART 6—AIR COMMERCE REGULATIONS

INTERNATIONAL AIRPORTS; CHANGE IN OFFICIAL NAME OF DETROIT-WAYNE MAJOR AIRPORT, DETROIT, MICH.

The official name of the Detroit-Wayne Major Airport, Detroit, Michigan, which is a designated international airport (airport of entry), has been changed to "Detroit Metropolitan Wayne County Airport." Therefore, § 6.13 of the Customs Regulations is hereby amended by substituting the name "Detroit Metropolitan Wayne County Airport" for the name "Detroit-Wayne Major Airport" opposite "Detroit, Michigan."

(R. S. 161, sec. 7, 44 Stat. 572, as amended; 5 U. S. C. 22, 49 U. S. C. 177)

[SEAL] RALPH KELLY,
Commissioner of Customs.

Approved: November 19, 1957.

DAVID W. KENDALL,
Acting Secretary of the Treasury.

[F. R. Doc. 57-9770; Filed, Nov. 25, 1957; 8:52 a. m.]

[T. D. 54485]

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED FARE, ETC.

VESSEL SUPPLIES

To permit the crediting or cancellation of a bond against which a conditionally free withdrawal of vessel supplies, equipment, or repair articles under section 309 of the Tariff Act of 1930, as amended, is charged, a declaration of business or trade is required under certain conditions. This declaration presently may be executed only by the master or other officer of the vessel on which the articles are used who has knowledge of the facts. Such limitation on the execution of the declaration may result in long delay in closing a transaction, particularly when the withdrawer must engage in protracted correspondence to obtain the declaraton.

To facilitate compliance with the requirement of a declaration of business or trade and to give proper effect to section 317 (b) of the Tariff Act of 1930, as amended, under which the shipment or delivery of articles for use as supplies or equipment upon, or in the maintenance or repair of any vessel described in section 309 (a) (2) of the Tariff Act of 1930, as amended, shall be deemed an exportation, the Customs Regulations are amended as follows:

1. Section 10.61 (b) is amended by substituting "supplies, equipment, or repair articles" for "supplies" in the first and third sentences.

2. Section 10.63 (a) is amended by substituting "If an American-flag vessel" for "If a vessel" at the beginning of the first sentence.

3a. Section 10.64 is amended by substituting "supplies, equipment, or repair articles of a vessel may be credited or canceled in respect of such articles if a proper declaration as prescribed below" for "supplies of a vessel may be credited or canceled in respect of such articles if a declaration in the form prescribed below" in the first sentence of paragraph (a). That portion of the fourth sentence of paragraph (a) preceding the colon is deleted and the following substituted therefor:

The declaration shall be executed by one of the following who has knowledge of the facts:

(1) The operations manager or port captain for the vessel on which the articles are used but not a representative of the supplier.

(2) The master or other officer of the vessel on which the articles are used.

In the case of an American-flag vessel, the declaration shall be in substantially the following form:

b. The parenthetical matter immediately below "I _____, * * *" at the beginning of the declaration form is amended to read: "(Operations Manager, Port Captain, Master, or other officer)".

c. Paragraph (a) is further amended by adding the following at the end of the paragraph:

In the case of a foreign vessel, the declaration shall be in substantially the following form:

I, _____
(Operations manager, port captain, master, or other officer)
of the vessel _____, declare that I have knowledge of the facts set forth herein, and that upon the lading of the articles covered by withdrawal No. _____, filed at _____, (as listed
(Name of port)
in the vessel's stores log of supplies, equipment, or repair articles withdrawn from bond) the vessel then proceeded in ballast to lade cargo or passengers; that the vessel was suitable for service in the class of trade checked below with fittings, outfit, and equipment for such trade already installed when the vessel so departed in ballast; and that upon arrival it proceeded to engage in the carriage of cargo or passengers in such trade, except as stated below:

_____
(If no exception, note "None")

1. Foreign trade.
2. Fisheries.
3. Whaling.
4. Trade between the united States and any of its possessions.

_____
(Name and title)

d. Paragraph (b) is amended by substituting "a declaration" for "the declaration".

(Sec. 309, 46 Stat. 690, as amended; 19 U. S. C. 1309)

[SEAL] RALPH KELLY,
Commissioner of Customs.

Approved: November 19, 1957.

DAVID W. KENDALL,
Acting Secretary of the Treasury.

[F. R. Doc. 57-9771; Filed, Nov. 25, 1957; 8:52 a. m.]

[T. D. 54486]

PART 19—CUSTOMS WAREHOUSES AND CONTROL OF MERCHANDISE THEREIN

PART 24—CUSTOMS FINANCIAL AND ACCOUNTING PROCEDURE

CUSTOMS WAREHOUSE OFFICERS; REIMBURSEMENT OF TRANSPORTATION EXPENSES

The purpose of the amendments is to provide for reimbursement to the Government by proprietors of customs bonded warehouses of the transportation expenses of customs warehouse officers whose salaries are fully reimbursable for going from one customs bonded warehouse to another within port limits during official hours.

1a. Section 19.5 is amended by redesignating paragraphs (d) and (e) as (e) and (f), respectively, and by adding a new paragraph (d) to read:

(d) When a customs warehouse officer has charge of more than one warehouse, transportation expenses for going from one bonded warehouse to another within port limits during official hours shall be charged to the warehouse proprietors concerned. However, no charge shall be made for transportation of a warehouse officer to his first assignment or from his last assignment.

b. Redesignated paragraph (e) is amended to read:

(e) If any customs warehouse officer has charge of more than one warehouse, the charge for his compensation and transportation expenses shall be equitably apportioned among the respective warehouse proprietors concerned.

(R. S. 161, 251, secs. 555, 556, 624, 46 Stat. 743, 759; 5 U. S. C. 22, 19 U. S. C. 66, 1555, 1556, 1624)

2a. Section 24.17 (c) is amended to read:

(c) When services are rendered within the port limits, no charge shall be made for transportation expenses incurred except in the case of a customs warehouse officer whose compensation is fully reimbursable. (See § 19.5 (d) of this chapter.)

b. The citation of authority for § 24.17 is amended to read:

(Secs. 456, 524, 557, 562, 46 Stat. 716, 741, as amended, 744, as amended, 745, as amended, sec. 1, 24 Stat. 79, as amended; 19 U. S. C. 1456, 1524, 1557, 1562, 46 U. S. C. 331)

(R. S. 161, 251, sec. 624, 46 Stat. 759; 5 U. S. C. 22, 19 U. S. C. 66, 1624)

Notice of the proposed amendment of these regulations was published in the FEDERAL REGISTER on July 18, 1957 (22 F. R. 5720) pursuant to section 4 of the Administrative Procedure Act (5 U. S. C. 1003). No data, views, or arguments pertaining thereto having been received the amendments set forth above are hereby adopted.

This amendment shall become effective 30 days after the date of publication in the FEDERAL REGISTER.

[SEAL] RALPH KELLY,
Commissioner of Customs.

Approved: November 19, 1957.

DAVID W. KENDALL,
Acting Secretary of the Treasury.

[F. R. Doc. 57-9772; Filed, Nov. 25, 1957; 8:53 a. m.]

TITLE 26—INTERNAL REVENUE, 1954

Chapter I—Internal Revenue Service, Department of the Treasury

Subchapter A—Income Tax

[T. D. 6272]

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

COMPUTATION OF TAXABLE INCOME

On November 2, 1956, notice of proposed rule making with respect to regulations under part I (sections 61, 62, and 63) and part IV (sections 141 to 145, inclusive) of subchapter B of chapter 1 of the Internal Revenue Code of 1954 was published in the FEDERAL REGISTER (21 F. R. 8397). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the regulations so published are hereby adopted, effective with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954, subject to the changes set forth below:

PARAGRAPH 1. Section 1.61-2 is revised as follows:

(A) By changing the first sentence of paragraph (c) to read as follows: "The value of services is not includible in gross income when such services are rendered directly and gratuitously to an organization described in section 170 (c)."

(B) By changing the first sentence of paragraph (d) (1) to read as follows: "If services are paid for other than in money, the fair market value of the property or services taken in payment must be included in income."

(C) By changing the third sentence of paragraph (d) (2) to read as follows: "Generally, life insurance premiums paid by an employer on the lives of his employees, where the proceeds of such insurance are payable to the beneficiaries of such employees, are part of the gross income of the employees."

PAR. 2. Section 1.61-4 is revised as follows

(A) By adding the following sentence after the second sentence of paragraph (a): "However, see section 162 and the regulations thereunder with respect to the computation of taxable income on other than the crop method where the cost of seeds or young plants purchased for further development and cultivation prior to sale is involved."

(B) By amending the second sentence of paragraph (b), including subparagraphs (1) to (7), inclusive.

(C) By deleting the third sentence of paragraph (d), and inserting in lieu thereof the following: "For more detailed rules with respect to the determination of whether or not an individual is engaged in farming, see § 1.175-3."

PAR. 3. The first sentence of paragraph (b) (2) of § 1.61-5 is revised by deleting the phrase "subdivisions (i), (ii), and (iii) of".

PAR. 4. Section 1.61-6 is revised as follows:

(A) By changing the second sentence of paragraph (a) to read as follows: "For this purpose property includes tangible items, such as a building, and intangible items, such as goodwill."

(B) By deleting the word "like" in the second sentence of paragraph (c) and substituting therefor the word "as".

PAR. 5. The first two sentences of paragraph (c) of § 1.61-7 are revised to read as follows: "When notes, bonds, or other certificates of indebtedness are issued by a corporation or the Government at a discount and are later redeemed by the debtor at the face amount, the original discount is interest, except as otherwise provided by law. See also paragraph (b) of this section for the rules relating to Government bonds."

PAR. 6. Section 1.61-8 is revised as follows:

(A) By deleting the seventh sentence of paragraph (a).

(B) By changing the first sentence of paragraph (b) to read as follows: "Gross income includes advance rentals, which must be included in income for the year of receipt regardless of the period covered or the method of accounting employed by the taxpayer."

(C) By deleting the second sentence of paragraph (b).

PAR. 7. Section 1.61-9 is revised as follows:

(A) By deleting the second, third, fourth, fifth, and sixth sentences of paragraph (a) and inserting in lieu thereof the following: "For the principal rules with respect to dividends includible in gross income, see section 316 and the regulations thereunder. As to distributions made or deemed to be made by regulated investment companies, see sections 851 through 855, and the regulations thereunder."

(B) By revising the entitlement of paragraph (b) to read as follows: "*Dividends in kind; stock dividends; stock redemptions.*"

(C) By inserting the following sentence after the first sentence in paragraph (b): "For amounts to be included in gross income when distributions of property are made, see section 301 and the regulations thereunder."

(D) By revising the third sentence of paragraph (b) to read as follows: "However, the term 'dividend' includes a distribution of stock, or rights to acquire stock, in a corporation other than the corporation making the distribution."

(E) By deleting the last sentence of paragraph (b) and, in addition, paragraph (c) in its entirety, and inserting in lieu thereof the following: "For determining when distributions in complete liquidation shall be treated as dividends, see section 333 and the regulations thereunder. For rules determining when amounts received in exchanges under section 354 or exchanges and distributions under section 355 shall be treated as dividends, see section 356 and the regulations thereunder."

(F) By changing the designation of paragraph (d) to (c).

PAR. 8. Paragraph (a) of § 1.61-12 is revised by inserting the words "to the extent of the principal of the debt" immediately before the period at the end thereof.

PAR. 9. Paragraph (c) (4) of § 1.62-1 is revised.

[SEAL] O. GORDON DELK,
Acting Comissioner of Internal Revenue.

Approved: November 20, 1957.

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

COMPUTATION OF TAXABLE INCOME

DEFINITION OF GROSS INCOME, ADJUSTED GROSS INCOME, AND TAXABLE INCOME

Sec.
1.61 Statutory provisions; gross income defined.
1.61-1 Gross income.
1.61-2 Compensation for services, including fees, commissions, and similar items.
1.61-3 Gross income derived from business.
1.61-4 Gross income of farmers.
1.61-5 Allocations by cooperative associations; tax treatment as to patrons.
1.61-6 Gains derived from dealings in property.
1.61-7 Interest.
1.61-8 Rents and royalties.
1.61-9 Dividends.
1.61-10 Alimony and separate maintenance payments; annuities; income from life insurance and endowment contracts.
1.61-11 Pensions.
1.61-12 Income from discharge of indebtedness.
1.61-13 Distributive share of partnership gross income; income in respect of a decedent; income from an interest in an estate or trust.
1.61-14 Miscellaneous items of gross income.
1.62 Statutory provisions; adjusted gross income defined.
1.62-1 Adjusted gross income.
1.63 Statutory provisions; taxable income defined.

STANDARD DEDUCTION FOR INDIVIDUALS

1.141 Statutory provisions; standard deduction.
1.141-1 Standard deduction.
1.142 Statutory provisions; individuals not eligible for standard deduction.
1.142-1 Husband and wife.
1.142-2 Standard deduction not allowable.
1.143 Statutory provisions; determination of marital status.
1.143-1 Determination of marital status.
1.144 Statutory provisions; election of standard deduction.
1.144-1 Manner and effect of election to take the standard deduction.
1.144-2 Change of election to take, or not to take, the standard deduction.
1.145 Statutory provisions; cross reference.

AUTHORITY: §§ 1.61 to 1.145 issued under sec. 7805, 68A Stat. 917; 26 U. S. C. 7805.

COMPUTATION OF TAXABLE INCOME

DEFINITION OF GROSS INCOME, ADJUSTED GROSS INCOME, AND TAXABLE INCOME

§ 1.61 *Statutory provisions; gross income defined.*

SEC. 61. *Gross income defined*—(a) *General definition.* Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:
(1) Compensation for services, including fees, commissions, and similar items;
(2) Gross income derived from business;
(3) Gains derived from dealings in property;
(4) Interest;
(5) Rents;
(6) Royalties;
(7) Dividends;
(8) Alimony and separate maintenance payments;
(9) Annuities;
(10) Income from life insurance and endowment contracts;
(11) Pensions;
(12) Income from discharge of indebtedness;
(13) Distributive share of partnership gross income;
(14) Income in respect of a decedent; and
(15) Income from an interest in an estate or trust.
(b) *Cross references.* For items specifically included in gross income, see part II (sec. 71 and following). For items specifically excluded from gross income, see part III (sec. 101 and following).

§ 1.61–1 *Gross income*—(a) *General definition.* Gross income means all income from whatever source derived, unless excluded by law. Gross income includes income realized in any form, whether in money, property, or services. Income may be realized, therefore, in the form of services, meals, accommodations, stock, or other property, as well as in cash. Section 61 lists the more common items of gross income for purposes of illustration. For purposes of further illustration, § 1.61–14 mentions several miscellaneous items of gross income not listed specifically in section 61. Gross income, however, is not limited to the items so enumerated.

(b) *Cross references.* Cross references to other provisions of the Internal Revenue Code of 1954 are to be found throughout the regulations under section 61. The purpose of these cross references is to direct attention to the more common items which are included in or excluded from gross income entirely, or treated in some special manner. To the extent that another section of the Internal Revenue Code of 1954, or of the regulations thereunder, provides specific treatment for any item of income, such other provision shall apply notwithstanding section 61 and these regulations. The cross references do not cover all possible items.

(1) For examples of items specifically included in gross income, see sections 71 through 77.

(2) For examples of items specifically excluded from gross income, see sections 101 through 121.

(3) For general rules as to the taxable year for which an item is to be included in gross income, see section 451 and the regulations thereunder.

§ 1.61–2 *Compensation for services, including fees, commissions, and similar items*—(a) *In general.* (1) Wages, salaries, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses (including Christmas bonuses), termination or severance pay, rewards, jury fees, marriage fees and other contributions received by a clergyman for services, pay of persons in the military or naval forces of the United States, retired pay of employees, pensions, and retirement allowances are income to the recipients unless excluded by law. Several special rules apply to members of the Armed Forces, Coast and Geodetic Survey, and Public Health Service of the United States; see paragraph (b) of this section.

(2) The Internal Revenue Code of 1954 provides special rules including the following items in gross income:

(i) Distributions from employees' trusts, see sections 72, 402, and 403, and the regulations thereunder;

(ii) Compensation for child's services (in child's gross income), see section 73 and the regulations thereunder;

(iii) Prizes and awards, see section 74 and the regulations thereunder.

(3) Similarily, the Internal Revenue Code of 1954 provides special rules excluding the following items from gross income in whole or in part:

(i) Gifts, see section 102 and the regulations thereunder;

(ii) Compensation for injuries or sickness, see section 104 and the regulations thereunder;

(iii) Amounts received under accident and health plans, see section 105 and the regulations thereunder;

(iv) Scholarship and fellowship grants, see section 117 and the regulations thereunder;

(v) Miscellaneous items, see section 121.

(b) *Members of the Armed Forces, Coast and Geodetic Survey, and Public Health Service.* Subsistence and uniform allowances granted commissioned officers, chief warrant officers, warrant officers, and enlisted personnel of the Armed Forces, Coast and Geodetic Survey, and Public Health Service of the United States, and amounts received by them as commutation of quarters, are to be excluded from gross income. Similarly, the value of quarters or subsistence furnished to such persons is to be excluded from gross income. For the exclusion from gross income of—

(1) Disability pensions, see section 104 (a) (4) and the regulations thereunder;

(2) Mustering-out payments, see section 113 and the regulations thereunder;

(3) Miscellaneous items, see section 121.

However, the per diem allowance in lieu of subsistence and the mileage allowance received by such persons while in a travel status or on temporary duty away from their permanent stations shall be included in their gross income.

(c) *Payment to charitable, etc., organization on behalf of person rendering services.* The value of services is not includible in gross income when such services are rendered directly and gratuitously to an organization described in section 170 (c). Where, however, pursuant to an agreement or understanding, services are rendered to a person for the benefit of an organization described in section 170 (c) and an amount for such services is paid to such organization by the person to whom the services are rendered, the amount so paid constitutes income to the person performing the services.

(d) *Compensation paid other than in cash*—(1) *In general.* If services are paid for other than in money, the fair market value of the property or services taken in payment must be included in income. If the services were rendered at a stipulated price, such price will be presumed to be the fair market value of the compensation received in the absence of evidence to the contrary.

(2) *Property transferred to employee; insurance premiums paid by employer.* Except as otherwise provided in section 421 and the regulations thereunder (relating to employee stock options), if property is transferred by an employer to an employee for an amount less than its fair market value, regardless of whether the transfer is in the form of a sale or exchange, the difference between the amount paid for the property and the amount of its fair market value at the time of the transfer is compensation and shall be included in the gross income of the employee. In computing the gain or loss from the subsequent sale of such property, its basis shall be the amount paid for the property increased by the amount of such difference included in gross income. Generally, life insurance premiums paid by an employer on the lives of his employees, where the proceeds of such insurance are payable to the beneficiaries of such employees, are part of the gross income of the employees. However, premiums paid by an employer on policies of group term life insurance covering the lives of his employees are not gross income to the employees, even if they designate the beneficiaries. For special rules relating to the exclusion of contributions by an employer to accident and health plans, see section 106 and the regulations thereunder.

(3) *Meals and living quarters.* The value of living quarters or meals which an employee receives in addition to his salary constitutes gross income unless they are furnished for the convenience of the employer and meet the conditions specified in section 119 and the regulations thereunder. For the treatment of rental value of parsonages or rental allowance paid to ministers, see section 107 and the regulations thereunder; for the treatment of statutory subsistence allowances received by police, see section 120 and the regulations thereunder.

(4) *Stock and notes transferred to employee.* If a corporation transfers its own stock to an employee as compensation for services, the fair market value of the stock at the time of transfer shall be included in the gross income of the employee. Notes or other evidences of indebtedness received in payment for services constitute income in the amount

of their fair market value at the time of the transfer. A taxpayer receiving as compensation a note regarded as good for its face value at maturity, but not bearing interest, shall treat as income as of the time of receipt its fair discounted value computed at the prevailing rate. As payments are received on such a note, there shall be included in income that portion of each payment which represents the proportionate part of the discount originally taken on the entire note.

§ 1.61–3 *Gross income derived from business*—(a) *In general.* In a manufacturing, merchandising, or mining business, "gross income" means the total sales, less the cost of goods sold, plus any income from investments and from incidental or outside operations or sources. Gross income is determined without subtraction of depletion allowances based on a percentage of income, and without subtraction of selling expenses, losses, or other items not ordinarily used in computing cost of goods sold. The cost of goods sold should be determined in accordance with the method of accounting consistently used by the taxpayer.

(b) *State contracts.* The profit from a contract with a State or political subdivision thereof must be included in gross income. If warrants are issued by a city, town, or other political subdivision of a State, and are accepted by the contractor in payment for public work done, the fair market value of such warrants should be returned as income. If, upon conversion of the warrants into cash, the contractor does not receive and cannot recover the full value of the warrants so returned, he may deduct any loss sustained from his gross income for the year in which the warrants are so converted. If, however, he realizes more than the value of the warrants so returned, he must include the excess in his gross income for the year in which realized.

§ 1.61–4 *Gross income of farmers*—(a) *Farmers using the cash method of accounting.* A farmer using the cash receipts and disbursements method of accounting shall include in his gross income for the taxable year—

(1) The amount of cash and the value of merchandise or other property received during the taxable year from the sale of livestock and produce which he raised,

(2) The profits from the sale of any livestock or other items which were purchased,

(3) All amounts received from breeding fees, fees from rent of teams, machinery, or land, and other incidental farm income,

(4) All subsidy and conservation payments received which must be considered as income, and

(5) Gross income from all other sources.

The profit from the sale of livestock or other items which were purchased is to be ascertained by deducting the cost from the sales price in the year in which the sale occurs, except that in the case of the sale of purchased animals held for draft, breeding, or dairy purposes, the profits shall be the amount of any excess of the sales price over the amount representing the difference between the cost and the depreciation allowed or allowable (determined in accordance with the rules applicable under section 1016 (a) and the regulations thereunder). However, see section 162 and the regulations thereunder with respect to the computation of taxable income on other than the crop method where the cost of seeds and young plants purchased for further development and cultivation prior to sale is involved.

Crop shares (whether or not considered rent under State law) shall be included in gross income as of the year in which the crop shares are reduced to money or the equivalent of money.

(b) *Farmers using an accrual method of accounting.* A farmer using an accrual method of accounting must use inventories to determine his gross income. His gross income on an accrual method is determined by adding the total of the items described in subparagraphs (1) through (5) of this paragraph and subtracting therefrom the total of the items described in subparagraphs (6) and (7) of this paragraph. These items are as follows:

(1) The sales price of all livestock and other products held for sale and sold during the year;

(2) The inventory value of livestock and products on hand and not sold at the end of the year;

(3) All miscellaneous items of income, such as breeding fees, fees from the rent of teams, machinery, or land, or other incidental farm income;

(4) Any subsidy or conservation payments which must be considered as income;

(5) Gross income from all other sources;

(6) The inventory value of the livestock and products on hand and not sold at the beginning of the year; and

(7) The cost of any livestock or products purchased during the year (except livestock held for draft, dairy, or breeding purposes, unless included in inventory).

All livestock raised or purchased for sale shall be added in the inventory at their proper valuation determined in accordance with the method authorized and adopted for the purpose. Livestock acquired for draft, breeding, or dairy purposes and not for sale may be included in the inventory (see subparagraphs (2), (6), and (7) of this paragraph) instead of being treated as capital assets subject to depreciation, provided such practice is followed consistently from year to year by the taxpayer. When any livestock included in an inventory are sold, their cost must not be taken as an additional deduction in computing taxable income, because such deduction is reflected in the inventory. See the regulations under section 471. Crop shares (whether or not considered rent under State law) shall be included in gross income as of the year in which the crop shares are reduced to money or the equivalent of money.

(c) *Special rules for certain receipts.* In the case of the sale of machinery, farm equipment, or any other property (except stock in trade of the taxpayer, or property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business), any excess of the proceeds of the sale over the adjusted basis of such property shall be included in the taxpayer's gross income for the taxable year in which such sale is made. See, however, section 453 and the regulations thereunder for special rules relating to certain installment sales. If farm produce is exchanged for merchandise, groceries, or the like, the market value of the article received in exchange is to be included in gross income. Proceeds of insurance, such as hail or fire insurance on growing crops, should be included in gross income to the extent of the amount received in cash or its equivalent for the crop injured or destroyed. If a farmer is engaged in producing crops which take more than a year from the time of planting to the time of gathering and disposing, the income therefrom may, with the consent of the Commissioner (see section 446 and the regulations thereunder), be computed upon the crop method; but in any such cases, the entire cost of producing the crop must be taken as a deduction for the year in which the gross income from the crop is realized, and not earlier.

(d) *Definition of "farm".* As used in this section, the term "farm" embraces the farm in the ordinarily accepted sense, and includes stock, dairy, poultry, fruit, and truck farms; also plantations, ranches, and all land used for farming operations. All individuals, partnerships, or corporations that cultivate, operate, or manage farms for gain or profit, either as owners or tenants, are designated as farmers. For more detailed rules with respect to the determination of whether or not an individual is engaged in farming, see § 1.175–3. For rules applicable to persons cultivating or operating a farm for recreation or pleasure, see sections 162 and 165, and the regulations thereunder.

(e) *Cross references.* (1) For election to include Commodity Credit Corporation loans as income, see section 77 and regulations thereunder.

(2) For definition of gross income derived from farming for purposes of limiting deductibility of soil and water conservation expenditures, see section 175 and regulations thereunder.

(3) For definition of gross income from farming in connection with declarations of estimated income tax, see section 6073 and regulations thereunder.

§ 1.61–5 *Allocations by cooperative associations; tax treatment as to patrons*—(a) *In general.* Amounts allocated on the basis of the business done with or for a patron by a cooperative association, whether or not entitled to tax treatment under section 522, in cash, merchandise, capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice or in some other manner disclosing to the patron the dollar amount allocated, shall be included in the computation of the gross income of such patron

for the taxable year in which received to the extent prescribed in paragraph (b) of this section, regardless of whether the allocation is deemed, for the purpose of section 522, to be made at the close of a preceding taxable year of the cooperative association. The determination of the extent of taxability of such amounts is in no way dependent upon the method of accounting employed by the patron or upon the method, cash, accrual, or otherwise, upon which the taxable income of such patron is computed.

(b) *Extent of taxability.* (1) Amounts allocated to a patron on a patronage basis by a cooperative association with respect to products marketed for such patron, or with respect to supplies, equipment, or services, the cost of which was deductible by the patron under section 162 or section 212, shall be included in the computation of the gross income of such patron to the following extent:

(i) If the allocation is in cash, in the amount of cash received.

(ii) If the allocation is in merchandise, to the extent of the fair market value of such merchandise at the time of receipt by the patron.

(iii) If the allocation is in the form of capital stock, revolving fund certificates, certificates of indebtedness, letters of advice, retain certificates, or similar documents—

(*a*) To the extent of the face amount of such documents, if the allocation was made in fulfillment and satisfaction of a valid obligation of such association to the patron, which obligation was in existence prior to the receipt by the cooperative association of the amount allocated. For this purpose, it is immaterial whether such allocation was made within the time mentioned in § 1.522–3 (a) (2).

(*b*) To the extent of the face amount of such documents, if the allocation was made with respect to patronage of a year preceding the taxable year from amounts retained as "reasonable reserves" under § 1.522–3 (a).

(*c*) To the extent of the cash or merchandise received in redemption or satisfaction of such documents (except those which are negotiable instruments) at the time of receipt of such cash or merchandise by the patron, where such allocation was not made in pursuance of the valid obligation referred to in (*a*) of this subdivision, or from amounts retained as "reasonable reserves" referred to in (*b*) of this subdivision. Where, in such case, the documents allocated are negotiable instruments, such documents shall be includible in the income of the patron to the extent of their fair market value at the time of their receipt.

(2) Amounts which are allocated on a patronage basis by a cooperative association with respect to supplies, equipment, or services, the cost of which was not deductible by the patron under section 162 or section 212, are not includible in the computation of the gross income of such patron; however, in the case of such amounts which are allocated with respect to capital assets (as defined in section 1221) or property used in the trade or business within the meaning of section 1231, such amounts shall, to the extent set forth in subparagraph (1) of this paragraph, be taken into account in determining the cost or other basis of the assets or property purchased for the patron. For example, if a farmer purchased a tractor in 1955 from a cooperative association for use in his farming activities for $2,000 and in a later year (after $400 has been properly deducted as depreciation in computing taxable income) has $100 allocated to him on a patronage basis by reason of his purchase of the tractor, then such $100 is not included in his gross income, but in the year of receipt reduces his unrecovered cost or other basis of the tractor, determined in accordance with section 1016, to $1,500. All subsequent depreciation deductions shall be determined on the basis of such remaining cost and the remaining expected useful life of the tractor.

§ 1.61–6 *Gains derived from dealings in property*—(a) *In general.* Gain realized on the sale or exchange of property is included in gross income, unless excluded by law. For this purpose property includes tangible items, such as a building, and intangible items, such as goodwill. Generally, the gain is the excess of the amount realized over the unrecovered cost or other basis for the property sold or exchanged. The specific rules for computing the amount of gain or loss are contained in section 1001 and the regulations thereunder. When a part of a larger property is sold, the cost or other basis of the entire property shall be equitably apportioned among the several parts, and the gain realized or loss sustained on the part of the entire property sold is the difference between the selling price and the cost or other basis allocated to such part. The sale of each part is treated as a separate transaction and gain or loss shall be computed separately on each part. Thus, gain or loss shall be determined at the time of sale of each part and not deferred until the entire property has been disposed of. This rule may be illustrated by the following examples:

Example (*1*). A, a dealer in real estate, acquires a 10-acre tract for $10,000, which he divides into 20 lots. The $10,000 cost must be equitably apportioned among the lots so that on the sale of each A can determine his taxable gain or deductible loss.

Example (*2*). B purchases for $25,000 property consisting of a used car lot and adjoining filling station. At the time, the fair market value of the filling station is $15,000 and the fair market value of the used car lot is $10,000. Five years later B sells the filling station for $20,000 at a time when $2,000 has been properly allowed as depreciation thereon. B's gain on this sale is $7,000, since $7,000 is the amount by which the selling price of the filling station exceeds the portion of the cost equitably allocable to the filling station at the time of purchase reduced by the depreciation properly allowed.

(b) *Nontaxable exchanges.* Certain realized gains or losses on the sale or exchange of property are not "recognized", that is, are not included in or deducted from gross income at the time the transaction occurs. Gain or loss from such sales or exchanges is generally recognized at some later time. Examples of such sales or exchanges are the following:

(1) Certain formations, reorganizations, and liquidations of corporations, see sections 331, 333, 337, 351, 354, 355, and 361;

(2) Certain formations and distributions of partnerships, see sections 721 and 731;

(3) Exchange of certain property held for productive use or investment for property of like kind, see section 1031;

(4) A corporation's exchange of its stock for property, see section 1032;

(5) Certain involuntary conversions of property if replaced, see section 1033;

(6) Sale or exchange of residence if replaced, see section 1034;

(7) Certain exchanges of insurance policies and annuity contracts, see section 1035; and

(8) Certain exchanges of stock for stock in the same corporation, see section 1036.

(c) *Character of recognized gain.* Under subchapter P of chapter 1 of the Internal Revenue Code of 1954, relating to capital gains and losses, certain gains derived from dealings in property are treated specially, and under certain circumstances the maximum rate of tax on such gains is 25 percent, as provided in section 1201. Generally, the property subject to this treatment is a "capital asset", or treated as a "capital asset". For definition of such assets, see sections 1221 and 1231, and the regulations thereunder. For some of the rules either granting or denying this special treatment, see the following sections and the regulations thereunder:

(1) Transactions between partner and partnership, section 707;

(2) Sale or exchange of property used in the trade or business and involuntary conversions, section 1231;

(3) Payment of bonds and other evidences of indebtedness, section 1232;

(4) Gains and losses from short sales, section 1233;

(5) Options to buy or sell, section 1234;

(6) Sale or exchange of patents, section 1235;

(7) Securities sold by dealers in securities, section 1236;

(8) Real property subdivided for sale, section 1237;

(9) Amortization in excess of depreciation, section 1238;

(10) Gain from sale of certain property between spouses or between an individual and a controlled corporation, section 1239;

(11) Taxability to employee of termination payments, section 1240.

§ 1.61–7 *Interest*—(a) *In general.* As a general rule, interest received by or credited to the taxpayer constitutes gross income and is fully taxable. Interest income includes interest on savings or other bank deposits; interest on coupon bonds; interest on an open account, a promissory note, a mortgage, or a corporate bond or debenture; the interest portion of a condemnation award; usurious interest (unless by State law it is automatically converted to a payment on the principal); interest on legacies; interest on life insurance proceeds held under an agreement to pay interest thereon; and interest on refunds of Federal taxes. For rules determining the

taxable year in which interest, including interest accrued or constructively received, is included in gross income, see section 451 and the regulations thereunder. For the inclusion of interest in income for the purpose of the retirement income credit, see section 37 and the regulations thereunder. For credit of tax withheld at source on interest on tax-free covenant bonds, see section 32 and the regulations thereunder.

(b) *Interest on Government obligations*—(1) *Wholly tax-exempt interest.* Interest upon the obligations of a State, Territory, or a possession of the United States, or any political subdivision of any of the foregoing, or of the District of Columbia, is wholly exempt from tax. Interest on certain United States obligations issued before March 1, 1941, is exempt from tax to the extent provided in the acts of Congress authorizing the various issues. See section 103 and the regulations thereunder.

(2) *Partially tax-exempt interest.* Interest earned on certain United States obligations is partly tax exempt and partly taxable. For example, the interest on United States Treasury bonds issued before March 1, 1941, to the extent that the principal of such bonds exceeds $5,000, is exempt from normal tax but is subject to surtax. See sections 35 and 103, and the regulations thereunder.

(3) *Fully taxable interest.* In general, interest on United States obligations issued on or after March 1, 1941, and obligations issued by any agency or instrumentality of the United States after that date, is fully taxable; but see section 103 and the regulations thereunder. A taxpayer using the cash receipts and disbursements method of accounting who owns United States savings bonds issued at a discount has an election as to when he will report the interest; see section 454 and the regulations thereunder.

(c) *Obligations bought at a discount; bonds bought when interest defaulted or accrued.* When notes, bonds, or other certificates of indebtedness are issued by a corporation or the Government at a discount and are later redeemed by the debtor at the face amount, the original discount is interest, except as otherwise provided by law. See also paragraph (b) of this section for the rules relating to Government bonds. If a taxpayer purchases bonds when interest has been defaulted or when the interest has accrued but has not been paid, any interest which is in arrears but has accrued at the time of purchase is not income and is not taxable as interest if subsequently paid. Such payments are returns of capital which reduce the remaining cost basis. Interest which accrues after the date of purchase, however, is taxable interest income for the year in which received or accrued (depending on the method of accounting used by the taxpayer).

(d) *Bonds sold between interest dates; amounts received in excess of original issue discount; interest on life insurance.* When bonds are sold between interest dates, part of the sales price represents interest accrued to the date of the sale and must be reported as interest income. Amounts received in excess of the original issue discount upon the retirement or sale of a bond or other evidence of indebtedness may under some circumstances constitute capital gain instead of ordinary income. See section 1232 and the regulations thereunder. Interest payments on amounts payable as employees' death benefits (whether or not section 101 (b) applies thereto) and on the proceeds of life insurance policies payable by reason of the insured's death constitute gross income under some circumstances. See section 101 and the regulations thereunder for details. Where accrued interest on unwithdrawn insurance policy dividends is credited annually and is subject to withdrawal annually by the insured, such interest credits constitute taxable income to the insured as of the year of credit.

§ 1.61–8 *Rents and royalties*—(a) *In general.* Gross income includes rentals received or accrued for the occupancy of real estate or the use of personal property. For the inclusion of rents in income for the purpose of the retirement income credit, see section 37 and the regulations thereunder. Gross income includes royalties. Royalties may be received from books, stories, plays, copyrights, trademarks, formulas, patents, and from the exploitation of natural resources, such as coal, gas, oil, copper, or timber. Payments received as a result of the transfer of patent rights may under some circumstances constitute capital gain instead of ordinary income. See section 1235 and the regulations thereunder. For special rules for certain income from natural resources, see sections 611 to 632 and the regulations thereunder.

(b) *Advance rentals; cancellation payments.* Gross income includes advance rentals, which must be included in income for the year of receipt regardless of the period covered or the method of accounting employed by the taxpayer. An amount received by a lessor from a lessee for cancelling a lease constitutes gross income for the year in which it is received, since it is essentially a substitute for rental payments. As to amounts received by a lessee for the cancellation of a lease, see section 1241 and the regulations thereunder.

(c) *Expenditures by lessee.* As a general rule, if a lessee pays any of the expenses of his lessor such payments are additional rental income of the lessor. If a lessee places improvements on real estate which constitute, in whole or in part, a substitute for rent, such improvements constitute rental income to the lessor. Whether or not improvements made by a lessee result in rental income to the lessor in a particular case depends upon the intention of the parties, which may be indicated either by the terms of the lease or by the surrounding circumstances. For the exclusion from gross income of income (other than rent) derived by a lessor of real property on the termination of a lease, representing the value of such property attributable to buildings erected or other improvements made by a lessee, see section 109 and the regulations thereunder. For the exclusion from gross income of a lessor corporation of certain of its income taxes on rental income paid by a lessee corporation under a lease entered into before January 1, 1954, see section 110 and the regulations thereunder.

§ 1.61–9 *Dividends*—(a) *In general.* Except as otherwise specifically provided, dividends are included in gross income under sections 61 and 301. For the principal rules with respect to dividends includible in gross income, see section 316 and the regulations thereunder. As to distributions made or deemed to be made by regulated investment companies, see sections 851 through 855, and the regulations thereunder. See section 116 for the exclusion from gross income of $50 of dividends received by an individual, except those from certain corporations. Furthermore, dividends may give rise to a credit against tax under section 34, relating to dividends received by individuals, and under section 37, relating to retirement income.

(b) *Dividends in kind; stock dividends; stock redemptions.* Gross income includes dividends in property other than cash, as well as cash dividends. For amounts to be included in gross income when distributions of property are made, see section 301 and the regulations thereunder. A distribution of stock, or rights to acquire stock, in the corporation making the distribution is not a dividend except under the circumstances described in section 305 (b). However, the term "dividend" includes a distribution of stock, or rights to acquire stock, in a corporation other than the corporation making the distribution.

For determining when distributions in complete liquidation shall be treated as dividends, see section 333 and the regulations thereunder.

For rules determining when amounts received in exchanges under section 354 or exchanges and distributions under section 355 shall be treated as dividends, see section 356 and the regulations thereunder.

(c) *Dividends on stock sold.* When stock is sold, and a dividend is both declared and paid after the sale, such dividend is not gross income to the seller. When stock is sold after the declaration of a dividend and after the date as of which the seller becomes entitled to the dividend, the dividend ordinarily is income to the seller. When stock is sold between the time of declaration and the time of payment of the dividend, and the sale takes place at such time that the purchaser becomes entitled to the dividend, the dividend ordinarily is income to him. The fact that the purchaser may have included the amount of the dividend in his purchase price in contemplation of receiving the dividend does not exempt him from tax. Nor can the purchaser deduct the added amount he advanced to the seller in anticipation of the dividend. That added amount is merely part of the purchase price of the stock. In some cases, however, the purchaser may be considered to be the recipient of the dividend even though he has not received the legal title to the stock itself and does not himself receive the dividend. For example, if the seller retains the legal title to the stock as trustee solely for the purpose of securing the payment of the purchase price, with the

understanding that he is to apply the dividends received from time to time in reduction of the purchase price, the dividends are considered to be income to the purchaser.

§ 1.61–10 *Alimony and separate maintenance payments; annuities; income from life insurance and endowment contracts*—(a) *In general.* Alimony and separate maintenance payments, annuities, and income from life insurance and endowment contracts in general constitute gross income, unless excluded by law. Annuities paid by religious, charitable, and educational corporations are generally taxable to the same extent as other annuities. An annuity charged upon devised land is taxable to the donee-annuitant to the extent that it becomes payable out of the rents or other income of the land, whether or not it is a charge upon the income of the land.

(b) *Cross references.* For the detailed rules relating to—

(1) Alimony and separate maintenance payments, see section 71 and the regulations thereunder;

(2) Annuities, certain proceeds of endowment and life insurance contracts, see section 72 and the regulations thereunder;

(3) Life insurance proceeds paid by reason of death of insured, employees' death benefits, see section 101 and the regulations thereunder;

(4) Annuities paid by employees' trusts, see section 402 and the regulations thereunder;

(5) Annuities purchased for employee by employer, see section 403 and the regulations thereunder.

§ 1.61–11 *Pensions*—(a) *In general.* Pensions and retirement allowances paid either by the Government or by private persons constitute gross income unless excluded by law. Usually, where the taxpayer did not contribute to the cost of a pension and was not taxable on his employer's contributions, the full amount of the pension is to be included in his gross income. But see sections 72, 402, and 403, and the regulations thereunder. When amounts are received from other types of pensions, a portion of the payment may be excluded from gross income. Under some circumstances, amounts distributed from a pension plan in excess of the employee's contributions may constitute long-term capital gain, rather than ordinary income.

(b) *Cross references.* For the inclusion of pensions in income for the purpose of the retirement income credit, see section 37 and the regulations thereunder. Detailed rules concerning the extent to which pensions and retirement allowances are to be included in or excluded from gross income are contained in other sections of the Internal Revenue Code of 1954 and the regulations thereunder. Amounts received as pensions or annuities under the Social Security Act or the Railroad Retirement Act are excluded from gross income. For other partial and total exclusions from gross income, see the following:

(1) Annuities in general, section 72 and the regulations thereunder;

(2) Employees' annuities, sections 402 and 403 and the regulations thereunder;

(3) References to other acts of Congress exempting veterans' pensions and railroad retirement annuities and pensions, section 121.

§ 1.61–12 *Income from discharge of indebtedness*—(a) *In general.* The discharge of indebtedness, in whole or in part, may result in the realization of income. If, for example, an individual performs services for a creditor, who in consideration thereof cancels the debt, the debtor realizes income in the amount of the debt as compensation for his services. A taxpayer may realize income by the payment or purchase of his obligations at less than their face value. In general, if a shareholder in a corporation which is indebted to him gratuitously forgives the debt, the transaction amounts to a contribution to the capital of the corporation to the extent of the principal of the debt.

(b) *Proceedings under Bankruptcy Act.* (1) Income is not realized by a taxpayer by virtue of the discharge, under section 14 of the Bankruptcy Act (11 U. S. C. 32), of his indebtedness as the result of an adjudication in bankruptcy, or by virtue of an agreement among his creditors not consummated under any provision of the Bankruptcy Act, if immediately thereafter the taxpayer's liabilities exceed the value of his assets. Furthermore, unless one of the principal purposes of seeking a confirmation under the Bankruptcy Act is the avoidance of income tax, income is not realized by a taxpayer in the case of a cancellation or reduction of his indebtedness under—

(i) A plan of corporate reorganization confirmed under Chapter X of the Bankruptcy Act (11 U. S. C., c. 10);

(ii) An "arrangement" or a "real property arrangement" confirmed under Chapter XI or XII, respectively, of the Bankruptcy Act (11 U. S. C., c. 11, 12); or

(iii) A "wage earner's plan" confirmed under Chapter XIII of the Bankruptcy Act (11 U. S. C., c. 13).

(2) For adjustment of basis of certain property in the case of cancellation or reduction of indebtedness resulting from a proceeding under the Bankruptcy Act, see the regulations under section 1016.

(c) *Sale and purchase by corporation of its bonds.* (1) If bonds are issued by a corporation at their face value, the corporation realizes no gain or loss. If the corporation purchases any of such bonds at a price in excess of the issuing price or face value, the excess of the purchase price over the issuing price or face value is a deductible expense for the taxable year. If, however, the corporation purchases any of such bonds at a price less than the issuing price or face value, the excess of the issuing price or face value over the purchase price is income for the taxable year.

(2) If, subsequent to February 28, 1913, bonds are issued by a corporation at a premium, the net amount of such premium is income which should be prorated or amortized over the life of the bonds. If the corporation purchases any of such bonds at a price in excess of the issuing price minus any amount of premium already returned as income, the excess of the purchase price over the issuing price minus any amount of premium already returned as income (or over the face value plus any amount of premium not yet returned as income) is a deductible expense for the taxable year. If, however, the corporation purchases any of such bonds at a price less than the issuing price minus any amount of premium already returned as income, the excess of the issuing price, minus any amount of premium already returned as income (or of the face value plus any amount of premium not yet returned as income), over the purchase price is income for the taxable year.

(3) If bonds are issued by a corporation at a discount, the net amount of such discount is deductible and should be prorated or amortized over the life of the bonds. If the corporation purchases any of such bonds at a price in excess of the issuing price plus any amount of discount already deducted, the excess of the purchase price over the issuing price plus any amount of discount already deducted (or over the face value minus any amount of discount not yet deducted) is a deductible expense for the taxable year. If, however, the corporation purchases any of such bonds at a price less than the issuing price plus any amount of discount already deducted, the excess of the issuing price, plus any amount of discount already deducted (or of the face value minus any amount of discount not yet deducted), over the purchase price is income for the taxable year.

(4) If bonds were issued by a corporation prior to March 1, 1913, at a premium, the net amount of such premium was income for the year in which the bonds were issued and should not be prorated or amortized over the life of the bonds. If the corporation purchases any of such bonds at a price in excess of the face value of the bonds, the excess of the purchase price over the face value is a deductible expense for the taxable year. If, however, the corporation purchases any of such bonds at a price less than the face value, the excess of the face value over the purchase price is income for the taxable year.

(d) *Cross references.* For exclusion from gross income of—

(1) Income from discharge of indebtedness in certain cases, see sections 108 and 1017, and regulations thereunder;

(2) Forgiveness of Government payments to encourage exploration, development, and mining for defense purposes, see section 621 and regulations thereunder.

§ 1.61–13 *Distributive share of partnership gross income; income in respect of a decedent; income from an interest in an estate or trust*—(a) *In general.* A partner's distributive share of partnership gross income (under section 702 (c)) constitutes gross income to him. Income in respect of a decedent (under section 691) constitutes gross income to the recipient. Income from an interest in an estate or trust constitutes gross income under the detailed rules of sections 641 through 683. In many cases, these sections also determine who is to include in his gross income the income from an estate or trust.

(b) *Creation of sinking fund by corporation.* If a corporation, for the sole

purpose of securing the payment of its bonds or other indebtedness, places property in trust or sets aside certain amounts in a sinking fund under the control of a trustee who may be authorized to invest and reinvest such sums from time to time, the property or fund thus set aside by the corporation and held by the trustee is an asset of the corporation, and any gain arising therefrom is income of the corporation and shall be included as such in its gross income.

§ 1.61–14 *Miscellaneous items of gross income*—(a) *In general.* In addition to the items enumerated in section 61 (a), there are many other kinds of gross income. For example, punitive damages such as treble damages under the antitrust laws and exemplary damages for fraud are gross income. Another person's payment of the taxpayer's income taxes constitutes gross income to the taxpayer unless excluded by law. Illegal gains constitute gross income. Treasure trove, to the extent of its value in United States currency, constitutes gross income for the taxable year in which it is reduced to undisputed possession.

(b) *Cross references.* (1) Prizes and awards, see section 74 and regulations thereunder;

(2) Damages for personal injury or sickness, see section 104 and the regulations thereunder;

(3) Income taxes paid by lessee corporation, see section 110 and regulations thereunder;

(4) Scholarships and fellowship grants, see section 117 and regulations thereunder;

(5) Miscellaneous exemptions under other Acts of Congress, see section 121;

(6) Tax-free covenant bonds, see section 1451 and regulations thereunder.

§ 1.62 *Statutory provisions; adjusted gross income defined.*

SEC. 62. *Adjusted gross income defined.* For purposes of this subtitle, the term "adjusted gross income" means, in the case of an individual, gross income minus the following deductions:

(1) *Trade and business deductions.* The deductions allowed by this chapter (other than by part VII of this subchapter) which are attributable to a trade or business carried on by the taxpayer, if such trade or business does not consist of the performance of services by the taxpayer as an employee.

(2) *Trade and business deductions of employees*—(A) *Reimbursed expenses.* The deductions allowed by part VI (sec. 161 and following) which consist of expenses paid or incurred by the taxpayer, in connection with the performance by him of services as an employee, under a reimbursement or other expense allowance arrangement with his employer.

(B) *Expenses for travel away from home.* The deductions allowed by part VI (sec. 161 and following) which consist of expenses of travel, meals, and lodging while away from home, paid or incurred by the taxpayer in connection with the performance by him of services as an employee.

(C) *Transportation expenses.* The deductions allowed by part VI (sec. 161 and following) which consist of expenses of transportation paid or incurred by the taxpayer in connection with the performance by him of services as an employee.

(D) *Outside salesmen.* The deductions allowed by part VI (sec. 161 and following) which are attributable to a trade or business carried on by the taxpayer, if such trade or business consists of the performance of services by the taxpayer as an employee and if such trade or business is to solicit, away from the employer's place of business, business for the employer.

(3) *Long-term capital gains.* The deduction allowed by section 1202.

(4) *Losses from sale or exchange of property.* The deductions allowed by part VI (sec. 161 and following) as losses from the sale or exchange of property.

(5) *Deductions attributable to rents and royalties.* The deductions allowed by part VI (sec. 161 and following), by section 212 (relating to expenses for production of income), and by section 611 (relating to depletion) which are attributable to property held for the production of rents or royalties.

(6) *Certain deductions of life tenants and income beneficiaries of property.* In the case of a life tenant of property, or an income beneficiary of property held in trust, or an heir, legatee, or devisee of an estate, the deduction for depreciation allowed by section 167 and the deduction allowed by section 611. Nothing in this section shall permit the same item to be deducted more than once.

§ 1.62–1 *Adjusted gross income.* (a) The term "adjusted gross income" means the gross income computed under section 61 minus such of the deductions allowed by chapter 1 of the Internal Revenue Code of 1954 as are specified in section 62. Adjusted gross income is used as the basis for the determination of the following:

(1) The optional tax if adjusted gross income is less than $5,000 (under section 3);

(2) The amount of the standard deduction (under section 141);

(3) The limitation on the amount of the deduction for charitable contributions (under section 170 (b) (1));

(4) The limitation on the amount of the deduction for medical and dental expenses (under section 213); and

(5) In certain cases, the limitation on the deduction for expenses of care of certain dependents (under section 214).

(b) Section 62 merely specifies which of the deductions provided in chapter 1 of the Internal Revenue Code of 1954 shall be allowed in computing adjusted gross income. It does not create any new deductions. The fact that a particular item may be specified in more than one of the paragraphs under section 62 does not permit the item to be twice deducted in computing either adjusted gross income or taxable income.

(c) The deductions specified in section 62 for the purpose of computing adjusted gross income are:

(1) Deductions allowable under chapter 1 (other than by part VII of subchapter B (sections 211 through 216)) which are attributable to a trade or business carried on by the taxpayer not consisting of services performed as an employee;

(2) Deductions allowable under part VI of subchapter B (sections 161 through 177) which consist of expenses paid or incurred in connection with the performance of services by the taxpayer as an employee under a reimbursement or other expense-allowance arrangement with his employer;

(3) Deductions allowable under part VI which constitute expenses of travel, meals, and lodging while away from home, paid or incurred by the taxpayer in connection with the performance by him of services as an employee;

(4) Transportation expenses (as defined in paragraph (g) of this section) paid or incurred by the taxpayer in connection with the performance by him of services as an employee, allowable as a deduction under part VI;

(5) Deductions allowable by part VI which are attributable to a trade or business carried on by the taxpayer, if such trade or business consists of the performance of services by the taxpayer as an employee and if such trade or business is to solicit, away from the employer's place of business, business for the employer;

(6) The deduction for long-term capital gains allowed by section 1202;

(7) Deductions which are allowable under part VI as losses from the sale or exchange of property;

(8) Deductions allowable under part VI, section 212, and section 611 which are attributable to property held for the production of rents or royalties; and

(9) Deductions for depreciation and depletion allowable under sections 167 and 611 to a life tenant of property or to an income beneficiary of property held in trust or to an heir, legatee, or devisee of an estate.

(d) For the purpose of the deductions specified in section 62, the performance of personal services as an employee does not constitute the carrying on of a trade or business, except as otherwise expressly provided. The practice of a profession, not as an employee, is considered the conduct of a trade or business within the meaning of such section. To be deductible for the purposes of determining adjusted gross income, expenses must be those directly, and not those merely remotely, connected with the conduct of a trade or business. For example, taxes are deductible in arriving at adjusted gross income only if they constitute expenditures directly attributable to a trade or business or to property from which rents or royalties are derived. Thus, property taxes paid or incurred on real property used in a trade or business are deductible, but State taxes on net income are not deductible even though the taxpayer's income is derived from the conduct of a trade or business.

(e) Traveling expenses paid or incurred by an employee in connection with his employment while away from home which are deductible from gross income under part VI in computing taxable income may be deducted from gross income in computing adjusted gross income. Among the items included in traveling expenses are charges for transportation of persons or baggage, expenditures for meals and lodging, and payments for the use of sample rooms for the display of goods. See section 162 and the regulations thereunder.

(f) (1) Expenses paid or incurred by an employee which are deductible from gross income under part VI in computing taxable income and for which he is reimbursed by the employer under an express agreement for reimbursement or pursuant to an expense allowance arrangement may be deducted from

gross income in computing adjusted gross income. Where an employee is reimbursed by his employer in an amount less than his total expense, and the reimbursement is intended to cover all types of deductible expenses, expenses other than those described in section 62 (2) (B), (C), and (D) are taken into account in computing adjusted gross income in an amount which bears the same ratio to the amount of the reimbursement as the total amount of deductible expenses computed without those described in section 62 (2) (B), (C), and (D) bears to the total amount of deductible expenses, including those described in section 62 (2) (B), (C), and (D).

(2) The application of subparagraph (1) of this paragraph may be illustrated by the following example:

Example: S, who is not a full-time outside salesman, received a salary of $20,000 and an expense allowance of $1,200 for the calendar year 1954. He expended $800 for travel, meals, and lodging while away from home, $500 for local transportation expenses and $300 for the entertainment of customers. His adjusted gross income is computed as follows:

Salary		$20,000
Expense allowance		1,200
Gross income		$21,200
Less:		
Travel, meals and lodging while away from home	$800	
Transportation expense	500	
Reimbursed expenses [1]	225	
	1,525	
Adjusted gross income		$19,675

[1] The amount of the reimbursement allocable to entertainment expenses is determined as follows:

Travel, meals, and lodging while away from home	$800
Transportation expense	500
Expenses deductible in arriving at adjusted gross income (whether or not reimbursed)	1,300
Entertainment expense	300
Total expenses	1,600
Deductible for adjusted gross income: 300/1,600×$1,200 (expense allowance)	225

(g) Transportation expenses paid or incurred by an employee in connection with performance by him of services for his employer are deductible from gross income under part VI in computing adjusted gross income. "Transportation", as used in section 62 (2) (C), is a narrower concept than "travel", as used in section 62 (2) (B), and does not include meals and lodging. The term "transportation expense" includes only the cost of transporting the employee from one place to another in the course of his employment, while he is not away from home in a travel status. Thus, transportation costs may include cab fares, bus fares, and the like, and also a pro rata share of the employee's expenses of operating his automobile, including gas, oil, and depreciation. All transportation expenses must be allowable expenses under part VI of subchapter B (section 161 and following) as ordinary and necessary expenses incurred during the taxable year in carrying on a trade or business as an employee. Transportation expenses do not include the cost of commuting to and from work; this cost constitutes a personal, living, or family expense and is not deductible. (See section 262.)

(h) The expenses of an employee attributable to the trade or business carried on as an outside salesman which are allowed by part VI of subchapter B (section 161 and following) are deductible from gross income in computing adjusted gross income. An outside salesman is an individual who solicits business as a full-time salesman for his employer away from his employer's place of business. The term "outside salesman" does not include a taxpayer whose principal activities consist of service and delivery. For example, a bread driver-salesman or a milk driver-salesman would not be included within the definition. However, an outside salesman may perform incidental inside activities at his employer's place of business, such as writing up and transmitting orders and spending short periods at the employer's place of business to make and receive telephone calls, without losing his classification as an outside salesman.

§ 1.63 *Statutory provisions; taxable income defined.*

SEC. 63. *Taxable income defined*—(a) *General rule.* Except as provided in subsection (b), for purposes of this subtitle the term "taxable income" means gross income, minus the deductions allowed by this chapter, other than the standard deduction allowed by part IV (sec. 141 and following).

(b) *Individuals electing standard deduction.* In the case of an individual electing under section 144 to use the standard deduction provided in part IV (sec. 141 and following), for purposes of this subtitle the term "taxable income" means adjusted gross income, minus—

(1) Such standard deduction, and

(2) The deductions for personal exemptions provided in section 151.

STANDARD DEDUCTION FOR INDIVIDUALS

§ 1.141 *Statutory provisions; standard deduction.*

SEC. 141. *Standard deduction.* The standard deduction referred to in section 63 (b) (defining taxable income in case of individual electing standard deduction) shall be an amount equal to 10 percent of the adjusted gross income or $1,000, whichever is the lesser, except that in the case of a separate return by a married individual the standard deduction shall not exceed $500.

§ 1.141–1 *Standard deduction.* (a) The taxpayer may elect to take, in addition to the deductions from gross income allowable in computing adjusted gross income and the deduction described in section 151, relating to personal exemptions, a standard deduction in lieu of all nonbusiness deductions (that is, deductions other than those described in section 62) and in lieu of certain credits allowable to the taxpayer, had he not so elected. See section 36. Such credits include: The credit provided by section 33 for taxes imposed by foreign countries or possessions of the United States; the credit provided by section 32 for tax withheld at source under section 1451 by the obligor on tax-free covenant bonds with respect to interest on such bonds; and the credit provided by section 35 with respect to interest on United States obligations and interest on obligations of instrumentalities of the United States.

(b) In the case of a joint return, there is only one adjusted gross income and only one standard deduction. For example, if a husband has an income of $15,000 and his spouse has an income of $12,000 for the taxable year for which they file a joint return, and they have no deductions allowable for the purpose of computing adjusted gross income, the adjusted gross income is $27,000, and the standard deduction is $1,000 (and not $2,000).

(c) In the case of taxpayers whose adjusted gross income is $5,000 or more, the standard deduction is $1,000 or 10 percent of adjusted gross income, whichever is the lesser, except that in the case of a separate return by a married individual the standard deduction is $500. For determination of marital status see § 1.143–1.

(d) In the case of taxpayers whose adjusted gross income is less than $5,000, the table provided in section 3 has incorporated a standard deduction of about 10 percent of the adjusted gross income upon which the tax is determined.

(e) An election to take the standard deduction may be made for a taxable year which is less than 12 months on account of the death of the taxpayer.

§ 1.142 *Statutory provisions; individuals not eligible for standard deduction.*

SEC. 142. *Individuals not eligible for standard deduction*—(a) *Husband and Wife.* The standard deduction shall not be allowed to a husband or wife if the tax of the other spouse is determined under section 1 on the basis of the taxable income computed without regard to the standard deduction.

(b) *Certain other taxpayers ineligible.* The standard deduction shall not be allowed in computing the taxable income of—

(1) A nonresident alien individual;

(2) A citizen of the United States entitled to the benefits of section 931 (relating to income from sources within possessions of the United States);

(3) An individual making a return under section 443 (a) (1) for a period of less than 12 months on account of a change in his annual accounting period; or

(4) An estate or trust, common trust fund, or partnership.

§ 1.142–1 *Husband and wife.* (a) In the case of husband and wife, if the tax of one spouse is determined under section 1 or 1201 on the basis of the taxable income computed without regard to the

standard deduction, the other spouse may not elect to take the standard deduction. If a joint return is filed and election made thereon to take the standard deduction, such deduction shall be determined by reference to the aggregate adjusted gross income of both spouses. If Form 1040A is filed as a combined return, the standard deduction is allowed through the use of the tax table in section 3. See the regulations under section 6014, limiting the use of Form 1040A as a combined return to cases in which the aggregate adjusted gross income of the spouses is less than $5,000.

(b) If each spouse files a separate Form 1040, both must elect to take the standard deduction or both are denied the standard deduction. If one spouse files Form 1040 and does not elect to take the standard deduction, the other spouse may not elect to take the standard deduction and, hence, may not file Form 1040A as his or her return. Thus, if A and his wife B have adjusted gross incomes of $6,000 and $3,500, respectively, from wages subject to withholding and A files Form 1040 and does not elect thereon to take the standard deduction, B may not file Form 1040A but must file Form 1040, taking thereon only her actual allowable deductions and not the standard deduction. In such case, however, if both elect to take the standard deduction, A must file Form 1040, but B may file Form 1040A or, in the alternative, she may file Form 1040 and compute the tax under section 3. Under either alternative, effect is given to the standard deduction through the application of section 3.

(c) The restriction upon the right of a married person to elect the standard deduction in his separate return is applicable with respect to the taxable years of the husband and wife ending in the same calendar year, except that in the event of the death of one spouse the restriction is applicable with respect to the taxable year ended with death and the taxable year of the surviving spouse in which such death occurs. The restriction applies unless the spouses are legally separated under a decree of divorce or separate maintenance. For determination of marital status, see § 1.143–1.

§ 1.142–2 *Standard deduction not allowable.* The standard deduction is not allowable in the case of—

(a) A nonresident alien individual (including one who enters and leaves the United States at frequent intervals);

(b) A citizen of the United States entitled to the benefits of section 931;

(c) A taxable year of less than 12 months where such taxable year arises because of a change in accounting period under section 443 (a) (1); or

(d) An estate or trust, common trust fund, or partnership.

§ 1.143 *Statutory provisions; determination of marital status.*

SEC. 143. *Determination of marital status.* For purposes of this part—

(1) The determination of whether an individual is married shall be made as of the close of his taxable year; except that if his spouse dies during his taxable year such determination shall be made as of the time of such death; and

(2) An individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

§ 1.143–1 *Determination of marital status.* The determination of whether an individual is married shall be made as of the close of his taxable year unless his spouse dies during his taxable year, in which case such determination shall be made as of the time of such death; and an individual shall be considered as married even though living apart from his spouse unless legally separated under a decree of divorce or separate maintenance. The provisions of this section may be illustrated by the following examples:

Example (1). Taxpayer A and his wife B both make their returns on a calendar year basis. In July 1954 they enter into a separation agreement and thereafter live apart, but no decree of divorce or separate maintenance is issued until March 1955. If A itemizes and claims his actual deductions on his return for the calendar year 1954, B may not elect the standard deduction on her return since B is considered as married to A (although permanently separated by agreement) on the last day of 1954.

Example (2). Taxpayer A makes his returns on the basis of a fiscal year ending June 30. His wife B makes her returns on the calendar year basis. A died in October 1954. In such case, since A and B were married as of the date of death, B may not elect the standard deduction for the calendar year 1954 if the income of A for the short taxable year ending with the date of his death is determined without regard to the standard deduction.

§ 1.144 *Statutory provisions; election of standard deduction.*

SEC. 144. *Election of standard deduction—*

(a) *Method and effect of election.* (1) If the adjusted gross income shown on the return is $5,000 or more, the standard deduction shall be allowed if the taxpayer so elects in his return, and the Secretary or his delegate shall by regulations prescribe the manner of signifying such election in the return. If the adjusted gross income shown on the return is $5,000 or more, but the correct adjusted gross income is less than $5,000, then an election by the taxpayer under the preceding sentence to take the standard deduction shall be considered as his election to pay the tax imposed by section 3 (relating to tax based on tax table); and his failure to make under the preceding sentence an election to take the standard deduction shall be considered his election not to pay the tax imposed by section 3.

(2) If the adjusted gross income shown on the return is less than $5,000, the standard deduction shall be allowed only if the taxpayer elects, in the manner provided in section 4, to pay the tax imposed by section 3. If the adjusted gross income shown on the return is less than $5,000, but the correct adjusted gross income is $5,000 or more, then an election by the taxpayer to pay the tax imposed by section 3 shall be considered as his election to take the standard deduction; and his failure to elect to pay the tax imposed by section 3 shall be considered his election not to take the standard deduction.

(3) If the taxpayer on making his return fails to signify, in the manner provided by paragraph (1) or (2), his election to take the standard deduction or to pay the tax imposed by section 3, as the case may be, such failure shall be considered his election not to take the standard deduction.

(b) *Change of election.* Under regulations prescribed by the Secretary or his delegate, a change of an election for any taxable year to take, or not to take, the standard deduction, or to pay, or not to pay, the tax under section 3, may be made after the filing of the return for such year. If the spouse of the taxpayer filed a separate return for any taxable year corresponding, for purposes of section 142 (a), to the taxable year of the taxpayer, the change shall not be allowed unless, in accordance with such regulations—

(1) The spouse makes a change of election with respect to the standard deduction for the taxable year covered in such separate return, consistent with the change of election sought by the taxpayer, and

(2) The taxpayer and his spouse consent in writing to the assessment, within such period as may be agreed on with the Secretary or his delegate, of any deficiency, to the extent attributable to such change of election, even though at the time of the filing of such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

This subsection shall not apply if the tax liability of the taxpayer's spouse, for the taxable year corresponding (for purposes of section 142 (a)) to the taxable year of the taxpayer, has been compromised under section 7122.

§ 1.144–1 *Manner and effect of election to take the standard deduction.* The following rules are prescribed with respect to the manner of signifying an election by a taxpayer to take the standard deduction:

(a) A taxpayer whose adjusted gross income as shown by his return is $5,000 or more shall be allowed the standard deduction if he signifies on his return his election to take such deduction. Such taxpayer shall so signify on his return by claiming thereon the deduction in the amount provided for in section 141 instead of itemizing the deductions allowable in computing taxable income, other than those specified in sections 62 and 151. The amount to be claimed on the return by such taxpayer is $1,000 or 10 percent of the adjusted gross income, whichever is lesser (except that in the case of a separate return by a married individual with an adjusted gross income of $5,000 or more, the amount is $500). If in any case the adjusted gross income shown on the return of the taxpayer is $5,000 or more, but the correct adjusted gross income is less than $5,000, then:

(1) If the taxpayer has elected on his return to take the standard deduction, such election shall be deemed to be an election by the taxpayer to pay the tax imposed by section 3; and

(2) If the taxpayer has not so elected upon his return, it shall be deemed that the taxpayer has elected not to pay the tax under section 3.

(b) If the adjusted gross income shown on the return is less than $5,000, the standard deduction is allowable if the taxpayer elects to pay the tax imposed by section 3. As to the manner and effect of election to pay the tax under section 3, see § 1.4–2. In the case of a taxpayer who files Form 1040, he shall signify his election to pay the tax imposed by section 3 by showing on Form 1040 as his tax the amount computed by use of the tax table in section 3. In any case, however, in which adjusted gross income shown on the return is less than $5,000, but the correct adjusted gross income is in fact $5,000 or more, then:

(1) If the taxpayer has elected to pay the tax imposed under section 3, it shall be deemed that he has elected to take the standard deduction; and

(2) If the taxpayer has not elected on his return to pay the tax under section 3, it shall be deemed that he has made an election not to take the standard deduction.

A taxpayer having adjusted gross income of less than $5,000, who does not elect to pay the tax imposed by section 3, may not take the standard deduction.

§ 1.144–2 *Change of election to take, or not to take, the standard deduction.* (a) A change of the election to take, or not to take, the standard deduction for any taxable year may be made before or after the time prescribed for filing the return for the taxable year. However, the period of time prescribed in section 6511 within which claim for credit or refund of tax must be made is not extended by the right to effect a change of election.

(b) If the spouse of the taxpayer filed a separate return for any taxable year that corresponds, for the purpose of section 142 (a), to the taxable year of the taxpayer, a change of election may not be made by the taxpayer unless: (1) The spouse makes a change of election in such separate return with respect to the standard deduction consistent with the change of election sought by the taxpayer, and (2) the taxpayer and his spouse file a consent in writing to the assessment, within such period of time as may be agreed upon, of any deficiency of either to the extent attributable to such change of election even though at the time of the filing of such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

(c) A change of election for any taxable year shall not be permitted if the tax liability of the taxpayer for the taxable year, or of the taxpayer's spouse for the taxable year corresponding, for the purpose of section 142 (a), to the taxable year of the taxpayer, has been compromised under the provisions of section 7122.

§ 1.145 *Statutory provisions; cross reference.*

SEC. 145 *Cross reference.* For disallowance of certain credits against the tax in the case of individuals electing the standard deduction, see section 36.

[F. R. Doc. 57–9780; Filed, Nov. 25, 1957; 8:56 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter VI—Department of the Navy

Subchapter C—Miscellaneous Rules

PART 765—RULES APPLICABLE TO THE PUBLIC

OFFENSE COMMITTED WITHIN LIMITS OF A NAVAL STATION

1. Section 765.1 is revised to read as follows:

§ 765.1 *Offenses committed within the limits of a naval station.* (a) All persons within the limits of a naval station or other shore activity are subject to Federal law including the penal laws adopted as Federal law (18 U. S. C. 13) of the State, Territory, Commonwealth, Possession or District where the station or activity is located.

(b) Persons not in the naval service who commit offenses within the limits of a naval station or other shore activity are subject to trial in the United States District Court for the district in which the station or activity is situated. Nothing said herein shall be construed to restrict military jurisdiction over such persons when they are subject thereto in accordance with law, including the law of war.

(R. S. 161; 5 U. S. C. 22)

By direction of the Secretary of the Navy.

[SEAL] P. A. WALKER,
Captain, U. S. Navy,
Acting Judge Advocate General.

NOVEMBER 19, 1957.

[F. R. Doc. 57–9781; Filed, Nov. 25, 1957; 8:56 a. m.]

Chapter VII—Department of the Air Force

Subchapter F—Reserve Forces

PART 861—OFFICER'S RESERVE

TOURS OF ACTIVE DUTY

In Part 861, §§ 861.1151 to 861.1160 are revised to read as follows:

Sec.
861.1151 Authorization.
861.1152 Definitions.
861.1153 Reservists not eligible.
861.1154 Duration and limitations.
861.1155 Medical qualifications.
861.1156 Statement to sign upon reporting.
861.1157 Statement to sign upon relief.
861.1158 Reservists medically disqualified.
861.1159 Statement of physical condition.

AUTHORITY: §§ 861.1151 to 861.1159 issued under sec. 8012, 70A Stat. 488; 10 U. S. C. 8012.

SOURCE: AFR 45–14, August 21, 1957.

§ 861.1151 *Authorization.* (a) Tours of active duty or active duty for training are authorized only for reservists assigned to ready mobilization program elements of the Air Force Reserve.

(b) Reservists performing tour authorized by §§ 861.1151 to 861.1159 retain their Ready Reserve assignments, and strength accountability remains with the reserve unit of assignment.

§ 861.1152 *Definitions* — (a) *Short tour.* A tour of active duty for training on which an Air Force reservist is ordered to satisfy the annual active duty for training requirements of his assigned program element.

(b) *School tour.* A programmed and funded tour of active duty for training to attend schools conducted by one of the military services.

(c) *Special tour.* A tour of active duty or active duty for training other than those defined in this section.

§ 861.1153 *Reservists not eligible.* (a) Reservists assigned to other than Ready Reserve mobilization program elements are not eligible for tours.

(b) Reservists whose enlistments will expire before they complete their tour of duty are not eligible for tours.

(c) Reservists drawing pensions, disability compensation, retired pay, or retirement pay, unless they waive such entitlement, or waive their active and inactive duty pay prior to entry on active duty are not eligible for tours.

§ 861.1154 *Duration and limitations*—(a) *Short tour.* A short tour is 15 days continuous duration including travel time, except that a short tour for personnel identified with Pay Group E will be 30 days duration. A reservist may not perform more than one short tour in any fiscal year. However, if an emergency terminates his tour before 50 percent completion he will either be required to complete a new short tour during the same fiscal year or be excused from the tour. If the time spent was at least 50 percent it will be considered as fulfilling the tour requirement for the year. Split tours and tours which overlap into another fiscal year will not be permitted. A reservist may participate in school and/or special tours in addition to his short tour.

(b) *School tour.* A school tour will include travel time and will be of sufficient duration for the reservist to complete the course he is selected to attend.

(c) *Short and/or special tour.* A reservist may not be authorized short and/or special tours in excess of 90 days in a fiscal year. A reservist must volunteer for a special tour.

(d) *Federal employees.* A reservist who is a full-time employee of the Federal Government will not be ordered to active duty for training to perform duties in the same position in which he is employed as a civilian. The law grants 15 days of military leave each calendar year to permanent full-time employees, without charge to annual leave or loss of pay, to participate in reserve training. When this leave expires, the reservist's employing agency may grant him annual leave to perform further military duty. He is entitled to the compensation of his civilian position plus his military pay and allowances for both periods without regard to dual compensation laws.

(e) *Tours outside the Zone of Interior.* If reservists are assigned to activities located within the Zone of Interior, they will not perform active duty for training at places outside the Continental United States, or conversely. Also, commanders will not order reservists to duty within the Zone of Interior and then place them on temporary duty outside the Continental United States. Exception: Reservists participating in over-water training flights contained in approved operating programs.

(f) *Temporary duty.* Reservists will be ordered to active duty at the place where the tour of duty is to be performed. They may not be placed on temporary duty away from that station at any one location for more than 50 percent of their tour.

(g) *Continuation of pay for hospitalized reservists.* Reservists who are injured or contract disease while on a tour

of active duty or active duty for training are entitled to continuation of pay and allowances. The prescribed period of active duty will not be affected by hospitalization of a reservist.

(h) *Active duty training without pay.* Active duty training without pay is not authorized.

§ 861.1155 *Medical qualifications.* (a) Applicants must meet the appropriate medical requirements. Reservists will be ordered to active duty for 30 days or less without prior medical examination except as provided in § 861.1156.

(b) Reservists applying for active duty tours of more than 30 days are required to undergo a medical examination. Normally, it will not be given more than 45 days before the expected date of entry on active duty. However, medical examinations completed not more than 90 days before the expected date of entry on active duty are acceptable. Such examinations will be without expense to the government for travel, pay or subsistence. Examinations may be performed at the military installation nearest to the reservist's residence if the necessary medical facilities are available. The reservist should make an appointment with the medical facility before reporting for examination.

§ 861.1156 *Statement to sign upon reporting.* Unless required to take a medical examination upon reporting for active duty or active duty for training, each reservist who considers himself qualified for full military duty will sign in duplicate statement contained in § 861.1159 (a). If he does not consider himself qualified and cannot conscientiously sign the certificate, the commander of the training base will order him to undergo a medical examination. In any event, if he reports for active duty with an obvious physical disability, if he is ill, has been injured in any way since last taking a medical examination, or is drawing a disability pension or disability compensation, he must submit to a medical examination.

§ 861.1157 *Statement to sign upon relief.* Normally, upon relief from active duty each reservist will sign the statement contained in § 861.1159 (b). However, if he believes that his physical condition has materially changed during his active duty tour or if he is suffering from any disability or defect that was not present at the beginning of the tour, the commander of his training base will order him to undergo a medical examination.

§ 861.1158 *Reservists medically disqualified.* When a reservist on active duty is found to be medically disqualified, the commander of the base where the medical examination is taken will relieve him from active duty. He will then send notice to this effect to the commander who ordered the reservist to active duty. Upon receipt of a medical disqualification notice, the commander responsible for the administration of the reservist will reassign him to the Inactive Status List Reserve Section (Continental Air Command) for transfer to the Retired Reserve Section or for separation, which is appropriate.

§ 861.1159 *Statement of physical condition*—(a) *Medical Statement Number 1.*

_____
(Date)

I now consider myself sound and well and physically able to perform military duty; that I was considered physically qualified for military service when examination was accomplished on/or about _____ (Date) at _____ (Place); to the best of my knowledge and belief, I have no physical defects or conditions, except as noted below, which would preclude the performance of military duty.

Signed _____

(b) *Medical Statement Number 2.*

_____
(Date)

During my tour of duty from _____ to _____ there has been no change in my physical condition and I am not suffering any disability, defect or illness which was not present at the beginning of the tour of duty.

Signed _____

[SEAL] CHARLES M. McDERMOTT,
Colonel, U. S. Air Force,
Deputy Air Adjutant General.

[F. R. Doc. 57-9741; Filed, Nov. 25, 1957; 8:45 a. m.]

PART 865—RETIREMENT OF AIR FORCE RESERVE PERSONNEL

PLACEMENT ON RETIRED LIST WITH RETIRED PAY AT AGE SIXTY

In Part 865, §§ 865.1 to 865.5 are rescinded and the following substituted therefor:

Sec.
865.1 Purpose and scope.
865.2 Application.
865.3 Definitions.
865.4 Annuities, dual office; dual compensation.
865.5 Veterans Administration, pensions or compensation
865.6 Criteria for eligibility.
865.7 Creditable service.
865.8 How years of satisfactory Federal service are computed.
865.9 How retired pay is computed.

AUTHORITY: §§ 865.1 to 865.9 issued under sec. 8012, 70A Stat. 488; 10 U. S. C. 8012. Interpret or apply secs. 101, 676, 1001, 1331–1337, 1401, 8966; 10 U. S. C. 101, 676, 1001, 1331–1337, 1401, 8966.

SOURCE: AFR 45-7, October 25, 1957.

§ 865.1 *Purpose and scope.* Sections 865.1 to 865.9 outline the eligibility requirements for placing members and former members of the Reserve components of the Air Force on the United States Air Force retired list with entitlement to retired pay at age sixty. Sections 865.1 to 865.9 list the organizations in which a person may have performed creditable active Federal service before July 1, 1949 and tell how retired pay is computed.

§ 865.2 *Application.* Sections 865.1 to 865.9 apply to members of and former members whose last service was with the Reserve components of the Air Force who attain age sixty and who are otherwise eligible to receive retired pay as outlined in §§ 865.1 to 865.9.

§ 865.3 *Definitions*—(a) *Reserve of the Air Force.* The common Federal status possessed by members of the Air Force Reserve and the Air National Guard of the United States.

(b) *Reserve components of the Air Force.* The Air Force Reserve and the Air National Guard of the United States.

(c) *Active status.* The status of all Reservists except those on the Inactive Status List and those in the Retired Reserve Section.

(d) *Active Federal service.* All periods of service with the active military establishment, including all periods of active duty for training, annual training duty, all prescribed periods of attendance at such service schools as have been, or may be designated as such by the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force for their respective services, or by law, or any other period of time when ordered to active duty under competent Federal orders. It does not include periods of hospitalization which extend beyond an active duty training tour.

(e) *Extended active duty.* Any tour of active duty, other than active duty for training, performed in the Federal service by a member of a Reserve component. Extended active duty may be further defined as the only tour in which strength accountability changes from the Reserve to the active establishment.

(f) *Active duty for training.* Full-time duty with the active establishment for training (§§ 861.1151 to 861.1159). Strength accountability remains with the unit of Reserve assignment.

(g) *Inactive duty training.* Unit training assemblies, training periods instruction, appropriate duties, or equivalent training, including hazardous duty, which are performed with or without pay by members of the Reserve components not on extended active duty or on active duty for training. Inactive duty training includes duties performed in connection with training, administration, and support activities of the unit of assignment or study through the USAF Extension Course Institute. Points will be awarded in accordance with §§ 861.31 to 861.36.

(h) *Points.* Credits awarded members of the Reserve components for military service on extended active duty, when not on extended active duty (but while in an active status), for performance of active duty training and inactive duty training, and for membership in an active status in a Reserve component.

§ 865.4 *Annuities, dual office; dual compensation*—(a) *Annuities.* Individuals receiving retired pay as authorized in §§ 865.1 to 865.9 may concurrently receive annuities under the provisions of the Civil Service Retirement Act of 1930 (46 Stat. 468; 5 U. S. C. 2256 (a)–(d)), as amended.

(b) *Dual office.* Individuals receiving retired pay as authorized in §§ 865.1 to 865.9 do not hold an office to which compensation is attached within the meaning of the dual office act of July 31, 1894 (28 Stat. 205, 31 U. S. C. 237a), as amended.

(c) *Dual compensation.* Members of the Reserve components receiving re-

tired pay as authorized in §§ 865.1 to 865.9 are not subject to the dual compensation restriction imposed by section 212 of the Act of June 30, 1932 (47 Stat. 406, 5 U. S. C. 59a), as amended, which limits the combined salaries from Federal employment and retired pay to $10,000 per annum. However, individuals who hold no military status who are receiving retired pay as authorized in §§ 865.1 to 865.9 are bound by the restriction imposed by this law and payment of retired pay will be withheld by the Air Force Accounting and Finance Center to the extent that such pay when added to the Federal employment pay exceeds $10,000, until the Federal employment is terminated or the individual is retired in his civilian status. Persons in this category must attach a statement, in duplicate, from their paymaster or chief clerk to their application showing the effective dates of their employment and all salary rates payable to them effective the last day of the month in which they attain age 60 or the last day of the month in which their applications are filed, as appropriate. To prevent delay in receipt of retired pay these persons must notify the Commander, Air Force Accounting and Finance Center, upon termination of their Federal employment.

§ 865.5 *Veterans Administration pensions or compensation.* (a) The Administrator of Veterans Affairs has held that pensions and compensation administered by the Veterans Administration may not be paid concurrently with retired pay as authorized by §§ 865.1 to 865.9. Individuals may elect to receive retired pay or to continue to receive pensions or compensation from the Veterans Administration. Should they elect to receive retired pay they are no longer eligible to receive pensions or compensation from the Veterans Administration, nor can they waive a part of their retired pay and receive benefits from the Veterans Administration.

(b) Individuals who elect to receive retired pay who receive pensions or compensation from the Veterans Administration after the date on which they are entitled to receive retired pay must refund any amount received. Refund may be made either by personal check payable to the Treasurer of the United States or by deductions from their retired pay.

(c) Individuals receiving pensions or compensation from the Veterans Administration must forward a Certificate of Election, in duplicate with their application for retired pay.

§ 865.6 *Criteria for eligibility.* An individual need not have a military status to be eligible to receive retired pay as outlined in §§ 865.1 to 865.9. However, he must:

(a) Have attained age 60.

(b) Have completed a minimum of 20 years of satisfactory Federal service in the status of a commissioned officer, warrant officer, flight officer, enlisted person, Army field clerk, or field clerk—Quartermaster Corps.

(c) Have served the last 8 years of his qualifying service as a member of a Reserve component of any of the Armed Forces. This does not have to be the last 8 years of military service, nor does it have to be continuous or consecutive service. Service in the Army of the United States or the United States Air Force without component is considered to be service in a Reserve component. Simultaneous service as a member of a Reserve component and as a member of the Regular Army, Navy, Air Force, Marine Corps, or Coast Guard is active Federal service but is not considered to be service in a Reserve component.

(d) Have performed active Federal service during some portion of either of two periods from April 6, 1917, to November 11, 1918, or September 9, 1940, to December 31, 1946, all dates inclusive, if he was a member of a Reserve component of the Armed Forces on or before August 15, 1945.

(e) Not be receiving nor be entitled to receive, under any other provision of law, retired pay for military or naval service, including retainer pay as a transferred member of the Fleet Reserve and the Fleet Marine Corps Reserve.

(f) Not have been discharged with severance pay for physical disability under the provisions of section 1212, Title 10, United States Code.

(g) Not fall within the prohibitions of the act of September 1, 1954 (68 Stat. 1142, 5 U. S. C. 740b–740i). Generally, this statute denies retired pay to persons who commit or who are convicted of certain offenses, or who invoke the privilege against self-incrimination under certain circumstances.

§ 865.7 *Creditable service.* The term "Federal service" includes all active Federal service (see § 865.3 (d)) and all service as a member of a Reserve component while not serving on active duty except as indicated in paragraph (b) of this section. Simultaneous service as a member of a Reserve component and as a member of the Regular Army, Navy, Air Force, Marine Corps, or Coast Guard is creditable as active Federal service but is not creditable as service in a Reserve component.

(a) Service in the following organizations before July 1, 1949, is considered to be Federal service as a member of a Reserve component:

(1) The National Guard of the United States.

(2) The Air National Guard of the United States.

(3) The National Guard or the Air National Guard while in the service of the United States.

(4) The federally recognized National Guard prior to June 15, 1933.

(5) A federally recognized status in the National Guard prior to June 15, 1933.

(6) A federally recognized status as an officer in an active status of the National Guard of a State during the period January 1, 1933, through October 31, 1934, provided the officer held this status on June 15, 1933, and accepted appointment as an officer in the National Guard of the United States on or before October 31, 1934.

(7) The Organized Militia after January 21, 1903, and prior to June 3, 1916.

(8) The Regular Army Reserve.

(9) The Officer's Reserve Corps and Enlisted Reserve Corps prior to March 25, 1948.

(10) The Organized Reserve Corps.

(11) The Air Force Reserve (officer and enlisted).

(12) The Naval Reserve and the Naval Reserve Force, excluding those members of the Fleet Reserve and Fleet Naval Reserve transferred thereto after completion of 16 or more years of active Naval service.

(13) The Naval Militia who have conformed to the standards prescribed by the Secretary of the Navy.

(14) The National Naval Volunteers.

(15) The Honorary Retired List of the Navy Reserve or Marine Corps Reserve.

(16) The Marine Corps Reserve and the Marine Corps Reserve Force, excluding those members of the Fleet Marine Corps Reserve transferred thereto after completion of 16 or more years of active Naval service.

(17) The Limited Service Marine Corps Reserve.

(18) The Coast Guard Reserve.

(19) The Army of the United States without component.

(20) The United States Air Force (Air Force of the United States) without component.

(21) The Philippine Scouts.

(22) Classified field service as an Army Headquarters Clerk or as a clerk of the Quartermaster Corps under laws in effect before August 29, 1916 (considered as service performed in the status of a warrant officer).

(b) Service in the following organizations is not considered "Federal service" and is not creditable in determining eligibility for retired pay:

(1) Army Specialist Corps.

(2) Auxiliary Reserve.

(3) Inactive Reserve (ISLRS).

(4) Honorary Reserve or Retired Reserve, except as provided in paragraph (a) (15) of this section.

(5) Reserve Officer's Training Corps or Citizen's Military Training Camp.

(6) Civilian Conservation Corps (unless ordered to CCC duty as Reserve officer).

(7) Inactive National Guard or Air National Guard.

(8) State National Guard or Air National Guard.

(9) National Guard Reserve.

(10) Service in a nonfederally recognized status in the National Guard or Air National Guard.

(11) State Administrative Staff before the Army Appropriation Act, May 12, 1917.

(12) Philippine Army.

(13) Philippine Constabulary.

(14) Public Health Service.

(15) Women's Army Auxiliary or Women's Air Service Pilots.

(16) Contract surgeons and contract dentists.

(17) Candidate, Officer's Training Corps, before January 5, 1918.

(18) Cadet or midshipman at a Military or Naval Academy.

§ 865.8 *How years of satisfactory Federal service are computed.* (a) All Federal service performed before July 1,

1949, and defined as creditable service in § 865.7 (a) will be credited in computing years of satisfactory Federal service. Enlisted service in China, Cuba, Philippine Islands, Guam, Alaska, and Panama before August 24, 1912, and in Puerto Rico and the Territory of Hawaii before April 23, 1904, is creditable as double-time for determining eligibility under §§ 865.1 to 865.9 Service is computed from the date the individual enlisted, accepted appointment, or was transferred from an inactive section to an active section of a Reserve component of any of the Armed Forces, to date he was discharged, his appointment terminated, or he was transferred from an active section to an inactive section of a Reserve component of any of the Armed Forces both dates inclusive, providing his service was satisfactory.

Example: A person enlisted in the Regular Army on January 12, 1917, and was honorably discharged on December 15, 1919; he accepted appointment as Second Lieutenant, Air Service, Officer's Reserve Corps, on February 18, 1920; was transferred to the Auxiliary Reserve on November 15, 1924; was assigned to Air Service, Officer's Reserve Corps on July 1, 1927; his appointment terminated on February 17, 1930. He is credited with:

	Years	Months	Days
Ending date	1919	12	15
Beginning date	1917	1	12
	2	11	4
Ending date	1924	11	15
Beginning date	1920	2	18
	4	8	28
Ending date	1930	2	17
Beginning date	1927	7	1
	2	7	17
Total	10	3	19

(b) An individual will be credited with a year of satisfactory Federal service after June 30, 1949, for each 12 consecutive month period, 365 days or 366 days in leap years (referred to as "year of service for retirement" or "retirement year"), in which he earns a minimum of 50 points creditable as indicated in this paragraph.

(1) One point for each day of active Federal service.

(2) One point for each day of service under sections 316, 503, 504, and 505 of Title 32, U. S. C., while performing annual training duty or while attending a prescribed course of instruction at a school designated as a service school by law or by the Secretary of the Armed Force concerned, if that service conformed to required standards and qualifications.

(3) One point for each drill or period of equivalent instruction which conforms to the requirements prescribed by the Secretary of the Air Force for the year concerned.

(4) Fifteen points for membership in an active status in a Reserve component for each year of Federal service (referred to as "membership points"). Membership points will be prorated for any retirement year which began between April 15, 1955, and August 9, 1956 (both dates inclusive), provided active duty was performed between these dates.

(c) For persons who were members of a Reserve component of one of the Armed Forces in an active status on July 1, 1949, the year of service for retirement will be computed from July 1 of one year to June 30 of the next year, both dates inclusive, provided there has been no break in active status since July 1, 1949.

(d) For persons who become members of a Reserve component or who are returned to an active status in a Reserve component after July 1, 1949, the year of service for retirement will begin on the date the person attains a Reserve status or the date of latest return to an active status and will end on the day preceding the annual anniversary of such entry or reentry into active status.

(1) A new year of service for retirement will not be established when a person transfers between Reserve components of the Armed Services nor upon reassignment from one program element to another program element of the Air Force Reserve, without a break in active status.

(2) A new year of service for retirement will not be established when a person is appointed as a commissioned or warrant officer from a warrant officer or enlisted status, reenlisted, or transferred from another branch of the Armed Forces, unless there is a break in service incident to such appointment, reenlistment, or transfer.

(e) After June 30, 1949, a reservist whose active status in a Reserve component is terminated before completing a year of service for retirement will be credited with a portion of that year as satisfactory Federal service, if he earns a proportionate part of the required 50 points, including membership points during that period.

§ 865.9 *How retired pay is computed.* Any person who is entitled to receive retired pay as outlined in §§ 865.1 to 865.9 shall receive it at an annual rate equal to 2½ percent of the annual active duty basic pay he would receive if serving, at the time granted such pay, on active duty in the highest grade, temporary or permanent, satisfactorily held by him during his entire period of service, multiplied by the number of years of service creditable for percentage purposes and any fractions thereof, not to exceed 75 percent of such active duty pay. Reserve medical and dental officers who were credited with constructive longevity under the provisions of section 202 (a) (7) of the Career Compensation Act of 1949, as changed by Public Law 497, 84th Congress (10 U. S. C. 5447, 5448, 5449) are entitled to include such constructive credit in determining the annual base and longevity pay for retired pay purposes but are not entitled to such constructive service for computation of the percentage multiple in determining the amount of retired pay.

(a) *Years of service for percentage purposes.* Total the days, including fractions thereof, credited to the individual as follows:

(1) One day for each day of active Federal service. (See § 865.3 (d)).

(2) Before July 1, 1949, 50 days for each year of Federal service, other than active Federal service, as a member of a Reserve component. (See § 865.7). To obtain this figure, divide the total number of days of creditable service, other than active Federal service, by 365 and multiply the figure obtained by 50. Double time service will not be credited in the computation of retired pay.

(3) After June 30, 1949, one day for each point credited to the individual in accordance with § 865.8 (b) (2), (3) and (4), not to exceed 60 days in any one retirement year. Individuals whose active status in a Reserve component is terminated before they complete a year of service for retirement may be credited with one day for each point credited to them in accordance with § 865.8 (b), not to exceed the proportionate part of the maximum 60 points allowed in any one year. The maximum inactive duty points, including membership points, are credited for a period of service less than a full year for retirement. For example:

A reservist's year of service for retirement begins on July 1, 1955. On January 31, 1956, he is assigned to the Inactive Status List Reserve Section. During this time 214 days, he earned a total of 45 points, including 9 membership points. He may be credited with only 35 points for this period of service and would receive credit for 35 days in computing his service for percentum purposes.

(4) Divide the total days creditable by 360.

(b) *Percentage for pay purposes.* Multiply the result obtained in paragraph (a) of this section by 2½ percent.

(c) *Gross retired pay.* Determine the basic pay of the highest grade, permanent or temporary, which the individual held satisfactorily during his entire period of service. Multiply this figure by paragraph (b) of this section. The result is the annual gross retired pay, provided the amount does not exceed 75 percent of the annual active duty pay.

[SEAL] CHARLES M. McDERMOTT,
Colonel, U. S. Air Force,
Deputy Air Adjutant General.

[F. R. Doc. 57-9742; Filed, Nov. 25, 1957; 8:46 a. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 203—BRIDGE REGULATIONS

BACK RIVER, MAINE

Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U. S. C. 499), § 203.6 is hereby prescribed to govern the operation of the Main State Highway Commission bridge across Back River, Boothbay, Maine, as follows:

§ 203.6 *Back River, Maine; highway bridge between Hodgdon and Barter Islands in the Town of Boothbay, Maine.* (a) The draw shall be opened promptly on signal for the passage of vessels between the hours of 8:00 a. m. and 5:00 p. m. (local time) during the

months of June to October, inclusive. At other hours during these months the draw need not be opened for the passage of vessels except on previous notice in person, by telephone, or in writing to the drawtender. Such previous notice to be received during the hours the drawtender is on duty.

(b) From November to May, inclusive, the draw need not be opened for the passage of vessels any hour of the day or night except on a 24-hour advance notice to the drawtender of the bridge over Townsend Gut between Southport and Boothbay Harbor, Maine, or to the Maine State Highway Commission, Augusta, Maine.

(c) Upon receipt of such notice, the authorized representatives of the owner or agency controlling the bridge, in compliance therewith, shall arrange for the opening of the draw at the time specified in the notice for the passage of the vessel.

(d) The owner or agency controlling the bridge shall keep conspicuously posted on both the upstream and downstream sides of the bridge, in a manner that it can be easily read at any time, a copy of the regulations in this section, together with a notice stating exactly how the representative stated in paragraph (b) of this section may be reached.

[Regs., Nov. 6, 1957, 823.01 (Back River, Maine)—ENGWO] (Sec. 5, 28 Stat. 362; 33 U. S. C. 499)

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

[F. R. Doc. 57-9744; Filed, Nov. 25, 1957; 8:46 a. m.]

PART 203—BRIDGE REGULATIONS

PART 207—NAVIGATION REGULATIONS

MISCELLANEOUS AMENDMENTS

1. Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U. S. C. 499), § 203.2 is hereby prescribed to govern the operation of the Maine State Highway Commission bridge across Narraguagus River, Milbridge, Maine, as follows:

§ 203.2 *Narraguagus River, Maine; Maine State Highway Commission bridge across Narraguagus River, Milbridge, Maine.* (a) The owner of or agency controlling the drawbridge will not be required to keep a drawtender in constant attendance.

(b) Whenever a vessel desires an opening of the drawspan at least a 24-hour advance notice of the time the opening is required shall be given in person, in writing, or by telephone to the Maine State Highway Commission, Division Office, Ellsworth, Maine.

(c) Upon receipt of such notice, the authorized representative of the owner of or agency controlling the bridge in compliance therewith, shall arrange for the prompt opening of the draw at the time specified in the notice for the passage of the vessel.

(d) The owner of or agency controlling the bridge shall keep conspicuously posted on both the upstream and downstream sides of the bridge, in a manner that it can be easily read at any time, a copy of the regulations in this section, together with a notice stating exactly how the representative stated in paragraph (b) of this section may be reached.

[Regs., Nov. 12, 1957, 823.01—ENGWO] (Sec. 5, 28 Stat. 362; 33 U. S. C. 499)

2. Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U. S. C. 499), § 203.125 (a) governing the operation of the highway bridge (known as the Washington Bridge) across Housatonic River between Milford and Stratford, Connecticut, is hereby amended, changing subparagraphs (1) and (2) in order to relieve congestion of highway traffic during peak load periods, effective on and after publication of this amendment in the FEDERAL REGISTER, as follows:

§ 203.125 *Housatonic River, Conn.; bridges (highway and railroad) between Milford and Stratford, Conn., known as the Washington Bridge, and bridge of New York, New Haven and Hartford Railroad Co.*—(a) *For the highway bridge.* (1) Except as provided for in subparagraph (2) of this paragraph, the draw shall be immediately opened at any hour of the day or night for the passage of foreign vessels and "vessels of the United States," as defined by section 4311, Revised Statutes (46 U. S. C. 251), upon a signal given by one long and one short blast of a horn or steam whistle.

(2) The draw of the bridge need not be opened, except in an emergency, between 7:00 a. m. and 9:00 a. m., Monday to Friday, inclusive, and between 4:00 p. m. and 5:45 p. m. every day throughout the year. At all other times including the period 7:00 a. m. and 9:00 a. m. on Saturdays, Sundays, and legal holidays, the draw shall, when the signal described in subparagraph (1) of this paragraph is given, be opened as soon as practicable for all other vessels which cannot pass the closed bridge, but in no case shall the delay be over 20 minutes.

[Regs., Nov. 12, 1957, 823.01—ENGWO] (Sec. 5, 28 Stat. 362; 33 U. S. C. 499)

3. Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U. S. C. 1), § 207.164 is hereby prescribed to govern the use of a restricted area in Cape Fear River and its tributaries at the Sunny Point Army Terminal, Brunswick County, North Carolina, as follows:

§ 207.164a *Cape Fear River and tributaries at Sunny Point Army Terminal, Brunswick County, North Carolina; restricted area.* (a) The area: That portion of Cape Fear River due west of the main ship channel extending from U. S. Coast Guard buoy No. 31A at the north approach channel to Sunny Point Army Terminal to U. S. Coast Guard buoy No. 23A at the south approach channel to Sunny Point Army Terminal and all waters of its tributaries therein.

(b) Except in cases of extreme emergency, vessels of any size or rafts other than those authorized by the Commander, Sunny Point Army Terminal, are prohibited from entering this area without prior permission of the enforcing agency.

(c) The regulations in this section shall be enforced by the Commander, Sunny Point Army Terminal, Southport, North Carolina, and such agencies as he may designate.

[Regs., Nov. 12, 1957, 800.21 (Cape Fear River, N. C.)-ENGWO] (Sec. 7, 40 Stat. 266; 33 U. S. C. 1)

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

[F. R. Doc. 57-9743; Filed, Nov. 25, 1957; 8:46 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

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

Appendix—Public Land Orders

[Public Land Order 1557]

[LA. 032537]

[805093]

CALIFORNIA

MODIFYING EXECUTIVE ORDER OF OCTOBER 16, 1918, WHICH CREATED PUBLIC WATER RESERVE NO. 56

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

The Executive order of October 16, 1918, creating Public Water Reserve No. 56, California No. 7, is hereby modified to the extent necessary to permit disposal of the following-described lands under applicable public-land laws by a State selection or by an exchange under section 8 of the act of June 28, 1934, as amended by section 3 of the act of June 26, 1936 (48 Stat. 1272; 49 Stat. 1976; 43 U. S. C. 315g), provided, that the consummation of an exchange other than a State exchange pursuant to an application under the said act of June 28, 1934, as amended, shall be contingent upon a prior determination that it will be of assistance in a Federal land program other than one authorized by the homestead or desert-land laws or by the Small Tract Act of June 1, 1938, as amended. Provided, that this order shall not be construed to preclude lease or disposal of the lands pursuant to the act of June 4, 1954 (68 Stat. 173; 43 U. S. C. 869):

SAN BERNARDINO MERIDIAN

T. 3 S., R. 4 E.,
Sec. 22, S½, S½NW¼, and SW¼NE¼;
Sec. 26 and 28;
Sec. 34, N½.

The areas described aggregate 2,040 acres.

ROGER ERNST,
Assistant Secretary of the Interior.

NOVEMBER 19, 1957.

[F. R. Doc. 57-9752; Filed, Nov. 25, 1957; 8:48 a. m.]

[Public Land Order 1558]

[57478]

WISCONSIN

REVOKING PUBLIC LAND ORDER NO. 741 OF AUGUST 9, 1951

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

Public Land Order No. 741 of August 9, 1951, which withdrew the following-described public lands in Wisconsin for use of the Wisconsin Conservative Department in connection with the Totogatic Conservation Area, is hereby revoked:

FOURTH PRINCIPAL MERIDIAN

T. 42 N., R. 9 W.,
Sec. 20, SW¼NE¼.

The area described contains 40 acres.

The lands have been patented to the State of Wisconsin.

ROGER ERNST,
Assistant Secretary of the Interior.

NOVEMBER 19, 1957.

[F. R. Doc. 57-9753; Filed, Nov. 25, 1957; 8:48 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

[8 CFR Parts 2, 7, 9]

MISCELLANEOUS AMENDMENTS TO CHAPTER

NOTICE OF PROPOSED RULE MAKING

Pursuant to section 4 of the Administrative Procedure Act (60 Stat. 238, 5 U. S. C. 1003), notice is hereby given of the proposed issuance of the following rules implementing the act of September 11, 1957. In accordance with subsection (b) of said section 4, interested persons may submit to the Commissioner of Immigration and Naturalization, Room 630, 119 D Street NE., Washington 25, D. C. written data, views, or arguments (in duplicate) relative to these proposed rules. Such representations may not be presented orally in any manner. All relevant material received within 20 days following the day of publication of this notice will be considered.

1. Section 2.5 is amended by adding a new item at the end thereof, so that, when taken with the introductory material, it will read as follows:

§ 2.5 *Fees for service, documents, papers, and records not specified in the Immigration and Nationality Act.* In addition to the fees enumerated in sections 281 and 344 of the Immigration and Nationality Act, the following fees and charges are prescribed:

* * * * *

For filing application for adjustment of status pursuant to section 9 or 13 of the act of September 11, 1957.. $25.00

2. Subparagraphs (1) and (2) of paragraph (a) of § 7.1 are amended, so that, when taken with the introductory material, they will read as follows:

§ 7.1 *Regional commissioners*—(a) *Appellate jurisdiction.* Appeals shall lie to the regional commissioners from the following:

(1) Decisions of district directors on petitions filed in accordance with section 204 or 214 (c) of the Immigration and Nationality Act or section 4 (b) (2) (B) of the act of September 11, 1957, or from decisions revoking the approval of such petitions in accordance with section 206 of the Immigration and Nationality Act, as provided in Parts 204, 205, 214h, and 206 of this chapter;

(2) Decisions of district directors on applications for consent to reapply for admission to the United States under section 212 (a) of the Immigration and Nationality Act and on applications for waiver of excludable grounds under section 5 or 7 of the act of September 11, 1957, filed by a visa applicant outside the United States, as provided in Part 212 of this chapter;

3. Paragraphs (e) and (aa) of § 9.5a are amended, so that, when taken with the introductory material, they will read as follows:

§ 9.5a *Authority of Regional Commissioners.* The powers, privileges, and duties conferred or imposed upon officers or employees of the Service under this chapter with respect to the following-described matters are hereby conferred or imposed upon the regional commissioners:

* * * * *

(e) Applications for consent to apply or reapply because inadmissible to the United States under paragraph (16) or (17) of section 212 (a) of the Immigration and Nationality Act and applications for waiver of excludable grounds under section 5 or 7 of the act of September 11, 1957, as provided in Part 212 of this chapter.

* * * * *

(aa) Adjustment of status to persons admitted for permanent residence as provided in section 245 of the Immigration and Nationality Act, section 9 or 13 of the act of September 11, 1957, and Part 245 of this chapter.

(Sec. 501, 65 Stat. 290; 5 U. S. C. 140; sec. 103, 66 Stat 173; 8 U. S. C. 1103)

Dated: November 12, 1957.

WILLIAM P. ROGERS,
Attorney General.

Recommended: October 22, 1957.

J. M. SWING,
Commissioner of Immigration and Naturalization.

[F. R. Doc. 57-9779; Filed, Nov. 25, 1957; 8:55 a. m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 982]

[Docket No. AO-298; AO-238-88]

HANDLING OF MILK IN CENTRAL WEST TEXAS MARKETING AREA

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

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

Preliminary statement. The hearing on the record of which the proposed marketing agreement and order amending the order, for the Central West Texas marketing area, were formulated, was conducted at Wichita Falls, Texas, on August 6-9, 1957, pursuant to notice thereof which was issued on July 10, 1957 (22 F. R. 5705).

The hearing, in addition to considering proposed amendments to the Central West Texas marketing order, was also concerned with the question of whether regulation should be extended to several additional counties in Texas and Oklahoma. The further question was raised as to whether all these counties should be combined into a single marketing area and a new order issued, or whether the Texas counties should be added to the Central West Texas marketing area.

The proposals set forth in the notice of hearing included Palo Pinto County among those proposed to be regulated either under a new order or through addition to the Central West Texas marketing area. There was also a separate proposal by the principal handler in Palo Pinto County that it be added to the Central West Texas marketing area.

At the hearing the proponents of the new order abandoned Palo Pinto County and no evidence was presented with respect to its inclusion in a new order should one be issued. Palo Pinto County has very little, if any, relationship with the other counties listed in the notice of hearing, and the question of its addition to the Central West Texas marketing area should be considered separately

and apart from that of the remaining territory proposed.

The proposals which deal with amendment, other than marketing area, of the Central West Texas marketing order are such that immediate action should be taken with respect to them. It has been concluded, therefore, that a separate decision should be published with respect to these issues. The question of Palo Pinto County will also be considered in this decision.

With respect to the remaining counties, the decision is reserved as to whether they should be regulated and, if so, whether by addition to Central West Texas or by the issuance of a separate marketing order. A decision in this matter will be issued subsequently.

The material issues, other than those which relate to the area not included in this recommended decision, were concerned with whether:

(1) Palo Pinto County should be added to the Central West Texas marketing area;

(2) A cooperative association should be the handler with respect to milk deliveries to the plants of other handlers in tank trucks owned or operated by the cooperative association;

(3) A compensatory payment should be assessed on other source milk disposed of as Class I milk by regulated handlers;

(4) A special cheese price should be established on a year-round basis;

(5) The present provisions with respect to custom bottling should be retained; and

(6) The provisions relating to the standards which must be met by a plant to qualify it as a pool plant should be amended.

Findings and conclusions. Upon the evidence adduced at the hearing and the record thereof, it is hereby found and concluded as follows:

1. The City of Mineral Wells in Palo Pinto County should be added to the Central West Texas marketing area.

Palo Pinto County is predominantly rural. The only community in the county having a population in excess of 1,000 persons is Mineral Wells, which has a population of approximately 8,000. There are no effective health regulations outside Mineral Wells, and there are no handlers located elsewhere in the county. For these reasons it has been concluded that the remainder of the county should not be included in the marketing area.

The handler located in Mineral Wells is, and has been for several years, regulated under the Central West Texas marketing order, except for a period of 3 or 4 months when he was regulated under the North Texas order. This resulted from his having secured a military contract in the North Texas marketing area. The additional sales in North Texas during the life of the contract were sufficient to bring him under regulation by that order instead of the Central West Texas order.

Most of the milk disposed of in Mineral Wells is supplied by Central West Texas handlers. The producers who furnish milk to the handler located there are members of the cooperative association which furnishes most of the milk to other Central West Texas handlers. Addition of this city to the Central West Texas marketing area will stabilize marketing conditions there and allay the fears of producers supplying the Mineral Wells plant that they may find their milk regulated under another order. The uncertainty of these producers as to what order their milk will be subject, has caused some of them to shift to other plants and has threatened the supply of milk for the handler at Mineral Wells.

2. The order should be amended to provide that under certain circumstances a cooperative association should be the handler for milk of its member producers which is delivered directly to the plants of other handlers from the producers' farms.

The cooperative associations which furnish the greater portion of the milk to the Central West Texas marketing area are primarily bargaining associations. These associations, however, own plants where milk may be received for manufacturing into dairy products when it is not needed for fluid use by distributing plants on the market. Thus, these associations are in a position to balance the supply of milk to the requirements of the distributing plants.

These associations also own and operate insulated tank trucks in which the milk of producers who have bulk cooling tanks on the farm is picked up and transported to the distributing plants of handlers. Recently there has been a very rapid expansion in the number of bulk cooling tanks being installed on the farm and in the number of tank trucks acquired by the cooperative associations to transport such milk. It is likely that the trend in this direction will continue at a very rapid rate.

The transportation of milk from farm to market in insulated tank trucks owned and operated by the cooperative associations has created a problem with respect to the determination of who is responsible to the individual producer. When milk comes to the market in cans, the milk of the individual producer is dumped, weighed, and a sample taken for butterfat testing by an employee of the plant where the milk is utilized. The operator of the plant has the responsibility for paying either the individual producer or, where authorized, a cooperative association for the pounds of milk received at the butterfat test.

When milk moves to market in a tank truck, the weight of the milk is checked and a sample for butterfat testing is taken at the farm. The milk of several producers is intermingled in a tank truck. When these tank trucks are owned and operated by the cooperative associations, the weight of each producer's milk is checked, and a sample of the milk for butterfat testing is taken by a person who is an employee of, or who is directly responsible to, the cooperative association. The handler who receives the milk of several producers intermingled in a tank has no way of knowing the weight or the butterfat test of the milk of the individual producers whose deliveries make up the load, except as such information may be reported to him by the association. In some instances, particularly in the case of supplemental loads, the handler may not even know the identity of the producers whose milk he receives. Under these circumstances, it is preferable to make the cooperative association the handler for such milk and the person who is required, both to account to the pool for it, and to make payment to the individual producer for the volume of milk he has delivered at its correct butterfat test. The handler who utilizes the milk should be required to pay the class price to the cooperative association for such milk. The cooperative association, in turn, should be required to make the monthly report with respect to such milk, and to settle with the producer-settlement fund for it. With respect to milk from producers' farms in cans, or in tank trucks, owned or operated by the distributing plant, the operator of such plant should continue to be the handler for such milk and should be required to account to the market administrator for it. For such milk the handler would continue to make payment to the producer or to the cooperative association at the applicable uniform price.

3. A compensatory payment should be required with respect to other source milk received by handlers, other than in the form of fluid milk products, which is allocated to Class I utilization.

Producers proposed that a compensatory payment equal to the difference between the Class I price and the Class II price be levied on any other source milk which is classified as Class I milk. It was their contention that handlers could purchase other source milk at somewhat less than the Class I prices under the Central West Texas marketing order, at least during certain seasons of the year, and could use it to displace producer milk if no charge were made on such milk, and that occasionally distress milk could be purchased for little more than the price for manufacturing milk.

It is clear from the record, however, that very little other source milk in fluid form has displaced producer milk for Class I uses. Under the circumstances, it is concluded that a compensatory payment is not necessary at this time with respect to other source milk received by pool plants in the form of fluid milk products.

Some handlers, however, regularly purchase non-fat solids in the form of powder or condensed skim milk which is used for standardizing, or for fortifying skim milk, and is sometimes reconstituted for sale as skim milk, buttermilk, or flavored milk drinks. The records of the market administrator show that very little butterfat in other source milk has been allocated to Class I. It must be concluded that the other source milk allocated to Class I has been largely that which was received in the form of nonfat dry milk or condensed skim milk.

If a handler is able to use, in Class I, non-fat solids he purchases in the form of manufactured dairy products, he stands to gain an advantage, but in so doing he undermines the Class I market price. An important feature of the order is to insure that the position of a handler paying producers a Class I price for

milk for fluid use will not be impaired by other handlers using the excess or surplus producer milk for Class I use. It is as important that the Class I market be protected from the use of milk reconstituted from manufactured dairy products as from the use of its own surplus. If the order fails to provide such protection, handlers could curtail purchases of milk from producers to their own advantage and reconstitute condensed milk and non-fat dry milk for Class I use.

Increasing use of reconstituted milk for Class I disposition would tend to demoralize the Class I pricing structure of the market and would impair the production of milk for the market. Such marketing conditions would be contrary to the stated purposes of the act. It is necessary, therefore, in order to insure the effectiveness of the classified pricing program and to promote orderly marketing, that some measure be taken to remove the incentive which handlers have to reconstitute condensed milk or nonfat dry milk, and to undermine the Class I pricing structure.

It would be extremely difficult, if not impossible, to determine the original source of the manufactured products reconstituted by handler, since such products may move through several hands and be intermingled with the output of other plants before being acquired by Central West Texas handlers. It is not feasible, therefore, to attempt to regulate the plants where such products originate. The only alternative available is to levy a charge against such products allocated to Class I to whatever extent is necessary to remove the advantage there may be in using such products instead of priced milk from producers.

The Class II price established by the order is a reasonably accurate measure of the value of condensed milk or nonfat dry milk in the Central West Texas marketing area. The compensation payment on concentrated products allocated to Class I, therefore, should be an amount equal to the difference between the Class I and the Class II prices multiplied by the milk or skim milk equivalent of such products adjusted by the applicable butterfat differentials.

4. The order should be amended to provide a special price for milk manufactured into cheddar cheese but only during the months of flush production.

Producers proposed that a special cheese price be established on a year-round basis. The cooperative association operates a cheese plant in which it manufactures the milk which cannot be utilized in the distributing plants. It is the association's contention that even during the months of short supply there are odd lots of milk which cannot be utilized in a higher classification. This is due in large measure to the great extent of the marketing area. The distances between the plants of handlers make it difficult at times to move milk from a plant which may have some excess to a plant where it could be utilized in Class I.

Other than the cheese plant of the cooperative association there are no manufacturing plants in the milkshed. Thus any milk received by handlers in excess of that which can be utilized in their plants must either be dumped or transferred to the cheese factory of the cooperative association. The only manufacturing plants which might be able to use such milk in products yielding a higher return are so distant that the cost of moving milk to them would be prohibitive.

The cooperative association insists that it is impossible to recover from their cheese operation sufficient returns to pay the Class II price for milk so used. The sporadic nature of the operation results in very high overhead costs per hundredweight of milk. The volume of milk going through the plant, even in the flush season, is so small that they are unable to dispose of the cheese in carload lots and must sell it to assemblers at a discount. Since the plant is so far from the market, the transportation charges on less than carload lots of cheese are very high. It is these conditions which have resulted in the order's being amended each spring to provide a special cheese price for the flush months of production.

It is not necessary to provide a cheese price for the entire year. The Central West Texas market is in relatively short supply. The records of the market administrator show that in the fall months receipts of milk from producers are very little in excess of Class I sales and in some months have been even less than Class I sales. At such times the amount of milk which cannot find an outlet other than in cheese is very small. The establishment of a special price for such milk is unwarranted.

It is not expected that every lot of milk which is received by a handler will result in his making a profit. In all businesses there must be some transactions which result in a loss. If milk were priced so low that a handler were insured a profit on every lot of milk handled, the price to producers would be reduced substantially. The incentive which exists to see that milk is utilized in the highest class possible would be removed. This would result in lower returns to producers, and possibly a request for a higher Class I price to offset the reduction. All this could lead to disorderly marketing.

In the months of flush production the situation is somewhat different. As noted above, the only outlet available for excess supplies is the cheese factory. If production is substantially greater than can be utilized in higher return products and the loss incurred in milk which is transferred to the cheese factory becomes excessive, handlers will refuse to accept from producers more milk than they can utilize in their fluid operation. Thus, some producers might lose their market during the spring of the year, and the entire loss incurred on milk manufactured into cheese would be borne by the cooperative association.

It is concluded, therefore, that to maintain orderly marketing conditions during the months of flush production, a special cheese price should be provided for the months of February through July, inclusive. This price should be equal to 8.4 times the average of the daily prices per pound of cheese at Wisconsin primary markets ("Cheddar" f. o. b. Wisconsin assembly points, cars or truckloads) as reported by the United States Department of Agriculture during the month. In recent months this would have resulted in an average price of approximately $2.95 per hundredweight. This appears to be the maximum return which can be realized from the costly and inefficient operation that must be maintained to absorb the market surplus during the flush months. To accomplish this objective, the order should provide a separate classification for milk manufactured into American Cheddar cheese during the months of February through July. This classification should be designated as Class II A.

5. The present provisions of the order which were designed to accommodate certain custom bottling operations which existed at the time the order was issued should be deleted.

At present, and for some time past, no handler in the market is engaging in custom bottling or is having milk bottled by other plants. There is no indication that the practice will be revived. Since the provisions are no longer effective they should be eliminated.

6. No change should be made in the present standards which a plant must meet to qualify as a pool plant.

Although the notice of hearing contained a proposal to fully regulate those plants which are now partially regulated, the proposal was abandoned by its proponents and no evidence with respect to it was presented on the record.

It was proposed by the handler in Mineral Wells that any plant which qualified as a pool plant during the base-forming period should continue to be a pool plant during the base-paying period even though it no longer met the standards specified in the order. As noted above, this handler found himself regulated under the North Texas order instead of under the Central West Texas order for a few months in the spring of 1957. Since this included a portion of the base-paying period, it created considerable dissatisfaction among his producers who had expected to receive the base price computed for Central West Texas and instead received the somewhat lower base price under the North Texas order. The handler received no advantage thereby since the Class I price at Mineral Wells under the Central West Texas order is identical to what it is under the North Texas order. It merely resulted in his payments to the producer-settlement fund in North Texas being greater than they would have been under the Central West Texas order. This proposal was presented by the handler as an alternative to his proposal to add Palo Pinto County to the marketing area. Adoption of either amendment would insure his continued regulation under the Central West Texas marketing order.

The proposal should be denied. Since it has been concluded that Mineral Wells in Palo Pinto County be annexed to the Central West Texas marketing area, it is not necessary to insure the handler's continuing to be regulated under the Central West Texas order. Its adoption could lead to very serious consequences.

Under such a proposal a plant which had been regulated, but which had withdrawn from the market, could continue to share in the market-wide pool and divert to farmers no longer associated with the market money which should go to those producers who continue to bear the obligation of furnishing an adequate supply of milk to the market.

In addition to the amendments specifically discussed above certain other changes must be made in the order to bring its administrative provisions into conformity with the amendments recommended above. These changes, however, are solely for the purpose of securing conformity and have no substantive effect beyond that discussed in connection with the above recommendations.

Rulings on proposed findings and conclusions. Briefs were filed on behalf of certain interested parties. These briefs and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions set forth in the briefs are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or to reach such conclusions are denied for the reasons set forth above.

General findings. (a) The proposed marketing agreement and order amending the order, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

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

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

(d) All milk and milk products handled by handlers as defined in the order, as hereby amended, are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in milk or its products.

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

1. Delete § 982.6 and substitute therefor the following:

§ 982.6 *Central West Texas marketing area.* "Central West Texas marketing area," hereafter called the "marketing area," means all territory within the boundaries of the Abilene Air Force Base and within the corporate limits of the following cities and towns, all in the State of Texas:

Abilene.	Lamesa.
Albany.	Merkel.
Anson.	Midland.
Aspermont.	Mineral Wells.
Ballinger.	Munday.
Big Spring.	Odessa.
Breckenridge.	Ranger.
Brownwood.	Rochester.
Cisco.	Rotan.
Coleman.	Rule.
Colorado City.	San Angelo.
Comanche.	Snyder.
Eastland.	Stamford.
Hamlin.	Sweetwater.
Haskell.	Tye.
Knox City.	Winters.

2. Delete § 982.9 and substitute therefor the following:

§ 982.9 *Handler.* "Handler" means:

(a) Any person in his capacity as the operator of an approved plant;

(b) Any person in his capacity as the operator of an unapproved plant from which Class I milk is disposed of during the month on a route in the marketing area;

(c) Any cooperative association with respect to the milk of its member producers which it causes to be delivered directly from the farm for its own account, in tank truck(s) owned or operated by such association, to the approved plant of another handler described in § 982.7 (a) (1) or (b): *Provided,* That such milk shall be deemed to have been received by the cooperative association at the location of the plant to which it is delivered; or

(d) Any cooperative association with respect to the milk of any producer which it causes to be diverted to an unapproved plant for the account of such cooperative association.

3. Delete § 982.10 (c) and substitute therefor the following:

(c) "Producer" shall include any such person whose milk is received by a cooperative association pursuant to § 982.9 (c) or is regularly received at an approved plant, but whose milk is caused to be diverted by a handler to an unapproved plant, and milk so diverted shall be deemed to have been received by the handler at the location of the approved plant from which it is caused to be diverted. "Producer" shall not include any person with respect to milk produced by him which is received at a plant operated by a handler who is subject to another Federal marketing order and who is partially exempt from the provisions of this part pursuant to § 982.61.

4. Delete § 982.14 and substitute therefor the following:

§ 982.14 *Route.* "Route" means any delivery (including any delivery by a vendor or at a plant store) of milk, skim milk, buttermilk or flavored milk drink other than to a milk processing plant.

5. At the end of § 982.41 (b) (1) delete the semicolon and add the following: ", except Cheddar cheese during the months of February through July;"

6. After § 982.41 (b) (5) add a new paragraph as follows:

(c) Class II–A milk shall be all skim milk and butterfat used to produce Cheddar cheese during the months of February through July.

7. Delete § 982.46 (a) and substitute therefor the following:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II the pounds of skim milk determined pursuant to § 982.41 (b) (3);

(2) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk (including, in the case of concentrated products, all the water originally contained in the skim milk) in other source milk received during the month in a form other than milk, skim milk, or cream;

(3) Subtract from the remaining pounds of skim milk in each class, in series beginning with the lowest class (Class II–A milk during the months of February through July and Class II milk during other months) the pounds of skim milk in other source milk received during the month in the form of Class I items;

(4) Subtract from the remaining pounds of skim milk, in series beginning with Class II, the pounds of skim milk contained in the Class I items in inventory at the beginning of the month;

(5) Subtract from the remaining pounds of skim milk in each class the skim milk received from other handlers in the form of milk, skim milk, or cream according to its classification as determined pursuant to § 982.44 (a);

(6) Add to the remaining pounds of skim milk in Class II the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and

(7) If the remaining pounds of skim milk in all classes exceed the pounds of skim milk received from producers, subtract such excess from the remaining pounds of skim milk in series beginning with Class II milk. Any amount so subtracted shall be called "overage".

8. Add the following new paragraph at the end of § 982.51:

(c) *Class II–A milk.* For the months of February through July, subject to the provisions of § 982.52, the minimum price per hundredweight to be paid by each handler for milk received at his plant from producers and classified as Class II–A milk shall be computed by multiplying by 8.4 the average of the daily prices paid per pound of cheese at Wisconsin primary markets ("Cheddars" f. o. b. Wisconsin assembling points, cars or truckloads) as reported by the Department for the month involved.

9. Amend § 982.52 (b) to read "Class II and Class II–A milk:"

10. Delete § 982.70 and substitute therefor the following:

§ 982.70 *Computation of value of milk.* For each month, the market ad-

ministrator shall compute the value of producer milk for each handler as follows:

(a) Multiply the quantity of producer milk in each class computed pursuant to § 982.46 by the applicable class price and add together the resulting amounts;

(b) Add an amount computed by multiplying the pounds of any overage deducted from either class pursuant to § 982.46 (a) (7) and (b) by the applicable class price;

(c) Add the amount computed by multiplying the difference between the applicable Class II price for the preceding month and the applicable Class I price for the current month by the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 982.46 (a) (4) and the corresponding step of paragraph (b); and

(d) If any other source milk has been subtracted from Class I pursuant to § 982.46 (a) (2) and the corresponding step of paragraph (b), add an amount equal to its value computed at the difference between the Class I and Class II price for the current month.

Issued at Washington, D. C., this 21st day of November 1957.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator,
Agricultural Marketing Service.

[F. R. Doc. 57-9786; Filed, Nov. 25, 1957; 8:57 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

IDAHO

NOTICE OF PROPOSED WITHDRAWAL AND RESERVATION OF LANDS

NOVEMBER 18, 1957.

The Department of Agriculture has filed an application, Serial No. Idaho 04218, for the withdrawal of the lands described below, from all forms of appropriation under the Public Land Laws and Mining Laws. The applicant desires the land for Lolo-Eldorado Creek Road in the Clearwater National Forest.

For a period of thirty days from the date of publication of this notice, persons having cause may present their objections in writing to the undersigned official of the Bureau of Land Management, Department of the Interior, P. O. Box 2237, Boise, Idaho.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the applications will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

CLEARWATER NATIONAL FOREST—BOISE MERIDIAN, IDAHO

LOLO-ELDORADO CREEK ROAD

T. 34 N., R. 6 E.,
Sec. 1, Lots 1, 2, S½NE¼, SE¼;
Sec. 3, Lot 2, SW¼NE¼, W½SE¼, SE¼ SW¼;
Sec. 4, SE¼SE¼;
Sec. 5, Lots 3, 4, S½NW¼;
Sec. 6, Lot 1, SE¼NE¼, NE¼SE¼, S½ SE¼;
Sec. 7, E¼;
Sec. 9, NE¼NE¼, W½E½, E½NW¼, SE¼ SW¼;
Sec. 10, NW¼NE¼, NE¼NW¼, W½NW¼;
Sec. 12, E½;
Sec. 13, W½NE¼, NW¼, W½SW¼;
Sec. 14, E½E½, SE¼SW¼, SW¼SE¼;
Sec. 16, W½E½, NW¼, N½SW¼, SE¼ SW¼;
Sec. 17, NE¼NE¼, S½NE¼, N½NW¼, SE¼NW¼, NE¼SE¼;
Sec. 18, N½NE¼;
Sec. 21, NE¼, N½SE¼, SE¼SE¼;
Sec. 22, W½SW¼;
Sec. 23, NW¼NE¼, NW¼, W½SW¼;
Sec. 26, W½NW¼;
Sec. 27, NE¼NE¼, S½NE¼, NW¼NW¼, S½NW¼, NE¼SW¼, NW¼SE¼;
Sec. 28, E½NE¼.

T. 35 N., R. 6 E.,
Sec. 1, S½SE¼;
Sec. 9, E½E½, SE¼SW¼, SW¼SE¼;
Sec. 10, NE¼, S½NW¼, NE¼SW¼, W½ SW¼, NE¼SE¼;
Sec. 11, SE¼NE¼, SW¼NW¼, N½SW¼, SE¼;
Sec. 12, N½N½, SW¼NW¼, NW¼SW¼;
Sec. 16, N½NE¼, NE¼NW¼, S½NW¼, NW¼SW¼;
Sec. 17, Lots 6, 7, NE¼SE¼;
Sec. 20, W½E½, SE¼SW¼;
Sec. 25, E½E½;
Sec. 27, SE¼SW¼, W½SE¼;
Sec. 29, W½E½, SE¼NW¼;
Sec. 32, Lot 2, SW¼NE¼, SW¼, NW¼ SE¼;
Sec. 34, W½E½, E½NW¼;
Sec. 36, E½NE¼, SW¼NE¼, SE¼.
T. 34 N., R. 7 E.,
Sec. 5, Lots 1, 2, 3, SW¼NE¼, S½NW¼;
Sec. 6, SE¼NE¼, SE¼SW¼, N½SE¼, SW¼SE¼;
Sec. 7, Lots 1, 2, 3, NE¼NW¼.
T. 35 N., R. 7 E.,
Sec. 4, Lots 2, 3, S½NW¼, NW¼SW¼;
Sec. 5, SW¼, N½SE¼, SW¼SE¼;
Sec. 6, Lot 7, SE¼SW¼, SE¼;
Sec. 7, Lot 1, NW¼NE¼, NE¼NW¼;
Sec. 17, N½NE¼, SW¼NE¼, SE¼NW¼, N½SW¼, SW¼SW¼;
Sec. 18, SE¼SE¼;
Sec. 19, Lot 4, NE¼, E½SW¼, NW¼SE¼;
Sec. 30, Lots 1, 2, 3, NE¼NW¼.
T. 36 N., R. 7 E.
Sec. 33, N½NE¼, SE¼NE¼, NE¼NW¼, NE¼SE¼, S½SE¼;
Sec. 34, NW¼, N½SW¼.

The areas described aggregate 10,320.64 acres of public land.

J. R. PENNY,
State Supervisor.

[F. R. Doc. 57-9773; Filed, Nov. 25, 1957; 8:53 a. m.]

[Montana 027356]

MONTANA

NOTICE OF FILING OF PLATS OF SURVEY AND ORDER PROVIDING FOR OPENING OF PUBLIC LANDS

NOVEMBER 18, 1957.

In accordance with Delegation of Authority contained in Order No. 541 of April 21, 1954, Bureau of Land Management (19 F. R. 2473) the plats of survey of the lands described below will be officially filed in the land office at Billings, Montana, effective at 10:00 a. m., on December 24, 1957:

T. 1 S., R. 10 W., P. M. Montana,
All sections 16, 17, 18, 19, 20, 21, 22, 33.

The area described aggregates 5,103.08 acres.

T. 3 S., R. 3 W., P. M., Montana,
All sections 1, 2, 11, 12, 13, 14, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36.

The area described aggregates 12,801.62 acres.

The lands are within the exterior boundaries of the Beaverhead National Forest, and are therefore not subject to the provisions of the act of September 27, 1944 (58 Stat. 747: 43 U.S.C. 279–284), as amended, granting a preference right of application to veterans of World War II and others. The lands have been subject to mining location under the Act of August 11, 1955 (69 Stat. 681).

The NW¼NE¼, E½W½, SW¼SW¼, Section 22, T. 1 S., R. 10 W., P. M. Montana, are included in Power Site Classification No. 231. The NE¼NE¼ Section 33, T. 1 S., R. 10 W., is withdrawn under Section 24 of the Federal Water Power Act for Power Project No. 1372.

Commencing at 10: 00 a.m., on December 24, 1957, the lands shall be subject to operation of the pulic land laws relating to national forests subject to valid existing rights and the provisions of existing withdrawals as noted above.

Inquiries relating to these lands shall be addressed to the Manager, Land Office, 1245 North 29th Street, Billings, Montana.

THEO. E. ANHDER,
Manager,
Land Office.

[F. R. Doc. 57-9754; Filed Nov. 25, 1957; 8:48 a. m.]

Geological Survey

[Power Site Cancellation 125]

WASHINGTON

POWER SITE CANCELLATION

Pursuant to authority vested in me by the act of March 3, 1879 (20 Stat. 394; 43 U. S. C. 31) and by Department Order No. 2333 of June 10, 1947 (43 CFR 4.623; 12 F. R. 4025), Power Site Classifications Nos. 75, 126, 156, and 207 are hereby cancelled in so far as and to the extent that they affect the following described lands:

WILLAMETTE MERIDIAN—WASHINGTON

POWER SITE CLASSIFICATION NO. 75, APPROVED JUNE 6, 1924

COWLITZ RIVER BASIN

T. 12 N., R. 8 E.,
Sec. 10, N½SE¼.

POWER SITE CLASSIFICATION NO. 126, APPROVED JANUARY 23, 1926

NOOKSACK RIVER BASIN

T. 37 N., R. 5 E.,
Sec. 21, lots 2 and 7.
T. 40 N., R. 6 E.,
Sec. 28, lot 11.

POWER SITE CLASSIFICATION NO. 156, APPROVED DECEMBER 4, 1926

WIND RIVER

T. 3 N., R. 7 E.,
Sec. 1, lot 2.

POWER SITE CLASSIFICATION NO. 207, APPROVED NOVEMBER 13, 1928

SKAGIT RIVER BASIN

T. 33 N., R. 10 E.,
Sec. 20, lot 9;
Sec. 22, lot 2.

The area described aggregates 195 acres.

Dated: November 19, 1957.

THOMAS B. NOLAN,
Director.

[F. R. Doc. 57-9751; Filed, Nov. 25, 1957; 8:47 a. m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

CANNED GRAPEFRUIT SECTIONS

NOTICE OF PURCHASE PROGRAM YMP 135a

In order to encourage the domestic consumption of grapefruit by diverting them from the normal channels of trade and commerce in accordance with Section 32, Public Law 320, 74th Congress, approved August 24, 1935, as amended, the Agricultural Marketing Service offers to purchase canned grapefruit sections, packed from the 1957-58 crop, for use in school lunch programs. Details and specifications of the offer to purchase are contained in Canned Grapefruit Sections Announcement FV-253 issued by the Department. Purchases will depend upon the quantities and prices offered and the supplies which can be used in school lunch programs during the current school year. Information concerning this purchase program may be obtained from Mr. M. F. Miller, Fruit and Vegetable Division, Agricultural Marketing Service, U. S. Department of Agriculture, Florida Citrus Mutual Building, Lakeland, Florida, or the Fruit and Vegetable Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C.

(Sec. 32, 49 Stat. 774, as amended, 7 U. S. C. 612c)

Dated: November 21, 1957.

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

[F. R. Doc. 57-9785; Filed, Nov. 25, 1957; 8:57 a. m.]

Commodity Stabilization Service

RICE

NOTICE OF MARKETING QUOTA REFERENDUM FOR 1958 CROP

The Secretary of Agriculture has duly proclaimed pursuant to provisions of the Agricultural Adjustment Act of 1938, as amended, marketing quotas for the crop of rice to be produced in 1958. Said act requires the Secretary to conduct a referendum within 30 days after the date of the issuance of said proclamation of farmers who were engaged in the production of rice in 1957 to determine whether such farmers are in favor of or opposed to such quotas. Since the only purpose of this notice is to establish the date for holding such referendum as required by said act and it is desirable to give as much advance notice as possible for the convenience of the voters and to facilitate preparations for holding the referendum, it is hereby found that notice and public procedure thereon are impracticable, unnecessary, and contrary to the public interest. Accordingly, it is hereby determined that the rice marketing quota referendum under said act for the 1958 crop of rice shall be held on December 10, 1957, which is within thirty days from the date of issuance of the proclamation of marketing quotas.

Done at Washington, D. C., this 20th day of November 1957.

[SEAL] TRUE D. MORSE,
Acting Secretary.

[F. R. Doc. 57-9740; Filed, Nov. 25, 1957; 8:45 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 8957]

WESTERN TRANSPORTATION CO., INC.; ENFORCEMENT CASE

NOTICE OF POSTPONMENT OF HEARING

In the matter of Western Transportation Co., Inc., doing business as W. T. C., Airfreight Enforcement Proceeding.

Notice is hereby given pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that the hearing in the above-entitled matter now assigned to be held on December 2, 1957, is hereby postponed to February 17, 1958.

Dated at Washington, D. C., November 21, 1957.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 57-9789; Filed, Nov. 25, 1957; 8:58 a. m.]

[Docket No. 5081 et al.]

ADDITIONAL AIR SERVICE IN SOUTHEASTERN ALASKA

NOTICE OF POSTPONEMENT OF ORAL ARGUMENT

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that oral argument in the above-entitled proceeding now assigned to be held on December 5, 1957 is postponed to January 22, 1958, 10:00 a. m., e. s. t., Room 5042, Commerce Building, 14th Street and Constitution Avenue NW., Washington, D. C., before the Board.

Dated at Washington, D. C., November 21, 1957.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 57-9790; Filed, Nov. 25, 1957; 8:58 a. m.]

[Docket No. 9063]

TRANS WORLD AIRLINES, INC.; SIESTA SLEEPER SEAT SERVICE

NOTICE OF HEARING

In the matter of the investigation of fares to be charged by Trans World Airlines, Inc., for siesta sleeper seat service between east and west coast points.

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that a hearing in the above-entitled proceeding is assigned to be held on December 9, 1957, at 10:00 a. m., e. s. t., in Room 5855, Commerce Building, 14th Street and Constitution Avenue NW., Washington, D. C., before Examiner Richard A. Walsh.

Without limiting the scope of the issues presented by the order of investigation, particular attention will be directed to the following matters and questions:

(1) Are the first-class fares for siesta sleeper seat service provided by TWA just and reasonable?

(a) Are these fares economical at reasonably attainable load factors?

(b) What effect will such service have on TWA's operating revenues, expenses and profit position?

(c) What effect will such service have on the competitive relationship between TWA and other carriers, in particular American and United?

(d) What effect will such service have on the operating revenues, expenses and profit position of other air carriers, particularly American and United?

(2) Are the first-class fares for siesta sleeper seat service provided by TWA unjustly discriminatory or unduly prejudicial against:

(a) TWA's first-class passengers not provided with siesta sleeper seat service?

(b) TWA's coach passengers?

(3) If the fares for siesta sleeper seat service provided by TWA are found to be unjust or unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful, what are the proper fares?

For more detailed information with respect to the issues involved, attention is directed to the prehearing conference report served in this proceeding on November 5, 1957.

Notice is further given that any persons, other than parties of record as of November 21, 1957, desiring to be heard in this proceeding must file with the Board, on or before December 9, 1957, a statement setting forth the issues of fact or law raised by this proceeding on which he desires to be heard.

For further details with respect to this investigation, interested parties are referred to the Board's order instituting the investigation, order No. E–11877, dated October 14, 1957, on file with the Civil Aeronautics Board.

Dated at Washington, D. C., November 21, 1957.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 57–9791; Filed, Nov. 25, 1957; 8:58 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G–13202]

PACIFIC NORTHWEST PIPELINE CORP.

ORDER PROVIDING FOR HEARING AND SUSPENDING PROPOSED REVISED TARIFF SHEET

NOVEMBER 20, 1957.

Pacific Northwest Pipeline Corporation (Pacific), on October 21, 1957, tendered for filing First Revised Sheet No. 16–A to its FPC Gas Tariff, Original Volume No. 1. The proposed tariff sheet constitutes a revision of Pacific's Rate Schedule XS–PL–1 (Excess Service for Pipeline Companies), increasing such rate from 20.1 cents to 25.5 cents per Mcf, and would amount to an increase of $15,930 per year, based on estimated sales for the twelve months ending August 31, 1958.

Pacific's Rate Schedule XS–PL–1 is a companion schedule to the company's Rate Schedule PL–1 (Pipeline Service) and the service under the Excess Service Schedule is available only to customers purchasing their firm requirements under Rate Schedule PL–1, the price under Rate Schedule XS–PL–1 being equal to the 100 percent load factor price under Rate Schedule PL–1.

On August 6, 1957, Pacific tendered for filing a general increase in rates, including an increase in the PL schedule, with a proposed effective date of September 5, 1957. Pacific states that, through inadvertence, the proposed tariff sheet was not included with the general filing and requests waiver of notice requirements of the Natural Gas Act and an effective date of September 5, 1957. The increased rates proposed in Pacific's filing of August 6, 1957, where suspended by order issued herein on September 4, 1957, until February 5, 1958, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act. In view of the interrelationship between the suspended PL schedule and the proposed XS schedule, the reasons which required suspension of the PL schedule apply to the companion schedule.

The rates and charges provided in the revised tariff sheet tendered on October 21, 1957, have 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 rates, charges, classifications, and services contained in Pacific's FPC Gas Tariff, Original Volume No. 1, as proposed to be changed by First Revised Sheet No. 16–A; and that the aforesaid First Revised Sheet No. 16–A 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, Chapter I), a public hearing be held concerning the lawfulness of the rates, charges, classifications, and services contained in Pacific's FPC Gas Tariff, Original Volume No. 1, as proposed to be changed by First Revised Sheet No. 16–A, said hearing to be held on the same date as that to be established by notice from the Secretary as provided under order issued herein on September 4, 1957.

(B) Pending such hearing and decision thereon, Pacific's First Revised Sheet No. 16–A to its FPC Gas Tariff, Original Volume No. 1, is hereby suspended and the use thereof deferred until February 5, 1958, and until such further time as it may be made effective in the manner prescribed by the Natural Gas Act.

(C) 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. 57–9774; Filed, Nov. 25, 1957; 8:53 a. m.]

[Docket Nos. G–11797, G–12580]

EL PASO NATURAL GAS CO.

ORDER POSTPONING RESUMPTION OF HEARING

NOVEMBER 20, 1957.

Resumption of hearings on the subject docketed applications of El Paso Natural Gas Company is presently set for December 4, 1957. Pursuant to the Commission's letter of September 27, 1957, El Paso furnished additional information regarding gas supply on October 14, 1957 and October 24, 1957. Substantial volumes of data and information were submitted in response to the Commission's request. However, examination of the data submitted particularly with regard to the San Juan Basin disclosed deficiencies in the information furnished.

On November 12, 1957, El Paso submitted additional information pursuant to the Commission's letter of September 27, 1957, and has agreed to furnish additional data and information to the Commission's staff.

It appears that additional time to study the information and data submitted and which will be submitted is required by the Commission's staff.

The Commission finds: It is appropriate and in the public interest to postpone the resumption of the hearing now set for December 4, 1957 in the above-styled proceedings.

The Commission orders: The resumption of the hearing in the consolidated proceedings in the above-captioned cases is postponed to January 28, 1958.

By the Commission.[1]

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57–9775; Filed, Nov. 25, 1957; 8:54 a. m.]

[Docket No. G–13734]

PHILLIPS PETROLEUM CO.

ORDER FOR HEARING AND SUSPENDING PROGRAM CHANGE IN RATES

NOVEMBER 20, 1957.

Phillips Petroleum Company (Phillips), on October 21, 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 16, 1957.

Purchaser: El Paso Natural Gas Company.

Rate schedule designation: Supplement No. 11 to Phillips' FPC Gas Rate Schedule No. 10.

Effective date: November 22, 1957 (effective date is the date Warren's suspended rates becomes effective in Docket No. G–12767).

In support of the proposed favored-nations rate increase, Phillips states that the contract was negotiated at arm's length; the provisions for such increase were included to protect seller from the effects of increased costs, and the proposed rate is just and reasonable. Phillips also refers to its Exhibit No. 289 in the proceedings in Docket Nos. G–1148, et al., wherein it was shown that a rate of 23.25 cents per Mcf was necessary for the subject gas in order to recover costs of its jurisdictional gas operations plus a return of 12 percent.

Phillips states that its subject increase was triggered by increases filed by Warren Petroleum Corporation (Operator) et al., (Warren) for gas sold to El Paso Natural Gas Company in Lea County, New Mexico, and suspended until November 22, 1957, by Commission's order issued June 20, 1957, in Docket No. G–12767. Phillips, accordingly, requests an effective date for its increase of November 22, 1957, or such later date as Warren's suspended rates are made effective.

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,

[1] Dissenting opinion of Commissioners Digby and Stueck filed as part of the original document.

and that Supplement No. 11 to Phillips' FPC Gas Rate Schedule No. 10 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, Chapter 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. 11 to Phillips' FPC Gas Rate Schedule No. 10.

(B) Pending such hearing and decision thereon, said supplement be and it is hereby suspended and the use thereof deferred until April 22, 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. 57-9776; Filed, Nov. 25, 1957; 8:54 a. m.]

[Docket No. G-13733]

BARNWELL DRILLING CO., INC.

ORDER FOR HEARING AND SUSPENDING PROPOSED CHANGE IN RATES

NOVEMBER 20, 1957.

Barnwell Drilling Company, Inc., (Barnwell), on October 21, 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 18, 1957.

Purchaser: Texas Eastern Transmission Corporation.

Rate schedule designation: Supplement No. 4 to Barnwell's FPC Gas Rate Schedule No. 1.

Effective date: November 21, 1957 (effective date is the first day after expiration of the required thirty days' notice).

In support of the proposed periodic rate increase, Barnwell states that the whole schedule of prices in the contract was entered into at arm's length and enables the seller to receive full market value for the gas sold over the twenty-year term of the contract.

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. 4 to Barnwell's 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, Chapter 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. 4 to Barnwell's 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 21, 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. 57-9777; Filed, Nov. 25, 1957; 8:54 a. m.]

[Docket No. G-13732]

HUMBLE OIL AND REFINING CO.

ORDER FOR HEARING AND SUSPENDING PROPOSED CHANGE IN RATES

NOVEMBER 20, 1957.

Humble Oil and Refining Company (Humble), on October 21, 1957, tendered for filing a proposed change in its presently effective rate schedule[1] for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increase rate and charge, is contained in the following designated filing:

Description: Notice of change, dated October 2, 1957.

Purchaser: Texas Eastern Transmission Corporation.

Rate schedule designation: Supplement No. 14 to Humble's FPC Gas Rate Schedule No. 15.

Effective date: November 21, 1957 (effective date is the first day after expiration of the required thirty days' notice).

In support of the proposed favored-nations rate increase, Humble cites the long term (20 years) of the contract which Humble states was negotiated in good faith and at arm's length. Humble further states that the increased price is reasonable and cites other sales in Texas Railroad Commission District No. 3 under contract specifying increased prices effective November 1, 1957, equal to or higher than its proposed rate. Humble also states that suspension of its increased rate would abrogate the contract, deprive Humble of valuable contractual rights without due process and unjustly enrich Texas Eastern Transmission Corporation at Humble's expense.

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. 14 to Humble's FPC Gas Rate Schedule No. 15 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, Chapter 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. 14 to Humble's FPC Gas Rate Schedule No. 15.

(B) Pending such hearing and decision thereon, said supplement be and it is hereby suspended and the use thereof deferred until April 21, 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. 57-9778; Filed, Nov. 25, 1957; 8:54 a. m.]

[1] Present rate previously suspended and is in effect subject to refund in Docket No. G-11301.

[Docket No. G-11227 etc.]

TENNESSEE GAS TRANSMISSION CO. ET AL.

NOTICE OF APPLICATIONS AND DATE OF HEARING

NOVEMBER 19, 1957.

In the matters of Tennessee Gas Transmission Company, Docket No. G-11227; Austral Oil Exploration Company, Inc., Docket No. G-11253; Tidewater Oil Company, Docket No. G-11265; The Calvert Distilling Company, d/b/a Frankfort Oil Company, Docket No. G-11503; American Louisiana Pipe Line Company, Docket No. G-11510.

Take notice that American Louisiana Pipe Line Company (American Louisiana), Tennessee Gas Transmission Company (Tennessee), Austral Oil Exploration Company, Inc. (Austral), Tidewater Oil Company (Tidewater), and The Calvert Distilling Company, d/b/a Frankfort Oil Company (Calvert) filed applications for certificates of public convenience and necessity, pursuant to Section 7 of the Natural Gas Act, authorizing the construction and operation of facilities necessary for receiving and transporting natural gas and authorizing the sale of natural gas in interstate commerce, 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 November 19, 1956, American Louisiana filed in Docket No. G-11510 an application, as supplemented December 13, 1956, for a certificate of public convenience and necessity authorizing the construction and operation of approximately 7.39 miles of 16-inch pipeline and 4.86 miles of 12-inch pipeline to connect North Holly Beach Field and Second Bayou Field, Cameron Parish, Louisiana, with American Louisiana's existing facilities, together with appurtenant facilities and two purchase meters. These proposed facilities will enable American Louisiana to purchase and receive natural gas into its system produced by Austral, operator of certain gas properties in the North Holly Beach field, of which Oil Participations Inc., owns 50 per cent interest and Tidewater and Tennessee each own 25 per cent interest, respectively. The proposed facilities will also enable American Louisiana to purchase and receive natural gas into its system produced by Calvert and Union Producing Company in the Second Bayou field. The estimated total initial cost of the proposed facilities is $1,481,130, which cost will be financed from company funds.

The following applications have been filed, seeking authority to sell natural gas in interstate commerce to American Louisiana for resale from production, as indicated above:

Docket No.; Applicant; and Date Filed

G-11227; Tennessee; October 11, 1956.
G-11253; Austral; October 18, 1956, amended January 28, 1957.
G-11265; Tidewater; October 19, 1956.
G-11503; Calvert; November 19, 1956.

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 January 8, 1958, 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 19, 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. 57-9755; Filed, Nov. 25, 1957; 8:48 a. m.]

[Docket No. G-11371 etc.]

CARTER-JONES DRILLING CO. ET AL.

NOTICE OF APPLICATIONS AND DATE OF HEARING

NOVEMBER 19, 1957.

In the matters of Carter-Jones Drilling Company, Operator, et al., Docket No. G-11371; Texas Eastern Transmission Corporation, Docket No. G-11642; Lyons & Logan, Operator, et al., Docket No. G-11665.

Take notice that Texas Eastern Transmission Corporation (Texas Eastern), a Delaware corporation with its principal place of business in Shreveport, Louisiana, Carter-Jones Drilling Company, Operator, et al. (Carter-Jones) and Lyons & Logan, Operator, et al. (Lyons & Logan), independent producers, 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 in interstate commerce 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 December 21, 1956, Texas Eastern filed in Docket No. G-11642 an application, as amended January 22, 1957, for a certificate authorizing the construction and operation of approximately 2.79 miles of 6⅝-inch O. D. lateral supply pipeline extending from a point in the South Hallsville Field, Harrison County, Texas, to a point of connection with its existing 20-inch Joaquin-Longview pipeline, together with a mainline tap and appurtenant facilities. These proposed facilities will enable Texas Eastern to purchase and receive natural gas produced in the South Hallsville Field by The Atlantic Refining Company, J. C. Trahan, Drilling Contractor, Inc., et al., Lyons & Logan and Carter-Jones. The estimated capital cost of the proposed facilities is $53,368 which cost is to be financed from company funds.

Carter-Jones filed an application on October 26, 1956 in Docket No. G-11371, as supplemented on November 5, 1956, for authorization to sell natural gas in interstate commerce to Texas Eastern for resale from production in the South Hallsville Field, Harrison County, Texas, under a gas sales contract dated October 16, 1956.

On December 26, 1956, Lyons & Logan, filed an application in Docket No. G-11665, for authority to sell natural gas in interstate commerce to Texas Eastern for resale from production in the South Hallsville Field, Harrison County, Texas, under a gas sales contract dated July 27, 1956, as amended July 27, September 20, and December 12, 1956.

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 January 8, 1958 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 19, 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. 57-9756; Filed, Nov. 25, 1957; 8:49 a. m.]

[Docket Nos. G–11481, G–11873]

CHAMPLIN OIL & REFINING CO. ET AL.

NOTICE OF APPLICATIONS AND DATE OF HEARING

NOVEMBER 19, 1957.

In the matters of Champlin Oil & Refining Company, Operator, et. al., Docket No. G–11481; Texas Eastern Transmission Corporation, Docket No. G–11873.

Take notice that Texas Eastern Transmission Corporation (Texas Eastern), a Delaware corporation with its principal place of business in Shreveport, Louisiana, and Champlin Oil & Refining Company,[1] Operator, et al.[2] (Champlin, et al.), 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 facilities necessary for receiving and transporting natural gas and for the sale of natural gas in interstate commerce, 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 1, 1957, Texas Eastern filed in Docket No. G–11873 an application for a certificate authorizing the construction and operation of approximately 1.65 miles of 4½-inch O. D. supply lateral pipeline to extend from a point in the Chapman Ranch Field, Nueces County, Texas, to a point of connection with Texas Eastern's 12-inch Bird Island-Chevron Field lateral, at Milepost 20.8 in Nueces County, Texas, together with a tap and appurtenant equipment. These proposed facilities will enable Texas Eastern to purchase and receive natural gas produced by Champlin, et al., in the Chapman Ranch Field. The estimated total initial cost of proposed facilities is $28,000, which cost is to be financed from company funds.

The Chicago Corporation, Operator, et al., predecessor in interest to Champlin et al., filed an application on November 14, 1956, in Docket No. G–11481, for authority to sell natural gas in interstate commerce to Texas Eastern, for resale, from production from the Chapman Ranch Field, Nueces County, Texas, under a gas sales contract dated September 14, 1956.

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 January 8, 1958 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 19, 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. 57–9757; Filed, Nov. 25, 1957; 8:49 a. m.]

[1] By letter filed November 29, 1956, Champlin requests that subject Docket No. G–11481, originally filed in the name of The Chicago Corporation, be redesignated to be in the name of Champlin. The Commission records show that effective on the close of business December 31, 1956, The Chicago Corporation and Champlin were merged, Champlin being the surviving company.

[2] "Et al." consists of Republic Natural Gas Company, a signatory seller party with The Chicago Corporation (predecessor in interest to Champlin) to the contract involved. Each owns a 50 percent interest in the gas involved herein.

[Docket No. G–10760]

TENNESSEE GAS TRANSMISSION CO.

NOTICE OF APPLICATION AND DATE OF HEARING

NOVEMBER 19, 1957.

Take notice that Tennessee Gas Transmission Company (Applicant), a Delaware corporation with its principal place of business in Houston, Texas, filed an application on July 15, 1956, pursuant to section 7 of the Natural Gas Act, for a certificate of public convenience and necessity authorizing the sale of natural gas in interstate commerce for resale, 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 seeks authority to make field sales of casinghead gas from the Carpenter "D" and "E" leases in the Fox-Graham Field, Carter County, Oklahoma, to Signal Oil and Gas Company (Signal), Operator of the Fox Gasoline Plant in the field, pursuant to two gas sales contracts, each dated January 12, 1954, as amended, between Fox Gasoline Company, Signal's predecessor in interest, and Nichols-Duncan Oil Company (Nichols) et al. By contract dated February 15, 1956, effective February 1, 1956, Tennessee acquired the interests of Nichols, the operator of the aforesaid two leases, and succeeded Nichols as operator therein.

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 January 7, 1958 at 9:30 a. m., e. s. t., in a Hearing Room of the Federal Power Commission, 41 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 19, 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. 57–9758; Filed, Nov. 25, 1957; 8:49 a. m.]

[Docket Nos. G–11519, G–11526]

WILCOX TREND GATHERING SYSTEM, INC., AND GASOLINE PRODUCTION CORP.

NOTICE OF APPLICATIONS AND DATE OF HEARING

NOVEMBER 19, 1957.

In the matters of Wilcox Trend Gathering System, Inc., Docket No. G–11519; Gasoline Production Corporation, Operator, Docket No. G–11526.

Take notice that Wilcox Trend Gathering System, Inc. (Wilcox) and Gasoline Production Corporation, Operator (Gasoline Production) filed applications for certificates of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of facilities necessary for receiving and transporting natural gas and authorizing 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 November 21, 1956, Wilcox filed in Docket No. G–11519 an application for a certificate of public convenience and necessity authorizing the construction and operation of approximately 0.64 mile of 3½-inch O. D. supply lateral pipeline to extend from Gasoline Production's No. 1 Sherwood well in the Mineral Field, Bee County, Texas, to a point of connection with Wilcox's existing 14-inch main transmission line at Milepost 93.76 in Bee County, Texas;

together with a purchase meter station and appurtenances. The above facilities will enable Wilcox to receive gas produced from the said Sherwood No. 1, in the Mineral Field, by Gasoline Production and Sunray Mid-Continent Oil Company.[1] The estimated total initial cost of the proposed facilities is $10,400, which cost will be financed from company funds.

Gasoline Production filed an application on November 23, 1956 in Docket No. G–11526, wherein it seeks authority to sell natural gas in interstate commerce to Wilcox for resale from its No. 1 Sherwood well in the Mineral Field, Bee County, Texas, under a gas sales contract dated August 10, 1956.

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 January 7, 1958, 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 19, 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. 57–9759; Filed, Nov. 25, 1957; 8:49 a. m.]

[Docket Nos. G–11538, G–11705]

AMOY MINERALS CORP. ET AL.

NOTICE OF APPLICATIONS AND DATE OF HEARING

NOVEMBER 19, 1957.

In the matters of Amoy Minerals Corporation et al., Docket No. G–11538; Texas Illinois Natural Gas Pipeline Company, Docket No. G–11705.

Take notice that Texas Illinois Natural Gas Pipeline Company (Texas Illinois) with its principal place of business in Chicago, Illinois, and Amoy Minerals Corporation, et al.[1] (Amoy, et al.), 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 facilities necessary for receiving and transporting natural gas and authorizing 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 January 4, 1957, Texas Illinois filed in Docket No. G–11705 an application for a certificate of public convenience and necessity authorizing the construction and operation of approximately 3.2 miles of 4-inch supply lateral pipeline to extend from a well in the North McFaddin Field, Victoria County, Texas, to its existing Heyser Field lateral line; together with a line tap and metering facilities in order to enable Texas Illinois to purchase and receive natural gas produced by Amoy et al., in the North McFaddin field.

The estimated total cost of the Texas Illinois facilities is $66,800, which will be financed from company funds.

Amoy et al., filed an application on November 27, 1956, in Docket No. G–11538, for a certificate authorizing the sale of natural gas in interstate commerce to Texas Illinois for resale from production in the North McFaddin Field, Victoria County, Texas, under a gas sales contract dated October 1, 1956.

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 January 7, 1958, 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 19, 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. 57–9760; Filed, Nov. 25, 1957; 8:50 a. m.]

[Docket No. G–11781]

MANUFACTURERS LIGHT AND HEAT CO.

NOTICE OF APPLICATION AND DATE OF HEARING

NOVEMBER 19, 1957.

Take notice, that The Manufacturers Light and Heat Company (Applicant), a Pennsylvania corporation, having its principal place of business at 800 Union Trust Building, Pittsburgh, Pennsylvania, filed on January 24, 1957, an application, pursuant to section 7 of the Natural Gas Act, for a certificate of public convenience and necessity authorizing the sale and delivery of natural gas from an existing transmission line in Ellwood City, Pennsylvania, to National Tube Division of United States Steel Corporation (National Tube), subject to the jurisdiction of the Commission, all as more fully represented in the application, which is on file with the Commission and open for public inspection.

Applicant proposes to deliver to National Tube from its existing 8-inch Line No. 157 in the Borough of Ellwood City, Lawrence County, Pennsylvania, volumes of natural gas estimated at 1,300,000 Mcf per year and 5,100 Mcf on a maximum day in the years 1957–1960, in addition to the deliveries estimated at 1,000 Mcf per day which Manufacturers would deliver to National Tube for the account of Carnegie Natural Gas Company (Carnegie).

Applicant alleges that in 1932 Carnegie, an affiliate of National Tube, entered into an agreement with Greensboro Gas Company (Greensboro) then an affiliate of Applicant, but now merged with Applicant, whereby Carnegie delivered certain production to Greensboro and Greensboro in turn, by separate agreement with Applicant, secured the delivery to Carnegie at Ellwood City of the requirements of National Tube. The agreement provides that Carnegie shall be paid for any excess of its deliveries to Applicant over the return deliveries to Carnegie at 15 cents per Mcf, and that Applicant shall be paid for any excess of deliveries to Carnegie over Carnegie's deliveries to Applicant at Applicant's current industrial rate effective in the Ellwood City area. Carnegie pays Applicant a transportation charge of 10 cents per Mcf for the gas exchanged between the parties.

From 1932 through 1955, deliveries of gas by Carnegie and Greensboro (or Applicant) were always balanced and no cash settlements were necessary. Effective January 1, 1956, however, Carnegie informed Applicant that it could only deliver 1,000 Mcf per day for redelivery to National Tube, and Carnegie and Manufacturers agreed it would be preferable for Applicant to provide the remainder of National Tube's requirements

[1] Sunray Mid-Continent Oil Company's sale of its share of the gas involved herein to Wilcox is the subject of its application filed November 29, 1956, in Docket No. G–11550.

[1] Et al. consists of W. H. Francis, Jr., a signatory seller with Amoy to the sales contract involved.

under a new direct sales contract between Applicant and National Tube, rather than have Carnegie pay for the excess deliveries. This proposed delivery is the subject of this application.

Manufacturers has executed a service agreement with National Tube dated January 1, 1956, providing that National Tube will purchase gas from Applicant on an interruptible basis at a sliding scale rate ranging from 43.2 cents per Mcf to $2.00 per Mcf.

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 23, 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 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 12, 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. 57-9761; Filed, Nov. 25, 1957; 8:50 a. m.]

[Docket No. G-13101 etc.]

SOUTHERN UNION GATHERING CO. ET AL.

NOTICE OF APPLICATIONS AND DATE OF HEARING

NOVEMBER 19, 1957.

In the matters of Southern Union Gathering Company, Docket No. G-13101; Southern Union Gas Company, Docket No. G-13102; Aztec Oil & Gas Company, Operator, Docket No. G-13103; Pubco Petroleum Corporation, Operator, Docket No. G-13104; Gas Producers Corporation, Operator, Docket No. G-13105; Beaver Lodge Oil Corporation, Operator, Docket No. G-13106.

Take notice that on August 21, 1957, Southern Union Gathering Company (Gathering Company) filed in Docket No. G-13101 an application pursuant to section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the proposed sale of natural gas produced from wells located in the Blanco-Mesa Verde and the Aztec-Pictured Cliffs Fields, San Juan County, New Mexico, to El Paso Natural Gas Company (El Paso) for transportation in interstate commerce for resale, pursuant to a supplemental agreement dated July 25, 1957, to a basic sales contract dated August 31, 1953, executed by and between Gathering Company and El Paso, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

All of the gas involved in the above application is presently being sold in intrastate commerce to Gathering Company which is presently selling said gas to Southern Union Gas Company (Gas Company) for resale wholly within the State of New Mexico. Gathering Company's proposal herein is designed to divert gas now being sold by Gas Company in a relatively low market demand area, to El Paso's lines which are requiring over-production from their present sources of supply.

On August 21, 1957, the following listed producer applications were filed to cover each producer's sales to Gathering Company as contemplated in the application in Docket G-13101:

Docket No.; Applicant; and Basic Contract Date

G-13102; Southern Union Gas Company; September 27, 1954, July 25, 1957.

G-13103; Aztec Oil and Gas Company; December 12, 1953.

G-13104; Pubco Petroleum Corporation; March 30, 1951.

G-13105; Gas Producers Corporation; June 16, 1953.

G-13106; Beaver Lodge Oil Corporation; March 20, 1953, August 1, 1957.

All of the above Applicants have signatory seller status to their respective sales contracts with Gathering Company. Each producer is filing as Operator and shows in its application the working interest ownership percentages by wells. In Docket No. G-13105, Gas Producers Corporation is the Operator and 100 percent owner. Producer sales are made at the wellhead and facilities consist of customary lease equipment. All of these applications are on file with the Commission and open to public inspection.

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 19, 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 9, 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. 57-9762; Filed, Nov. 25, 1957; 8:50 a. m.]

[Docket No. G-13271]

GULF INTERSTATE GAS CO.

NOTICE OF APPLICATION AND DATE OF HEARING

NOVEMBER 19, 1957.

Take notice that on September 13, 1957, Gulf Interstate Gas Company (Applicant), a Delaware corporation, having its principal place of business in Houston, Texas, filed in Docket No. G-13271, an application for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of the following described facilities, subject to the jurisdiction of the Commission, as more fully described in the application on file with the Commission and open to public inspection. The facilities are:

(a) 9.9 miles of 20-inch (Thornwell Loop) to loop existing 12-inch lateral, extending from junction of 6-inch East Thornwell lateral with Applicant's existing 12-inch West lateral gathering line, paralleling said 12-inch West lateral gathering line and the existing 20-inch West gathering line.

(b) 2.9 miles of 6-inch (6-inch East Mud Lake Loop) to loop the existing 6-inch gathering line, extending from a point on the eixsting 6-inch Cameron Meadows gathering line of Applicant to the existing 12-inch West gathering line of Applicant.

Applicant represents that the proposed facilities will enable it to increase the take of natural gas from fields in the area by approximately 44,000 Mcf of natural gas per day over that heretofore represented in other proceedings before the Commission.

The estimated cost of the proposed facilities is $730,000 for which financing arrangements have been made.

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 19, 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 13, 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. 57-9763; Filed, Nov. 25, 1957; 8:50 a. m.]

[Docket No. G-13288]

MONTANA-DAKOTA UTILITIES CO.

NOTICE OF APPLICATION AND DATE OF HEARING

NOVEMBER 19, 1957.

Take notice that on September 17, 1957, Montana-Dakota Utilities Co. (Applicant), a Delaware corporation having its principal place of business in Minneapolis, Minnesota, filed in Docket No. G-13288 an application pursuant to section 7 (c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of approximately 11.8 miles of 3½-inch lateral pipe line, together with a meter and regulator station, from a connection on its existing 12¾-inch Black Hills main line near Belle Fourche, South Dakota, extending westerly to the National Lead Company (National Lead), a new industrial customer, near Colony, Wyoming, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The estimated cost of the lateral line and meter station is $109,492, of which National Lead will advance $104,592 to Applicant for construction of the lateral line, to be repaid by Applicant's discounting National Lead's monthly bills by 20 percent per year until the amount is fully paid, and Applicant will finance the cost of the meter station from current working capital.

The maximum annual delivery to National Lead is estimated at 269,000 Mcf.

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 19, 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 9, 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. 57-9764; Filed, Nov. 25, 1957; 8:51 a. m.]

GENERAL SERVICES ADMINISTRATION

DEFENSE MATERIALS SERVICE

REPORT OF PURCHASES UNDER DOMESTIC PURCHASE REGULATIONS

Report of purchases under Domestic Purchase Regulations (pursuant to section 4, PL 206, 83d Congress).

SEPTEMBER 30, 1957.

Regulation	Termination date	Unit	Program limitation (quantity)	Purchases [1] during quarter		Cumulative purchases [1] through end of quarter	
				Quantity	Amount	Quantity	Amount
Asbestos	10- 1-57	Short tons, crude No. 1 and/or crude No. 2 asbestos.	1,500	0	$0	1,499	$1,762,505.00
		Short tons, crude No. 3.	----------	0	0	850	340,070.05
Beryl	6-30-62	Short dry tons, Beryl Ore.	4,500	114	64,126.51	1,581	877,753.83
Chrome	6-30-59	Long dry tons, chrome ore and/or chrome concentrates.	200,000	7,952	755,520.08	158,667	15,536,665.02
Columbium-Tantalum.	12-31-58	Pounds, contained combined pentoxide.	15,000,000	0	[2] 4,420.00	15,580,392	60,587,891.16
Manganese: Butte-Phillipsburg.	6-30-58	Long ton units, recoverable manganese.	6,000,000	729,554	882,959.80	4,835,750	6,868,851.03
Deming	6-30-58	do	6,000,000	0	0	6,215,258	12,036,388.37
Wenden	6-30-58	do	6,000,000	0	0	6,108,136	10,743,179.21
Domestic small producers.	1- 1-61	Long ton units, contained manganese.	28,000,000	1,620,395	4,181,347.02	15,339,621	38,503,079.79
Mercury	12-31-57	Flasks, prime virgin mercury.	125,000	0	0	5	1,125.00
Mica	6-30-62	Short tons, hand-cobbed mica or equivalent.	25,000	665	579,348.42	12,173	12,718,987.09
Tungsten	7- 1-58	Short ton units, tungsten trioxide.	3,000,000	0	[2] 224.07	2,996,280	189,213,846.79

[1] Quantities represent deliveries.

[2] Costs applicable to prior acquisitions.

Dated: November 19, 1957.

FRANKLIN G. FLOETE, *Administrator.*

[F. R. Doc. 57-9765; Filed, Nov. 25, 1957; 8:51 a. m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-84]

REGENTS OF UNIVERSITY OF CALIFORNIA

NOTICE OF ISSUANCE OF FACILITY LICENSE

Please take notice that no request for a formal hearing having been filed following the filing of notice of the proposed action with the Federal Register Division on September 24, 1957, the Atomic Energy Commission has issued License R-30 authorizing The Regents of the University of California to acquire, possess and operate, at the location in Berkeley, California, described in the application in Docket 50-84, a 100-milliwatt nuclear reactor constructed by Aerojet-General Nucleonics, San Ramon, California. Notice of the proposed action was published in the FEDERAL REGISTER on September 25, 1957, 22 FR 7617.

Dated at Washington, D. C., this 19th day of November 1957.

For the Atomic Energy Commission.

FRANK K. PITTMAN, *Acting Director, Division of Civilian Application.*

[F. R. Doc. 57-9738; Filed, Nov. 25, 1957; 8:45 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-2115]

BELLANCA CORP.

ORDER SUMMARILY SUSPENDING TRADING

NOVEMBER 20, 1957.

In the matter of trading on the American Stock Exchange in the $1.00 par value Capital Stock of Bellanca Corporation; File No. 1-2115.

I. The $1.00 par value Capital Stock of Bellanca Corporation is listed and registered on the American Stock Exchange, a national securities exchange; and

II. The Commission on April 24, 1957, issued its order and notice of hearing under section 19 (a) (2) of the Securities Exchange Act of 1934 (hereinafter called "the act") to determine at a hearing beginning July 10, 1957, whether it is necessary or appropriate for the protection of investors to suspend for a period not exceeding twelve months, or to withdraw, the registration of the capital stock of Bellanca Corporation (hereinafter called "registrant") on the American Stock Exchange for failure to comply with section 13 of the act and the rules and regulations adopted thereunder, and for failure to comply with the disclosure requirements of Regulation X-14 adopted pursuant to section 14 (a) of the act.

On November 8, 1957, the Commission issued its order summarily suspending trading of said securities on the exchange pursuant to section 19 (a) (4) of the act for the reasons set forth in said order to prevent fraudulent, deceptive or manipulative acts or practices for a period of ten days ending November 20, 1957.

III. The Commission being of the opinion that the public interest requires the summary suspension of trading in such security on the American Stock Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion that such suspension is necessary in order to prevent fraudulent, deceptive, or manipulative acts or practices, with the result that it will be unlawful under section 15 (c) (2) of the Securities Exchange Act of 1934 and the Commission's Rule X-15C2-2 thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, such security otherwise than on a national securities exchange,

It is ordered, Pursuant to section 19 (a) (4) of the Securities Exchange Act of 1934, that trading in said securities on the American Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive, or manipulative acts or practices for a period of ten (10) days, November 21 to 30, 1957, inclusive.

By the Commission.

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

[F. R. Doc. 57-9782; Filed, Nov. 25, 1957; 8:56 a. m.]

[File No. 24FW-1119]

ILLOWATA OIL CO.

ORDER TEMPORARILY SUSPENDING EXEMPTION, STATEMENT OF REASONS THEREFOR, AND NOTICE OF OPPORTUNITY FOR HEARING

NOVEMBER 20, 1957.

I. Illowata Oil Company ("Illowata"), a Colorado corporation, 1509 Mile High Center, Denver, Colorado, filed with the Commission on October 24, 1957, a notification on Form 1-A and an offering circular relating to an offering of 900,000 shares of its $.01 par value capital stock at $.10 per share for an aggregate of $90,000, 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 reason to believe that:

A. The terms and conditions of Regulation A have not been complied with in that Allen A. Borton, predecessor of Illowata, was convicted on February 21, 1957, in the United States District Court for the Eastern District of Illinois, of violating and conspiring with another to violate the registration and anti-fraud provisions of the Securities Act of 1933, as amended, and the Mail Fraud Statute and, pursuant to Rule 252 (c) of the general rules and regulations under the Securities Act of 1933, as amended, an exemption from Regulation A for the securities purported to be offered thereunder by Illowata is not available.

B. The notification and offering circular contain untrue statements of material facts and omit 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, particularly with respect to the following:

1. The notification fails to name Allen A. Borton as a predecessor of Illowata in response to Item 2 (a);

2. The response to Item 5 (a) of the notification that no predecessor of the issuer has been convicted of any crime or offense specified in Rule 252 (c) (3);

3. The offering circular fails to disclose on page 4 and on page 7 under the caption, "Application of Proceeds" that $20,000 would be insufficient to develop 200 acres of leases;

4. The offering circular fails to disclose on page 8 that the Alluwe Pool has not been particularly prolific after water flooding and that this project must be considered extremely hazardous;

5. The offering circular fails to disclose that there appears to be between 5 and 6 feet of sand which might be floodable, but that such sand is so thin as to render any such operation extremely hazardous;

6. The report of E. A. Whitworth, dated March 27, 1956, showing 120,000 barrels of developed and 380,000 barrels of undeveloped reserves in that it apparently applies to acreage other than that owned by Illowata;

7. The letter prepared by Harry O. Graves, partner and manager of N. Y. K. Oil Company in that Allen A. Borton owns the lease, and reference is made to a core analysis;

8. The page headed N. Y. K. Oil Co. and shown as "Page 1" immediately following the Whitworth report which includes information setting forth 1,800 barrels as the recoverable reserves from each of 100 acres in that the core analysis data and the tabulation dated December 31, 1955 are insufficient basis for estimating recoverable reserves.

9. The core data including that prepared July 25, 1955, by Oilfield Research Laboratories in that it indicates on page 4 that 1,300 barrels of oil per acre are recoverable from the Clark lease when, in fact, it is not known whether any oil can be recovered at a profit from such acreage; and

10. The offering circular fails to include a map showing location of the lease and all wells drilled on such lease or within one mile thereof together with their present status.

III. *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 Regulation A be, and it hereby is, temporarily suspended.

Notice is hereby given to Illowata Oil Company and to any persons 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. 57-9783; Filed, Nov. 25, 1957; 8:56 a. m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

[Dept. Order 85 (Amended), Amdt. 2]

CENSUS BUREAU

ORGANIZATION AND FUNCTIONS

The material appearing in 20 F. R. 492-494 (January 21, 1955), and 21 F. R. 6820 (September 6, 1956), is amended as follows:

In order to reflect recent changes in nomenclature and organization and to include appropriate delegations of authority Department Order No. 85, as amended, is further amended as follows:

1. The title "Coordinator, International Statistics" in sections 2.02 and

5.021 is hereby changed to "International Statistical Programs Office."

2. Section 3.01 is revised to read as follows:

.01 Pursuant to the authority vested in the Secretary of Commerce by the provisions of 13 U. S. C. 4 and Reorganization Plan No. 5 of 1950, and subject to such policies and directives as the Secretary of Commerce may prescribe, the Director is hereby authorized to perform the functions and duties of the Secretary under Title 13, United States Code, and that part of Chapter 5, Title 15, United States Code relating to the collection, compilation and publication of foreign trade statistics and any subsequent legislation with respect to the collection, tabulation, analysis, publication and dissemination of statistical data relating to the social and economic activities and characteristics of the population and enterprises of the United States and its outlying territories and possessions.

3. The following new section 5.053 is added:

3. Electronic Systems Division plans for and conducts continuous developmental research on all phases of electronic high speed digital computer systems including the development of new and more effective programming methods, more efficient operational and scheduling procedures, improved maintenance and servicing techniques and application of new developments in the computer field for purposes of achieving maximum effectiveness of such systems in their application to Bureau programs; and utilizes electronic digital computer systems in the processing of mass data for the programs of the Bureau and in the solution of mathematical problems.

4. Sections 2.02 and 5.05 are amended by the addition of the Electronic Systems Division.

Effective date: November 13, 1957.

[SEAL] SINCLAIR WEEKS,
Secretary of Commerce.

[F. R. Doc. 57-9748; Filed, Nov. 25, 1957; 8:47 a. m.]

[Dept. Order 152 Revised]

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

ORGANIZATION AND FUNCTIONS

The material appearing in 18 F. R. 6503-6505, October 10, 1953; 18 F. R. 6791, October 1953; and 20 F. R. 6263-6264, August 26, 1955 is revised as follows:

SECTION 1. *Purpose.* The purpose of this order is to prescribe the organization, functions, and authorities of the Business and Defense Services Administration.

SEC. 2. *Establishment and organization.* .01 The Business and Defense Services Administration was established by the Secretary of Commerce by Department Order 152 of October 1, 1953, as a primary organization unit of the Department of Commerce, pursuant to authority vested in the Secretary of Commerce by Reorganization Plan No. 5 of 1950 and Executive Order No. 10480 of August 14, 1953, under the Defense Production Act of 1950 as amended and extended. The Business and Defense Services Administration shall be under the authority and supervision of the Assistant Secretary for Domestic Affairs and shall be directed by an Administrator who shall be appointed by the Secretary and who shall report and be responsible to the Assistant Secretary.

.02 The Business and Defense Services Administration shall consist of the following organization units:

1. Office of the Administrator, including:

(1) Deputy Administrator.
(2) Assistant Administrator, Business Services.
(3) Management Services Staff.

2. Program Offices, including:

(1) Office of Industrial Mobilization.
(2) Office of Technical Services.
(3) Office of Distribution.
(4) Office of Construction Statistics.

3. Industry Divisions, including:

(1) Agricultural, Construction, and Mining Equipment.
(2) Aluminum and Magnesium.
(3) Automotive and Transportation Equipment.
(4) Building Materials.
(5) Business Machines and Office Equipment.
(6) Chemical and Rubber.
(7) Communications Industries.
(8) Consumer Durable Goods.
(9) Containers and Packaging.
(10) Copper.
(11) Electrical Equipment.
(12) Electronics.
(13) Food Industries.
(14) Forest Products.
(15) General Industrial Equipment and Components.
(16) Iron and Steel.
(17) Leather, Shoes, and Allied Products.
(18) Metalworking Equipment.
(19) Miscellaneous Metals and Minerals.
(20) Power Equipment.
(21) Printing and Publishing.
(22) Scientific, Motion Picture, and Photographic Products.
(23) Textiles and Clothing.
(24) Water and Sewerage Industry and Utilities.

4. Office of Field Services.

SEC. 3. *Delegation of authority.* .01 Subject to such policies and limitations as the Secretary of Commerce may prescribe, the Administrator of the Business and Defense Services Administration shall perform the functions and exercise the authority of the Secretary of Commerce relating to the industry and trade of the United States more specifically described in but not limited to the applicable provisions of:

The act of February 14, 1903 (32 Stat. 826), as amended, to foster, promote, and develop the domestic commerce of the United States;

The Defense Production Act of 1950 (64 Stat. 798), as amended and extended, and Executive Order No. 10480 thereunder except the authority of the Secretary of Commerce with respect to the use of transportation facilities and the creation of new agencies within the Department of Commerce;

The National Security Act of 1947 (61 Stat. 495), as amended, as it relates to mobilization preparedness responsibilities assigned thereunder;

The Strategic and Critical Materials Stock Piling Act (60 Stat. 596) with respect to the acquisition of stocks of materials for defense purposes;

Section 168 of the Internal Revenue Code of 1954, as amended by Public Law 85-165, relating to accelerated tax amortization for defense purposes;

The act of September 9, 1950 (64 Stat. 823; 15 U. S. C. 1151), authorizing the collection and dissemination of scientific, technical, and engineering information;

Executive Order No. 10421 of December 31, 1952, providing for the physical security of facilities important to the national defense.

.02 The Administrator of the Business and Defense Services Administration may redelegate any power or authority conferred on him by this order to any officer of the Business and Defense Services Administration or to any other officer or agency of the Government.

.03 In carrying out the functions and authorities assigned by this order, the Business and Defense Services Administration will cooperate and collaborate with the Bureau of Foreign Commerce wherever the commodity and industrial interests of the latter organization are applicable.

SEC. 4. *General functions and objectives.* The general functions and objectives of the Business and Defense Services Administration, consistent with the scope and authority conferred on the Secretary of Commerce by or pursuant to law, shall be to:

1. Assure the achievement of military and atomic energy programs by channeling, where necessary, the materials and products required therefor in accordance with the provisions of the Defense Production Act of 1950, as amended;

2. Within the limitations of the Defense Production Act as amended, and pursuant to basic Government policy, assist in achieving a fair and equitable distribution of that portion of critical materials in excess of defense requirements to civilian industry, including small business;

3. Participate in the development of national plans for industrial and economic mobilization including the development of systems for scheduling and controlling the production and distribution of materials and products during a period of emergency and the development and administration of preparedness measures;

4. Insure the development of practical mobilization programs by ascertaining the production potential of the industrial economy as related to materials, products, and facilities for defense-supporting and essential civilian needs, for which the Department of Commerce is the cognizant agency;

5. Provide the framework for the integration of defense production and mobilization programs with industry's long-range plans for maintaining civilian production and employment on a sound basis;

6. Stimulate the development of industry and commerce by providing information and advisory services to American business and industry and provide facilities by means of which the experience of American business and industry may be brought to bear in the development of Government policies and programs;

7. Obtain the views and advice of business through the establishment of, and consultation with, industry advisory groups and through cooperation with trade associations;

8. Encourage efficient and effective domestic distribution of goods and services to further the expansion of domestic markets necessary for optimum utilization of the nation's productive capacity;

9. Act as a clearing house for Government technological information of interest to business and assist industry in the voluntary standardization of products; and

10. Work with other agencies of Government in programs to achieve national economic stability and growth and with industry in the development of industrial and business programs having as their purpose a sound, prosperous, and expanding economy.

SEC. 5. *Functions of the Office of the Administrator.* .01 The Administrator shall determine, develop and coordinate policies and programs and direct all operations of the Business and Defense Services Administration.

.02 The Deputy Administrator shall be the chief operating aide to the Administrator and assist in the direction of operations of the Administration and perform other duties assigned by the Administrator. In addition, he shall direct activities of the Coordinator, Executive Reserve Program, and the Advisor on Foreign Activities.

.03 The Assistant Administrator, Business Services, shall participate with the Administrator in the formulation and evaluation of the Administration's policies and programs directed to the promotion and development of domestic commerce and trade using data developed throughout the Federal establishment including mobilization data and shall coordinate business service programs with plans for mobilization of production. He shall be responsible for the formulation and direction of programs relating to public information, business operations in Government, and surplus property disposal; development of recommendations to the Assistant Secretary for Domestic Affairs with respect to the position of the Department on matters pertaining to the International Labor Organization; liaison with Small Business Administration and other agencies having small business functions; and development of business service programs in the field of service and distributive trades. In addition, he shall direct the publications program of the Administration through a Publications Committee.

.04 The Management Services Staff shall be responsible for all aspects of administration and management, including budget, organization planning, administrative procedures, personnel management and utilization, security and agency inspection, and administrative services within the framework of general administrative policies, standards, and procedures established or approved by the Assistant Secretary for Administration. The Staff shall assist the Administrator in assuring administrative efficiency and economy in the operation of the Administration. It shall be responsible for industry advisory committee operations; the physical aspects of emergency relocation activities; and administrative mobilization planning. The Staff shall secure required administrative and personal services for the Business and Defense Services Administration through the offices reporting to the Assistant Secretary of Commerce for Administration.

SEC. 6. *Functions of Program Offices,* .01 The Office of Industrial Mobilization shall be responsible for the formulation and direction of activities, relating to the exercise of the Title I authority of the Defense Production Act of 1950, as amended, delegated to the Administrator and all mobilization readiness and preparedness programs of the Business and Defense Services Administration. These programs include administration of the Defense Materials System (including set-aside determinations); issuance of priorities and directives and administration of such special orders for allocation and control of materials as are necessary; cooperation with the Office of General Counsel to insure compliance therewith; development of recommended policies for expansion goals and certificates of necessity for tax amortization; preparation of basic data sheets and stockpile recommendations; preparation of program levels of production under full mobilization; appraisal of productive capacity for full mobilization requirements recommendation of critical industry facilities for identification by the Industry Evaluation Board; development of a cooperative program with industry for plans to insure continuity of essential production in the event of nuclear attack; development of the mobilization production control system, including preparation of standby orders and regulations; preparation and maintenance of mobilization base books; conduct of the bomb damage assessment program; development of product assignment determinations under the Defense Materials System; liaison with Office of Defense Mobilization, Department of Defense, Atomic Energy Commission, and the Federal Civil Defense Administration; and development of substantive programs for emergency exercises.

.02 The Office of Technical Services shall collect and compile scientific and technical information on technological research and development, including information obtained through reciprocal exchanges with other countries, for dissemination to business enterprises; assist industries to develop and agree upon commercial standards as to quality, testing, and ratings; shall serve as the point of contact with trade associations and other non-profit trade groups for the purpose of encouraging their cooperation and obtaining recommendations with respect to the domestic commerce programs and activities of the Department; and bring to the attention of American inventors, in cooperation with the National Inventors Council and representation of the Department of Defense and such other Federal agencies as may wish representation, the technical programs of Government groups.

.03 The Office of Distribution shall provide a focal point within the Department of Commerce for the retail, wholesale, and service trades, and for all others engaged in the domestic distribution of goods and services; collect, analyze, and disseminate information on domestic market characteristics and potentials by industry and geographical areas; cooperate with other data collection agencies for the development of effective programs for the exchange of marketing information; and advise on policy issues affecting the domestic distribution and service trades, and the impact of current or proposed marketing laws and regulations upon the effective operation of such distribution activities.

.04 The Office of Construction Statistics shall be the focal point in the Business and Defense Services Administration for planning, developing, and conducting construction statistics programs concerning such data as construction volume, costs, materials production, and materials use; conducting economic and statistical research and developing analytical and interpretive data on trends and developments in the construction industry and their impact on the remainder of the economy; disseminating construction industry information to Government and private users, and developing cooperative construction research programs with other Federal and State agencies.

SEC. 7. *Functions of the industry divisions.* .01 Each Industry Division of the Business and Defense Services Administration is assigned functions and responsibilities with respect to individual or related segments of American domestic industry.

.02 The Industry Divisions shall initiate policy and program proposals affecting their respective areas of operations for submission to and consideration and decision by the Administrator.

.03 The Industry Divisions shall cooperate with other organizations of the Department of Commerce, other Governmental agencies and business and industry in developing programs of practical value to the business and industrial communities so as to foster a common understanding of the problems of Government and business and industry.

.04 More specifically, the Industry Divisions shall perform the following functions as prescribed by the Administrator:

1. Defense production and mobilization preparedness activities:

(1) Perform the operations as required by the Business and Defense Services Administration and Defense Materials System regulations and take related action to assure meeting required delivery dates of materials and products

against military and atomic energy production and construction schedules,

(2) Take such actions as may be necessary to minimize the impact of defense procurement on the supply of scarce materials available to meet civilian demands, especially those of small business,

(3) Make recommendations on the stockpiling or the disposal of stockpiled strategic materials and equipment in relation to industrial requirements to minimize any adverse effects on the national economy,

(4) Participate in the development of the national mobilization programs and expansion goals to provide adequate industrial facilities in the event of national emergency,

(5) Provide basic data for use in the identification and rating of facilities to be protected against the possibilities of enemy damage,

(6) Review and make recommendations to the Office of Defense Mobilization on tax amortization and domestic loan applications, and

(7) Carry out agency policy in cooperation with industry in the development of post-attack planning measures;

2. Business services activities:

(1) In furtherance of economic stability and growth, provide information and recommend to the Administrator and the Assistant Secretary for Domestic Affairs policies designed to promote industrial expansion and business progress for their guidance in the determination of policy and also in the presentation of business opinion and advice to the Executive and Legislative Branches,

(2) For Governmental purposes and as a service to business and trade groups, collect, analyze, and disseminate information on the condition and levels of business activity in specific industries and trades with reference to the production and marketing of industrial commodities and resources,

(3) Evaluate policies, plans, activities, and orders of the Department of Commerce, as well as existing and proposed legislation affecting business, from the standpoint of the workability of these measures in everyday business and industrial operation,

(4) Assess the impact of Government operations insofar as they impinge on the interests of private business and report such assessments to the Administrator, and

(5) Assist domestic business and industry in its relations with other departments and agencies of the Government.

SEC. 8. *Functions of The Office of Field Services.* .01 The Director, Office of Field Services, shall participate in the formulation of and shall direct the field programs of the Business and Defense Services Administration, Bureau of Foreign Commerce, Office of Business Economics, Office of Area Development, and such other organization units as the Secretary of Commerce may designate.

.02 The Director shall be responsible for evaluating the requirements of the field programs of the above organization units of the Department in terms of available field resources so as to assure the effective implementation of all approved programs.

.03 The Office of Field Services shall make the Department's services and facilities readily available to the business community through Departmental field and cooperative offices and shall serve to establish and maintain on a local level the Department's relationship to the business community. The Office shall maintain continuing contacts with organization units whose field programs are executed under this provision for the purpose of assisting such units in the initiation, development, and determination of programs and policies governing field activities relating to their respective responsibilities.

.04 In addition to its own facilities in the field, the Office of Field Services shall utilize to the fullest extent practicable local and state associations, boards of trade, and similar organizations or groups to increase the use and effectiveness of the services, facilities, and published information and data of the Department and to develop close relationships between the Department and such organizations and the business community.

Effective date: November 8, 1957.

[SEAL] SINCLAIR WEEKS,
Secretary of Commerce.

[F. R. Doc. 57-9749; Filed, Nov. 25, 1957; 8:47 a. m.]

[Dept. Order 153 (Amended), Amdt. 1]

BUREAU OF FOREIGN COMMERCE

ORGANIZATION AND FUNCTIONS

The material appearing in 21 F. R. 2993, May 4, 1956, is amended as follows:

In order to reflect the transfer of the Foreign Trade Zones Board staff services from the Office of Trade Promotion to the Office of the Director and to clarify certain other provisions of the order, Department Order No. 153 (Amended) of April 17, 1956 is amended as follows:

1. Item (7) of section 2.022 is eliminated and the following new item (6) is added to section 2.021:

(6) Foreign Trade Zones Staff.

Item (8) of section 2.022 is renumbered item (7).

2. The following new section 5.015 is added:

5. Foreign Trade Zones Staff performs staff work for the Foreign Trade Zones Board in carrying out its responsibilities for supervising and regulating foreign trade zones.

3. Section 5.028 is eliminated and section 5.029 is renumbered section 5.028.

4. Item (4) of section 2.022 is revised to read "International Travel Division."

Effective date: November 13, 1957.

[SEAL] SINCLAIR WEEKS,
Secretary of Commerce.

[F. R. Doc. 57-9750; Filed, Nov. 25, 1957; 8:47 a. m.]

INTERSTATE COMMERCE COMMISSION

[No. 32313]

COMMODITIES; PAN-ATLANTIC, BETWEEN THE EAST AND TEXAS

RATES AND CHARGES

At a session of the Interstate Commerce Commission, Board of Suspension, held at its office in Washington, D. C., on the 8th day of November A. D. 1957.

There being under consideration the matter of rates and charges, and rules, regulations and practices affecting such rates and charges applicable on interstate or foreign commerce of various commodities, from eastern origins to Dallas and Ft. Worth, Texas, as set forth in the following schedules:

Pan-Atlantic Steamship Corporation:
MF-I. C. C. NO. 64;
On Thirteenth Revised Page 90, Item No. 3030;
On Fourteenth Revised Page 91, Item No. 3060;
On Seventh Revised Page 99, Item No. 3359;
On Eighth Revised Page 104-A, Item No. 3561;
On First Revised Page 126-A, Item No. 4181;
On Fifteenth Revised Page 128, Item No. 4205;
On Tenth Revised Page 129, in Item No. 4231, the 204-cent rates;
On Fifth Revised Page 129-A, Item No. 4242;
On Twenty-First Revised Page 133, Item No. 4392;
On Third Revised Page 134-A, Item No. 4459;
On Twelfth Revised Page 138, Item No. 4545;
On Sixth Revised Page 140-C, in Item No. 4601, the rates from New Haven, Conn., Baltimore, Md., and Philadelphia, Pa.;
On Eleventh Revised Page 145, Item No. 4764;
On Sixth Revised Page 154, Item No. 5190;
On Eighth Revised Page 157-A, in Item No. 5321, the rate from Buffalo, N. Y.;
On Fourteenth Revised Page 158, Item No. 5330;
On Eighteenth Revised Page 159, Item No. 5370;
On Fifth Revised Page 159-A, Item No. 5378;
On Fifteenth Revised Page 161, Item No. 5450;
On Eleventh Revised Page 169, in Item No. 5750, the rate from York, Pa.;
On Fifth Revised Page 169-A, in Item No. 5760, and on Twelfth Revised Page 170, in Item No. 5770, the rates from Hanover and York, Pa.; or as the same may be amended or reissued;

It appearing, that upon consideration of the tariff schedules there is reason to institute an investigation to determine whether they result in rates and charges, rules or regulations and practices that are unjust and unreasonable in violation of the Interstate Commerce Act; and good cause appearing therefor:

It is ordered, That an investigation be, and it is hereby, instituted, upon the Commission's own motion, into and concerning the lawfulness of the rates, charges, rules, regulations, and practices contained in said schedules, with a view to making such findings and orders in the premises as the facts and circumstances shall warrant.

It is further ordered, That the investigation in this proceeding shall not be confined to the matters and issues hereinbefore stated as the reason for instituting this investigation, but shall include all matters and issues with respect to the lawfulness of the said rates, charges, rules, regulations and practices under the Interstate Commerce Act.

It is further ordered, That a copy of this order be served on the respondents' attorneys in fact who filed the schedules containing the rates under investigation herein; and that further notice of this proceeding be given to the respondents, and that notice be given to the general public by posting a copy of this order in the office of the Secretary of the Commission at Washington, D. C., and by filing a copy with the Director, Division of the Federal Register.

And it is further ordered, That this matter be assigned for hearing at a time and place to be hereafter fixed.

By the Commission, Board of Suspension.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F. R. Doc. 57-9766; Filed, Nov. 25, 1957; 8:51 a. m.]

J. ALEX CROTHERS

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

Pursuant to subsection 302 (c), Part III, Executive Order 10647 (20 F. R. 8769) "Providing for the Appointment of Certain Persons under the Defense Production Act of 1950, as amended", I hereby furnish for filing with the Division of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in my financial interests and business connections as heretofore reported and published (20 F. R. 10086; 21 F. R. 3475; 21 F. R. 9198; 22 F. R. 3777) during the six months' period ended November 9, 1957:

On October 30, 1957, I purchased 20 shares (common stock) of American Telephone & Telegraph Company stock and 50 shares (common stock) of Philadelphia Electric Company stock. Otherwise there have been no changes in my financial interests or business connections during the six months' period ending November 9, 1957.

Dated: November 9, 1957.

[SEAL] J. ALEX CROTHERS.

[F. R. Doc. 57-9767; Filed, Nov. 25, 1957; 8:51 a. m.]

KEITH H. LYRLA

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

Pursuant to subsection 302 (c), Part III, Executive Order 10647 (20 F. R. 8769) "Providing for the Appointment of Certain Persons under the Defense Production Act of 1950, as amended", I hereby furnish for filing with the Division of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in my financial interests and business connections as heretofore reported and published (20 F. R. 10086; 21 F. R. 3475; 21 F. R. 9198; 22 F. R. 3777) during the six months' period ended November 14, 1957:

No change.

Dated: November 14, 1957.

[SEAL] KEITH H. LYRLA.

[F. R. Doc. 57-9768; Filed, Nov. 25, 1957; 8:52 a. m.]

EUGENE S. ROOT

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

Pursuant to subsection 302 (c) Part III, Executive Order 10647 (20 F. R. 8769) "Providing for the Appointment of Certain Persons under the Defense Production Act of 1950, as amended", I hereby furnish for filing with the Division of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in my financial interests and business connections as heretofore reported and published (20 F. R. 10086; 21 F. R. 3475; 21 F. R. 9198; 22 F. R. 3778) during the six months' period ended November 10, 1957:

Nothing to report.

Dated: November 10, 1957.

[SEAL] EUGENE S. ROOT.

[F. R. Doc. 57-9769; Filed, Nov. 25, 1957; 8:52 a. m.]