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Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Housing and Home Agency

Effective upon publication in the FEDERAL REGISTER, subparagraph (23) is added to § 6.342(a) as set out below.

§ 6.342 Housing and Home Finance Agency.

(a) *Office of the Administrator.* * * *

(23) One Special Assistant to the Administrator (Workable Programs).

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

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

[F.R. Doc. 59-7608; Filed, Sept. 11, 1959; 8:47 a.m.]

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

General Services Administration

Effective upon publication in the FEDERAL REGISTER, subparagraph (12) is added to § 6.333(a) as set out below.

§ 6.333 General Services Administration.

(a) *Office of the Administrator.* * * *

(12) One Assistant to the Special Assistant to the Administrator (Congressional and Public Affairs).

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

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

[F.R. Doc. 59-7623; Filed, Sept. 11, 1959; 8:49 a.m.]

Title 7—AGRICULTURE

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

[Valencia Orange Reg. 182]

PART 922 — VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 922.482 Valencia Orange Regulation 182.

(a) *Findings.* (1) Pursuant to the marketing agreement and Order No. 22, as amended (7 CFR Part 922), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said marketing agreement and order, as amended, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (60 Stat. 237; 5 U.S.C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to con-

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sider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on September 10, 1959.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a.m., P.s.t., September 13, 1959, and ending at 12:01 a.m., P.s.t., September 20, 1959, are hereby fixed as follows:

(i) District 1: Unlimited movement;

(ii) District 2: 1,016,400 cartons;

(iii) District 3: Unlimited movement.

(2) All Valencia oranges handled during the period specified in this section are subject also to all applicable size restrictions which are in effect pursuant to this part during such period.

(3) As used in this section, "handled," "handler," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in said marketing agreement and order, as amended.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 11, 1959.

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

[F.R. Doc. 59–7672; Filed, Sept. 11, 1959; 11:30 a.m.]

[Lemon Reg. 809]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 953.916 Lemon Regulation 809.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 23 F.R. 9053), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (60 Stat. 237; 5 U.S.C. 1001 et seq.) because the time intervening between the date when information upon which this section is based become available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this regulation effective during the period herein specified; and compliance with this regulation will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on September 9, 1959.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a.m., P.s.t., September 13, 1959, and ending at 12:01 a.m., P.s.t., September 20, 1959, are hereby fixed as follows:

(i) District 1: Unlimited movement;

(ii) District 2: 186,000 cartons;

(iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in the said amended marketing agreement and order.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 10, 1959.

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

[F.R. Doc. 59–7669; Filed, Sept. 11, 1959; 8:51 a.m.]

[957.318, Amdt. 2]

PART 957—IRISH POTATOES GROWN IN CERTAIN DESIGNATED COUNTIES IN IDAHO AND MALHEUR COUNTY, OREGON

Limitation of Shipments

Findings. (a) Pursuant to Marketing Agreement No. 98, as amended, and Order No. 57, as amended (7 CFR Part 957) regulating the handling of Irish potatoes grown in certain designated counties in Idaho and Malheur County, Oregon, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of recommendations and information submitted by the Idaho-Eastern Oregon Potato Committee, established pursuant to said amended marketing agreement and order, and other available information, it is hereby found that the amendment to the limitation of shipments regulation hereinafter set forth, will tend to effectuate the declared policy of the act.

(b) It is hereby found that it is impracticable and contrary to the public

interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this amendment until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 1001–1011) in that (1) the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, (2) more orderly marketing in the public interest, than would otherwise prevail, will be promoted by regulating the handling of potatoes, in the manner set forth below, on and after the effective date of this amendment, (3) compliance with this amendment will not require any special preparation on the part of handlers which can not be completed by the effective date, (4) reasonable time is permitted, under the circumstances, for such preparation, (5) information regarding the committee's recommendation has been disseminated to producers and handlers in the production area, and (6) this amendment relieves restrictions on the handling of potatoes grown in the production area.

Order, as amended. In § 957.318 (24 F.R. 5413, 6184) delete paragraph (a) and substitute in lieu thereof a new paragraph (a) as set forth below.

§ 957.318 Limitation of shipments.

* * * * *

(a) *Minimum grade, size, and cleanliness requirements—all varieties*—(1) *Grade.* U.S. No. 2, or better, grade.

(2) *Size.* 2 inches minimum diameter or 4 ounces minimum weight.

(3) *Cleanliness.* At least "generally fairly clean".

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated September 9, 1959, to become effective September 14, 1959.

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

[F.R. Doc. 59–7628; Filed, Sept. 11, 1959; 8:50 a.m.]

[Avocado Order 18, Amdt. 4]

PART 969—AVOCADOS GROWN IN SOUTH FLORIDA

Limitation of Shipments

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 69, as amended (7 CFR Part 969), regulating the handling of avocados grown in south Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recomendations of the Avocado Administrative Committee, established under the aforesaid marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of avocados, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) in that, as hereinafter set forth, the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than the date hereinafter set forth. A reasonable determination as to the time of maturity of avocados must await the development of the crop thereof, and adequate information thereon was not available to the Avocado Administrative Committee until September 8, 1959; a determination as to the time of maturity of the varieties of avocados covered by this amendment was made at the meeting of said committee on September 8, 1959, after consideration of all available information relative to such maturity and growing conditions prevailing during the current season for such avocados, at which time the recommendations and supporting information for such maturity regulation were submitted to the Department; such meeting was held to consider recommendation for such regulation after giving due notice thereof, and interested parties were afforded an opportunity to submit their views at this meeting; the provisions of this regulation are identical with the aforesaid recommendations of the committee and information concerning such provisions has been disseminated among the handlers of avocados; and compliance with the provisions of this regulation will not require of handlers any preparation therefor which cannot be completed by the effective time hereof.

(b) *It is, therefore, ordered,* That provisions of paragraph (b) of § 969.318 (24 F.R. 4050, 4827, 5824, 6904) are hereby amended as follows:

1. Add to Table I of subparagraph (1) the following:

TABLE I

Variety (1)	Date (2)	Minimum weight or diameter (3)	Date (4)
Black Prince	10- 5-59	16 ounces.	10-26-59
Booth 7	10- 5-59	16 ounces.	10-26-59
		3 19/16 inches.	
Booth 10	10- 5-59	16 ounces.	10-26-59
		3 19/16 inches.	
Collinson	10- 5-59	16 ounces.	11- 2-59
		3 11/16 inches.	
Hickson	10-12-59	15 ounces.	11- 2-59
		3 9/16 inches.	
Vaca	10-12-59	16 ounces.	11- 2-59
		3 9/16 inches.	
Booth 5	10-12-59	16 ounces.	11- 2-59
		3 11/16 inches.	
Simpson	10-12-59	16 ounces.	11- 2-59
Avon	10-19-59	15 ounces.	11- 9-59
		3 19/16 inches.	
Booth 11	10-19-59	16 ounces.	11- 9-59
Winslowson	10-19-59	18 ounces.	11- 9-59
		3 15/16 inches.	
Herman	10-26-59	16 ounces.	11-23-59
		3 9/16 inches.	
Monroe	10-26-59	24 ounces.	11-23-59
Choquette	10-26-59	24 ounces.	11-23-59
Hall	10-26-59	24 ounces.	11-23-59

2. Revise that portion of Table II of subparagraph (2) applicable to the Booth 8 variety to read as follows:

TABLE II

Variety (1)	Date (2)	Minimum weight or diameter (3)	Date (4)	Minimum weight or diameter (5)	Date (6)
Booth 8	9-14-59	16 ounces. 3 7/16 inches.	10-5-59	13 ounces. 3 1/16 inches.	10-26-59

3. Add to Table II of subparagraph (2) the following:

Variety (1)	Date (2)	Minimum weight or diameter (3)	Date (4)	Minimum weight or diameter (5)	Date (6)
Lula	10-5-59	18 ounces. 3 19/16 inches.	10-19-59	14 ounces. 3 1/16 inches.	11-9-59

4. Delete subdivisions (i) through (iv) of subparagraph (4) and substitute therefor the following:

(i) During the period beginning at 12:01 a.m., e.s.t., September 14, 1959, and ending at 12:01 a.m., e.s.t., October 19, 1959, the individual fruit in each lot of such avocados shall weigh at least 15 ounces;

(ii) During the period beginning at 12:01 a.m., e.s.t., October 19, 1959, and ending at 12:01 a.m., e.s.t., December 21, 1959, the individual fruit in each lot of such avocados shall weigh at least 13 ounces.

(iii) Any lot of such avocados may be handled without regard to the dates and minimum weights specified in this subparagraph if the exterior seed-coat of the individual fruit is of a brown color characteristic of a mature avocado, or if such avocados, when mature, normally change color to any shade of red or purple and any portion of the skin of the individual fruit has changed to the color normal for that fruit when mature.

(c) *Effective time.* The provisions of this amendment shall become effective at 12:01 a.m., e.s.t., September 14, 1959.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 10, 1959.

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

[F.R. Doc. 59–7633; Filed, Sept. 11, 1959; 8:50 a.m.]

[Avocado Order 19]

PART 969—AVOCADOS GROWN IN SOUTH FLORIDA

Container Regulation

§ 969.319 Avocado Order 19.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 69, as amended (7 CFR Part 969), regulating the handling of avocados grown in south Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the Avocado Administrative Committee, established under the aforesaid marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of avocados, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rulemaking procedure, and postpone the effective date of this regulation until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) in that, the time intervening between the date when information upon which this regulation is based became available and the time when this regulation must become effective in order to effectuate the declared policy of the act is insufficient; and this regulation relieves restrictions on the handling of such avocados during the period September 14, 1959, through October 18, 1959.

(b) *Order.* (1) During the period beginning at 12:01 a.m., e.s.t., September 14, 1959, and ending at 12:01 a.m., e.s.t., October 19, 1959, no handler shall handle any variety of avocados unless such avocados are packed in the containers listed in subdivisions (i) through (ix) of this subparagraph; and on and after 12:01 am., e.s.t., October 19, 1959, no handler shall handle any variety of avocados unless such avocados are packed in the containers listed in subdivisions (iv) through (viii) of this subparagraph.

(i) Cartons with inside dimensions 13½ x 16½ x 3¼ inches.

(ii) Boxes and cartons with inside dimensions 13½ x 16½ x 3¾ inches.

(iii) Boxes and cartons with inside dimensions 13½ x 16½ x 4½ inches: *Provided,* That the avocados in such containers shall be packed in one layer only.

(iv) Boxes and cartons with inside dimensions 11 x 16¾ x 10 inches: *Provided,* That the individual avocados in such a container shall weigh at least 16 ounces, except that not to exceed 10 percent, by count, of the fruit in each lot may weigh not more than 2 ounces less than 16 ounces, but not to exceed double such tolerance (20 percent) of fruit weighing less than 16 ounces shall be permitted in an individual container in a lot.

(v) Boxes and cartons with inside dimensions 11½ x 15¾ x 3¼ inches.

(vi) Boxes and cartons with inside dimensions 11½ x 15¾ x 3¾ inches.

(vii) Boxes and cartons with inside dimensions 11½ x 15¾ x 4¼ inches.

(viii) Such other types and sizes of containers as may be approved by the Avocado Administrative Committee for testing in connection with a research project conducted by or in cooperation with the said committee: *Provided,* That the handling of each lot of avocados in such test containers shall be subject to the prior approval, and under the supervision, of the Avocado Administrative Committee.

(ix) With respect to the containers prescribed in subdivisions (i) through (iii) of this subparagraph, the net weight of the avocados in any such container shall be not less than 13½ pounds except that, when such containers are packed with 20 or more avocados, the net weight of such avocados shall be not less than 13 pounds: *Provided,* That not to exceed 5 percent, by count, of the containers in any lot may fail to meet such applicable weight requirement.

(2) Avocado Order 9, as amended (7 CFR 969.309; 24 F.R. 6155) is hereby terminated at 12:01 a.m., e.s.t., September 14, 1959.

(3) The terms "handler," "handle," and "avocados," when used herein, shall have the same meaning as when used in the amended marketing agreement and order (§§ 969.1–969.71).

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 10, 1959.

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

[F.R. Doc. 59–7668; Filed, Sept. 11, 1959; 8:51 a.m.]

[Milk Order No. 108]

PART 1008—MILK IN INLAND EMPIRE MARKETING AREA

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MISCELLANEOUS PROVISIONS

1008.100 Agents.
1008.101 Separability of provisions.

AUTHORITY: §§ 1008.0 to 1008.101 issued under secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674.

§ 1008.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such find-

ings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Inland Empire marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

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

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(4) 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; and

(5) It is hereby found that the necessary expense of the market administrator for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expense, 5 cents per hundredweight or such amount not to exceed 5 cents per hundredweight as the Secretary may prescribe, with respect to all receipts within such month of (i) other source milk (except other order milk) classified as Class I milk, and (ii) milk received from producers, including such handler's own production.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order effective not later than October 1, 1959.

The provisions of the said order are known to handlers. The recommended decision of the Deputy Administrator of the Agricultural Marketing Service was issued July 22, 1959, and the decision of the Assistant Secretary containing all amendment provisions of this order was issued August 14, 1959. The changes effected by this order will not require extensive preparation or substantial alteration in method of operation for handlers. In view of the foregoing, it is hereby found and determined that good cause exists for making this order amending the order effective October 1, 1959, and that it would be contrary to the public interest to delay the effective date of this amendment for 30 days after its publication in the FEDERAL REGISTER. (See section 4(c), Administrative Procedure Act, 5 U.S.C. 1001 et seq.).

(c) *Determinations.* It is hereby determined that:

(1) The refusal or failure of handlers (excluding cooperative associations specified in section 8c(9) of the Act) of more than 50 percent of the milk, which is marketed within the marketing area, to sign a proposed marketing agreement, tends to prevent the effectuation of the declared policy of the Act;

(2) The issuance of this order, amending the order, is the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the order as hereby amended; and

(3) The issuance of the order amending the order is approved or favored by at least two-thirds of the producers who participated in a referendum and who during the determined representative period were engaged in the production of milk for sale in the marketing area.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Inland Empire marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the terms and conditions of the amended order are as follows:

DEFINITIONS

§ 1008.1 Act.

"Act" means Public Act No. 10, 73d Congress as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31, as amended; 7 U.S.C. 601 et seq.).

§ 1008.2 Secretary.

"Secretary" means the Secretary of Agriculture, or other officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 1008.3 Department.

"Department" means the United States Department of Agriculture or such other Federal agency authorized to perform the price reporting functions specified in this part.

§ 1008.4 Person.

"Person" means any individual, partnership, corporation, association or any other business unit.

§ 1008.5 Cooperative association.

"Cooperative association" means any cooperative marketing association of producers, duly organized as such under the laws of any State, which includes members who are producers as defined in § 1008.11 and which the Secretary determines, after application by the association:

(a) To be qualified under the standards set forth in the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act";

(b) To have its entire organization and all its activities under the control of its members; and

(c) To be currently engaged in making collective sales of or marketing milk or its products for its members.

§ 1008.6 Inland Empire marketing area.

"Inland Empire marketing area" (hereinafter called the "marketing area") means that portion of Bonner County, Idaho, lying south of Township 60 and west of Range 2 East Boise Meridian; all of Kootenai County, Idaho, except that portion lying east of Range 3 West Boise Meridian and south of Township 53; Boundary County, Idaho; Benewah County, Idaho; Spokane County, Washington; that portion of Pend Oreille County, Washington, lying south of Township 35; and that portion of Stevens County, Washington, lying south of Township 37. This definition shall include all municipal corporations, Federal military reservations, facilities, and installations and State institutions lying wholly or partly within the above-described area.

§ 1008.7 Plant.

"Plant" means the land, buildings, surroundings, facilities and equipment, whether owned or operated by one or more persons, constituting a single operating unit or establishment which is maintained and operated primarily for the receiving, handling, or processing of milk or milk products: *Provided*, That this definition shall not include any platform or depot used primarily for the transfer of milk from one conveyance to another in the original milk containers.

§ 1008.8 Pool plant.

"Pool plant" means any plant, other than the plant of a producer-handler or a plant at which the milk of dairy farmers is priced by another milk marketing agreement or order issued pursuant to the Act, which is approved by any health authority having jurisdiction in the marketing area as a plant for the receiving of milk qualified for consumption as fluid milk in the marketing area and from which:

(a) Class I milk pursuant to § 1008.41 (a) (1), (2), and (3) in an amount not less than 20 percent of receipts thereat of milk from producers and from plants qualified under paragraph (b) of this section is distributed within the marketing area on routes (for the purpose of this section "route" shall mean a delivery to retail or wholesale outlets, including a delivery by a vendor or sale from a plant or plant store of milk or milk products classified as Class I milk pursuant to § 1008.41(a) (1), (2), and (3) other than a delivery to another pool plant): *Provided*, That the total quantity of Class I milk disposed of from such plant during the month, either inside or outside the marketing area on routes is not less than 40 percent of such plant's receipts of milk from producers and from plants qualified under paragraph (b) of this section in any of the months of February through August, inclusive, and not less than 50 percent of such receipts in any of the months of September through January, inclusive.

(b) Milk, skim milk, or cream is forwarded to a plant described in paragraph (a) of this section: *Provided*, That no plant forwarding milk in such manner shall be a pool plant if the percentage which the quantity of either butterfat or skim milk in milk, skim milk, and cream so forwarded is of the amount thereof contained in milk (qualified as described in § 1008.11) received from dairy farmers at such plant is less than 50 percent in the current month during the period October through December, and 20 percent in the current month during the period January through September, except if the percentage forwarded was more than 50 percent of such receipts for the entire period October through December, no percentage shall be required for such months of January through September immediately following: *And provided further*, That any such plant which otherwise meets the requirements of this paragraph but is not a plant qualified as a pool plant under paragraph (a) of this section may withdraw from pool plant status for any month in the January–September period if the operator of such plant files with the market administrator prior to the first day of such month a written request for such withdrawal.

(c) For the purpose of computing the percentages specified in this section plant receipts of milk from dairy farmers or producers, as the case may be, shall not include, at either plant involved, milk diverted in the manner described in § 1008.15(b)(2).

§ 1008.9 Nonpool plant.

"Nonpool plant" means any plant other than a pool plant.

§ 1008.10 Dairy farmer.

"Dairy farmer" means any person who operates a farm engaged in the production of milk.

§ 1008.11 Producer.

"Producer" means any dairy farmer, other than a producer-handler, who produces milk of dairy cows under a dairy farm permit or rating issued by an appropriate health authority having jurisdiction in the marketing area for the production of milk qualified for disposition to consumers in fluid form within the marketing area.

§ 1008.12 Producer milk.

"Producer milk" or "milk received from producers" means milk of any producer qualified as described in § 1008.11 and either (a) received directly from a farm at a pool plant, or (b) caused to be diverted by a handler for his account from such plant to a nonpool plant during any of the months of February through August: *Provided*, That milk from the same producer (or from a producer who previously held such producer's base) was received at a pool plant during some portion of the period September through January immediately preceding: *And provided further*, That for all purposes under this order such diverted milk shall be deemed to have been received at the pool plant from which diverted.

§ 1008.13 Other source milk.

"Other source milk" means all skim milk and butterfat contained in:

(a) Receipts of milk and milk products in any of the forms specified in § 1008.41 (a) (1), (2) and (3) (including other order milk), except (1) such milk and milk products received from a pool plant(s) and (2) producer milk; and

(b) Products other than those specified in § 1008.41(a) (1), (2) and (3) from any source (including those produced at the plant) which are reprocessed or converted to another product in the plant during the month.

§ 1008.14 Other order milk.

"Other order milk" means all skim milk and butterfat in any of the forms specified in § 1008.41(a) (1), (2) or (3), received by a handler but the handling of which the Secretary determines to be subject to the pricing and payment provisions of any other Federal milk marketing agreement or order issued pursuant to the Act for any other milk marketing area.

§ 1008.15 Handler.

"Handler" means:

(a) Any person engaged in the handling of milk in his capacity as the operator of a pool plant(s) or any other plant from which milk in any of the forms specified in § 1008.41(a) (1), (2), and (3) is disposed of, either directly or indirectly, to any place or establishment within the marketing area other than a plant.

(b) Any cooperative association which is not a handler pursuant to paragraph (a) of this section, with respect to producer milk caused to be diverted for its account (1) from a pool plant to a nonpool plant during any of the months of February through August, and (2) from one pool plant to another pool plant, but not exceeding a period of 90 consecutive days for any producer.

§ 1008.16 Producer-handler.

"Producer-handler" means any person who is both a dairy farmer and a handler, but who receives no milk from other dairy farmers: *Provided*, That such person provides proof satisfactory to the market administrator that (a) the maintenance, care, and management of all the dairy animals and other resources necessary to produce the entire amount of milk handled is the personal enterprise of and at the personal risk of such person in his capacity as a dairy farmer, and (b) the operation of a plant is the personal enterprise of and at the personal risk of such person in his capacity as a handler.

§ 1008.17 Base.

"Base" means a quantity of milk, expressed in pounds per day or per month, computed pursuant to § 1008.60 (a) and (b), respectively.

§ 1008.18 Base milk.

"Base milk" means milk received from a producer at a pool plant during the month in an amount which is not in excess of:

(a) Such producer's daily base computed pursuant to § 1008.60 (a) multiplied by the number of days of delivery in such month: *Provided*, That with respect to any producer on "every-other-day" delivery to a pool plant the intervening days of nondelivery shall be considered as days of delivery for the purposes of this section and § 1008.60; or

(b) His base computed pursuant to § 1008.60(b).

§ 1008.19 Excess milk.

"Excess milk" means milk delivered by a producer in excess of base milk.

MARKET ADMINISTRATOR

§ 1008.20 Designation.

The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be designated by, and shall be subject to removal at the discretion of, the Secretary.

§ 1008.21 Powers.

The market administrator shall have the following powers with respect to this part:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

§ 1008.22 Duties.

The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of the funds provided by § 1008.88 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses (except those incurred under § 1008.87) necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and upon request by the Secretary surrender the same to such other person as the Secretary may designate;

(f) Submit his books and records to examination by the Secretary and fur-

nish such information and reports as may be requested by the Secretary;

(g) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends;

(h) Publicly announce, at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 10 days after the day upon which he is required to perform such acts, has not:

(1) Made reports pursuant to §§ 1008.30 to 1008.32, inclusive; or

(2) Made one or more of the payments pursuant to §§ 1008.80 to 1008.88, inclusive;

(i) On or before the 16th day after the end of each month, report to each cooperative association (or its duly designated agent) which so requests the class utilization of milk caused to be delivered by such cooperative association directly from farms of producers who are members of such cooperative association to each handler to whom the cooperative association sells milk. For the purpose of this report, the milk caused to be so delivered by such cooperative association shall be prorated to each class in the proportion that the total receipts of producer milk by such handler were used in each class;

(j) On or before the 12th day after the end of each month, notify:

(1) Each handler whose total value of milk is computed pursuant to § 1008.70(a) of:

(i) The amounts and values of his producer milk in each class and the totals of such amounts and values;

(ii) The amount of any charge made pursuant to § 1008.70(a)(5);

(iii) The uniform prices for base milk and excess milk;

(iv) The totals of the amounts computed in the manner provided by § 1008.80(a);

(v) The amount due such handler from the producer-settlement fund or the amount to be paid by such handler to the producer-settlement fund, as the case may be; and

(vi) The totals of the amounts required to be paid by such handler pursuant to §§ 1008.87 and 1008.88.

(2) Each handler whose total value of milk is computed pursuant to § 1008.70(b) of the pounds of other source milk on which payment is required to be made and the amount due the producer-settlement fund from such handler.

(k) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate the prices determined for each month as follows:

(1) On or before the 6th day of each month the minimum price for Class I milk pursuant to § 1008.51(a) and the Class I butterfat differential pursuant to § 1008.52(a), both for the current month; and the respective minimum prices for Class II–A milk and Class II milk pursuant to § 1008.51 (b) and (c) and the Class II butterfat differential pursuant to § 1008.52(b), both for the preceding month; and

(2) On or before the 12th day of each month, the uniform price(s) computed pursuant to § 1008.71 and the butterfat differential(s) computed pursuant to § 1008.82, both applicable to producer milk received during the preceding month.

(l) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.

REPORTS, RECORDS, AND FACILITIES

§ 1008.30 Monthly reports of receipts and utilization.

On or before the 7th day of each month, in the detail and on forms prescribed by the market administrator, each handler shall submit to the market administrator a report for such handler's pool plant(s) and with respect to milk or milk products subject to payments required under § 1008.70(b), containing the following information for the preceding month:

(a) The quantities of skim milk and butterfat contained in milk received from producers;

(b) The quantities of skim milk and butterfat contained in milk and milk products received from other handlers;

(c) The quantities of skim milk and butterfat contained in other source milk (including other order milk) received (except manufactured milk products of the types covered by Class II–A milk and Class II milk in § 1008.41 disposed of in the form in which received without further processing by the handler);

(d) Inventories of items included in Class I milk on hand at the beginning of the month;

(e) The utilization of all skim milk and butterfat required to be reported pursuant to this section, including (1) the pounds of skim milk and butterfat on hand at the end of each month as items included in Class I milk; and (2) a separate statement as to the amount of Class I milk disposed of on wholesale or retail routes (other than to plants) entirely outside the marketing area;

(f) The aggregate quantities of base milk and excess milk received; and

(g) Such other information with respect to such receipts and utilization as the market administrator may prescribe.

§ 1008.31 Payroll reports.

On or before the 20th day of each month, each handler shall submit to the market administrator his producer payroll for deliveries of the preceding month which shall show:

(a) The total pounds of base milk and the total pounds of excess milk received from each producer, the pounds of butterfat contained in such milk, and the number of days on which milk was delivered by such producer in such month;

(b) The amount of payment to each producer and cooperative association; and

(c) The nature and amount of any deductions or charges involved in such payments.

§ 1008.32 Other reports.

(a) At such times and in such manner as the market administrator may prescribe each handler shall report to the market administrator such information in addition to that required under § 1008.30 as may be requested by the market administrator with respect to milk and milk products handled by him.

(b) As requested by the market administrator, each producer-handler shall report to the market administrator relative to his receipts, utilization, and disposition of milk and milk products.

(c) As requested by the market administrator, each handler shall report the total quantity of milk received from each producer and the number of days of such delivery for each month beginning with September 1956.

(d) Each handler dumping skim milk shall give the market administrator not less than 6 hours' notice of intention to make such disposition and of the quantities of skim milk involved. In addition, each handler dumping skim milk shall mail or deliver to the market administrator within 48 hours following each dumping not witnessed by the market administrator or his agent, a report in writing, as prescribed by the market administrator, showing the date on which the dumping was made and the quantity dumped, such report to be signed by both the person who dumped the skim milk and the person authorized to sign reports for the handler made pursuant to § 1008.30 (if the latter person is not available to sign the report within the 48-hour period, the signature of the plant manager or plant superintendent shall be substituted on the report).

§ 1008.33 Records and facilities.

Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and records of his operations (and summaries thereof customarily maintained) and such facilities as are necessary for the market administrator to verify or to establish the correct data with respect to the information required to be reported pursuant to §§ 1008.30, 1008.31, and 1008.32 and to payments required to be made pursuant to §§ 1008.80 through 1008.88.

§ 1008.34 Retention of records.

All books and records required under this order to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: *Provided*, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8(c)(15)(A) of the Act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case the market administrator shall give further

written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

§ 1008.35 Handler report to producers.

(a) In making payments to producers pursuant to § 1008.80, each handler, on or before the 17th day of each month, shall furnish each producer with a supporting statement in such form that it may be retained by the producer, which shall show for the preceding month (1) the identification of the handler and the producer; (2) the total pounds of milk delivered by the producer and the average butterfat test thereof, the pounds of base and excess milk, and the pounds per shipment if such information is not furnished to the producer each day of delivery; (3) the minimum rate(s) at which payment to the producer is required under the provisions of § 1008.80; (4) the rate(s) used in making the payment, if such rate(s) is other than the required minimum rate(s); (5) the amount or rate per hundredweight of each deduction claimed by the handler, together with a description of the respective deductions; and (6) the net amount of payment to the producer.

(b) In making payment to a cooperative association in aggregate pursuant to § 1008.80(b) each handler upon request shall furnish to the cooperative association, on or before the 16th day of each month, with respect to each producer for whom such payment is made, all the information specified in paragraph (a) of this section.

CLASSIFICATION

§ 1008.40 Skim milk and butterfat to be classified.

All skim milk and butterfat received within the month by a handler which is required to be reported pursuant to § 1008.30 shall be classified by the market administrator pursuant to the provisions of §§ 1008.41 through 1008.45, inclusive.

§ 1008.41 Classes of utilization.

Subject to the conditions set forth in §§ 1008.42, 1008.43, and 1008.44, the classes of utilization shall be as follows:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat: (1) Disposed of in fluid or frozen form as milk, skim milk (including fortified skim milk), skim milk drinks, buttermilk, flavored milk, flavored milk drinks, and cream (sweet or sour), but not including any of the above items if sterilized and packaged in metal containers hermetically sealed; (2) used in the production of concentrated milk, skim milk, flavored milk and flavored milk drinks not sterilized (but not including (i) those products commonly known as evaporated milk, condensed milk, and condensed skim milk; (ii) flavored milk or flavored milk drink sterilized and packaged in metal containers hermetically sealed; and (iii) any item named in this subparagraph disposed of pursuant to paragraph (b)(3) of this section); (3) disposed of as any fluid mixture containing cream and milk or skim milk (but not including ice cream and other frozen dessert mixes disposed of to a commercial processor, cocoa mixes, any mixture disposed of in containers or dispensers under pressure for the purpose of dispensing a whipped or aerated product, evaporated or condensed products, eggnog and yogurt); (4) shrinkage of producer milk in excess of that pursuant to paragraph (b)(6) of this section and shrinkage allocated to receipts from other handlers pursuant to § 1008.42(b); and (5) not specifically accounted for under paragraph (b) of this section.

(b) Class II milk shall be all skim milk and butterfat: (1) used to produce any product other than those included under paragraphs (a) (1), (2), (3) and (c) of this section; (2) disposed of (skim milk only) for livestock feed or dumped (skim milk only) in any month: *Provided*, That in the case of skim milk dumped the conditions of § 1008.32(d) are met by the handler; (3) disposed of in bulk in any of the forms specified in paragraph (a) (1), (2) and (3) of this section (i) to bakeries, soup companies and candy manufacturing establishments in their capacity as such, (ii) to nonpool plants subject to the conditions of § 1008.44(b)(2); (4) disposed of in any of the forms specified in paragraph (a) (1), (2) and (3) of this section if sterilized and packaged in metal containers hermetically sealed; (5) contained in inventories of items included in paragraph (a) (1), (2) and (3) of this section on hand at the end of the month; (6) in actual shrinkage of producer milk computed pursuant to § 1008.42 but not in excess of 2 percent of the quantities of skim milk and butterfat, respectively, in producer milk; and (7) in actual shrinkage of other source milk computed pursuant to § 1008.42.

(c) Class II–A milk shall be all skim milk and butterfat used to produce ice cream, ice cream mix, frozen desserts, cocoa mixes, and cottage, pot and bakers' cheeses (and shall be included in Class II milk for all purposes of this order except as otherwise expressly stated).

§ 1008.42 Shrinkage.

The market administrator shall determine the shrinkage of skim milk and butterfat, respectively, in producer milk and in other source milk in the following manner:

(a) Compute the total shrinkage of skim milk and butterfat, respectively, for each handler; and

(b) Prorate the total shrinkage of skim milk and butterfat, respectively, computed pursuant to paragraph (a) of this section, among the pounds of producer milk, other source milk, and receipts from other handlers.

§ 1008.43 Responsibility of handlers and reclassification of milk.

(a) All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim milk and butterfat proves that such skim milk and butterfat should be classified as Class II milk.

(b) The burden shall rest upon each handler to establish the sources of milk and milk products required to be reported by him pursuant to § 1008.30.

(c) Except as provided in § 1008.44 (b)(1), any skim milk or butterfat classified on the basis of its use in one product shall be reclassified if used or reused by any handler in another product.

§ 1008.44 Interplant movements.

Skim milk and butterfat moved in bulk form as any item specified in § 1008.41(a) (1), (2), or (3) from a pool plant to another plant shall be assigned (separately) to each class in the following manner:

(a) From a pool plant to another pool plant: (1) As Class I milk, unless another class use is indicated in writing to the market administrator by the operators of both plants on or before the 7th day after the end of the month within which the transfer (or diversion) was made: *Provided*, That if either or both plants received any other source milk, the quantity moved shall be classified at both plants so as to allocate the highest possible utilization to producer milk: *And provided further*, That (i) milk received from a plant subject to location adjustments shall be assigned to Class I milk in the transferee-plant after producer milk receipts and any receipts from plants subject to no location adjustment are assigned to Class I milk; and (ii) if milk is received from more than one transferor-plant, assignment to the available Class I milk in the transferee-plant shall be made in sequence according to the location adjustment applicable at each transferor-plant beginning with the plant having the least location adjustment.

(2) On a pro rata basis to each class according to the total use of producer milk in each class at the plant where physically received, in the case of milk diverted by a cooperative association in the manner described in § 1008.15(b)(2).

(b) Except as provided in paragraph (c) of this section, from a pool plant to a nonpool plant: Such transfer(s) (also diverted milk) shall be classified as provided below, except that if the market administrator is not permitted to audit the records of the nonpool plant(s) for the purpose of use verification, the entire transfer shall be classified as Class I milk.

(1) As Class I milk if the transfer (or diversion) is to a nonpool plant which is engaged in the distribution of milk for consumption in fluid form (except as provided in subparagraph (2) of this paragraph), to the extent that milk is disposed of as any of the items specified in § 1008.41(a) (1), (2), and (3) from the receiving plant in amounts greater than could be supplied from such plant's regular dairy farm receipts of Grade A milk (or the equivalent thereof) and from receipts of milk classified as Class I milk under another Federal order as determined by audit of the market administrator, otherwise as Class II milk.

(2) As Class II milk, if the transfer (or diversion) is to a nonpool plant which is not engaged in the distribution of milk for consumption in fluid form or is engaged in the processing and distribution of milk for fluid consumption which is sterilized and packaged in metal containers hermetically sealed: *Provided*,

That if such nonpool plant disposes of skim milk or butterfat in any of the forms specified in § 1008.41(a) (1), (2), and (3) to any other nonpool plant distributing milk in fluid form, such disposition, up to the quantity of milk transferred or diverted to the first nonpool plant, shall be classified as Class I milk: *And provided further,* That with respect to the milk to which the preceding proviso does not apply, the remaining transferred or diverted quantity shall be deemed to have been utilized first for the manufacture of Class II–A milk products to the extent that such products were produced at such nonpool plant.

(c) From a pool plant to a nonpool plant in which milk subject to the classification and class price provisions of another marketing agreement or order issued pursuant to the Act is received: Such transfer(s) (also diverted milk) shall be classified as provided below:

(1) As Class II milk if the transfer is made in bulk form (other than in consumer packages customarily used for route distribution) and is allocated in the transferee-plant, pursuant to the terms of the marketing agreement or order to which such plant is subject, to a class of utilization other than Class I milk as defined in such other marketing agreement or order.

(2) As Class I milk if the transfer is made in consumer-type packages, or is made in bulk form and allocated to Class I milk as defined in the marketing agreement or order to which the transferee-plant is subject.

§ 1008.45 Computation of the quantity of producer milk in each class.

For each handler the market administrator shall:

(a) Correct for mathematical and for other obvious errors the monthly report submitted by such handler and compute the total pounds of skim milk and butterfat in each class: *Provided,* That when nonfat milk solids derived from nonfat dry milk solids, condensed skim milk, or any other product condensed from milk or skim milk, are utilized by such handler (1) to fortify (or as an additive to) fluid milk, flavored milk, skim milk, or any other milk product, or (2) for disposition in reconstituted form as skim milk or a milk drink, the total pounds of skim milk computed for the appropriate class of use shall reflect a volume equivalent to the skim milk used to produce such nonfat milk solids;

(b) Allocate skim milk in the following manner:

(1) Subtract from the pounds of skim milk in Class II milk the pounds of skim milk shrinkage allowed pursuant to § 1008.41(b)(6);

(2) Subtract from the pounds of skim milk in Class II milk the pounds of skim milk in other source milk received (other order milk to be subtracted last) and in overage allocated to other source milk (§ 1008.70(a)(4)): *Provided,* That if more than one source of other source milk is involved, the skim milk shall be subtracted in sequence beginning with the source at greatest distance from the City Hall, Spokane, Washington: *And provided further,* That if the receipts of skim milk in other source milk plus the overage allocated to other source milk are greater than the pounds of skim milk in Class II milk, the balance shall be subtracted in sequence from the pounds of skim milk in Class II–A milk and in Class I milk;

(3) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk contained in inventory of items included in §1008.41(a), (1), (2) and (3) on hand at the beginning of the month: *Provided,* That if the pounds of skim milk in such inventory exceed the remaining pounds of skim milk in Class II milk, the balance shall be subtracted in sequence from the pounds of skim milk remaining in Class II–A milk and in Class I milk;

(4) Subtract from the remaining pounds of skim milk in each class, respectively, the skim milk received from other pool plants and assigned to such class pursuant to § 1008.44;

(5) Add to the remaining pounds of Class II milk, the amount subtracted pursuant to subparagraph (1) of this paragraph; and

(6) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk in milk received from producers, subtract such excess (hereinafter referred to as "overage") from the remaining pounds of skim milk in each class beginning with Class II milk.

(c) Allocate butterfat in accordance with the procedure prescribed for skim milk in paragraph (b) of this section; and

(d) Add together for each class the quantities of skim milk and butterfat in such class computed pursuant to paragraphs (b) and (c) of this section and compute the weighted average butterfat content of such class.

MINIMUM PRICES

§ 1008.50 Basic formula price to be used in determining Class I prices.

The basic formula price to be used in computing the price per hundredweight of Class I milk for the current month shall be the higher of the prices computed pursuant to paragraphs (a) and (b) of this section for the preceding month:

(a) Divide by 3.5 and then multiply by 4.0 the average of the basic, or field, prices per hundredweight reported to have been paid, or to be paid, for milk of 3.5 percent butterfat content received from dairy farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department.

Present Operator and Location

Borden Co., Orfordville, Wis.
Borden Co., New London, Wis.
Borden Co., Mount Pleasant, Mich.
Carnation Co., Sparta, Mich.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

(b) The price per hundredweight computed by the market administrator from the following formula:

(1) Multiply by 4.8 the simple average of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter per pound at Chicago, as reported by the Department during the month: *Provided,* That if no price is reported from Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter;

(2) Multiply by 8.2 the simple average of the weighted averages of carlot prices per pound for nonfat dry milk, spray and roller process, respectively, for human consumption, f.o.b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the Department; and

(3) From the sum of the results arrived at under subparagraphs (1) and (2) of this paragraph, subtract 67 cents.

§ 1008.51 Class prices.

Subject to the differentials provided in §§ 1008.52 and 1008.53 the following are the minimum prices per hundredweight to handlers for Class I milk, Class II–A, and Class II milk:

(a) *Class I milk.* For each month the price for Class I milk shall be the basic formula price rounded to the nearest cent, plus $1.90 adjusted by the amount, but not in excess of 50 cents for any month, computed pursuant to paragraph (d) of this section.

(b) *Class II–A milk.* The price for Class II–A milk shall be the price computed pursuant to paragraph (c) of this section, plus 25 cents per hundredweight.

(c) *Class II milk.* The price for Class II milk shall be that computed by the market administrator from the formula set forth in subparagraphs (1), (2), and (3) of this paragraph.

(1) Add 3 cents to the simple average of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter per pound at Chicago, as reported by the Department during the month, and multiply the result by 4.8: *Provided,* That if no price is reported for Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter;

(2) Multiply by 8.2 the simple average of the weighted averages of carlot prices per pound for spray and roller process nonfat dry milk for human consumption, f.o.b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the Department; and

(3) From the sum of the results arrived at under subparagraphs (1) and (2) of this paragraph, subtract 80 cents and round to the nearest cent.

(d) *Supply-demand adjustment.* On or before the 6th day of each month the market administrator shall make the following computations based upon information obtained from handler's reports of receipts and utilization:

(1) Determine the total receipts of producer milk by all handlers (including receipts from a handler's own farm production) during the second and third months preceding;

(2) Determine the total pounds of milk and milk products disposed of from pool plants as Class I milk (excluding shrinkage, unaccounted for milk, and any duplications resulting from interhandler transfers) during the same two months;

(3) Divide the amount obtained in subparagraph (2) of this paragraph by the amount obtained in subparagraph (1) of this paragraph, and adjust to the nearest full percentage point. The resulting percentage shall be known as the "Class I utilization percentage";

(4) Compute a "net deviation percentage" as follows:

(i) If the Class I utilization percentage is neither less than the minimum standard utilization percentage specified below nor in excess of the maximum standard utilization percentage specified below, the net deviation percentage is zero.

(ii) Any amount by which the Class I utilization percentage is less than the minimum standard utilization percentage specified below is the "minus net deviation percentage", and

(iii) Any amount by which the Class I utilization percentage exceeds the maximum standard utilization percentage specified below is the "plus net deviation percentage":

Month for which price applies	Months used in computation	Standard utilization percentage	
		Minimum	Maximum
January	October-November	79	82
February	November-December	76	79
March	December-January	73	76
April	January-February	73	76
May	February-March	72	75
June	March-April	70	73
July	April-May	68	71
August	May-June	63	66
September	June-July	65	68
October	July-August	69	72
November	August-September	73	76
December	September-October	77	80

(5) For a minus net deviation percentage the Class I price shall be decreased, and for a plus net deviation percentage the Class I price shall be increased, as follows:

(i) One cent for each such full percentage point of net deviation; plus

(ii) One cent for the lesser of:

(a) Each such percentage point of net deviation, or

(b) Each percentage point of net deviation of like direction (plus or minus, with any net deviation percentage of opposite direction considered to be zero for purposes of the computations of this subparagraph) computed pursuant to subparagraph (4) of this paragraph for the month immediately preceding, plus

(iii) One cent for the least of:

(a) Each such percentage point of net deviation;

(b) Each percentage point of net deviation of like direction computed pursuant to subparagraph (4) of this paragraph for the month immediately preceding; or

(c) Each percentage point of net deviation of like direction computed pursuant to subparagraph (4) of this paragraph for the second preceding month.

§ 1008.52 Butterfat differentials to handlers.

If the average butterfat content of Class I milk or Class II milk, computed pursuant to § 1008.45, for any handler for any month differs from 4.0 percent, there shall be added to, or subtracted from, the applicable class price (§ 1008.51) for each one-tenth of one percent that the average butterfat content of such class is respectively above, or below, 4.0 percent, a butterfat differential computed by the market administrator as follows:

(a) *Class I milk.* Add three cents to the simple average of the daily wholesale selling prices per pound (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter at Chicago, as reported by the Department during the preceding month, multiply the result by 0.123, and round to the nearest tenth of a cent: *Provided,* That if no price is reported for Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter.

(b) *Class II milk and Class II–A milk.* Add 3 cents to the simple average of the daily wholesale selling prices per pound (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter at Chicago, as reported by the Department, during the month, multiply the result by 0.115, and round to the nearest tenth of a cent: *Provided,* That if no price is reported for Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter.

§ 1008.53 Location adjustment credits to handlers.

The price for Class I milk at a pool plant located more than 50 miles from the City Hall, Spokane, Washington, shall be, regardless of point of sale within or outside the marketing area, the same as the price for Class I milk pursuant to § 1008.51(a), less a location adjustment per hundredweight of milk computed as follows: 2.0 cents for each 10 miles, or major fraction thereof, up to 200 miles and an additional 1.0 cent for each 10 miles, or major fraction thereof, in excess of 200 miles, by the shortest hard-surfaced highway distance as determined by the market administrator, from such pool plant to the City Hall, Spokane, Washington.

§ 1008.54 Use of equivalent prices.

If for any reason a price quotation required by this part for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

Determination of Base

§ 1008.60 Computation of producer bases.

Subject to the rules set forth in § 1008.61 the market administrator shall determine bases for producers in the following manner:

(a) The daily base of each producer whose milk was received at a pool plant(s) on not less than 120 days during the months of September through January, inclusive, shall be an amount computed by dividing such producer's total pounds of milk delivered to a pool plant in such five-month period by the number of days from the date of his first delivery to the end of such five-month period: *Provided,* That the daily base of any producer who delivered milk on not less than 120 days during such September-January period to a plant which subsequently qualified as a pool plant shall be computed, in similar manner, on the basis of such producer's deliveries to such plant in such September-January period. The base so computed, which shall be recomputed each year, shall become effective on the first day of March next following and shall remain in effect through the month of February of the next succeeding year.

(b) The base of any producer who is not eligible to receive a base computed pursuant to paragraph (a) of this section (including any producer for whom a base may not be computed pursuant to this section because of lack of available information concerning such producer's deliveries in the applicable September-January period) shall be a quantity, to be effective for the current month only, computed by multiplying his deliveries to a pool plant(s) during the month by the appropriate monthly percentage in the following table:

January	75
February	70
March	65
April	60
May	60
June	60
July	65
August	70
September	75
October	80
November	80
December	75

Provided, That the percentages to be used for December 1959, January 1960, and February 1960 shall be 80, 80 and 75, respectively.

§ 1008.61 Base rules.

The following rules shall be observed in determination of bases:

(a) A base computed pursuant to § 1008.60(a) may be transferred in its entirety to another producer upon written notice to the market administrator on or before the last day of the month of transfer, but only if a producer sells, leases, or otherwise conveys his herd to the same producer and it is established to the satisfaction of the market administrator that the conveyance of the herd was bona fide and not for the purpose of evading any provision of this part: *Provided,* That all deliveries of milk by a producer who has transferred his base to another producer shall be excess milk

until March 1 next following such transfer.

(b) A producer who ceases deliveries to a pool plant for more than 45 consecutive days shall lose his base if computed pursuant to § 1008.60(a) and if he resumes deliveries to such a plant he shall be paid on a base determined pursuant to § 1008.60(b), until he can establish a new base under § 1008.60(a), to begin the next March 1.

(c) By notifying the market administrator in writing on or before the 15th day of any month, a producer holding a base established pursuant to § 1008.60(a) may relinquish such base by cancellation, and effective from the first day of the month in which notice is received by the market administrator until the next March 1 such producer's base shall be computed in the manner provided by § 1008.60(b).

(d) As soon as bases computed by the market administrator under § 1008.60 (a) and (b) are allotted, notice of the amount of each producer's base shall be given by the market administrator to the handler receiving such producer's milk and to the cooperative association of which the producer is a member. Each handler, following receipt of such notice, shall promptly post in a conspicuous place at each of his plants a list (or lists) showing the base of each producer whose milk is received at such plant.

(e) If a producer operates more than one farm, he shall establish a separate base with respect to producer milk delivered from each such farm.

(f) Only producers as defined in § 1008.11 may establish or earn a base pursuant to the provisions of § 1008.60 (a) or (b) and only one base shall be allotted with respect to milk produced by two or more persons where the land, buildings, or equipment used are jointly owned or operated.

DETERMINATION OF UNIFORM PRICE

§ 1008.70 Computation of value of milk.

(a) The total value of milk received during any month by each handler, including any cooperative association which is a handler, shall be a sum of money computed by the market administrator as follows:

(1) Multiply the pounds of producer milk in each class for such month by the class price (§ 1008.51) and add together the resulting amounts;

(2) Deduct the total amount of all location adjustment credits computed in accordance with § 1008.53;

(3) Add or subtract, as the case may be, the amount necessary to correct errors as disclosed by the verification of the reports of such handler of his receipts and utilization of skim milk and butterfat in previous months for which payment has not been made;

(4) Add, if such handler had overage, an amount computed by multiplying the pounds of such overage (except overage prorated to other source milk) deducted from each class pursuant to § 1008.45 by the applicable class price: *Provided*, That if (i) overage results in a pool plant having receipts of other source milk, the total overage shall be prorated between other source milk and all other receipts, and (ii) overage results in a nonpool plant located on the same premises as a pool plant, such overage shall be prorated between the quantity transferred from the pool plant and other source milk in such nonpool plant, and the transferor-handler shall be charged at the applicable class price for the amount of overage allocated to the transferred quantity;

(5) Add, with respect to other source milk (including overage allocated to other source milk but excluding other order milk) received at each pool plant of such handler in excess of the total volume of his Class II milk (except allowable shrinkage) at such plant, an amount computed by multiplying the hundredweight of such other source milk by the difference between the Class I milk and Class II milk (other than Class II–A) prices adjusted, respectively, by the butterfat differentials provided in § 1008.52 (based on the butterfat test of such other source milk): *Provided*, That if the plant supplying such milk is located outside the marketing area and more than 50 miles from the City Hall, Spokane, Washington, the rate of payment per hundredweight of milk otherwise required by this subparagraph shall be reduced by the rate of location adjustment provided in § 1008.53 for the distance such plant is located from the City Hall, Spokane, Washington, but not to exceed $1.90 per hundredweight;

(6) Add the amount computed by multiplying the difference between the Class II price (§ 1008.51(c)) for the preceding month and the Class I milk price for the current month by the hundredweight of skim milk and butterfat remaining in Class II milk after the calculations pursuant to § 1008.45(b)(4) and (c) for the preceding month or the hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 1008.45(b)(3) and (c) for the current month, whichever is less;

(7) Subtract the monetary value of any payment claimed by the handler to be applicable under any other marketing agreement or order issued pursuant to the Act to transfers of skim milk or butterfat in bulk form by the handler under the conditions of § 1008.44(c)(2) as "other source milk" under such other marketing agreement or order: *Provided*, That the applicability of such payment at the transferee-plant is confirmed by the market administrator of such other marketing agreement or order.

(b) The value of milk (except other order milk) of each handler at any plant where only other source milk was received and from which, during the month, some other source milk was disposed of in the marketing area as any item included in Class I milk pursuant to § 1008.41(a) (1), (2) or (3) shall be a sum of money computed by the market administrator by multiplying the hundredweight of other source milk so disposed of by the difference between the Class I and Class II milk (other than Class II–A) prices, adjusted by the butterfat differentials provided in § 1008.52 (based on the butterfat test of such other source milk), and by the same rate of location differential, if any, provided in paragraph (a)(5) of this section: *Provided*, That a producer-handler shall not be obligated for payments under this paragraph with respect to that portion of other source milk represented by his own farm production.

§ 1008.71 Computation of uniform price.

For each month the market administrator shall compute the uniform prices per hundredweight for base milk and excess milk received from producers as follows:

(a) Combine into one total the values computed pursuant to § 1008.70 for all handlers who made the reports prescribed in § 1008.30 and who made the payments pursuant to § 1008.84 for the preceding month;

(b) Add the aggregate of values of the location adjustments on base milk allowable pursuant to § 1008.81;

(c) Add an amount representing not less than one-half the unobligated cash balance in the producer-settlement fund;

(d) Subtract, if the average butterfat content of the milk represented by the values included under paragraph (a) of this section is greater than 4.0 percent, or add, if such average butterfat content is less than 4.0 percent, an amount computed by multiplying the amount by which the average butterfat content of base and excess milk varies from 4.0 percent by the appropriate butterfat differentials computed pursuant to § 1008.82, and multiply the resulting figures by the respective hundredweights of base and excess milk;

(e) Multiply the hundredweight of excess milk by the Class II (other than Class II–A) price for 4.0 percent milk;

(f) Compute the total value of base milk by subtracting the amount computed pursuant to paragraph (e) of this section from the net amount computed pursuant to paragraph (d) of this section: *Provided*, That if such result is greater than an amount computed by multiplying the hundredweight of base milk by the Class I milk price (for 4.0 percent milk) plus 4 cents, such amount in excess thereof shall be subtracted from the result obtained prior to this proviso;

(g) Divide the net amount obtained in paragraph (f) of this section by the total hundredweight of base milk and subtract not less than 4 cents but less than 5 cents. This result shall be known as the uniform price per hundredweight of base milk of 4.0 percent butterfat content; and

(h) Divide the sum of the amount obtained in paragraph (e) of this section and any amount subtracted pursuant to the proviso of paragraph (f) of this section by the hundredweight of excess milk, and subtract any fractional part of one cent. This result shall be known as the uniform price per hundredweight of excess milk of 4.0 percent butterfat content.

PAYMENTS

§ 1008.80 Time and method of payment to producers and to cooperative associations.

(a) On or before the 17th day after the end of each month, each handler, including a cooperative association which is a handler, shall make payment to each producer, for milk received at his plant from such producer during such month pursuant to subparagraphs (1) and (2) of this paragraph: *Provided*, That such payment shall be made, upon request, to a cooperative association, or to its duly authorized agent, qualified under § 1008.5 with respect to milk received from each producer who has given such association authorization by contract or by other written instrument to collect the proceeds from the sale of his milk, and any payment made pursuant to this proviso shall be made on or before the 16th day after the end of such month: *And provided further*, That, if by such date such handler has not received full payment for such month pursuant to § 1008.85, he shall not be deemed to be in violation of this paragraph if he reduces uniformly for all producers his payments per hundredweight pursuant to this paragraph by a total amount not in excess of the reduction in payment from the market administrator; however, the handler shall make such balance of payment uniformly to those producers to whom it is due on or before the date for making payments pursuant to this paragraph next following that on which such balance of payment is received from the market administrator.

(1) At not less than the uniform price for base milk for the quantity of base milk received, adjusted by the location adjustment computed pursuant to § 1008.81 and by the butterfat differential computed pursuant to § 1008.82.

(2) At not less than the uniform price for excess milk for the quantity of excess milk received, adjusted by the butterfat differential computed pursuant to § 1008.82.

(b) On or before the 16th day after the end of each month each handler shall pay to each cooperative association which is a handler for skim milk and butterfat received, including any milk received by diversion pursuant to § 1008.15(b)(2), from such cooperative association during such month, an amount of money computed by multiplying the total pounds of such skim milk and butterfat in each class (pursuant to § 1008.41) by the class price.

(c) None of the provisions of this section shall be construed to restrict any cooperative association qualified under section 8c(5)(F) of the Act from making payment for milk to its producers in accordance with such provision of the Act.

§ 1008.81 Location adjustments to producers.

In making payment to producers pursuant to § 1008.80 for milk received at a pool plant to which the provisions of § 1008.53 apply, the uniform price per hundredweight for base milk shall be reduced at the same rate per hundredweight as is applicable to Class I milk at such plant pursuant to § 1008.53.

§ 1008.82 Producer butterfat differential.

In making payments pursuant to § 1008.80(a) for base milk and for excess milk, there shall be added to, or subtracted from, the uniform prices thereof for each one-tenth of 1 percent that the average butterfat content of the milk received from the producer is above or below 4.0 percent, butterfat differentials computed by the market administrator as follows:

(a) The butterfat differential for base milk shall be computed by multiplying the butterfat differential for Class I milk by the percentage of the butterfat contained in base milk that is allocated to Class I, and by multiplying the remaining percentage of butterfat within base milk by the butterfat differential for Class II milk, adding together the resulting amounts, and rounding to the nearest tenth of a cent.

(b) The butterfat differential for excess milk shall be the same as the butterfat differential for Class II milk.

§ 1008.83 Producer-settlement fund.

The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund", into which he shall deposit all payments made by handlers pursuant to § 1008.84 and out of which he shall make all payments to handlers pursuant to § 1008.85.

§ 1008.84 Payments to the producer-settlement fund.

(a) On or before the 14th day after the end of the month during which the milk was received, each handler, including a cooperative association which is a handler, whose obligation is computed pursuant to § 1008.70(a) shall pay to the market administrator the amount, if any, by which the total value of such handler's milk as determined pursuant to § 1008.70 is greater than the value of such handler's producer milk computed at the minimum uniform prices as specified in § 1008.80(a).

(b) Each handler (including any handler who may also have an obligation pursuant to paragraph (a) of this section) who disposes of milk as described in § 1008.70(b) shall pay the amount computed for him pursuant to such paragraph.

§ 1008.85 Payments out of the producer-settlement fund.

On or before the 15th day after the end of the month during which the milk was received, the market administrator shall pay to each handler, including a cooperative association which is a handler, the amount, if any, by which the total value of such handler's milk as determined pursuant to § 1008.70 is less than the value of such handler's producer milk computed at the minimum uniform prices as specified in §1008.80(a), and less any unpaid obligations of such handler to the market administrator pursuant to §§ 1008.84, 1008.86, 1008.87, and 1008.88: *Provided*, That, if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

§ 1008.86 Adjustments of accounts.

Whenever verification by the market administrator of reports or payments of any handler discloses errors resulting in money due (a) the market administrator from such handler, (b) such handler from the market administrator, or (c) any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred following the 5th day after such notice.

§ 1008.87 Marketing services.

(a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers (other than with respect to milk of such handler's own production) pursuant to § 1008.80(a), shall make a deduction of 5 cents per hundredweight of milk, or such amount not exceeding 5 cents per hundredweight as the Secretary may prescribe, with respect to the following:

(1) All milk received from producers at a plant not operated by a cooperative association;

(2) All milk received at a plant operated by a cooperative association from producers who are not members of such association; and

(3) All milk received at a plant operated by a cooperative association(s) from producers who are members thereof but for whom any of the services set forth below in this paragraph is not being performed by such association(s), as determined by the market administrator. Such deduction shall be paid by the handler to the market administrator on or before the 14th day after the end of the month. Such moneys shall be expended by the market administrator for the verification of weights, sampling and testing of milk received from producers and in providing for market information to producers; such services to be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) In the case of each producer (1) who is a member of, or who has given written authorization for the rendering of marketing services and taking of deduction therefor to, a cooperative association, (2) whose milk is received at a plant not operated by such association, and (3) for whom the market administrator determines that such association is performing the services described in paragraph (a) of this section, each handler shall deduct, in lieu of the deduction specified under paragraph (a) of this section, from the payments made pursuant to § 1008.80(a) the amount per hundredweight of milk authorized by such producer and shall pay over, on or before the 16th day after the end of the month, such deduction to the associ-

ation entitled to receive it under this paragraph.

§ 1008.88 Expense of administration.

As his pro rata share of the expense of administration of this part, each handler, including any cooperative association which is a handler but not including a producer-handler, shall pay to the market administrator on or before the 14th day after the end of each month 5 cents per hundredweight, or such amount not exceeding 5 cents per hundredweight as the Secretary may prescribe, with respect to all receipts within such month of (a) other source milk (except other order milk) classified as Class I milk, and (b) milk received from producers, including such handler's own production.

§ 1008.89 Termination of obligations.

The provisions of this section shall apply to any obligation under this part for the payment of money:

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

(1) The amount of obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate two years after the end of the month during which the milk involved in the claims was received if an underpayment is claimed, or two years after the end of the month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c(15)(A) of the Act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 1008.90 Effective time.

The provisions of this part or any amendment to this part shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 1008.91.

§ 1008.91 Suspension or termination.

The Secretary may suspend or terminate this part or any provision of this part whenever he finds this part or any provision of this part obstructs or does not tend to effectuate the declared policy of the Act. This part shall terminate in any event whenever the provisions of the Act authorizing it cease to be in effect.

§ 1008.92 Continuing obligations.

If, upon the suspension or termination of any or all provisions of this part there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 1008.93 Liquidation.

Upon the suspension or termination of the provisions of this part, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall if so directed by the Secretary liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expense of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 1008.100 Agents.

The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

§ 1008.101 Separability of provisions.

If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such provision and of the remaining provisions of this part to other persons or circumstances shall not be affected thereby.

Issued at Washington, D.C., this 9th day of September, 1959, to be effective on and after the 1st day of October 1959.

CLARENCE L. MILLER,
Assistant Secretary.

[F.R. Doc. 59-7627; Filed, Sept. 11, 1959; 8:50 a.m.]

Title 8—ALIENS AND NATIONALITY

Chapter I—Immigration and Naturalization Service, Department of Justice

PART 103—POWERS AND DUTIES OF SERVICE OFFICERS

PART 299—IMMIGRATION FORMS

Eligible Orphans

The following amendments to Chapter I of Title 8 of the Code of Federal Regulations are hereby prescribed:

1. Paragraph (c) of § 103.7 *Records and fees* is amended by adding the following fee as the fifteenth item which when taken with the introductory material will read as follows:

(c) *Additional fees.* In addition to the fees enumerated in sections 281 and 344 of the Act, the following fees and charges are prescribed:

* * * * *

For filing petition to accord nonquota status to eligible orphan under section 4 of the Act of September 11, 1957, as amended------ $10.00

2. The reference to Form I-600 in the list of forms in § 299.1 *Prescribed forms* is amended to read as follows:

Form No.	*Title and description*
I-600	Petition to classify alien as an eligible orphan (Section 4, Act of September 11, 1957, as amended).

(Sec. 103, 66 Stat. 173; 8 U.S.C. 1103)

This order shall be considered effective as of September 9, 1959. The regulations prescribed by the order are necessary for carrying out the provisions of section 2 of Public Law 86-253, 86th Congress, which became effective on September 9, 1959. Compliance with the provisions of section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U.S.C. 1003) relative to notice of proposed rule making and delayed effective date is impracticable in this instance, since such compliance would unduly delay and impede the administration of section 2 of Public Law 86-253.

Dated: September 10, 1959.

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

[F.R. Doc. 59-7656; Filed, Sept. 11, 1959; 8:51 a.m.]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

[B.A.I. Order 383, Rev. Amdt. 106]

PART 76—HOG CHOLERA, SWINE PLAGUE, AND OTHER COMMUNICABLE SWINE DISEASES

Subpart B—Swine Diseases Spread Through Raw Garbage

CHANGES IN AREAS QUARANTINED

Pursuant to the provisions of sections 1 and 3 of the Act of March 3, 1905, as amended (21 U.S.C. 123, 125), sections 1 and 2 of the Act of February 2, 1903, as amended (21 U.S.C. 111–113, 120), and section 7 of the Act of May 29, 1884, as amended (21 U.S.C. 117), § 76.27, Subpart B, Part 76, Title 9, Code of Federal Regulations (9 CFR 76.27), which quarantines certain areas because of vesicular exanthema, a contagious, infectious, and communicable disease of swine, is hereby amended in the following respect: Paragraph (d), relating to New Jersey, is deleted.

(Sec. 7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791–792, as amended, secs. 1, 3, 33 Stat. 1264, as amended, 1265, as amended; 21 U.S.C. 111–113, 117, 120, 123, 125; 19 F.R. 74, as amended)

Effective date. The foregoing amendment shall become effective upon issuance.

The amendment releases from quarantine all areas in New Jersey heretofore quarantined because of vesicular exanthema. Hereafter, the restrictions pertaining to the interstate movement of swine, and carcasses, parts and offal of swine, from or through quarantined areas, contained in 9 CFR, Part 76, Subpart B will not apply to these areas. However, the restrictions pertaining to such movement from nonquarantined areas, contained in said Subpart B will apply thereto.

The amendment relieves certain restrictions presently imposed, and should be made effective immediately to be of maximum benefit to persons subject to the restrictions which are relieved. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and other public procedure with respect to the amendment are impracticable and unnecessary, and good cause is found for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 8th day of September 1959.

M. R. CLARKSON,
Acting Administrator,
Agricultural Research Service.

[F.R. Doc. 59–7607; Filed, Sept. 11, 1959; 8:47 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter III—Federal Aviation Agency

SUBCHAPTER C—AIRCRAFT REGULATIONS

[Reg. Docket No. 115; Amdt. 40]

PART 507—AIRWORTHINESS DIRECTIVES

Certain Allison Engines

In order to permit use of redesigned blades on Allison 501–D13 and –D13A engines, AD 59–12–4 published in 24 F.R. 5416 is superseded by a new airworthiness directive. The improved blades, if used, relax the requirement to observe restriction and inspection procedures for aircraft not having operating engine vibration detection equipment. In addition, low speed ground idle time specified in item A.(1) of AD 59–12–4 has been amplified to permit a degree of relaxation.

For the reasons stated above, the Administrator finds that notice and public procedure hereon are impracticable and that good cause exists for making this amendment effective on less than 30 days notice.

In consideration of the foregoing § 507.10(a) is amended by adding the following new airworthiness directive:

59–18–1 ALLISON. Applies to Model 501–D13 and –D13A engines.

Compliance required as indicated.

A few cases of Allison 501–D13 and –D13A third stage turbine blade failures have occurred due to a resonance condition at low speed ground idle. All of these failures to date have resulted in visible damage to fourth stage blades as well as fourth stage vanes. In one case continued operation of an engine with a failed blade resulted in failure of the turbine inlet case-vane case split line bolts.

(a) Aircraft not having operating engine vibration detection equipment must observe the following engine operating restriction and inspection.

(1) Low speed ground idle operation from time all engines are started to stopping all engines at end of flight not to exceed four minutes total time.

(2) Conduct inspection of fourth stage turbine blades before next departure of airplane from maintenance base and at intervals not to exceed 25 hours of operation for indications of damage using adequate light and optical aid.

(b) Aircraft having operating engine vibration detection equipment shall use this equipment to detect any indications above normal and if found, the above inspection of fourth stage turbine blades shall be conducted upon arrival at the next maintenance base. If any damage is discovered as a result of (a) or (b) it is cause for more detailed inspection and/or engine removal.

(c) This restriction will not apply to engines modified in accordance with Allison Commercial Engine Bulletin No. 72–77 by installation of third stage turbine blades P/N 6794773 identified by a stripe of heat and corrosion resistant aluminum polytherm paint ½-inch wide and 4 inches long around contour of the inlet casing clockwise starting at the 1:00 position forward of the terminal block mounting flange. (Allison Commercial Engine Bulletin No. 72–77 covers the same subject.)

This supersedes AD 59–12–4.

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

This amendment shall become effective immediately.

Issued in Washington, D.C., on September 4, 1959.

JAMES T. PYLE,
Acting Administrator.

SEPTEMBER 4, 1959.

[F.R. Doc. 59–7580; Filed, Sept. 11, 1959; 8:45 a.m.]

[Reg. Docket No. 116; Amdt. 41]

PART 507—AIRWORTHINESS DIRECTIVES

Miscellaneous Amendments

A proposal to amend Part 507 of the regulations of the Administrator to include airworthiness directives requiring inspection, replacement or modification of Beech and Lockheed aircraft, and Curtiss Propellers was published in 24 F.R. 5659.

Interested persons have been afforded an opportunity to participate in the making of the amendment. No objections were received. For clarification purposes, editorial changes have been made in the directives.

In consideration of the foregoing § 507.10(a) is amended by adding the following new airworthiness directives:

59–18–2 BEECH. Applies to all Beech Model C–45G, TC–45G, C–45H, TC–45H and D18S airplanes.

Compliance required as indicated.

Corrosion of fuel supply lines in the wing root area can result from the flexible cockpit hot air duct touching the aluminum fuel line. Fuel line leaks due to this corrosion may cause fuel system malfunctioning or hazardous accumulations of fuel and fumes in the wings or cabin. To prevent these conditions, accomplish the following:

(a) Compliance required not later than October 15, 1959.

(1) Inspect the ⅝ inch O.D. fuel line (Beech P/N's 407–189686 LH and 407–189731 RH) beneath each battery installation on both sides of the airplane for indications of corrosion. Replace the lines if damaged.

(2) Install ⅝ inch I.D. x 1/16 inch tubing (Tygon tubing manufactured by U.S. Stoneware, Akron 9, Ohio) split lengthwise over the fuel lines (407–189686 LH and 407–189731 RH) in the area of the cockpit hot air duct. Secure the split tube by taping.

(3) Obtain adequate clearance between the fuel line and the cabin hot air duct by installing a suitable double clamp on the line and duct.

(b) Compliance required at each periodic airplane inspection after accomplishment of (a).

(1) Remove split Tygon tubing from fuel supply lines (407–189686 LH and 407–189731 RH) and inspect lines for corrosion. Replace fuel lines if necessary.

(2) Reinstall split Tygon tubing and double clamp between cabin hot air duct and fuel line as outlined in (a)(2) and (a)(3).

(Beech Service Bulletin No. 68, Model D18S issued February, 1959, covers this same subject.)

59–18–3 CURTISS PROPELLER. Applies to all Curtiss Model C634S–C400 and C634S–C500 Series propellers.

Compliance required at first propeller overhaul after January 1, 1960, but not later than May 1, 1960.

Peculiar wear of power unit motor and mating speed reducer splines in Curtiss C634S–C400 and C634S–C500 series propellers has been observed at a time short of a full overhaul period. In order to minimize the possibility of such occurrences, provide a new motor rotor assembly which incorporates a longer shaft with splines of a larger pitch diameter and a new mating splined sleeve and high speed drive gear. Modification of the 145295–2 Power Unit Assembly in Curtiss C634S–C400 and C634S–C500 series propellers to the 163308 Power Unit Assembly accomplishes the desired objective.

(Curtiss Service Bulletin No. C–24 covers this same subject.)

Compliance with AD 59–7–1 is no longer required after compliance with this AD.

59–18–4 LOCKHEED. Applies to all Model 1049C, 1049D, 1049E, 1049G and 1049H aircraft.

Compliance required as indicated.

The following inspections have been established as a result of recently found cracking in the inner wing rear spar web at Wing Station 458.

At the next block overhaul or 4,000 flight-hours, whichever occurs first, on all aircraft (regardless of accumulated flight time) inspect the inner wing rear spar web at Station 458 for cracks in the upper and lower notched web area shown in Lockheed Drawing 555353. Inspection is applicable to both left and right wings.

If cracks are discovered incorporate the reinforcements shown in Lockheed Drawing 555353, or equivalent.

If no cracks are discovered, the reinforcements shown in Lockheed Drawing 555353 may be incorporated. Otherwise, reinspection at 4,000 flight-hour periods or block overhaul, whichever is less, is required to insure detection of cracks.

(Lockheed Service Letter FS/231094 covers this same subject.)

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on September 4, 1959.

JAMES T. PYLE,
Acting Administrator.

SEPTEMBER 4, 1959.

[F.R. Doc. 59–7581; Filed, Sept. 11, 1959; 8:45 a.m.]

[Reg. Docket No. 117; Amdt. 42]

PART 507—AIRWORTHINESS DIRECTIVES

Boeing 707 Aircraft

Due to a recent incident of a Boeing 707 wing fore flap failure, inspection for cracks or deformation must be accomplished on all Boeing Model 707 Series aircraft unless already accomplished.

For the reasons state above, the Administrator finds that notice and public procedure hereon are impracticable and that good cause exists for making this amendment effective on less than 30 days notice.

In consideration of the foregoing § 507.10(a) is amended by adding the following new airworthiness directive:

59–19–1 BOEING. Applies to Model 707 Series aircraft.

Compliance required as indicated.

Unless accomplished within the last ten flights (ground to air to ground cycles) compliance is required at the next stop at a maintenance base where personnel and facilities are available. Repetitive inspections required at periods not to exceed 60 flight hours or ten flights, ground to air to ground cycles, whichever occurs first.

Conduct detail visual inspection of all wing fore flaps for any evidence of skin cracks or cracking in vicinity of attachments. Particular attention should be given to following areas:

(a) By use of borescope inspect interior and exterior web, flanges and cutouts on both the inboard and outboard end ribs of each fore flap for cracks or other damage.

(b) By means of dye check or equivalent, examine skin area at ends of reinforcement plate on upper surface of each outboard fore flap on outboard flap, particularly for cracks emanating from end rivets.

(c) After loosening the bolts which fasten one end of each fore flap to the corresponding flap carriages measure the gap between the gusset plate and the carriage at each such point. If any gap is greater than 0.030 inch, shim as necessary to bring the gap within this tolerance.

Fore flaps showing any evidence of cracking or permanent deformation must be replaced or repaired in accordance with manufacturer's instruction before next flight.

(Boeing Service Bulletins Nos. 546 dated August 18, 1959, and 566 dated August 26, 1959, cover criteria on the same subject.)

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

This amendment shall become effective immediately.

Issued in Washington, D.C., on September 4, 1959.

JAMES T. PYLE,
Acting Administrator.

SEPTEMBER 4, 1959.

[F.R. Doc. 59–7582; Filed, Sept. 11, 1959; 8:45 a.m.]

SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 59–WA–1]

[Amdt. 28]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

[Amdt. 29]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Revocation of Segment of Federal Airway, Associated Control Areas, Designated Reporting Points and Redesignation of Control Area Extension

On June 26, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 5226) stating that the Federal Aviation Agency was considering an amendment to Parts 600 and 601 of the Regulations of the Administrator which would revoke a segment of Blue Federal airway No. 13 and its associated control areas, from Houston, Tex., to Texarkana, Ark.

Blue Federal airway No. 13 presently extends from Houston, Tex., to Fort Smith, Ark., and from the intersection of the northeast course of the Kansas City, Mo., radio range and the south course of the Des Moines, Iowa, radio range to Des Moines, Iowa. An IFR Airway Traffic Peak-Day Survey for each half of the calendar year 1958 showed less than ten aircraft movements for the airway segment between Houston, Tex., and Shreveport, La. The airway segment from Shreveport, La., to Texarkana, Ark., showed seventeen and eight aircraft movements for each half of the year. On the basis of this survey it appeared that the retention of the airway segment from Houston, Tex., to Texarkana, Ark., and its associated control areas, was unjustified as an assignment of airspace and that revocation thereof would be in the public interest. Although not mentioned in the notice, the revocation of this segment of Blue Federal airway No. 13 would also involve the amendment of § 601.4613 of the regulations of the Administrator which relates to designated reporting points for this airway. Moreover, Blue Federal airway No. 13 is also used to describe the boundaries of the Shreveport, La., control area extension. The revocation of this segment will necessitate the redescription of the Shreveport, La., control area extension by use of VOR Federal airway No. 13.

No adverse comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) § 600.613 (14 CFR, 1958 Supp., 600.613), and §§ 601.613, 601.4613 and 601.1285 (14 CFR, 1958 Supp., 601.613, 601.4613, 601.1285) are amended as follows:

1. Section 600.613 *Blue Federal airway No. 13 (Houston, Tex., to Des Moines, Iowa)*, is amended as follows:

(a) In the caption delete "*(Houston, Tex., to Des Moines, Iowa.)*" and substitute therefor "*(Texarkana, Ark., to Fort Smith, Ark., and Kansas City, Mo., to Des Moines, Iowa).*"

(b) In the text delete "Houston, Tex., radio range station via the Lufkin, Tex., nondirectional radio beacon; Shreveport, La., radio range station; the intersection of the northwest course of the Shreveport, La., radio range and the south course of the Texarkana, Ark., radio range;"

2. Section 601.613 *Blue Federal airway No. 13 control areas (Houston, Tex., to Des Moines, Iowa)*, is amended as follows: In the caption delete "*(Houston, Tex., to Des Moines, Iowa)*" and substitute therefor "*(Texarkana, Ark., to Fort Smith, Ark., and Kansas City, Mo., to Des Moines, Iowa)*".

3. Section 601.4613 *Blue Federal airway No. 13 (Houston, Tex., to Des Moines, Iowa)*, is amended as follows:

(a) In the caption delete "*(Houston, Tex., to Des Moines, Iowa)*" and substitute therefor "*(Texarkana, Ark., to Fort Smith, Ark., and Kansas City, Mo., to Des Moines, Iowa)*".

(b) In the text delete "Lufkin, Tex., nondirectional radio beacon".

4. Section 601.1285 *Control area extension (Shreveport, La.)*, is amended as follows: In the text "bounded on the east by Blue Federal airway No. 13" and substitute therefor "bounded on the east by VOR Federal airway No. 13".

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

These amendments shall become effective 0001 e.s.t. October 22, 1959.

Issued in Washington, D.C., on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7583; Filed, Sept. 11, 1959; 8:45 a.m.]

[Airspace Docket No. 59-WA-2]

[Amdt. 29]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

[Amdt. 30]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Revocation of Federal Airway, Associated Control Areas, and Designated Reporting Points

On June 26, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 5226) stating that the Federal Aviation Agency was considering an amendment to Parts 600 and 601 of the regulations of the Administrator which would revoke Blue Federal airway No. 86, and its associated control areas.

Blue Federal airway No. 86, presently extends from Goshen, Ind., to Fort Wayne, Ind. An IFR Airway Traffic Peak-Day Survey for each half of the calendar year 1958 showed only one aircraft movement. On the basis of this survey, it appeared that retention of this airway and its associated control areas, was unjustified as an assignment of airspace and that revocation thereof would be in the public interest. Although not mentioned in the notice, the revocation of Blue Federal airway No. 86 would also involve the revocation of § 601.4686 of the Regulations of the Administrator, which relates to the designated reporting points for this airway.

No comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter received.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530), Parts 600 and 601 (14 CFR, 1958 Supp., Parts 600, 601) are amended as follows:

1. Section 600.686 *Blue Federal airway No. 86 (Goshen, Ind., to Fort Wayne, Ind.)* is revoked.

2. Section 601.686 *Blue Federal airway No. 86 control areas (Goshen, Ind., to Fort Wayne, Ind.)* is revoked.

3. Section 601.4686 *Blue Federal airway No. 86 (Goshen, Ind., to Fort Wayne, Ind.)* is revoked.

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

These amendments shall become effective 0001 e.s.t. October 22, 1959.

Issued in Washington, D.C., on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7584; Filed, Sept. 11, 1959; 8:45 a.m.]

[Airspace Docket No. 59-WA-7]

[Amdt. 30]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

[Amdt. 31]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Revocation of Federal Airway, Associated Control Areas, and Designated Reporting Points

On June 26, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 5225) stating that the Federal Aviation Agency was considering an amendment to Parts 600 and 601 of the regulations of the Administrator which would revoke Red Federal airway No. 89, and its associated control areas.

As stated in the notice, Red Federal airway No. 89 presently extends from Quincy, Ill., via Peoria, Ill., to Pontiac, Ill. An IFR Peak-Day Airway Traffic Survey for each half of the calendar year 1958 showed only two aircraft movements on this airway. On the basis of this survey it appeared that the retention of this airway, and its associated control areas, was unjustified as an assignment of airspace and that revocation thereof would be in the public interest. Although not mentioned in the notice, the revocation of Red Federal airway No. 89 would also involve the revocation of § 601.4289 of the regulations of the Administrator, which relates to the designated reporting points for this airway.

No comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) Parts 600 and 601 (14 CFR, 1958 Supp., Parts 600, 601) are amended as follows:

1. Section 600.289 *Red Federal airway No. 89 (Quincy, Ill., to Peoria, Ill.)* is revoked.

2. Section 601.289 *Red Federal airway No. 89 control areas (Quincy, Ill., to Peoria, Ill.)* is revoked.

3. Section 601.4289 *Red Federal airway No. 89 (Quincy, Ill., to Peoria, Ill.)* is revoked.

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

These amendments shall become effective 0001 e.s.t. October 22, 1959.

Issued in Washington, D.C. on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7585; Filed, Sept. 11, 1959; 8:45 a.m.]

[Amdt. 36]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

[Amdt. 39]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Revocation of Federal Airway, Associated Control Areas, and Designated Reporting Points

On July 18, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 5760) stating that the Federal Aviation Agency was considering an amendment to Parts 600 and 601 of the Regulations of the Administrator which would revoke Blue Federal airway No. 31, its associated control areas, and designated reporting points from Burlington, Iowa, to Moline, Ill.

As stated in the notice, Blue Federal airway No. 31 presently extends from Burlington, Iowa, to Moline, Ill. An IFR Airway Traffic Peak-Day Survey for each half of the calendar year 1958 showed zero aircraft movements on this airway. On the basis of this survey, it appeared that the retention of this airway, and its associated control areas was unjustified as an assignment of airspace and that revocation thereof would be in the public interest. Coincident with this action, the designated reporting points associated with Blue Federal airway No. 31 will be revoked.

No adverse comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530)

Parts 600 and 601 (14 CFR, 1958 Supp., Parts 600, 601) are amended as follows:

1. Section 600.631 *Blue Federal airway No. 31 (Burlington, Iowa, to Moline, Ill.)* is revoked.

2. Section 601.631 *Blue Federal airway No. 31 control areas (Burlington, Iowa, to Moline, Ill.)* is revoked.

3. Section 601.4631 *Blue Federal airway No. 31 (Burlington, Iowa, to Moline, Ill.)* is revoked.

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

These amendments shall become effective 0001 e.s.t. October 22, 1959.

Issued in Washington, D.C., on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7586; Filed, Sept. 11, 1959; 8:45 a.m.]

[Airspace Docket No. 59-WA-9]

[Amdt. 31]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

[Amdt. 32]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Revocation of Federal Airway, Associated Control Areas, and Designated Reporting Points

On June 26, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 5225) stating that the Federal Aviation Agency was considering an amendment to Parts 600 and 601 of the regulations of the Administrator which would revoke Red Federal airway No. 95, and its associated control areas, from Elmira, N.Y., to Utica, N.Y.

Red Federal airway No. 95 presently extends from Elmira, N.Y. to Utica, N.Y. An IFR Airway Traffic Peak-Day Survey for each half of the calendar year 1958 showed an average of less than ten aircraft movements. On the basis of this survey, it appeared that retention of this airway, and its associated control areas, was unjustified as an assignment of airspace and that revocation thereof would be in the public interest. Although not mentioned in the notice, the revocation of Red Federal airway No. 95 would also involve the revocation of § 601.4295 of the regulations of the Administrator, which relates to the designated reporting points for this airway.

No adverse comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) Parts 600 and 601 (14 CFR, 1958 Supp., Parts 600, 601) are amended as follows:

1. Section 600.295 *Red Federal airway No. 95 (Elmira, N.Y., to Utica, N.Y.)* is revoked.

2. Section 601.295 *Red Federal airway No. 95 control areas (Elmira, N.Y., to Utica, N.Y.)* is revoked.

3. Section 601.4295 *Red Federal airway No. 95 (Elmira, N.Y., to Utica, N.Y.)* is revoked.

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

These amendments shall become effective 0001 e.s.t. October 22, 1959.

Issued in Washington, D.C. on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7587; Filed, Sept. 11, 1959; 8:45 a.m.]

[Airspace Docket No. 59-WA-10]

[Amdt. 32]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

[Amdt. 33]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Revocation of Segment of Federal Airway, Associated Control Areas, Redesignation of Reporting Points and Control Area Extensions

On June 26, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 5224) stating that the Federal Aviation Agency was considering an amendment to Parts 600 and 601 of the regulations of the Administrator which would revoke the segment of Green Federal airway No. 5, and its associated control areas, from Fort Worth, Tex., to Pine Bluff, Ark.

Green Federal airway No. 5 presently extends from Los Angeles, Calif., to Boston, Mass. An IFR Airway Traffic Peak-Day Survey for each half of the calendar year 1958, showed less than 10 aircraft movements for the airway segment under consideration. On the basis of this survey it appeared that the retention of this portion of the airway, and its associated control areas, was unjustified as an assignment of airspace and that revocation thereof would be in the public interest. Although not mentioned in the notice, the revocation of this segment of Green Federal airway No. 5 would also involve the redesignation of § 601.4015 of the regulations of the Administrator which relates to the designated reporting points on this airway. Additionally, this action necessitates the revocation of one reporting point on the revoked airway segment. Moreover, Green Federal airway No. 5 is also used to describe the boundaries of the Shreveport, La., control area extension, and the Sherman, Tex., control area extension. The revocation of this airway segment, will necessitate the redesignation of these two control area extensions by use of VOR Federal airways.

No adverse comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) § 600.15 (14 CFR, 1958 Supp., 600.15), and §§ 601.15, 601.4015, 601.1285, 601.1330 (14 CFR, 1958 Supp., 601.15, 601.4015, 601.1285, 601.1330) are amended as follows:

1. Section 600.1 *Green Federal airway No. 5 (Los Angeles, Calif., to Boston, Mass.)*, is amended as follows:

(a) In the caption delete "*(Los Angeles, Calif., to Boston, Mass.)*" and substitute therefor "*(Los Angeles, Calif., to Fort Worth, Tex., and Pine Bluff, Ark., to Boston, Mass.)*."

(b) In the text delete "Fort Worth, Tex., radio range station; Sulphur Springs, Tex., nondirectional radio beacon; Texarkana, Ark., radio range station; Pine Bluff, Ark., nondirectional radio beacon;" and substitute therefor "to the Fort Worth, Tex., RR. From the Pine Bluff, Ark., RBN via the".

2. Section 601.15 *Green Federal airway No. 5 control areas (Los Angeles, Calif., to Boston, Mass.)*, is amended as follows: In the caption delete "*(Los Angeles, Calif., to Boston, Mass.)*" and substitute therefor "*(Los Angeles, Calif., to Fort Worth, Tex., and Pine Bluff, Ark., to Boston, Mass.)*".

3. Section 601.4015 *Green Federal airway No. 5 (Los Angeles, Calif., to Boston, Mass.)*, is amended as follows:

(a) In the caption delete "*(Los Angeles, Calif., to Boston, Mass.)*" and substitute therefor "*(Los Angeles, Calif., to Fort Worth, Tex., and Pine Bluff, Ark., to Boston, Mass.)*".

(b) In the text delete "Texarkana, Ark., radio range station;".

4. Section 601.1285 *Control area extension (Shreveport, La.)*, is amended as follows: In the text delete "on the northwest by Green Federal airway No. 5" and substitute therefor "on the northwest by VOR Federal airway No. 16".

5. Section 601.1330 *Control area extension (Sherman, Tex.)*, is amended as follows: In the text delete "bounded on the south by Green Federal airway No. 5", and substitute therefor "bounded on the south by VOR Federal airway No. 16".

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

These amendments shall become effective 0001 e.s.t. October 22, 1959.

Issued in Washington, D.C. September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7588; Filed, Sept. 11, 1959; 8:45 a.m.]

[Airspace Docket No. 59-WA-17]

[Amdt. 33]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

[Amdt. 34]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREAS, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Revocation of Federal Airway, Associated Control Areas, Designated Reporting Points and Redesignation of Control Area Extensions

On June 26, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 5224) stating that the Federal Aviation Agency was considering an amendment to Parts 600 and 601 of the regulations of the Administrator which would revoke Red Federal airway No. 14, and its associated control areas, from Milwaukee, Wis., to Indianapolis, Ind.

Red Federal airway No. 14 presently extends from Milwaukee, Wis., to Indianapolis, Ind. An IFR Airway Traffic Peak-Day Survey for each half of the calendar year 1958 showed only four aircraft movements for the entire airway. On the basis of this survey, it appeared that retention of this airway and its associated control areas, was unjustified as an assignment of airspace and that revocation thereof would be in the public interest. Although not mentioned in the notice, the revocation of Red Federal airway No. 14 would also involve the revocation of § 601.4214 of the regulations of the Administrator which relates to the designated reporting points for this airway. Moreover, Red Federal airway No. 14 is also used to describe the boundaries of the Chicago, Ill., control area extension. The revocation of this airway will necessitate the redescription of the Chicago, Ill., control area extension by use of VOR Federal airways.

No adverse comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) § 600.214 (14 CFR, 1958 Supp., 600.214), and §§ 601.214, 601.4214, 601.1161 (14 CFR, 1958 Supp., 601.4214 and 601.1161) are amended as follows:

1. Section 600.214 *Red Federal airway No. 14 (Milwaukee, Wis., to Indianapolis, Ind.)* is revoked.

2. Section 601.4214 *Red Federal airway No. 14 control areas (Milwaukee, Wis., to Indianapolis, Ind.)* is revoked.

3. Section 601.4214 *Red Federal airway No. 14 (Milwaukee, Wis., to Indianapolis, Ind.)* is revoked.

4. Section 601.1161 *Control area extion (Chicago, Ill.)*, is amended as follows: In the text delete "on the west by Red Federal airway No. 14" and substitute therefor "on the west by VOR Federal airway No. 7."

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

These amendments shall become effective 0001 e.s.t. October 22, 1959.

Issued in Washington, D.C., on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7589; Filed, Sept. 11, 1959; 8:45 a.m.]

[Airspace Docket No. 59-WA-80]

[Amdt. 36]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Modification of Control Zone

On July 18, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 5761) stating that the Federal Aviation Agency was considering an amendment to § 601.2125 of the regulations of the Administrator which would extend the Hulman Field, Terre Haute, Indiana, control zone.

As stated in the notice, a portion of the Terre Haute, Indiana, control zone extends two miles either side of the 002° radial of the Terre Haute VOR, to a point ten statute miles north of the VOR. The prescribed VOR Standard Instrument Approach Procedure permits a procedure turn to be made on the west side of the 360° course within ten nautical miles of the VOR. In order to provide adequate controlled airspace for the VOR instrument approach to Hulman Field it is necessary to extend the control zone extension to a point 12 statute miles north of the VOR.

No adverse comments were received regarding the proposed amendment.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) § 601.2125 (14 CFR, 1958 Supp., § 601.2125, 24 F.R. 704), *Terre Haute, Indiana, control zone*, is amended as follows: In the text delete "10 miles north of the VOR," and substitute therefor "12 miles north of the VOR."

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

This amendment shall become effective 0001 e.s.t. October 22, 1959.

Issued in Washington, D.C. on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7590; Filed, Sept. 11, 1959; 8:45 a.m.]

[Airspace Docket No. 59-FW-28]

[Amdt. 35]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Revocation of Control Zone

The purpose of this amendment to § 601.1984, of the regulations of the Administrator, is to revoke the San Marcos, Tex., control zone.

The U.S. Army has discontinued all flight training activities and decommissioned the low frequency radio range station at San Marcos Air Force Base (Gary Army Air Field) San Marcos, Tex. Therefore, the retention of a five-mile radius control zone for San Marcos Air Force Base is no longer justified as an assignment of airspace and the revocation is in the public interest.

Since this amendment eliminates a burden on the public, compliance with the notice, public procedure, and effective date requirements of section 4 of the Administrative Procedure Act is unnecessary.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) § 601.1984 (14 CFR, 1958 Supp., 601.1984) is amended as follows:

In section 601.1984 *Five mile radius zones*, delete "San Marcos, Tex.: San Marcos Air Force Base.".

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

This amendment shall become effective 0001 e.s.t. October 22, 1959.

Issued in Washington, D.C., on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7591; Filed, Sept. 11, 1959; 8:45 a.m.]

[Airspace Docket No. 59-NY-11]

[Amdt. 12]

PART 602—ESTABLISHMENT OF CODED JET ROUTES AND NAVIGATIONAL AIDS IN THE CONTINENTAL CONTROL AREA

Establishment of Coded Jet Route

On July 23, 1959, a notice of proposed rule making was published in the FEDERAL REGISTER (24 F.R. 5919) stating that the Federal Aviation Agency proposed to amend Part 602 of the regulations of the Administrator by establishing a new coded jet route between Spartanburg, S.C. and Gordonsville, Va., VOR/VORTAC jet route No. 69.

Air carrier jet service will be inaugurated between New York, N.Y., and New Orleans, La., on or about September 18, 1959. The existing jet route structure was satisfactory for the proposed operation except for the portion between Spartanburg, S.C. and Flat Rock, Va. The

new route would bypass much of the high altitude military traffic in the area and improve the coded jet route structure between New York and Spartanburg.

The establishment of this jet route by the time the air carrier jet operations commence will permit the application of uinform air traffic management procedures for civil jet high altitude operations. Among other things, it will enable the Federal Aviation Agency to provide aircraft operating over the route with radar advisory service. Moreover, appropriate charting will be accomplished which will facilitate air navigation. These conditions will provide the optimum environment for the avoidance of mid-air collisions.

Written comment concerning the proposed amendment was generally favorable. The Department of the Air Force suggested modifications to the jet route structure involving jet routes J37V and J49V, in order to avoid interference with certain military activities south of the new route. These modifications are presently under consideration.

In the light of the foregoing, it has been determined that safety requires that the jet route under consideration be established by the time the scheduled air carrier jet operations commence. Good cause exists, therefore, for making this amendment effective on less than 30 days' notice.

Interested persons have been afforded an opportunity to participate in the making of the rule herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530), Part 602 (14 CFR, 1958 Supp., Part 602) is amended by adding the following section:

§ 602.569 VOR/VORTAC jet route No. 69 (Spartanburg, S.C., to Gordonsville, Va.).

From the Spartanburg, S.C., VOR to the Gordonsville, Va., VOR.

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

This amendment shall become effective 0001 e.s.t. September 18, 1959.

Issued in Washington, D.C., on September 9, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7611; Filed, Sept. 11, 1959; 8:47 a.m.]

[Airspace Docket No. 59-FW-16]

[Amdt. 14]

PART 602—ESTABLISHMENT OF CODED JET ROUTES AND NAVIGATIONAL AIDS IN CONTINENTAL CONTROL AREA

Establishment of Coded Jet Route

The Federal Aviation Agency has been informed that scheduled air carrier jet service will be inaugurated between Miami, Fla., and Chicago, Ill., on or about October 15, 1959. The purpose of this amendment to Part 602 of the regulations of the Administrator, therefore, is to establish a coded jet route, VOR/VORTAC jet route No. 89, between these terminals.

The existing jet route structure between Miami and Atlanta, Ga., is adequate for the proposed operation. Thus the only new portion of the route will be from Atlanta to Chicago, via Louisville, Ky. However, to simplify flight planning procedures and air traffic management, the entire route will be assigned a single number. Accordingly, jet route J-89-V will extend from Miami, Fla., to Chicago, Ill., via Gainsville, Fla., Alma, Ga., Atlanta, Ga., and Louisville, Ky.

The establishment of this jet route by the time the air carrier jet operations commence will permit the application of uniform air traffic management procedures for civil jet high altitude operations. Among other things, it will enable the Federal Aviation Agency to provide aircraft operating over the route with radar advisory service. Moreover, appropriate charting will be accomplished which will facilitate air navigation. These conditions will provide the optimum environment for the avoidance of mid-air collisions.

In the light of the foregoing, it has been determined that this amendment is necessary in the interest of safety in that it will provide optimum conditions for the prevention of collisions between aircraft. Accordingly, compliance with the notice, procedures and effective date provisions of section 4 of the Administrative Procedure Act is impracticable and contrary to the public interest.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530), Part 602 (14 CFR, 1958 SUPP., Part 602) is amended by adding the following section:

§ 602.589 VOR/VORTAC jet route No. 89 (Miami, Fla., to Chicago, Ill.).

From the Miami, Fla., VOR via the INT of the Miami VOR 316° and the Gainesville VOR 167° radials; Gainesville, Fla., VOR; INT of the Gainesville VOR 353° and the Alma VOR 179° radials; Alma, Ga., VOR; Atlanta, Ga., VOR; Louisville, Ky., VOR; INT of the Louisville 334° and the Northbrook 159° radials; to the Northbrook, Ill., VOR.

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

This amendment shall become effective 0001 e.s.t. October 15, 1959.

Issued in Washington, D.C. on September 9, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7612; Filed, Sept. 11, 1959; 8:47 a.m.]

Title 26—INTERNAL REVENUE, 1954

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6413]

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

Percentage To Be Used by Foreign Life Insurance Companies in Computing Declaration of Estimated Income Tax for the Taxable Year 1959

Section 819(b) of the Internal Revenue Code of 1954, as amended by the Life Insurance Company Income Tax Act of 1959 (73 Stat. 136, 26 U.S.C. 819(b)), provides for the determination of a percentage to be used in determining a "minimum figure" for each foreign life insurance company described in section 819(a). Where this minimum figure exceeds the foreign life insurance company's surplus held in the United States, the amount of the "policy and other contract liability requirements" (determined under section 805 without regard to section 819(b)), and the amount of the "required interest" (determined under section 809(a) without regard to section 819(b)), must each be reduced by an amount determined by multiplying such excess by the "current earnings rate" (as defined in section 805(b)(2)). Since section 3(i) of the Life Insurance Company Income Tax Act of 1959 provided that the time for the filing of income tax returns for the taxable year 1958 by life insurance companies was to be on or before September 15, 1959, it will not be possible to compute the percentage required by section 819(b) prior to the expiration of the date for the filing of the declaration of estimated income tax for the taxable year 1959. Accordingly, it is hereby determined that for purposes of the declaration of estimated 1959 income tax and payments of installments thereof by foreign life insurance companies a provisional percentage of 9 shall be used in determining the "minimum figure" under section 819(b). No additions to tax shall be made because of any underpayment of tax which results solely from the use of the provisional percentage.

Because the percentage announced in this Treasury decision is a provisional figure and the public cannot effectively participate in the determination of such figure, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitations of section 4(c) of such Act.

NELSON P. ROSE,
Acting Secretary of the Treasury.

SEPTEMBER 9, 1959.

[F.R. Doc. 59-7631; Filed, Sept. 11, 1959; 8:50 a.m.]

[T.D. 6414]

PART 19—TEMPORARY RULES UNDER CERTAIN PROVISIONS OF THE LIFE INSURANCE COMPANY INCOME TAX ACT OF 1959

Elections, Short Taxable Years, etc.

The following rules, prescribed under certain provisions of the Life Insurance Company Income Tax Act of 1959, 73 Stat. 112, relate to certain elections or other actions of life insurance companies under the provisions of such Act. Except as otherwise specifically provided therein, these rules are effective for taxable years beginning after December 31, 1957.

The rules set forth herein are temporary rules designed to inform taxpayers as to how, when, and where to perform certain acts required or permitted under the Life Insurance Company Income Tax Act of 1959. More comprehensive rules with respect to the subjects involved will be incorporated in subsequent regulations under the Act. The inclusion in this Treasury decision of rules relating to certain acts is intended to assist taxpayers in the performance of such acts.

In order to prescribe temporary rules with respect to certain life insurance companies making an election under the provisions of subchapter L, as added by section 2 of the provisions of the Life Insurance Company Income Tax Act of 1959, the following regulations are hereby adopted:

§ 19.1–6 Variable annuities; increases and decreases in reserves.

(a) Paragraph (4) of section 801(g) of the Internal Revenue Code of 1954, as amended by section 2 of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 114), provides that for purposes of section 810 (a) and (b), the sum of the items described in section 810(c) taken into account as of the close of the taxable year shall be adjusted:

(1) By subtracting therefrom the sum of any amounts added from time to time (for the taxable year) to the reserves for variable annuity contracts described in section 801(g)(1) by reason of realized or unrealized appreciation in the value of the assets held in relation thereto, and

(2) By adding thereto the sum of any amounts subtracted from time to time (for the taxable year) from such reserves by reason of realized or unrealized depreciation in the value of such assets.

(b) The application of the adjustments required by section 801(g)(4) and paragraph (a) of this section may be illustrated by the following example:

Example. Company M, a life insurance company issuing only variable annuity contracts of the type described in section 801(g)(1), increased its life insurance reserves held with respect to such contracts during the taxable year 1958 by $275,000. Under the terms of these contracts, any realized or unrealized appreciation (or depreciation) in the value of the assets held in relation to these reserves is required to be subtracted from (or added to) such reserves. Of the total increase in the reserves, $100,000 was attributable to premium receipts, $50,000 to investment income, $100,000 to unrealized appreciation in the value of the assets held in relation to such reserves, and, $25,000 to realized long-term capital gains on the sale of such assets. As of the close of the taxable year 1958, the reserves held by company M with respect to all variable annuity contracts amounted to $1,275,000. However, under section 801(g)(4) and paragraph (a) of this section, this amount must be reduced by the $100,000 unrealized asset value appreciation and the $25,000 of realized capital gains. Accordingly, for purposes of section 810 (a) and (b), the amount of these reserves which is to be taken into account as of the close of the taxable year 1958 under section 810(c) is $1,150,000 ($1,275,000 less $125,000).

§ 19.1–7 Election with respect to certain decreases in reserves of voluntary employees' beneficiary associations.

(a) *In general.* Paragraph (3) of section 810(e) of the Internal Revenue Code of 1954, as amended by section 2 of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 126), permits a life insurance company which meets all the requirements of section 501(c)(9), other than the requirement of subparagraph (B) thereof, to elect to take into account (for purposes of section 810 (a) and (b)) only 11½ percent of any decrease in the life insurance reserve on any policy issued before January 1, 1958, which is attributable solely to the voluntary lapse of such policy during a taxable year beginning on or after that date.

(b) *Time and manner of making election.* The election provided by section 810(e)(3) shall be made in a statement attached to the life insurance company's income tax return for the first taxable year for which the company desires the election to apply. The return and statement must be filed not later than the date prescribed by law (including extensions thereof) for filing the return for such taxable year. The statement shall indicate that the company has made the election provided under section 810(e) for the taxable year, and shall set forth the following information with respect to each policy described in paragraph (a) of this section which has voluntarily lapsed during such year:

(1) Type of policy.
(2) Date issued.
(3) Date lapsed.
(4) Reason for lapse.
(5) Policy reserve as of beginning of taxable year.
(6) Deduction allowable under section 809(d)(1) during taxable year by reason of lapse.
(7) Decrease in policy reserve for section 810(e) purposes (excess of (5) over (6)).

In addition, the statement shall set forth the total of the amounts referred to in subparagraph (7) with respect to all policies described in paragraph (a) of this section which have voluntarily lapsed during the taxable year. The election made by a life insurance company under section 810(e)(3) and this paragraph shall be adhered to in computing the company's gain or loss from operations for the taxable year for which the election is made and for all subsequent taxable years.

(c) *Scope of election.* An election made under section 810(e)(3) and paragraph (b) of this section shall be effective for the taxable year for which made and for all succeeding taxable years, unless consent to revoke the election is obtained from the Commissioner. No application for consent to revoke an election made under section 810(e)(3) and this section shall be accepted prior to the publication in the FEDERAL REGISTER of regulations under subpart C of part 1 of subchapter L of the Internal Revenue Code of 1954. Such regulations, however, will provide a reasonable period of time within which taxpayers will be permitted to apply for such consent.

(d) *Effect of election.* For any taxable year for which the election provided under section 810(e)(3) and this section is effective, the provisions of section 812(b)(1) shall not apply with respect to any loss from operations for any taxable year beginning before January 1, 1958.

§ 19.1–8 Election with respect to life insurance reserves computed on preliminary term basis.

(a) *In general.* Section 818(c) of the Internal Revenue Code of 1954, as amended by section 2 of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 134), permits a life insurance company issuing contracts with respect to which the life insurance reserves are computed on one of the recognized preliminary term bases to elect to revalue such reserves on a net level premium basis for the purpose of determining the amount which may be taken into account as life insurance reserves for purposes of part 1 of subchapter L of the Code, other than section 801 (relating to the definition of a life insurance company). If such an election is made, section 818(c) provides that the method to be used in making this revaluation of reserves shall be either the exact revaluation method (as described in section 818(c)(1), or the approximate revaluation method (as described in section 818(c)(2)).

(b) *Time and manner of making election.* The election provided by section 818(c) shall be made in a statement attached to the life insurance company's income tax return for the first taxable year for which the company desires the election to apply. The return and statement must be filed not later than the date prescribed by law (including extensions thereof) for filing the return for such taxable year. The statement shall indicate that the company has made the election provided under section 818(c) and whether the exact or the approximate method of revaluation has been adopted. The statement shall also set forth sufficient information as to mortality and interest assumptions; the valuation method used; the amount of the reserves and the amount and type of insurance in force under all contracts for which reserves are computed on a preliminary term basis; and such other pertinent data as will enable the Commissioner to determine the correctness of the application of the revaluation method adopted and the accuracy of the computations involved in revaluing the reserves. The election to use either the exact revaluation method or the approximate revaluation method shall, except for the purposes of section 801, be adhered to in making the computations

under part 1 of subchapter L of the Code for the taxable year for which such election is made and for all subsequent taxable years.

(c) *Scope of election.* An election made under section 818(c) and paragraph (b) of this section to use either the exact or the approximate method of revaluing the company's life insurance reserves shall be binding for the taxable year for which made, and, except as provided in paragraph (d) of this section, shall be binding for all succeeding taxable years, unless consent to revoke the election is obtained from the Commissioner.

(d) *Exception for 1958.* If an election is made for a taxable year beginning in 1958 to use the approximate revaluation method described in section 818(c)(2), the company may, for its first taxable year beginning after 1958, elect to change to the exact revaluation method described in section 818(c)(1) without obtaining the consent of the Commissioner. In such case, the election to change shall be made in a statement attached to the company's income tax return for such taxable year and filed not later than the date prescribed by law (including extensions thereof) for filing the return for such year. The statement shall indicate that the company has elected to change from the approximate to the exact revaluation method for such taxable year and shall include such information and data referred to in paragraph (b) of this section as will enable the Commissioner to determine the correctness and accuracy of the computations involved.

§ 19.1–9 Accounting provisions; short taxable years.

(a) *In general.* Section 818(d) of the Internal Revenue Code of 1954, as amended by section 2 of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 134), provides that if any return of a corporation made under part 1 of subchapter L of the Code is for a period of less than the entire calendar year, then section 443 (relating to returns for a period of less than 12 months) shall not apply. This section further provides certain rules to be used in determining the life insurance company taxable income for a period of less than the entire calendar year.

(b) *Returns for periods of less than the entire calendar year.* A return for a short period, that is, for a taxable year consisting of a period of less than the entire calendar year, shall be made under any of the following circumstances:

(1) If a life insurance company is not in existence for the entire taxable year, a return is required for the short period during which the taxpayer was in existence. For example, a life insurance company organized on August 1, is required to file a return for the short period from August 1 to December 31, and returns for each calendar year thereafter. Similarly, a dissolving life insurance company is required to file a return for the short period from January 1 to the date it goes out of existence. All items entering into the computation of taxable investment income and gain or loss from operations for the short period shall be determined on a consistent basis and in the manner provided in paragraph (c) of this section.

(2) A return must be filed for a short period resulting from the termination by the district director of a taxpayer's taxable year for jeopardy. See section 6851 and the regulations thereunder.

(c) *Computation of life insurance company taxable income for short period.* (1) If a return is made for a short period, section 818(d)(1) provides that the taxable investment income and the gain or loss from operations shall be determined on an annual basis by a ratable daily projection of the appropriate figures for the short period. The appropriate figures for the short period shall be determined on an annual basis by multiplying such figures by a fraction, the numerator of which is the number of days in the calendar year in which the short period occurs and the denominator of which is the number of days in the short period.

(2)(i) In computing taxable investment income for a short period, the investment yield, the policy and other contract liability requirements, the policyholders' share of each and every item of investment yield, and the company's share of any item of investment yield shall be determined on an annual basis.

(ii) For purposes of determining the investment yield on an annual basis, each item of gross investment income (section 804(b)) and each item of deduction (section 804(c)) shall be annualized in the manner provided in subparagraph (1) of this paragraph. In any case in which a limitation is placed on the amount of a deduction provided under section 804(c), the limitation shall apply to the item of deduction computed on an annualized basis.

(iii) The policy and other contract liability requirements shall be determined on an annual basis in the following manner:

(*a*) The interest paid (section 805(e)) for the short period shall be annualized in the manner prescribed in subparagraph (1) of this paragraph.

(*b*) The current earnings rate for the taxable year in which the short period occurs shall be determined by dividing the taxpayer's investment yield, as determined on an annual basis under subdivision (ii) of this subparagraph, by the mean of the taxpayer's assets at the beginning and end of the short period. For purposes of section 805, any reference to the current earnings rate for the taxable year in which the short period occurs means the current earnings rate as determined under this subdivision.

(*c*) The adjusted life insurance reserves shall be determined as provided in section 805(c), and the pension plan reserves shall be determined as provided in section 805(d).

(iv) The policyholders' share of each and every item of investment yield (section 804(a)) shall be that percentage obtained by dividing the policy and other contract liability requirements, determined under subdivision (iii) of this subparagraph, by the investment yield, determined under subdivision (ii) of this subparagraph.

(v) The taxable investment income for the short period shall be an amount (not less than zero) equal to the life insurance company's share of each and every item of investment yield, as determined under subdivision (ii) of this subpargaraph, reduced by the items described in section 804(a)(2) (A) and (B). In determining these reductions under section 804(a)(2)(A) the amount of the respective items shall be the amount that is determined on an annualized basis under subdivision (ii) of this subparagraph. The small business deduction, under section 804(a)(2)(B) shall be an amount (not to exceed $25,000) equal to 10 percent of the investment yield, determined under subdivision (ii) of this subparagraph, for the short period.

(vi) Except as provided herein, the determination of taxable investment income under subpart B of part 1 of subchapter L of the Code shall be made in accordance with all the provisions of that subpart.

(3)(i) In computing gain or loss from operations for a short period, the share of each and every item of investment yield set aside for policyholders, the life insurance company's share of each and every item of investment yield, the items of gross amount, and the items of deduction shall, except as modified by this subparagraph, be determined on an annual basis in the manner provided in subparagraph (1) of this paragraph. In any case in which a limitation is placed on the amount of a deduction provided under section 809, the limitation shall apply to the item of deduction computed on an annualized basis.

(ii) For purposes of sections 809 and 810, the investment yield shall be determined in the manner provided in subdivision (ii) of subparagraph (2) of this paragraph. The share of any item of investment yield set aside for policyholders shall be that percentage obtained by dividing the required interest as determined under section 809(a)(2), by the investment yield, as determined in this subparagraph, except that if the required interest exceeds the investment yield, then the share of any item of investment yield set aside for policyholders shall be 100 percent.

(iii) The items of gross amount and the items of deduction, other than the operations loss deduction under section 809(d)(4), shall be determined on an annualized basis. See subdivision (iv) of this subparagraph for the manner in which the net decrease or net increase in reserves under section 810 shall be annualized.

(iv) For purposes of determining either a net decrease in reserves under section 810(a) or a net increase in reserves under section 810(b), the sum of the items described in section 810(c) as of the end of the short period shall be reduced by the amount of the investment yield not included in gain or loss from operations for the short period by reason of section 809(a)(1). The amount of investment yield excluded un-

der section 809(a)(1) has been determined upon an annualized basis while the sum of the items described in section 810(c) at the end of the short period has been determined on an actual basis. In order to place these on the same basis, the amount of investment yield not included in gain or loss from operation by reason of section 809(a)(1), determined under subdivision (ii) shall, for purposes of section 810(a) and section 810(b), be reduced to an amount which bears the same ratio to the full amount as the number of days in the short period bears to the number of days in the entire calendar year. The net decrease or the net increase of the items referred to in section 810(c) for the short period shall then be determined, as provided in section 810(a) and section 810(b), respectively, and the result annualized.

(4) The portion of the life insurance company taxable income described in paragraphs (1) and (2) of section 802(b) (relating to taxable investment income and gain or loss from operations) shall be determined on an annual basis by treating the amounts ascertained under subparagraph (2) of this paragraph as the taxable investment income and the amount ascertained under subparagraph (3) of this paragraph as the gain or loss from operations for the taxable year.

(5) The portion of the life insurance company taxable income described in pararaphs (1) and (2) of section 802(b) for the short period shall be the amount which bears the same ratio to the amount ascertained under section 818(d)(2) and subparagraph (4) of this paragraph as the number of days in the short period bears to the number of days in the entire year.

(d) *Special rules.* (1) For purposes of determining the average earnings rate (section 805(b)(3)) for susequent taxable years, the current earnings rate for the taxable year in which the short period occurs shall be the rate determined under subparagraph (2) of paragraph (c) of this section.

(2) For purposes of determining an operations loss deduction under section 812, the loss from operations for the short period shall be the loss from operations determined under subparagraph (5) of paragraph (c) of this section.

§ 19.1–10 Optional treatment of policies reinsured under modified coinsurance contracts; consent of reinsured and reinsurer.

(a) *In general.* Section 820(a) of the Internal Revenue Code of 1954, as amended by section 2 of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 137), provides that an insurance or annuity policy that is reinsured under a modified coinsurance contract (as defined in section 820(b)) shall, for the purposes of part 1 of subchapter L of the Code (other than for purposes of section 801), be treated as if such policy were reinsured under a conventional coinsurance contract, if the reinsured company and the reinsuring company (hereinafter referred to as the "reinsured" and the "reinsurer") each consent to such treatment. This optional treatment applies with respect to any insurance or annuity policy reinsured under a modified coinsurance contract only in the event that the reinsured and the reinsurer consent to such treatment for all policies reinsured under such contract and also consent to the application of the rules prescribed in and under section 820(c).

(b) *Time and manner of giving consent.* (1) The consent of the reinsured and reinsurer to the application of section 820(a)(1) to all insurance or annuity policies reinsured under a modified coinsurance contract and to the application of the rules prescribed in and under section 820(c) shall be given in a written statement attached to the life insurance company income tax returns of both the reinsured and reinsurer for the first taxable year to which such consent is to apply. The return and statement shall be filed not later than the time prescribed by law (including extensions thereof) for filing the return for such taxable year. The statement shall be executed by both the reinsured and reinsurer and shall be signed on their behalf by a person authorized to sign returns under section 6062 and the regulations thereunder.

(2) In addition to the statement of consent, the following shall also be filed with the returns of the reinsured and reinsurer:

(i) A copy of the modified coinsurance contract between the reinsured and reinsurer as in effect for the taxable year,

(ii) A separate schedule of the items referred to in paragraphs (1) through (5) of section 820(c) which relate to all policies reinsured under such modified coinsurance contract showing, in detail, the extent to which such items are to be taken into account for the taxable year by the reinsured and reinsurer under the terms of such contract and the provisions of that section, and

(iii) Such other data as is necessary to enable the Commissioner to determine the correctness of the application of the rules prescribed in section 820 and to ascertain the accuracy of the computations involved.

The contract referred to in subdivision (i) of this subparagraph need only be submitted with the returns of the reinsured and reinsurer for the first taxable year for which consent to the application of section 820 is given. However, a copy of any subsequent amendments to such contract shall be submitted with the return for the first taxable year to which such amendments apply. The information and data referred to in subdivisions (ii) and (iii) of this subparagraph shall be submitted annually and shall be attached to the returns of the reinsured and reinsurer for each taxable year for which the consent to the application of section 820 remains in effect.

(c) *Scope of consent.* The consent referred to in section 820 and this section shall be binding upon the reinsured and reinsurer for the taxable year for which given, and for all succeeding taxable years, unless permission to rescind such consent is obtained from the Commissioner. No applications for permission to rescind such consent will be accepted before the date of publication in the FEDERAL REGISTER of the regulations under part 1 of subchapter L of the Internal Revenue Code of 1954. Such regulations, however, will provide a reasonable time within which the reinsured and reinsurer will be permitted to apply for permission to rescind such consent.

Because this Treasury decision merely provides temporary rules designed to inform taxpayers as to how, when, and where to perform certain acts required or permitted under the Life Insurance Company Income Tax Act of 1959, it is found unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of that Act.

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

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: September 9, 1959.

NELSON P. ROSE,
Acting Secretary of the Treasury.

[F.R. Doc. 59–7632; Filed, Sept. 11, 1959; 8:50 a.m.]

SUBCHAPTER A—INCOME TAX

[T.D. 6415]

PART 19—TEMPORARY RULES UNDER CERTAIN PROVISIONS OF THE LIFE INSURANCE COMPANY INCOME TAX ACT OF 1959

Accounting Methods of Life Insurance Companies, Charitable Deductions, etc.

On August 15, 1959, notice of proposed rule making regarding temporary rules under certain provisions of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 112), for taxable years beginning after December 31, 1957, except as otherwise provided, relating to accounting methods of life insurance companies, charitable deductions, etc., was published in the FEDERAL REGISTER (24 F.R. 6649). After consideration of all such relevant matter as was presented by interested persons regarding the temporary rules proposed, the temporary rules as so proposed are hereby adopted, subject to the change set forth below:

Paragraph (c) of § 19.1–4 is deleted and a new paragraph is inserted in lieu thereof.

(Sec. 7805, I.R.C. 1954; 68A Stat. 917; 26 U.S.C. 7805)

[SEAL] HAROLD T. SWARTZ,
Acting Commissioner of Internal Revenue.

Approved: September 10, 1959.

NELSON P. ROSE,
Acting Secretary of the Treasury.

The temporary rules under certain provisions of the Life Insurance Company Income Tax Act of 1959, 73 Stat. 112, relating to the accounting methods of life insurance companies, charitable deductions, etc., as adopted, read as follows:

§ 19.1–1 Certain changes in reserves and assets.

(a) *In general.* Section 806(a) of the Internal Revenue Code of 1954, as amended by section 2 of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 120), provides that if there is a change in life insurance reserves (as defined in section 801(b)), during the taxable year, which is attributable to the transfer between the taxpayer and another person of liabilities under contracts taken into account in computing such life insurance reserves, then the means of such reserves, and the mean of the assets, shall be appropriately adjusted to reflect the amounts involved in such transfer. The adjustments required under section 806(a) are applicable only to transfers in which one life insurance company purchases or acquires a part or all of the business of another life insurance company under an arrangement whereby the purchaser or transferee becomes solely liable on the contracts transferred. Thus, this provision will apply in the case of assumption reinsurance but not in the case of indemnity reinsurance or reinsurance ceded. For example, no adjustments will be required under section 806(a) when, in the ordinary course of business, an indemnity reinsurance contract is entered into with another company (on a yearly renewable term basis, on a coinsurance basis, or otherwise) whereby there is a sharing of risks under one or more individual contracts. It will be necessary for each life insurance company participating in a transfer described in section 806(a) to make the adjustments required by such section.

(b) *Manner in which adjustments shall be made.* (1) The means of the life insurance reserves, and the mean of the assets, shall be appropriately adjusted, on a daily basis, to reflect the amounts involved in a transfer described in section 806(a) and paragraph (a) of this section. The transferor and transferee shall be treated as having held such reserves and assets for a fraction of the year in which the transfer occurs.

(2) In determining the fraction which represents the fractional year that such reserves and assets were held, the numerator shall be the number of days during the taxable year which such reserves and assets were actually held, and the denominator shall be the number of days in the calendar year of the transfer. In computing the period held for purposes of the numerator, the day on which such reserves and assets are transferred is included by the transferor and excluded by the transferee.

(3) All life insurance reserves and assets transferred during the taxable year, within the meaning of section 806(a), shall be excluded from the beginning and end of the taxable year balances of the transferor and transferee, respectively. The means of the life insurance reserves and assets not so transferred shall be determined in the ordinary manner, that is, the arithmetic means. There shall be added to these means an amount to appropriately adjust them, on a daily basis, for the life insurance reserves and assets that were transferred during the taxable year. This adjustment shall be determined by multiplying (i) the mean of the transferred life insurance reserves (or assets as the case may be) at the beginning of the taxable year (or, if acquired later, at the beginning of the period held, as defined in subparagraph (2) of this paragraph) and the end of the period held, as defined in subparagraph (2) of this paragraph (or at the end of the taxable year, if held at such time), times (ii) the fraction determined under subparagraph (2) of this paragraph.

(4) The application of this paragraph may be illustrated by the following examples:

Example (1). On March 14, 1958, the M Company, a life insurance company, transferred to the N Company, a life insurance company, pursuant to an assumption reinsurance agreement, all of its life insurance reserves, and related assets, on one block of policies. The reserves (and assets) for this block were held by the M Company on January 1, 1958, and totaled $60,000; on March 14, the reserves (and assets) totaled $64,000. The M Company had life insurance reserves of $1,000,000 at the beginning of 1958 (including those subsequently transferred) and $1,040,000 at the end of 1958. The M Company had assets of $1,300,000 at the beginning of 1958 (including those subsequently transferred) and $1,380,000 at the end of 1958. The mean of M's life insurance reserves for the taxable year 1958 is computed as follows:

Reserves at 1–1–58	$1,000,000	
Exclude reserves (at beginning of year) on contracts transferred to N	60,000	
Recomputed amount at 1–1–58		$940,000
Reserves at 12–31–58		1,040,000
Sum		1,980,000
Mean		990,000
Adjustment for reserves transferred on 3–14–58:		
Reserves at 1–1–58 on contracts transferred to N	$60,000	
Reserves at 3–14–58 on such contracts	64,000	
Sum	124,000	
Mean	62,000	
Fraction taken into account	73/365	
Adjustment (73/365 × $62,000)		12,400
Mean of M's life insurance reserves after section 806 (a) adjustment		1,002,400

Example (2). Assuming the facts to be the same as in example (1), the mean of M's assets for the taxable year 1958 is computed as follows:

Assets at 1–1–58	$1,300,000	
Exclude assets (at beginning of year) on contracts transferred to N	60,000	
Recomputed amount at 1–1–58		$1,240,000
Assets at 12–31–58		$1,380,000
Sum		2,620,000
Mean		1,310,000
Adjustments for assets transferred on 3–14–58:		
Assets at 1–1–58 on contracts transferred to N	$60,000	
Assets at 3–14–58 on such contracts	64,000	
Sum	124,000	
Mean	62,000	
Fraction taken into account	73/365	
Adjustment (73/365 × $62,000)		12,400
Mean of M's assets after section 806(a) adjustment		1,322,400

Example (3). Assume the facts are the same as in example (1). At the end of 1958, N Company had life insurance reserves (and assets) of $80,000 on the contracts transferred on March 14, 1958. The N Company had life insurance reserves of $6,000,000 at the beginning of 1958 and $6,400,000 at the end of 1958 (including those transferred). The N Company had assets of $6,800,000 at the beginning of 1958 and $7,300,000 at the end of 1958 (including those on the contracts transferred). The mean of N's life insurance reserves for the taxable year 1958 is computed as follows:

Reserves at 1–1–58		$6,000,000
Reserves at 12–31–58	$6,400,000	
Exclude reserves (at end of year) on contracts transferred from M	80,000	
Recomputed amount at 12–31–58		6,320,000
Sum		12,320,000
Mean		6,160,000
Adjustment for reserves transferred on 3–14–58:		
Reserves at 3–14–58 on contracts transferred from M	$64,000	
Reserves at 12–31–58 on such contracts	80,000	
Sum	144,000	
Mean	72,000	
Fraction taken into account	292/365	
Adjustment (292/365 × $72,000)		57,600
Mean of N's life insurance reserves after section 806(a) adjustment		6,217,600

Example (4). Assuming the facts to be the same as in example (3), the mean of N's assets for the taxable year 1958 is computed as follows:

Assets at 1–1–58		$6,800,000
Assets at 12–31–58	$7,300,000	
Exclude assets (at end of year) on contracts transferred from M	80,000	
Recomputed amount at 12–31–58		7,220,000
Sum		14,020,000
Mean		7,010,000

Adjustment for assets transferred on 3-14-58:		
Assets at 3-14-58 on contracts transferred from M	$64,000	
Assets at 12-31-58 on such contracts	80,000	
Sum	144,000	
Mean	72,000	
Fraction taken into account	292/365	
Adjustment (292/365 × $72,000)		$57,600
Mean of N's assets after section 806(a) adjustment		7,067,600

Example (5). The facts are the same as in example (1), except that on October 19, 1958, company N transfers to company P, a life insurance company, all of the life insurance reserves, and related assets, on the block of policies it had received from company M on March 14, 1958. The reserves (and assets) for this block totaled $76,000 on October 19, 1958. The means of company M's life insurance reserves and assets, as computed in examples (1) and (2), respectively, would be unchanged by the transfer of October 19, 1958. Since company N did not own this block of policies at either the beginning or end of the taxable year, it would not have to recompute its beginning or end of the taxable year reserves or assets. Company N will, however, have to adjust (or increase) the mean of its life insurance reserves and assets on account of the policies it received from company M. This adjustment will be $42,000, which is determined by multiplying the means of the life insurance reserves (or assets) on these policies as of March 15, 1958, and October 19, 1958, $70,000 ($64,000 + $76,000 = $140,000 ÷ 2) by the fraction 219/365 (the numerator of 219 is determined by excluding the day of the transfer to N, March 14, 1958, and including the day of the transfer from N to P, October 19, 1958). Company P will have to recompute its end of the year life insurance reserves and assets (in the same manner as illustrated in examples (3) and (4)). Assuming the end of the year reserves (and assets) on this block of policies is $80,000, company P will have an adjustment under section 806(a) of $15,600, which is determined by multiplying the means of the reserves on these policies as of October 20, 1958, and December 31, 1958, $78,000 ($76,000 + $80,000 = $156,000 ÷ 2) by the fraction 73/365.

§ 19.1–2 Charitable, etc., contributions and gifts.

(a) *General rule.* Section 809(e)(3) of the Internal Revenue Code of 1954, as amended by section 2 of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 124), provides certain modifications in the application of the deduction provided under section 170 (relating to charitable, etc., contributions and gifts). Except as modified by paragraphs (b) and (c) of this section, the rules contained in section 170 and the regulations thereunder shall apply to life insurance companies in the same manner and to the same extent as they apply to corporations generally.

(b) *Limitation.* The deduction by a life insurance company in a taxable year for a charitable contribution, as defined in section 170(c), is limited to 5 percent of the gain from operations as computed under section 809(b)(1), but without regard to any deductions for:

(1) Charitable contributions under section 170,

(2) Dividends to policyholders under section 811(b),

(3) Certain nonparticipating contracts under section 809(d)(5),

(4) Group life, accident, and health insurance under section 809(d)(6),

(5) Tax-exempt interest, dividends, etc., under section 809(d)(8), and

(6) Any operations loss carryback under section 812.

(c) *Special rule for life insurance companies having operations loss carryovers.* (1) In applying the second sentence of section 170(b)(2) (relating to charitable contributions carryovers), any excess of the charitable contributions of a life insurance company for a taxable year over the amount deductible in such year under the limitation contained in paragraph (b) of this section, shall be reduced to the extent that such excess:

(i) Reduces life insurance company taxable income (computed without regard to section 802(b)(3) and for the purpose of determining the offsets referred to in section 812(b)(2)), and

(ii) Increases an operations loss carryover under section 812 to a succeeding taxable year.

(2) The application of the limitation contained in this paragraph may be illustrated by the following example:

Example. Assume that life insurance company A is organized on January 1, 1958, and has a loss from operations for that year in the amount of $100,000 which is an operations loss carryover to 1959. In 1959, company A has a gain from operations and tax base (computed without regard to section 802(b)(3)) of $100,000 before the allowance of a $5,000 charitable contribution and before the application of the operations loss carryover from 1958. Under section 170(b)(2), the operations loss carryover from 1958 is first applied to eliminate the $100,000 gain from operations and tax base in 1959 and the $5,000 charitable contribution would (except for the limitation contained in this paragraph) become a charitable contribution carryover to 1960. However, for the purpose of computing the offsets referred to in section 812(b)(2), the $5,000 charitable contribution is applied to reduce the gain from operations and tax base for 1959 to $95,000 before the application of the operations loss carryover from 1958. Since only $95,000 of the $100,000 loss from operations in 1958 is an offset for 1959, the remaining $5,000 becomes an operations loss carryover to 1960. Accordingly, under the limitation contained in this paragraph, the charitable contributions carryover provided under the second sentence of section 170(b)(2) is eliminated.

§ 19.1–3 Accounting provisions.

(a) Section 818(a)(1) of the Internal Revenue Code of 1954, as amended by section 2 of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 133), provides the general rule that all computations entering into the determination of taxes imposed by part 1 of subchapter L shall be made under an accrual method of accounting. Thus, the over-all method of accounting for life insurance companies will be the accrual method. Except as otherwise provided in part 1 of subchapter L, the term "accrual method" will have the same meaning and application in section 818 as it does under section 446 (relating to general rule for methods of accounting) and the regulations thereunder.

(b) Section 818(a)(2) further provides that, to the extent permitted under regulations, a life insurance company's method of accounting may be a combination of the accrual method with any other method of accounting permitted by chapter 1 of the Internal Revenue Code of 1954 (other than the cash receipts and disbursements method). Section 818(a)(2) specifically prohibits the use by a life insurance company of the cash receipts and disbursements method. The term "method of accounting" includes not only the over-all method of accounting of the taxpayer but also the accounting treatment of any item. For purposes of section 818(a)(2), a life insurance company may elect to compute its taxable income under an over-all method of accounting consisting of the accrual method combined with the special methods of accounting for particular items of income and expense provided under other sections of chapter 1 of the Internal Revenue Code of 1954, other than the cash receipts and disbursements method. These methods of accounting for special items include the accounting treatment provided for depreciation (section 167), research and experimental expenditures (section 174), soil and water conservation expenditures (section 175), organizational expenditures (section 248), etc. In addition, a life insurance company may, where applicable, use the crop method of accounting (as provided in the regulations under sections 61 and 162), and the installment method of accounting for sales of realty and casual sales of personalty (as provided in section 453(b)). To the extent not inconsistent with the provisions of the Internal Revenue Code of 1954 and the method of accounting adopted by the taxpayer, all computations entering into the determination of taxes imposed by part 1 of subchapter L shall be made in a manner consistent with the manner required for purposes of the annual statement approved by the National Association of Insurance Commissioners.

(c) (1) An election to use any of the special methods of accounting referred to in paragraph (b) of this section which was made pursuant to any provisions of the Internal Revenue Code of 1954 or prior Internal Revenue laws for the purpose of determining a company's tax liabilities for prior years, shall have the same force and effect in determining the items of gross investment income under section 804(b) and the items of deduction under section 804(c) of the Life Insurance Company Income Tax Act of 1959 as if such Act had not been enacted.

(2) For purposes of determining gain or loss from operations under section 809(b), in computing the life insurance company's share of investment yield under sections 809(b)(1)(A) and 809(b)(2)(A), an election with respect to any of the methods of accounting referred to in paragraph (b) of this section which was made pursuant to any provision of the Internal Revenue Code of 1954 or prior internal revenue laws, shall not be affected in any way by the enactment of

the Life Insurance Company Income Tax Act of 1959.

(3) For purposes of determining gain or loss from operations under section 809(b), in computing the items of gross amount under section 809(c) and the deduction items under section 809(d), an election to use any of the special methods of accounting referred to in paragraph (b) of this section must be made in accordance with the specific statutory provisions of the sections containing such elections and the regulations thereunder. However, where a particular election may be made only with the consent of the Commissioner (either because the time for making the election without the consent of the Commissioner has expired or because the particular section contained no provision for making an election without consent), and the time prescribed by the applicable regulations for submitting a request for permission to make such an election for the taxable year 1958 has expired, a life insurance company may make such an election for the year 1958 at the time of filing its return for that year (including extensions thereof). For example, this subparagraph permits a life insurance company to elect any of the methods of depreciation prescribed in section 167 (to the extent permitted under that section and the regulations thereunder) with respect to those assets for which no depreciation was allowable under prior laws, e.g., furniture and fixtures used in the underwriting department. Similarly, a life insurance company will be permitted to make an election under section 461(c) (relating to the accrual of real property taxes) with respect to real property for which no deduction was allowable under prior laws. An election under this subparagraph shall be made in the manner and form prescribed in the applicable regulations.

(4) For purposes of subparagraph (2) of this paragraph, the method used under section 1016(a)(3)(C) in determining the amount of exhaustion, wear and tear, obsolescence, and amortization actually sustained will not preclude a taxpayer from electing any of the methods prescribed in section 167 in accordance with the provisions of that section and the regulations thereunder for determining the amount of such exhaustion, wear and tear, obsolescence, and amortization for the year 1958. For example, if the amount of depreciation actually sustained, under section 1016(a)(3)(C), on a life insurance company's home office building is determined on the straight line method, the life insurance company may elect for the year 1958 to use any of the methods prescribed in section 167 for determining its depreciation allowance for 1958.

(d) The items of gross amount taken into account under section 809(c) and the items of deductions allowed under section 809(d) for the taxable year 1958 shall be determined as though the taxpayer had been on the accrual method prescribed in paragraph (a) of this section for all prior years. In other words, life insurance companies not on the accrual method for the year 1957 shall accrue, as of December 31, 1957, those items of gross amount which would have been properly taken into account for the year 1957 if the company had been on the accrual method described in section 818(a). Likewise, life insurance companies not on the accrual method for the year 1957 shall accrue, as of December 31, 1957, those items of deductions which would have been properly allowed for the year 1957 if the company had been on the accrual method described in section 818(a). Thus, for example, if certain premium amounts were received during the year 1958 but such amounts would have been properly taken into account for the year 1957 if the taxpayer had been on the accrual method for the year 1957, then the taxpayer will not be required to take such premium amounts into account for the year 1958. If, for example, certain claims, benefits, and losses were paid during the year 1958 but such items would have been properly taken into account for the year 1957 if the taxpayer had been on the accrual method for the year 1957, then the taxpayer will not be permitted to deduct such expense items for the year 1958.

(e)(1) For purposes of section 805(b)(3)(B)(i) (relating to the determination of the current earnings rate for any taxable year beginning before January 1, 1958), the determination for any year of the investment yield and the assets shall be made as though the taxpayer had been on the accrual method prescribed in paragraph (a) of this section for such year, or the accrual method in combination with the other methods of accounting prescribed in paragraph (b) of this section, if these other methods of accounting are used by the taxpayer in determining the investment yield and assets for 1958. However, where the method used for determining the deduction under section 167 for the year 1958 differs from the method used in prior years, the amount of the deduction allowed or allowable for those years under section 1016(a)(2) shall be the amount taken into account for the purposes of section 805(b)(3)(B)(i).

(2) For purposes of section 812(b)(1)(C) (relating to operations loss carrybacks and carryovers for years prior to 1958), the determination for those years of the gain or loss from operations shall be made as though the taxpayer had been on the accrual method prescribed in paragraph (a) of this section for such year, or the accrual method in combination with the other methods of accounting prescribed in paragraph (b) of this section if these other methods of accounting are used by the taxpayer in the determination of gain or loss from operations for the taxable year 1958. However, where any adjustment to basis is required under section 1016(a)(3)(C) on account of exhaustion, wear and tear, obsolescence, amortization, and depletion sustained, the amount actually sustained as determined under section 1016(a)(3)(C) for each of the years involved will be the amount allowed in the determination of gain or loss from operations for purposes of section 812(b)(1)(C).

§ 19.1–4 Amortization of premium and accrual of discount.

(a) *In general.* Section 818(b) of the Internal Revenue Code of 1954, as amended by section 2 of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 133), provides that the appropriate items of income, deductions, and adjustments under part 1 of subchapter L shall be adjusted to reflect the appropriate amortization of premium and the appropriate accrual of discount on bonds, notes, debentures, or other evidences of indebtedness held by a life insurance company. Such adjustments are limited to the amount of appropriate amortization or accrual attributable to the taxable year with respect to such securities which are not in default as to principal or interest and which are amply secured. The question of ample security will be resolved according to the rules laid down from time to time by the National Association of Insurance Commissioners. The adjustment for amortization of premium decreases, and for accrual of discount increases, (1) the gross investment income, (2) the exclusion and deduction for wholly tax-exempt interest, (3) the exclusion and deduction for partially tax-exempt interest, and (4) the basis or adjusted basis of such securities.

(b) *Acquisitions before January 1, 1958.* (1) In the case of any such security acquired before January 1, 1958, the premium is the excess of its acquisition value over its maturity value and the discount is the excess of its maturity value over its acquisition value. The acquisition value of any such security is its cost (including buying commissions or brokerage but excluding any amounts paid for accrued interest) if purchased for cash, or if not purchased for cash, its then fair market value. The maturity value of any such security is the amount payable thereunder either at the maturity date or an earlier call date. The earlier call date of any such security may be the earliest interest payment date if it is callable or payable at such date, the earliest date at which it is callable at par, or such other call or payment date, prior to maturity, specified in the security as may be selected by the life insurance company. A life insurance company which adjusts amortization of premium or accrual of discount with reference to a particular call or payment date must make the adjustments with reference to the value on such date and may not, after selecting such date, use a different call or payment date, or value, in the calculation of such amortization or discount with respect to such security unless the security was not in fact called or paid on such selected date.

(2) The adjustments for amortization of premium and accrual of discount will be determined—

(i) According to the method regularly employed by the company, if such method is reasonable, or

(ii) According to the method prescribed by this section.

A method of amortization of premium or accrual of discount will be deemed "regularly employed" by a life insurance

company if the method was consistently followed in prior taxable years, or if, in the case of a company which has never before made such adjustments, the company initiates in the first taxable year for which the adjustments are made a reasonable method of amortization of premium or accrual of discount and consistently follows such method thereafter. Ordinarily, a company regularly employs a method in accordance with the statute of some State, Territory, or the District of Columbia, in which it operates.

(3) The method of amortization and accrual prescribed by this section is as follows:

(i) The premium (or discount) shall be determined in accordance with this section; and

(ii) The appropriate amortization of premium (or accrual of discount) attributable to the taxable year shall be an amount which bears the same ratio to the premium (or discount) as the number of months in the taxable year during which the security was owned by the life insurance company bears to the number of months between the date of acquisition of the security and its maturity or earlier call date, determined in accordance with this section. For the purposes of this section, a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered a month.

(c) *Acquisitions after December 31, 1957.* (1) In the case of—

(i) Any bond, as defined in section 171(d), acquired after December 31, 1957, the amount of the premium and the amortizable premium for the taxable year, shall be determined under section 171(b) and the regulations thereunder, as if the election set forth in section 171(c) had been made, and

(ii) Any bond, note, debenture, or other evidence of indebtedness not described in subdivision (i) of this subparagraph and acquired after December 31, 1957, the amount of the premium and the amortizable premium for the taxable year, shall be determined under paragraph (b) of this section.

(2) In the case of any bond, note, debenture, or other evidence of indebtedness acquired after December 31, 1957, the amount of the discount and the accrual of discount attributable to the taxable year shall be determined under paragraph (b) of this section.

(d) *Convertible evidences of indebtedness.* Section 818(b)(2)(B) provides that in no case shall the amount of premium on a convertible evidence of indebtedness (including any bond, note, or debenture) include any amount attributable to the conversion features of the evidence of indebtedness. This provision is the same as the one contained in section 171(b), and the rules prescribed in paragraph (c) of § 1.171–2 of this chapter shall be applicable for purposes of section 818(b)(2)(B). This provision is to be applied without regard to the date that the evidence of indebtedness was acquired. Thus, where a convertible evidence of indebtedness was acquired before January 1, 1958, and a portion or all of the premium attributable to the conversion features of the evidence of indebtedness has been amortized for taxable years beginning before January 1, 1958, no adjustment for such amortization will be required by reason of section 818(b)(2)(B). Such amortization will, however, require an adjustment to the basis of the evidence of indebtedness under section 1016(a)(17). For taxable years beginning after December 31, 1957, no further amortization of the premium attributable to the conversion features of such an evidence of indebtedness will be taken into account.

(e) *Adjustments to basis.* Section 1016(a)(17) of the Internal Revenue Code of 1954, as amended by section 3(d)(2) of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 139), provides that in the case of any evidence of indebtedness referred to in section 818(b) (relating to amortization of premium and accrual of discount in the case of life insurance companies), basis shall be adjusted to the extent of the adjustments required under section 818(b) (or the corresponding provisions of prior income tax laws) for the taxable year and all prior taxable years. The basis of any evidence of indebtedness shall be reduced by the amount of the adjustment required under section 818(b) (or the corresponding provision of prior income tax laws) on account of amortizable premium and shall be increased by the amount of the adjustment required under section 818(b) on account of accruable discounts.

§ 19.1–5 Adjustments to basis.

(a) Section 1016(a)(3) of the Internal Revenue Code of 1954, as amended by section 3(d)(1) of the Life Insurance Company Income Tax Act of 1959 (73 Stat. 139), provides that adjustments to basis must be made for exhaustion, wear and tear, obsolescence, amortization, and depletion to the extent actually sustained in respect of—

(1) Any period before March 1, 1913,

(2) Any period since February 28, 1913, during which the property was held by a person or organization not subject to income taxation under chapter 1 of the Internal Revenue Code of 1954 or prior income tax laws, and

(3) Any period since February 28, 1913, and before January 1, 1958, during which such property was held by a person subject to tax under part 1 of subchapter L of chapter 1 of the Internal Revenue Code of 1954 (or corresponding provisions of prior income tax laws), to the extent that section 1016(a)(2) does not apply.

(b) The amount of the adjustments described in paragraph (a) of this section actually sustained is that amount charged off on the books of the taxpayer where such amount is considered by the Commissioner to be reasonable. Otherwise, the amount actually sustained will be the amount that would have been allowable as a deduction—

(1) During the periods described in paragraph (a) (1) or (2) of this section, had the taxpayer been subject to income tax during those periods, or

(2) During the period described in paragraph (a)(3) of this section, with respect to property held by a taxpayer described in that paragraph, to the extent that section 1016(a)(2) was inapplicable to such property during that period. In the case of depreciation, such adjustment will be determined by using the straight line method.

[F.R. Doc. 59–7655; Filed, Sept. 11, 1959; 8:50 a.m.]

Title 27—INTOXICATING LIQUORS

Chapter I—Internal Revenue Service, Department of the Treasury

[T.D. 6411]

[Reg. 5]

PART 5—LABELING AND ADVERTISING OF DISTILLED SPIRITS

New England Rum

Notice of public hearing to be held in Washington, D.C., on May 22, 1959, with respect to a proposal to amend Regulations No. 5, Relating to Labeling and Advertising of Distilled Spirits, was published in the FEDERAL REGISTER on May 15, 1959 (24 F.R. 3958). Upon the conclusion of the said hearing and after consideration of all relevant material submitted by interested persons in connection therewith regarding the proposal, the following amendment to Regulations No. 5 (27 CFR Part 5) is hereby adopted:

In order to eliminate the present requirement that New England Rum be a single distillate, section 21 Class 5(b) (27 CFR 5.21(e)(2)) is amended by the deletion of the phrase "is a straight rum and not a mixture of rums" to read as follows:

(2) "New England Rum" is rum as above defined, except that it is produced in the United States and is distilled at less than 160° proof.

This amendment relieves a restriction presently contained in the regulations and shall become effective on the date of publication in the FEDERAL REGISTER.

(49 Stat. 981, as amended; 27 U.S.C. 205).

CHARLES I. FOX,
Acting Commissioner of Internal Revenue.

Approved: September 4, 1959.

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

[F.R. Doc. 59–7615; Filed, Sept. 11, 1959; 8:48 a.m.]

Title 32A—NATIONAL DEFENSE, APPENDIX

Chapter VI—Business and Defense Services Administration, Department of Commerce.

[BDSA Order M–17, as amended September 4, 1959]

M–17—ELECTRONIC COMPONENTS OR PARTS

This amended order is found necessary and appropriate to promote the national

defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this amended order there was consultation with industry representatives, including trade association representatives, and consideration was given to their recommendations.

This amended order affects BDSA Order M–17, as amended October 30, 1953 (a) by inserting the word "electronic" before the word "components" in the title of the order and at appropriate points in the text of the order to indicate that the order relates to electronic components or parts; (b) by revising section 4 of the order; and (c) by adding power tubes and transmitting tubes to the table in section 5.

Sec.
1. What this order does.
2. Applicability of BDSA Reg. 2.
3. Required shipment dates.
4. Limitations for required acceptance of rated orders.
5. Electronic components or parts; product limitations.
6. BDSA assistance in placing rated orders.
7. Records and reports.
8. Request for adjustment or exception.
9. Communications.
10. False statements.
11. Violations.

AUTHORITY: Sections 1 to 11 issued under sec. 704, 64 Stat. 816, as amended, P.L. 85–471, 72 Stat. 241; 50 U.S.C. App. 2154. Interpret or apply sec. 101, 64 Stat. 799, as amended, sec. 705, 64 Stat. 816, as amended, P.L. 85–471, 72 Stat. 241; 50 U.S.C. App. 2071, 2155; E.O. 10480, as amended, 18 F.R. 4939, 6201, 19 F.R. 3807, 7249, 21 F.R. 1673; 3 CFR, 1953, 1954 and 1956 Supps.; DMO I–7, as amended, 18 F.R. 5366, 6736, 6737, 19 F.R. 7348; 32A CFR Ch. I; Commerce Dept. Order No. 152 (Revised), 23 F.R. 7951.

SECTION 1. *What this order does.* This order applies particularly to manufacturers of the electronic components or parts listed in section 5, Column A of this order. It makes provision for and sets forth ceiling limitations for required acceptance of rated orders for shipment during any given month based on a stated percentage either of the scheduled production of a particular type of a listed component or part for that month or of the average monthly shipments of such particular type during a specified base period, whichever is greater. Its purpose is to provide equitable distribution of rated orders among the manufacturers of the specified components or parts in order to achieve maximum production and to reduce to a minimum any disruption of normal distribution.

SEC. 2. *Applicability of BDSA Reg. 2.* This order supplements BDSA Reg. 2 (formerly NPA Reg. 2), but only those provisions of BDSA Reg. 2 which are contradictory to this order are superseded, and all other provisions of that regulation shall continue to apply to manufacturers of electronic components or parts.

SEC. 3. *Required shipment dates.* A rated order for any electronic component or part listed in section 5, Column A of this order must specify shipment on a particular date or during a particular month, which may in neither case be earlier than that required by the person placing the order to fill rated orders accepted by him. The manufacturer of such component or part must schedule the order for shipment within the requested month as close to the requested shipment date as is practicable considering the need for maximum production.

SEC. 4. *Limitations for required acceptance of rated orders.* Unless specifically directed by BDSA, no manufacturer of electronic components or parts shall be required to accept a rated order calling for delivery in any one calendar month of a quantity of any particular type of any one of the components or parts listed in section 5, Column A of this order which, together with the quantity of such type to be delivered by him during that month pursuant to rated orders already accepted by him, would exceed the associated percentage set forth in section 5, Column B of this order of either (a) his production schedule for that month of that particular type of such component or part, or (b) his average monthly shipments of that particular type of such component or part during the six calendar months immediately preceding the tender to him of such a rated order, whichever is greater: *Provided, however,* That no such manufacturer shall cancel or postpone delivery of any rated orders already accepted because such orders exceed the associated percentage set forth in section 5, Column B of this order.

SEC. 5. *Electronic components or parts; product limitations.* The electronic components or parts to which this order applies and the limitation percentages for acceptance of rated orders pursuant to section 4 of this order are as follows:

Column A Electronic components or parts to which this order applies:	Column B *Product limitation percentage*
(a) Electron tubes (except power tubes and transmitting tubes):	
Tubes of a type produced by only one company	50
Tubes of a type produced by more than one company	25
(b) Electron tubes (power and transmitting):	
Tubes of a type produced by only one company	80
Tubes of a type produced by more than one company	70
(c) Transistors:	
Transistors of a type produced by only one company	50
Transistors of a type produced by more than one company	25
(d) Crystal diodes:	
Crystal diodes of a type produced by only one company	50
Crystal diodes of a type produced by more than one company	25

SEC. 6. *BDSA assistance in placing rated orders.* Any person who is unable to place a rated order due to the limitations imposed by section 4 of this order may apply to the Business and Defense Services Administration, Washington 25, D.C., Ref: M–17, specifying the manufacturers who refused to accept the order. The Business and Defense Services Administration will assist him in locating sources of supply.

SEC. 7. *Records and reports.* (a) Each person participating in any transaction covered by this order shall make, and preserve for at least 3 years thereafter, accurate and complete records thereof. Such records shall include all rated orders and directives received by such person and monthly records of production, production schedules and deliveries of the electronic components or parts to which this order applies. Records shall be maintained in sufficient detail to permit the determination, after audit, whether each transaction complies with the provisions of this order. This order does not specify any particular accounting method and does not require alteration of the system of records customarily used, provided the records specifically required herein are maintained. Records may be retained in the form of microfilm or other photographic copies instead of the originals by those persons who, at the time such microfilm or other photographic copies are made, maintain such copies of records in the regular and usual course of business.

(b) All records required by this order to be maintained by any person shall be made available for inspection and audit by duly authorized representatives of BDSA at the usual place of business of such person.

(c) Persons subject to this order shall make such records and submit such reports to BDSA as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U.S.C. 139–139f).

SEC. 8. *Request for adjustment or exception.* Any person subject to any provision of this order may file a request for adjustment or exception upon the ground that his business operation was commenced during or after the base period, that any provision otherwise works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense or in the public interest. The filing of a request for adjustment or exception shall not relieve any person of his obligation to comply with any such provision. In examining requests for adjustment or exception claiming that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of the public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each request shall be in writing, by letter in triplicate, and shall set forth all pertinent facts and the nature of the relief sought, and shall state the justification therefor.

SEC. 9. *Communications.* All communications concerning this order shall be addressed to the Business and Defense Services Administration, Washington 25, D.C., Ref: BDSA Order M–17.

SEC. 10. *False statements.* The furnishing of false information or the concealment of any material fact by any person in the course of operation under

this order constitutes a violation of this order by such person.

SEC. 11. *Violations.* (a) Any person who wilfully violates any provision of this order, or who wilfully furnishes false information or conceals any material fact in the course of operation under this order, is guilty of a crime and upon conviction may be punished by fine or imprisonment or both.

(b) Violation of any provision of this order may subject any person committing or participating in such violation to arministrative action to suspend his privilege of employing priorities or allocations in making or receiving deliveries of materials, or using materials or facilities.

NOTE: All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order as amended shall take effect September 4, 1959.

BUSINESS AND DEFENSE SERVICES ADMINISTRATION,
H. B. MCCOY,
Administrator.

[F.R. Doc. 59-7616; Filed, Sept. 11, 1959; 8:48 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 203—BRIDGE REGULATIONS

PART 204—DANGER ZONE REGULATIONS

St. Andrew Bay and West Bay Creek, Florida and Gulf of Maine, Maine

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), § 203.245 governing the operation of drawbridges across navigable waters discharging into the Atlantic Ocean south of and including Chesapeake Bay and into the Gulf of Mexico, except the Mississippi River and its tributaries and outlets, where constant attendance of draw tenders is not required, is hereby amended revoking subparagraphs (i) (13) and (14), as follows:

§ 203.245 Navigable waters discharging into the Atlantic Ocean south of and including Chesapeake Bay and into the Gulf of Mexico, except the Mississippi River and its tributaries and outlets; bridges where constant attendance of draw tenders is not required.

* * * * *

(i) *Waterways discharging into Gulf of Mexico east of Mississippi River.* * * *

(13) [Revoked]

(14) [Revoked]

[Regs., 28 August 1959, 285/91 (St. Andrew Bay and West Bay Creek, Fla.)-ENGWO] (Sec. 5, 28 Stat. 362; 33 U.S.C. 499)

2. Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U.S.C. 1), § 204.1 is hereby prescribed establishing and governing the use and navigation of a Naval aircraft bombing target area in the Gulf of Maine off Seal Island, Maine, as follows:

§ 204.1 Gulf of Maine off Seal Island, Maine; Naval aircraft bombing target area.

(a) *The danger zone.* A circular area with a radius of 1.5 nautical miles, having its center just easterly of Seal Island at latitude 43°53'00" and longitude 68°44'00".

(b) *The regulations.* (1) No aerial bombing practice will take place in the danger zone after 5:00 p.m. Mondays through Saturdays, at any time on Sundays, or during foggy or inclement weather.

(2) Vessels or other watercraft will be allowed to enter the danger zone any time there are no aerial bombing exercises being conducted.

(3) No live ammunition or explosives will be dropped in the area.

(4) Suitable Notice to Mariners, by appropriate methods, will be issued by the Commander, First Coast Guard District, Boston, Massachusetts; upon request of the Commandant, First Naval District, Boston, Massachusetts, or his designated agent.

(5) Prior to the conducting of each bombing practice, the area will be patrolled by a non-participating naval aircraft to ensure that no watercraft are within the danger zone and to warn any such watercraft seen in the vicinity by means of a signal that bombing practice is about to take place. The patrol aircraft will employ the method of warning known as "buzzing" which consists of low flight by the airplane and repeated opening and closing of the throttle.

(6) Any such watercraft shall, upon being so warned, immediately leave the designated area and, until the conclusion of the practice, shall remain at such distance that it will be safe from falling projectiles.

(7) The regulations of this section shall be enforced by the Commandant, First Naval District, Boston, Massachusetts, or such agencies as he may designate.

[Regs., 28 August 1959, 285/91 (Gulf of Maine, Me.)-ENGWO] (Sec. 7, 40 Stat. 266; 33 U.S.C. 1)

R. V. LEE,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 59-7579; Filed, Sept. 11, 1959; 8:45 a.m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[50 CFR Part 35]

MOOSEHORN NATIONAL WILDLIFE REFUGE, MAINE

Hunting

Notice is hereby given that pursuant to the authority contained in section 10 of the Migratory Bird Conservation Act of February 18, 1929 (45 Stat. 1224; 16 U.S.C. 715i), and under authority delegated by Commissioner's Order 4 (22 F.R. 8126), it is proposed to add §§ 35.38 and 35.39 to Subpart—Moosehorn National Wildlife Refuge, Maine, Chapter I, Title 50, Code of Federal Regulations, reading as set forth in tentative form below. The purpose is to permit the more favorable control of deer hunting on the Moosehorn National Wildlife Refuge in accordance with existing State procedures and regulations.

Interested persons may submit in duplicate written comments, suggestions, or objections with respect to the proposed additions to the Director, Bureau of Sport Fisheries and Wildlife, Washington 25, D.C., within thirty days of the date of publication of this notice in the FEDERAL REGISTER.

Dated: September 8, 1959.

LANSING A. PARKER,
Acting Director, Bureau of Sport Fisheries and Wildlife.

§ 35.38 Hunting of deer permitted.

Subject to compliance with the provisions of Parts 18 and 21 of this chapter, deer hunting is permitted on the hereinafter described lands of the Moosehorn National Wildlife Refuge subject to the following conditions, restrictions, and requirements:

(a) *Hunting areas.* Deer may be taken on all areas of the Moosehorn National Wildlife Refuge except:

(1) *Baring Unit.* Within the posted closed area surrounding refuge headquarters.

(2) *Edmunds Unit.* Within the posted closed area surrounding refuge subheadquarters or all lands of the Edmunds Unit east of U.S. Highway No. 1 and south of the refuge boundary line running from approximately opposite the North Trail junction with U.S. Highway 1 to the shores of Cobscook Bay.

(b) *Checking stations.* Hunters, upon entering or leaving the hunting area, shall report at such checking stations as may be established for the purpose of regulating the hunting. All deer taken shall be presented for registration and examination at such times and place or places as may be determined by the officer in charge.

(c) *State laws.* Strict compliance with all applicable State laws and regulations is required.

(d) *Hunting permits.* No persons is permitted to hunt on any refuge area open to public hunting until he has obtained a permit from the officer in charge. Hunting by minors is permitted if accompanied by a responsible adult.

§ 35.39 Firearms and lights.

(a) *Firearms.* The possession of firearms of any description is prohibited except as follows:

(1) By authorized State and Federal officials engaged in law enforcement or other official duties.

(2) By persons traveling public highways under easement to the State of Maine wherein title is vested in the United States who may carry or transport only unloaded firearms that are dismantled and/or cased.

(3) By deer hunting permittees using only rifles firing center fire cartridges or shotguns with loads of either rifled slugs, single ball, or buckshot not smaller than single 0.

(b) *Artificial lights.* No person shall use the rays of a spotlight or other artifiscial light, or automotive headlight on any highway, field, or woodland within the refuge boundaries or along public highways under easement to the State of Maine wherein title is vested in the United States, for the purpose of spotting, locating, or taking any wild animals or birds.

[F.R. Doc. 59-7598; Filed, Sept. 11, 1959; 8:46 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 982]

[Docket No. AO-238-A10]

MILK IN CENTRAL WEST TEXAS MARKETING AREA

Decision on Proposed Amendments to Tentative Marketing Agreement and to Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Abilene, Texas, on August 25, 1959, pursuant to notice thereof issued on August 17, 1959 (24 F.R. 6759).

The material issues of record related to:

1. A continuation of the Class II–A price during the months of August through January; and

2. The need for immediate action by the Secretary with respect to Issue No. 1.

Interested parties were given until August 27, 1959, for the filing of briefs. Within the time reserved only one brief was filed and it was in support of the action recommended below.

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

1. The Class II–A price should be continued throughout the entire year.

In the past the Central West Texas market has been a deficit market and, except for the months of flush production, producer receipts have been less than the fluid requirements of the market. As a result, no manufacturing facilities have been developed in or adjacent to the milkshed. The only outlets for milk produced in excess of the market's requirements are two small cheese factories which operate for the most part on a part time basis. Because of the nature of their operations, returns from the sale of cheese by these plants has been such as to preclude their paying the Class II price for milk which they receive from handlers in the Central West Texas market.

In recognition of this situation, the order provides a Class II–A classification at a price somewhat lower than the Class II classification, which is effective for milk made into Cheddar cheese during the months of February through July of each year. At the time this classification was established it was concluded from the market's deficit history that there would be little or no excess supply of milk which must be manufactured into Cheddar cheese during the months of August through January. Official notice is taken of the decision of the Assistant Secretary, dated January 29, 1958 (23 F.R. 587) which stated that the Class II–A classification should be incorporated in the order for the months of February through July of each year.

Within the past year there has been a very substantial increase in the volume of milk produced for the market. Part of this increase is attributable to the very favorable production conditions that have prevailed through the milkshed but it is also due in large measure to the increase in production that has everywhere accompanied the shift of producers from cans to bulk tank deliveries. Ninety-eight and nine-tenths percent of the producer milk delivered to the Central West Texas market is now in bulk tanks. The average production per day per farm between July 1958 and July 1959 increased from 794 pounds to 981 pounds. Total producer receipts in July 1958 were 13.3 million pounds, but in July 1959 there were 15.4 million pounds. In July 1958 there were 606,029 pounds of milk classified as Class II–A, but in July 1959 there were 2,219,968 pounds of milk in Class II–A.

During the first 24 days of August of this year, the volume of milk manufactured into Cheddar cheese amounted to more than a million pounds. Since the Class II–A classification ended in July, this milk was classified and priced as Class II. The Producers Association estimated its loss on handling this milk would be somewhat in excess of five thousand dollars and stated that unless relief were granted through the reestablishment of the Class II–A price the association would be placed in serious financial difficulties.

Indications are that with the beginning of the association's base-forming period in September, production will increase substantially and that receipts for the remainder of the year will exceed the market's fluid requirements. Thus, it follows that there will be substantial quantities of milk that must find its way into Cheddar cheese.

Accordingly, it is concluded that the Class II–A classification should be continued throughout the entire year.

2. The due and timely execution of the function of the Secretary under the Act imperatively and unavoidably requires the omission of a recommended decision by the Deputy Administrator, Agricultural Marketing Service, and the opportunity for exceptions thereto on the above issue.

The conditions complained of are such that it is urgent that remedial action be taken as soon as possible. Delay beyond the minimum time required to make the attached order effective would defeat the purpose of such amendment, since the Producers Association is incurring financial losses every day that the effective date of the proposed amendment is delayed. Accordingly, the time necessarily involved in the preparation, filing, and publication of a recommended decision and exceptions thereto would greatly reduce the effectiveness of such relief.

It is therefore found that good cause exists for the omission of the recommended decision in order to inform interested parties of the conclusions reached. Uncertainty on the part of interested parties might lead to instability in the market. Knowledge of the action decided upon by the Secretary will permit those affected to adjust their operations promptly in accordance with such decision.

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

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

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

Marketing agreement and order amending the order, as amended. Annexed hereto and made a part hereof are two documents entitled, respectively, "Marketing Agreement Regulating the Handling of Milk in the Central West Texas Marketing Area" and "Order Amending the Order, as Amended, Regulating the Handling of Milk in the Central West Texas Marketing Area", which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical

with those contained in the order as hereby proposed to be amended by the attached order which will be published in this decision.

Determination of representative period. The month of July 1959 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the attached order amending the order, regulating the handling of milk in the Central West Texas marketing area, is approved or favored by producers, as defined under the terms of the order as hereby proposed to be amended, and who, during such representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

Issued at Washington, D.C., this 9th day of September 1959.

CLARENCE L. MILLER,
Assistant Secretary.

Order[1] Amending the Order Regulating the Handling of Milk in the Central West Texas Marketing Area

§ 982.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order, and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.) and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Central West Texas marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

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

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Central West Texas marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the aforesaid order is hereby amended as follows:

1. Amend § 982.41 (b)(1) and (c) by deleting the phrase, "during the months of February through July".

2. Amend § 982.44(f) by deleting the phrase, "during the months of February through July,"

3. Amend § 982.46(a) (2) and (3) by deleting the phrase, "during the months of February through July and Class II milk during other months".

4. Amend § 982.51(b) by deleting the phrase "For the months of February through July,"

[F.R. Doc. 59-7626; Filed, Sept. 11, 1959; 8:49 a.m.]

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

[7 CFR Parts 1002, 1009]

[Docket No. AO-268-A5]

MILK IN GREATER WHEELING AND CLARKSBURG, WEST VIRGINIA MARKETING AREAS

Notice of Hearing on Proposed Amendments to Tentative Marketing Agreements and Orders

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held in the Hotel Windsor, 1143 Main Street, Wheeling, West Virginia, beginning at 10:00 a.m. local time, on September 29, 1959, with respect to proposed amendments to the tentative marketing agreements and to the orders, regulating the handling of milk in the Greater Wheeling and Clarksburg, West Virginia marketing areas.

The public hearing is for the purpose of receiving evidence with respect to the economic and marketing conditions which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreement and to the order.

The proposal relative to a redefinition of the Greater Wheeling marketing area raises the issue whether the provisions of the present order would tend to effectuate the declared policy of the Act, if they are applied to the marketing area as proposed to be redefined and, if not, what modifications of the provisions of the order would be appropriate.

The proposed amendments, set forth below, have not received the approval of the Secretary of Agriculture.

Proposed by the Dairymen's Co-Operative Sales Association, Pittsburgh, Pennsylvania:

Proposal No. 1. Amend the standard utilization percentages in §§ 1002.51(a) (4) and 1009.51(a)(4) by adjusting the seasonal pattern by months so that the table more nearly reflects the seasonal production pattern to the extent of increasing the percentage 5%.

Proposal No. 2. Amend § 1002.51(a) by deleting February and March from the list of months to which the Class I differential of $1.50 now applies, and amend § 1009.51(a) by deleting the months of February and March from the list of months to which $1.75 now applies.

Proposal No. 3. Amend the operation of the supply-demand factors in Order No. 102 so that the immediately two preceding months are used to figure the current month's factor, using both the Northeastern Ohio Marketing Order (No. 75) adjustment and the applicable local market calculation.

Proposal No. 4. Amend §§ 1002.19, 1009.19 and related sections to provide for base and excess milk being paid for April through July.

Proposal No. 5. Allow a cooperative association to become a handler in cases where bulk tank milk is directed to more than one pool plant under orders 102 or 109.

Proposal No. 6. In handling allocations in an accounting period under orders 102 and 109, provide that inventories shall have priority immediately after producer shrinkage allowance or make such other revision that beginning inventory allocated to Class I will be subject to proper accounting whether from producer milk or other source milk.

Proposal No. 7. Include a provision in the section on payments under orders 102 and 109 which would add interest charges (at the rate of 6% per annum) on any overdue account to the producer settlement fund or to cooperative associations.

Proposal No. 8. Amend the allowance on shrinkage under orders 102 and 109 to provide that no shrinkage be permitted on any handling or receipts of nonfluid items and that shrinkage be allowed on diverted milk to the pool plant which actually receives and handles the milk.

Proposal No. 9. Amend §§ 1002.43(c) (4) and 1009.43(c)(4) to provide that skim milk and butterfat transferred in bulk from a pool plant to a nonpool plant shall be assigned to any Class II use remaining in the nonpool plant after the subtraction of milk received from ungraded sources at such nonpool plant.

Proposed by Broughton's Dairy, Quaker City, Ohio, and Ohio Valley Dairy, Martins Ferry, Ohio:

Proposal No. 10. Expand the Greater Wheeling marketing area to include the remainder of Guernsey County, Ohio, and Union township in Muskingum County, Ohio.

Proposed by Hillcrest Dairy, Cadiz, Ohio:

Proposal No. 11. Expand the Greater Wheeling marketing area to include Harrison County, Ohio.

Proposed by the Wheeling Handlers Federal Order Committee:

Proposal No. 12. Consider revision of § 1002.8 of Greater Wheeling Milk order whereby approved plants may become regulated distributing plants under certain specified conditions.

Proposal No. 13. Delete the table in § 1002.51(a)(1) of the Greater Wheeling order and substitute the following:

Month	*Amount*
March, April, May, June, and July	$1.45
All others	1.90

Proposal No. 14. Delete the table in § 1009.51(a)(1) of the Clarksburg order and substitute the following:

Month	*Amount*
March, April, May, June, and July	$1.70
All others	2.15

Proposed by the Dairy Division, Agricultural Marketing Service:

Proposal No. 15. Make such changes as may be necessary to make the entire marketing agreements and the orders conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrator, 703 Hawley Building, 1025 Main Street, Wheeling, West Virginia, or from the Hearing Clerk, Room 112, Administration Building, United States Department of Agriculture, Washington 25, D.C., or may be there inspected.

Issued at Washington, D.C., this 9th day of September 1959.

ROY W. LENNARTSON,
Deputy Administrator,
Agricultural Marketing Service.

[F.R. Doc. 59-7606; Filed, Sept. 11, 1959; 8:47 a.m.]

Commodity Stabilization Service

[7 CFR Part 722]

UPLAND COTTON, 1960 CROP

Notice of Determinations To Be Made With Respect to a National Marketing Quota; National, State and County Allotments; Fixing of a Date for Holding a Referendum; and Formulation of Regulations Pertaining to Acreage Allotments

Pursuant to the authority contained in the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the "act") (52 Stat. 31, as amended; 7 U.S.C. 1281 et seq.), the Secretary of Agriculture is preparing to determine as soon as practicable whether a national marketing quota is required to be proclaimed for the 1960 crop of upland cotton (hereinafter referred to as "cotton"). If such quota is required, the Secretary will also determine and proclaim the amount of the quota and the amount of the national allotment for the 1960 crop of cotton and will issue regulations pertaining to acreage allotments for cotton.

Section 342 of the act provides that whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. It further provides that the Secretary shall determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales adequate, together with (1) the estimated carryover at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. Under the provisions of section 342 of the act, the national marketing quota for the 1960 crop shall be not less than the number of bales required to provide a national acreage allotment of sixteen million acres.

Section 342 of the act requires the proclamation of the national marketing quota to be made not later than October 15 of the calendar year in which the determination is made that the total supply of cotton exceeds the normal supply. In order that the Agricultural Stabilization and Conservation State and county committees may properly and timely perform their functions in connection with establishing farm allotments for the 1960 crop of cotton, it will be necessary to issue any such proclamation and to determine the national, State and county allotments as soon as practicable.

As defined in section 301 of the act for purposes of the determinations provided for in section 342 of the act, "total supply" of cotton for any marketing year is the carryover at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins, and the estimated imports of cotton into the United States during such marketing year; "carryover" of cotton for any marketing year is the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current; "normal supply" of cotton for any marketing year is the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of such consumption and exports as an allowance for carryover; and "marketing year" for cotton is the period August 1–July 31.

Section 344(a) of the act provides that whenever a national marketing quota is proclaimed under section 342 of the act, the Secretary shall determine and proclaim a national allotment for the crop of cotton to be produced in the next calendar year. The national allotment for cotton for 1960 is that acreage, based upon the national average yield per acre of cotton for the 4 calendar years 1955, 1956, 1957, and 1958, which is required to make available from the 1960 crop an amount of cotton equal to the national marketing quota.

If a national allotment is proclaimed for the 1960 crop of cotton, such allotment will be apportioned among the States, as provided by section 344(b) of the act, on the basis of the acreage planted to cotton during the 5 calendar years 1954, 1955, 1956, 1957, and 1958, with adjustments during such period as provided under the act, the Soil Bank provisions of the Agricultural Act of 1956 (70 Stat. 188; 7 U.S.C. 1801 et seq.) and the Great Plains Conservation Program provisions of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590p(b)).

The regulations which the Secretary will issue pertaining to acreage allotments for the 1960 crop of cotton will be substantially the same as those issued for the 1959 crop and will provide for approval by the Secretary and publication thereof in the FEDERAL REGISTER of State and county allotments, and State and county reserves. However, consideration is being given to a broadened condition of eligibility for a new cotton farm allotment that the farm is the only farm which is owned or operated by the farm operator or farm owner for which a cotton allotment is established for 1960. A similar condition of eligibility in previous years was limited to the county in which the new farm is located.

In addition, various changes in the regulations will be made to implement Public Law 86-172 (73 Stat. 393, approved August 18, 1959) which amended the act with respect to preservation of acreage history, reallocation of unused cotton allotments and other miscellaneous provisions.

Section 102 of the Agricultural Act of 1949, as amended, provides that the farm allotment established pursuant to section 344 of the act shall be the Choice (A) allotment, and provides for establishing a Choice (B) allotment which shall not exceed the Choice (A) allotment by more than 40 per centum. Notices of farm allotment for both Choice (A) and Choice (B) allotments will, insofar as practicable, be mailed to farm operators prior to the cotton referendum. Application for review of the farm allotment must be made within fifteen days after the mailing of such notice of farm allotment and marketing quota. Not later than January 31, 1960, the Secretary will determine and announce the price support levels applicable to Choice (A) and Choice (B) allotments, respectively. Thereafter, farm operators will receive notice of such price support levels and be given opportunity to elect the Choice (B) allotment for the farm. If the farm operator fails to elect the Choice (B) allotment for the farm, he shall be deemed to have chosen the Choice (A) allotment for the farm.

Public Law 86-172 amends section 344(f)(8) of the act to provide that the Secretary shall, if allotments were in effect the preceding year, provide for the county allotment for the 1960 crop of cotton to be apportioned to farms on the basis of the farm allotment for 1959, adjusted as may be necessary for any change in the acreage of cropland available for the production of cotton or to meet the requirements of any provision

of the act (other than section 344(f) (2) and (6)) with respect to the counting of acreage for history purposes. Accordingly, farm allotments will be established pursuant to the method in section 344 (f) (8) of the act in all counties.

Section 343 of the act provides that not later than December 15 following the issuance of the proclamation of the national marketing quota provided for in section 342 of the act, the Secretary shall conduct a referendum by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If a quota is proclaimed for the 1960 crop of cotton, it is expected that December 15, 1959, will be set as the date of the referendum.

Section 362 of the act provides that notice of the farm allotment established for each farm shown by the records of the county committee to be entitled to such allotment, shall, insofar as practicable, be mailed to the farm operator in sufficient time to be received prior to the date of the referendum.

Prior to making any of the foregoing determinations with respect to the national marketing quota, the national allotment, the apportionment of the national allotment to States and the State allotments to counties, fixing a date for holding a referendum, and the formulation of regulations pertaining to acreage allotments for the 1960 crop of cotton, consideration will be given to any data, views, and recommendations pertaining thereto which are submitted in writing to the Director, Cotton Division, Commodity Stabilization Service, United States Department of Agriculture, Washington 25, D.C., within 15 days following the publication of this notice in the FEDERAL REGISTER. The date of the postmark will be considered as the date of any submission.

Issued at Washington, D.C., this 8th day of September 1959.

CLARENCE D. PALMBY,
Acting Administrator,
Commodity Stabilization Service.

[F.R. Doc. 59-7630; Filed, Sept. 11, 1959; 8:50 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 600]

[Airspace Docket No. 59-WA-149]

FEDERAL AIRWAYS

Modification of Federal Airway

Pursuant to the authority delegated to me by the Administrator § 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to § 600.6005 of the regulations of the Administrator, as hereinafter set forth.

VOR Federal airway No. 5 presently extends from Jacksonville, Fla., to London, Ont., Canada. The Federal Aviation Agency has under consideration the modification of the main airway and east alternate segments of Victor 5 between Bowling Green, Ky., and Louisville, Ky. The main airway segment is presently designated via the point of intersection of the Bowling Green VOR 048° and the Louisville VOR 189° radials. The east alternate segment, which is one hundred nineteen miles in length, is presently designated via the point of intersection of the Bowling Green VOR 063° and the Louisville VOR 168° radials. The modification of these segments via a VOR proposed to be installed in the vicinity of New Hope, Ky., at Lat. 37°37'53", Long. 85°40'34", scheduled to be commissioned on November 1, 1959, will improve the navigational guidance, and facilitate the movement of air traffic arriving and departing from the Bowling Green and Louisville terminals. If such action is taken, Victor 5 main airway segment Bowling Green, Ky., to Louisville, Ky., will be designated via the New Hope, Ky., VOR. Victor 5 east alternate segment, Bowling Green to New Hope, will be designated via the point of intersection of the Bowling Green VOR 058° and the New Hope VOR 204° radials. The control areas associated with VOR Federal airway No. 5 are so designated that they will automatically conform to the modified airway. Accordingly, no amendment relating to such control areas is necessary.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Regional Administrator, Federal Aviation Agency, Federal Building, New York International Airport, Jamaica, N.Y. All communications received within thirty days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Administrator, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Administrator.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

In consideration of the foregoing, it is proposed to amend § 600.6005 (14 CFR, 1958 Supp., 600.6005) as follows:

In the text of § 600.6005 *VOR Federal airway No. 5 (Jacksonville, Fla., to London, Ont.)* delete "intersection of the Bowling Green omnirange 048° True and the Louisville omnirange 189° True radials; Louisville, Ky., omnirange station, including an east alternate from the Bowling Green omnirange station to the Louisville omnirange station via the intersection of the Bowling Green omnirange 063° True and the Louisville omnirange 168° True radials;" and substitute therefor "New Hope, Ky., VOR, including an east alternate via the INT of the Bowling Green VOR 058° and the New Hope VOR 204° radials; Louisville, Ky., VOR;"

Issued in Washington, D.C. on September 4, 1959.

D. D. THOMAS,
Director, Bureau of
Air Traffic Management.

[F.R. Doc. 59-7595; Filed, Sept. 11, 1959; 8:45 a.m.]

[14 CFR Part 600]

[Airspace Docket No. 59-WA-154]

FEDERAL AIRWAYS

Modification of Federal Airway

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to § 600.6614 of the regulations of the Administrator, as hereinafter set forth.

The Federal Aviation Agency is considering the modification of VOR Federal airway No. 1514, which extends from San Francisco, Calif., to New York, N.Y. The distance between the Hanksville, Utah, VOR and the Gunnison, Colo., VOR is 172 miles. In order to provide more precise navigational guidance, it is proposed to realign this airway segment via a new VOR to be installed approximately November 1, 1959, near La Sal, Utah, at Lat. 38°15'12", Long. 109° 15'35". If such action is taken, Victor 1514 between Hanksville and Gunnison would be designated via the La Sal VOR. The control areas associated with Victor 1514 are designated so as to conform automatically to the modified airway. Accordingly, no amendment relating to such control areas is necessary.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Regional Administrator, Federal Aviation Agency, P.O. Box 9007, Airport Station, Los Angeles 45, Calif. All communications received within thirty days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Administrator, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B–316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Administrator.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

In view of the foregoing, it is proposed to amend § 600.6614 (14 CFR, 1958 Supp., 600.6614, 23 F.R. 10340, 24 F.R. 703, 24 F.R. 1285, 24 F.R. 2230, 24 F.R. 3871) as follows:

In the text of § 600.6614 *VOR Federal airway No. 1514 (San Francisco, Calif., to New York, N.Y.)* delete "Hanksville, Utah, VOR; Gunnison, Colo., VOR;" and substitute therefor "Hanksville, Utah, VOR; La Sal, Utah, VOR; Gunnison, Colo., VOR;".

Issued in Washington, D.C., on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59–7596; Filed, Sept. 11, 1959; 8:45 a.m.]

[14 CFR Parts 600, 601]

[Airspace Docket No. 59–WA–63]

FEDERAL AIRWAYS AND CONTROL AREAS

Extension of Federal Airway and Associated Control Areas

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to §§ 600.6178 and 601.6178 of the regulations of the Administrator, as hereinafter set forth.

VOR Federal airway No. 178 presently extends from Farmington, Mo., to Paducah, Ky. The Federal Aviation Agency has under consideration the extension of Victor 178 from the Paducah VOR via the Central City, Ky., VOR and a VOR proposed to be installed approximately November 1, 1959 in the vicinity of New Hope, Ky., at Lat. 37°37'53", Long. 85°40'34", to the Lexington, Ky., VOR. The extension of Victor 178 would provide a parallel east/west route from the Farmington VOR to the Lexington VOR for the high volume of traffic presently operating on Victor 190 and Victor 4, and would establish a bypass route for aircraft over-flying the Louisville, Ky., terminal area. If such action is taken, an extension of Victor 178 and its associated control areas would be designated from the Paducah VOR via the Central City VOR, the New Hope VOR to the Lexington VOR.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Regional Administrator, Federal Aviation Agency, Federal Building, New York International Airport, Jamaica 30, N.Y. All communications received within thirty days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Administrator, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B–316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Administrator.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

In consideration of the foregoing, it is proposed to amend §§ 600.6178 and 601.6178 (14 CFR, 1958 Supp., 600.6178, 601.6178) to read as follows:

§ 600.6178 VOR Federal airway No. 178 (Farmington, Mo., to Lexington, Ky.).

From the Farmington, Mo., VOR via the Paducah, Ky., VOR, including a south alternate; Central City, Ky., VOR; New Hope, Ky., VOR; to the Lexington, Ky., VOR.

§ 601.6178 VOR Federal airway No. 178 control areas (Farmington, Mo., to Lexington, Ky.).

All of VOR Federal airway No. 178 including a south alternate.

Issued in Washington, D.C. on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59–7594; Filed, Sept. 11, 1959; 8:45 a.m.]

[14 CFR Part 601]

[Airspace Docket No. 59–KC–4]

CONTROL ZONES

Designation of Control Zone

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to Part 601 of the regulations of the Administrator, as hereinafter set forth.

The Federal Aviation Agency has under consideration the designation of a control zone at the Pontiac Municipal Airport, Pontiac, Mich. Upon the installation of a proposed new VOR approximately June 1, 1960 near Pontiac at Lat. 42°42'01", Long. 83°32'00", a straight-in instrument approach procedure to runway 9 at Pontiac Municipal Airport will be established. In order to provide adequate protection for aircraft conducting this approach, it is proposed to designate a control zone within a five-mile radius of the Pontiac Municipal Airport, with an extension to the Pontiac VOR.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Regional Administrator, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo. All communications received within thirty days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Administrator, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B–316, 1711 New York Avenue NW., Washington, 25, D.C. An informal Docket will also be available for examination at the office of the Regional Administrator.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

In consideration of the foregoing, it is proposed to amend Part 601 (14 CFR, 1958 Supp., Part 601) by adding a section as follows:

§ 601.2395 Pontiac, Mich., control zone.

Within a 5-mile radius of the Pontiac Municipal Airport and within 2 miles either side of the Pontiac VOR 115° radial, extending from the 5-mile radius zone to the VOR.

Issued in Washington, D.C., on September 8, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59–7592; Filed, Sept. 11, 1959; 8:45 a.m.]

[14 CFR Part 601]

[Airspace Docket No. 59–KC–45]

CONTROL ZONES

Designation of Control Zone

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that

the Federal Aviation Agency is considering an amendment to Part 601 of the regulations of the Administrator, as hereinafter set forth.

The Federal Aviation Agency, at the request of the United States Air Force, has under consideration the designation of a control zone at the K. I. Sawyer Air Force Base near Marquette, Mich. The K. I. Sawyer AFB will be reactivated on or about October 18, 1959. Reactivation of this air base will result in a high volume of military traffic which will make TVOR instrument approaches from the north and from the south to runways 19 and 1. To provide adequate separation for aircraft conducting instrument approaches, it is proposed to designate a control zone within a five mile radius of the K. I. Sawyer AFB, Mich., with extensions from the five mile radius zone, to a point eight miles north and to a point fifteen miles south of the TVOR.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Regional Administrator, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo. All communications received within thirty days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Administrator, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington, 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Administrator.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

In consideration of the foregoing, it is proposed to amend Part 601 (14 CFR, 1958 Supp., Part 601) by adding a section as follows:

§ 601.2461 Marquette, Mich., control zone (K. I. Sawyer AFB).

Within a five mile radius of the K. I. Sawyer AFB, within two miles either side of the K. I. Sawyer TVOR 009° radial from the five-mile radius zone to a point eight miles north of the TVOR, and within two miles either side of the TVOR 189° radial from the five-mile radius zone to a point fifteen miles south of the TVOR.

Issued in Washington, D.C., on September 4, 1959.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 59-7593; Filed, Sept. 11, 1959; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 3]

[Docket No. 13084]

RADIO BROADCAST SERVICES

Order Extending Time for Filing Comments

In the matter of amendment of § 3.66 (Broadcast Service) of the Commission's rules relating to remote control authorizations.

1. The Commission has before it for consideration a request filed September 4, 1959, by the International Brotherhood of Electrical Workers, for an extension of time from September 8, 1959, to October 1, 1959, in which to file comments in the above-entitled rule making proceeding.

2. Petitioner urges that it needs the additional time requested to file comments because its counsel is engaged in litigation which requires participation in meetings on the West Coast and that the extension will not prejudice the position or interests of the Commission or any other party.

3. The Commission is of the view that the public interest, convenience and necessity would be served by affording the additional time requested for filing comments.

4. *Accordingly, it is ordered,* This 8th day of September 1959, that the abovementioned request of the International Brotherhood of Electrical Workers is granted; that the time for filing comments in this proceeding is extended from September 8, 1959, to October 1, 1959, and that the time for filing reply comments is extended from September 18, 1959, to October 12, 1959.

Adopted: September 8, 1959.

Released: September 8, 1959.

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

[F.R. Doc. 59-7618; Filed, Sept. 11, 1959; 8:48 a.m.]

NOTICES

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

SALES OF CERTAIN COMMODITIES

September 1959 Monthly Sales List

Pursuant to the policy of Commodity Credit Corporation issued October 12, 1954 (19 F.R. 6669) and subject to the conditions stated therein, as well as herein, the commodities listed below are available for sale on the price basis set forth.

Principal changes in the list for September are the dropping of dry edible beans (all stocks sold except for a few odd lots); the transfer of sales and inventory management operations for tung oil from the Cincinnati to the Dallas CSS Commodity Office, as announced August 21 (press release USDA 2348-59); the removal of butter from the list of commodities available for barter; and an increase of three-eighths of one percent in the per annum interest rate on credit sales.

The CCC Monthly Sales List, which varies from month to month as additional commodities become available or commodities formerly available are dropped, is designed to aid in moving CCC's inventories into domestic or export use through regular commercial channels.

If it becomes necessary during the month to amend this list in any material way—such as by the removal or addition of a commodity in which there is general interest or by a significant change in price or method of sale—an announcement of the change will be sent to all persons currently receiving the list by mail from Washington. To be put on this mailing list, address: Director, Price Division, Commodity Stabilization Service, U.S. Department of Agriculture, Washington 25, D.C.

All commodities currently offered for sale by CCC, plus tobacco from CCC loan stocks, are eligible for export sale under the CCC Export Credit Sales Program. The following commodities are currently eligible for barter: Cotton, tobacco, rice (milled), wheat, corn, barley, sorghum grain, soybeans (1957-crop), cheddar cheese, and nonfat dry milk. This list is subject to change from time to time.

Interest rates per annum under the CCC Export Credit Sales Program for September 1959 are 4⅞ percent for periods up to six months, 5⅜ percent for periods from over six and up to 18 months, and 5⅞ percent for periods from over 18 months up to a maximum of 36 months.

The CCC will entertain offers from responsible buyers for the purchase of any commodity on the current list. Offers accepted by CCC will be subject to the terms and conditions prescribed by the Corporation. These terms include payment by cash or irrevocable letter of credit before delivery of the commodity, and the conditions require removal of the commodity from CCC storage within a reasonable period of time. Where conditions of sale for export differ from those for domestic sale, proof of exportation is also required, and the buyer is responsible for obtaining any required U.S.

Government export permit or license. Purchases from CCC shall not constitute any assurance that any such permit or license will be granted by the issuing authority.

Announcements containing all terms and conditions of sale will be furnished upon request. Interested persons are invited to communicate with the Commodity Stabilization Service, USDA, Washington 25, D.C., with respect to all commodities or—for specified commodities—with the designated CSS Commodity Office. For ready reference a number of these announcements are identified by code number in the following list. Commodity Credit Corporation reserves the right to amend, from time to time, any of its announcements which amendments shall be applicable to and be made a part of the sale contracts thereafter entered into.

CCC reserves the right to reject any or all offers placed with it for the purchase of commodities pursuant to such announcements.

If CCC does not have adequate information as to the financial responsibility of prospective buyer to meet all contract obligations that might arise by acceptance of an offer or if CCC deems such buyer's financial responsibility to be inadequate CCC reserves the right (i) to refuse to consider the offer, (ii) to accept the offer only after submission by the buyer of a certified or cashier's check, bond, letter of credit or other security acceptable to CCC assuring that the buyer will discharge the responsibility under the contract, or (iii) to accept the offer upon condition that the buyer promptly submit to CCC such of the aforementioned security as CCC may direct. If a prospective buyer is in doubt as to whether CCC is acquainted with his financial responsibility he should communicate with the CSS Office at which the offer is to be placed to determine whether a financial statement or advance financial arrangement will be necessary in his case.

Disposals and other handling of inventory items often result in small quantities at given locations or in qualities not up to specifications. These lots are offered promptly upon appearance by public notice issued by the appropriate CSS Office and therefore generally they do not appear in the Monthly Sales List.

On sales for which the buyer is required to submit proof to CCC of exportation the buyer shall be regularly engaged in the business of buying or selling commodities and for this purpose shall maintain a bona fide business office in the United States, its territories or possessions, and have a person, principal, or resident agent upon whom service or judicial process may be had.

Prospective buyers for export should note that generally, sales to United States Government agencies, with only minor exceptions, will constitute a domestic unrestricted use of the commodity.

Commodity Credit Corporation reserves the right, before making any sale, to define or limit export areas.

Commodity	Sales price or method of sale
Dairy products	All sales except butter for restricted domestic use under LD-31 are under LD-29 and amendments. All sales are in carlots only. As many as 3 buyers may participate in purchasing a single carlot. Domestic prices: For unrestricted use price is "in store" [1] at storage locations of products. For restricted use price is on the basis of delivery f.o.b. cars at point of use named in offer. CCC will convert to "in store" price as provided in LD-29. Export prices are on the basis of delivery f.a.s. vessel or at buyers option f.o.b. cars point of export. If delivery is to be "in store" CCC will convert to "in store" price as provided in LD-29. Offers to purchase butter and nonfat dry milk for export shall state (1) that offer is subject to Announcement LD-29 and the price and other conditions in the September 1959 Monthly Sales List, and (2) either (a) date of contract of sale (if any) to foreign buyer or U.S. Government Agency and, if such date is prior to February 1, 1959, whether the sales prices to the foreign buyers have been reduced as required or (b) that the required exportation of dairy products will not be pursuant to any contract of sale made before September 1959. Submission of offers: For products in Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington, submit offers to the Portland CSS Commodity Office. For products in other States and the District of Columbia, submit offers to the Cincinnati CSS Commodity Office.
Butter	Domestic—unrestricted use: 66.25 cents per pound New York, Pennsylvania, New Jersey, New England, and other States bordering the Atlantic Ocean and Gulf of Mexico. 65.5 cents per pound Washington, Oregon, and California. All other States 65.25 cents per pound. Domestic—restricted use: For use as an extender for cocoa butter in the manufacture of chocolate and in such a manner as will not displace other dairy products from use in the manufacture of other products made from chocolate, 42 cents per pound. Export—unrestricted use: 42 cents per pound except that: (1) for fulfilling contractual commitments entered into prior to Feb. 1, 1959, with foreign buyers or with U.S. Government Agencies which execute the certificate required by paragraph 11(c) of LD-29, 39 cents per pound and (2) for fulfilling contractual commitments with foreign buyers entered into from Feb. 1 through June 30, 1959, 37 cents per pound.
Nonfat dry milk, spray roller, as available.	Domestic—unrestricted use: Spray process, U.S. extra grade; in barrels and drums, 16.0 cents per pound; in bags, 15.15 cents per pound. Roller process, U.S. extra grade; in barrels and drums, 14.00 cents per pound; in bags, 13.15 cents per pound. Domestic—restricted use (animal and poultry feed): In barrels, drums, or bags, 10.65 cents per pound. Export—unrestricted use: spray or roller process, U.S. extra grade; in barrels, drums, or bags, 8.1 cents per pound except that: (1) for fulfilling contractual commitments entered into prior to Feb. 1, 1959, with foreign buyers or with U.S. Government Agencies which execute the certificate required by paragraph 11(c) of LD-29, spray or roller process, 9.9 cents per pound in barrels and drums, 9.05 cents per pound in bags, and (2) for fulfilling contractual commitments with foreign buyers entered into from Feb. 1 through June 30, 1959, spray or roller process, 7.0 cents per pound.
Cheddar cheese, cheddars, flats twins, rindless blocks (standard moisture basis).	Domestic—unrestricted use: 38.0 cents per pound for New York, Pennsylvania, New England, New Jersey, and other States bordering the Atlantic and Pacific and Gulf of Mexico. All other States 37.0 cents per pound. Export—unrestricted use: 32.37 cents per pound.
Cotton, upland	Domestic or export—unrestricted use: Competitive bid and under the terms and conditions of Announcement CN-A (Sales by Local Sales Agencies of Choice (A) Cotton for Unrestricted Use), Announcement NO-C-12 (Sale of 1958 and Prior Crop Cotton for Unrestricted Use), and Announcement NO-C-13 (Sale of 1959-Crop Choice (A) Cotton for Unrestricted Use). Under CN-A, cotton to be sold at highest price offered but in no event at less than 110 percent of the applicable Choice (B) support price plus carrying charges. Under NO-C-12 and NO-C-13, cotton in CCC's catalogs to be sold at highest price offered but in no event at less than the higher of (1) the market price as determined by CCC or (2) 110 percent of the applicable Choice (B) support price plus carrying charges.
Cotton, extra long staple	Domestic or export—unrestricted use: Competitive bid and under the terms and conditions of Announcements NO-C-6 as amended and NO-C-10 as amended, but not less than the higher of (1) 105 percent of the current support price plus reasonable carrying charges, or (2) the domestic market price as determined by CCC. Catalogs for upland cotton (except cotton offered under CN-A) and extra long staple cotton showing quantities, qualities, and locations may be obtained for a nominal fee from the New Orleans CSS Commodity Office. Catalogs or lists of cotton offered under CN-A may be obtained from local sales agencies.
Wheat, bulk	Domestic—unrestricted use: Commercial wheat-producing area: Market price basis in store but not less than the 1959 applicable loan rates plus 18 cents per bushel if received by truck or (2) 13 cents per bushel if received by rail or barge. If delivery is outside the area of production, applicable freight will be added to the above. Examples of the foregoing minimum price per bushel (exrail or barge): Chicago, No. 1 RW ..... $2.25 Minneapolis, No. 1 DNS ..... 2.32 Kansas City, No. 1 HW ..... 2.25 Portland, No. 1 SW ..... 2.16 Noncommercial wheat-producing area: Same basis as in commercial area except 133 percent of applicable support rate. Export—(as wheat): Under Announcement GR-261 revised, as amended, for application to barter contracts and approved credit sales only at prices determined daily, and under Announcement GR-212 revised, amended, for specific offerings as announced. Disposals under Payment-in-Kind Program under Announcement GR-345. Available Evanston, Dallas, Kansas City, Minneapolis and Portland CSS Commodity Offices.
Corn, bulk	Domestic—unrestricted use: Commercial corn-producing area: Market price, basis in store [2], but not less than the 1958 applicable loan rate for corn produced in compliance with 1958 acreage allotments plus: (1) a markup of 20 cents per bushel for corn in storage at point of production, (2) a markup of 22 cents per bushel and the rail freight from point of production to the present point of storage for corn in storage at other than the point of production. Examples of the foregoing minimum price per bushel for No. 2 yellow corn, 13.3 percent moisture and 1.4 percent foreign material including average paid-in freight from Woodford County, Ill., to Chicago and Redwood County, Minn., to Minneapolis, respectively Chicago ..... $1.78 Minneapolis ..... 1.61¼ Noncommercial corn-producing area: Market price, basis in store,[2] but not less than 133 percent of the applicable 1958 loan rate plus markups as above. Non-storable corn, unrestricted use (as available): At other than bin sites, through the offices indicated on the following page. At bin sites, through ASC County Offices. Export: Under Announcement GR-212, revised, amended, for application to barter contracts and approved credit and emergency sales, and under Announcement GR-368 for Feed Grain Payment-in-Kind Program. Available Evanston, Dallas, Kansas City, Minneapolis, and Portland CSS Commodity Offices.
Oats, bulk	Domestic—Unrestricted use: Market price, basis in store,[2] but not less than the 1959 applicable loan rate, plus (1) a markup of 8 cents per bushel for oats in storage at point of production, (2) a markup of 10 cents per bushel and the rail freight from point of production to present point of storage for oats in storage at other than the point of production.

Commodity	Sales price or method of sale
Oats, bulk—Con.	Examples of the foregoing minimum price per bushel including average paid-in freight from Woodford County, Ill., to Chicago and Redwood County, Minn., to Minneapolis respectively: Chicago, No. 3 oats ..... $0.68¾ Minneapolis, No. 3 oats ..... .59¼ Export: Under Announcement GR-212, revised, amended, for application to approved credit and emergency sales and under Announcement GR-368 for Feed Grain Payment-in-Kind Program. Available Minneapolis, Evanston, Kansas City, Portland, and Dallas CSS Commodity Offices.
Barley, bulk	Domestic—unrestricted use: Market price basis in store but not less than the 1959 applicable loan rates plus (1) 11 cents per bushel if received by truck or (2) 8 cents per bushel if received by rail or barge. If delivery is outside the area of production, applicable freight will be added to the above. Example of the foregoing minimum price per bushel (exrail or barge): Minneapolis, No. 2 or better ..... $1.08 Export: Under Announcement GR-212 revised, amended, for application to barter contracts and approved credit and emergency sales, and under Announcement GR-368 for Feed Grain Payment-in-Kind Program. Available Minneapolis, Evanston, Kansas City, Portland, and Dallas CSS Commodity Offices.
Rye, bulk	Domestic—unrestricted use: Market price basis in store but not less than the 1959 applicable loan rates plus (1) 14 cents per bushel if received by truck or (2) 9 cents per bushel if received by rail or barge. If delivery is outside the area of production, applicable freight will be added to the above. Example of the foregoing minimum price per bushel (exrail or barge): Minneapolis, No. 2 or better ..... $1.22 Export: Under Announcement GR-212 revised, amended, for application to approved credit and emergency sales, and under Announcement GR-368 for Feed Grain Payment-in-Kind Program. Available, Domestic—Evanston, Minneapolis, Kansas City, and Portland CSS Commodity Offices. Export—Minneapolis, Evanston, Portland, Dallas, and Kansas City CSS Commodity Offices.
Grain sorghums, bulk	Domestic—unrestricted use: Market price basis in store but not less than the 1959 applicable loan rates plus (1) 24 cents per hundredweight if received by truck or (2) 15 cents per hundredweight if received by rail or barge. If delivery is outside the area of production, applicable freight will be added to the above. Example of the foregoing minimum price per hundredweight (exrail or barge): Kansas City, No. 2 or better ..... $2.05 Export: Under Announcement GR-212, revised, amended, for application to barter contracts and approved credit and emergency sales, and under Announcement GR-368, for Feed Grain Payment-in-Kind Program. Available, Domestic—Dallas, Portland, Kansas City, Minneapolis, and Evanston CSS Commodity Offices. Export—Evanston, Dallas, Kansas City, Minneapolis, and Portland CSS Commodity Offices.
Rice, milled (as available).	Domestic—unrestricted use: Market price but not less than equivalent 1959 loan rate for rough rice by varieties and grades plus 5 percent, adjusted for milling, plus 14 cents per cwt. basis in store. Prices and quantities available by varieties and grades may be obtained from Dallas and Portland CSS Commodity Offices. Example of minimum prices of milled rice per hundredweight at mills: Blue Bonnet: *U.S. No. 5* 9.18, *U.S. No. 4* 8.47 Century Patna: 8.43, 7.81 Pearl: 7.59, 7.06 Export: Under GR-379 for application to approved barter order commitments and approved credit sales. Prices and quantities available by varieties and grades may be obtained from Dallas and Portland CSS Commodity Offices. Special Export: Competitive bid for very limited quantities California Rice under GR-PD-99 (Revised).
Rice, rough	Domestic—unrestricted use: Market price but not less than the 1959 loan rate plus 5 percent, plus 16 cents per hundredweight, basis in store. Export: As milled or brown under Announcement GR-369 Rice Export Program Payment-in-Kind, and under GR-379 for approved credit sales. Prices, quantities, and varieties of rough rice available from Dallas CSS Commodity Office.
Soybeans, bulk (as available) 1957 and 1958 crop.	Domestic for crushing or export: Market price basis in store but not less than the 1958 basic loan rate for No. 2 grade, basis point of production plus 11 cents per bushel. Market discounts for quality factors will be applied to the basic price to determine the actual minimum sales prices. If delivery is outside the area of production, applicable freight and out-elevation charges at country loading point and in-elevation charges at subterminal or terminal storage point will be added to the above price. Sales of 1957 crop soybeans for application to barter contracts will be made under GR-212, revised, amended. Offered by Evanston, Kansas City, and Minneapolis CSS Commodity Offices. Premiums and discounts provided in loan bulletin to apply to other qualities.
Flaxseed, bulk (as available).	Domestic for crushing or export: Minneapolis CSS Commodity Office: Market price basis in store but not less than the 1958 crop support rate for grade No. 1 with 10.6—11.0 moisture. Portland CSS Commodity Office: Market price but not less than $3.06 per net bushel, basis in store Los Angeles, for grade No. 1 with 10.6—11.0 moisture.
Peanuts, shelled (as available).	Domestic—unrestricted use: Virginias: 1958 support price plus 5 percent, adjusted for milling, plus reasonable carrying charges, but not less than market price. Examples of the foregoing minimum price per pound: Extra large, 24.90 cents per pound. Medium, 22.83 cents per pound. No. 1, 20.72 cents per pound. Spanish and Runners: 1959 support price plus 5 percent, adjusted for milling, plus reasonable carrying charges, but not less than market price. Domestic for crushing or export: competitive bid under CCC Peanut Announcement 1, as amended.
Peanuts, farmers' stock (as available)	Domestic for crushing or export: Competitive bid under Announcement 1, as amended.
Tung oil	Offered by Dallas CSS Commodity Office. Export: Competitive bid under Announcement DL-OP-10 by Dallas CSS Commodity Office.
Burley tobacco	Domestic (unrestricted use) or export: Competitive bid under the terms and conditions of announcements issued and to be issued. These announcements cover various lots totaling about 6 million pounds. Copies of announcements issued may be obtained from the Tobacco Division, Commodity Stabilization Service, U.S. Department of Agriculture, Washington 25, D.C., or Burley Tobacco Growers Coop. Association, 620 S. Broadway, Lexington, Ky.
Gum rosin	Domestic—unrestricted use: Offer and acceptance basis, in galvanized metal drums (approximating 517 number net) in the stated quantities and on the designated storage yards, subject to the terms and conditions of Announcement TB-21-59 and supplements thereto which will be issued periodically during the month. Available through the American Turpentine Farmers Association Cooperative, Valdosta, Georgia. Export: Competitive bids for rosin in storage subject to Announcement TB-21-59 and weekly supplements thereto.

[1] At the processor's plant or warehouse but with any prepaid storage and outhandling charges for the benefit of the buyer.

[2] In those counties in which grain is stored in CCC bin sites delivery will be made f.o.b. buyer's conveyance at bin sites without additional cost; sales will also be made in store approved warehouses in such county and adjacent counties at the same price, provided the buyer makes arrangements.

(Sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b. Interpret or apply sec. 407, 63 Stat. 1055; 7 U.S.C. 1427, sec. 208, 63 Stat. 901)

Issued: September 8, 1959.

CLARENCE D. PALMBY,
Acting Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 59-7629; Filed, Sept. 11, 1959; 8:50 a.m.]

DEPARTMENT OF THE TREASURY

Coast Guard

[CGFR 59-34]

EQUIPMENT, INSTALLATIONS, OR MATERIALS, AND CHANGE IN ADDRESS OF MANUFACTURER

Approval and Amendments of Prior Document

Correction

In F.R. Doc. 59-7362, appearing at page 7139 of the issue of Thursday, September 3, 1959, the lifeboat dimensions specified in Approval No. 160.035/395/0, listed under Part I, should read "24.0' x 8.33' x 3.58'."

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[No. 60-2]

OREGON

Notice of Proposed Withdrawal and Reservation of Lands

SEPTEMBER 4, 1959.

The Department of Agriculture has filed an application, Serial No. Oregon 06333, for the withdrawal of the lands described below, subject to valid existing rights, from all forms of appropriation under the public land laws except the general mining laws, mineral leasing laws, and disposal of materials under the act of July 31, 1947 (61 Stat. 681; 43 U.S.C. 1185), as amended.

The applicant desires the land for the United States Forest Service for use and development for erosion control and other land utilization activities in connection with the existing Central Oregon Land Utilization Project.

For a period of thirty days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 809 N.E. Sixth Avenue, Portland 12, Oregon.

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 of the Interior on the application 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:

WILLAMETTE MERIDIAN, OREGON

T. 11 S., R. 12 E.,
Sec. 2: lot 1, and E½SE¼.

Approximately 115.76 acres.

TOM D. CONKLIN,
Acting State Supervisor.

[F.R. Doc. 59-7599; Filed, Sept. 11, 1959; 8:46 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 13188; FCC 59-916]

TELEGRAPH SERVICE WITH HAWAII

Notice of Inquiry

In accordance with Public Law 86-3, 86th Congress, approved March 18, 1959 and subsequent proclamation by the President on August 21, 1959 Hawaii has become the 50th State of the Union. Hawaii has historically been served by the international as distinguished from the domestic telegraph carriers. In the course of the enactment of legislation authorizing the merger of domestic telegraph carriers, Public Law 4, 78th Congress, approved March 6, 1943, the handling of traffic between the United States and Hawaii was determined by the Congress to constitute an international telegraph operation. It appears that at the time this determination was made in 1943 it was based on geographic rather than political considerations since at the same time operations to Alaska, then also a territory, were determined by the Congress to be domestic telegraph operations. It has been indicated informally to the Commission, however, that upon the admission of Hawaii as the 50th State, the merged domestic telegraph carrier desires to handle traffic to Hawaii. In view of this fact and of the substantive effects that any change in the handling of traffic with Hawaii could have upon the international telegraph carriers, the Commission desires, before making any determination whether or not to recommend legislative changes to the Congress, to receive in writing the views of interested parties regarding any changes in the Communications Act which they feel the Commission should recommend to the Congress in this connection. In submitting their views interested parties should, among other things they believe relevant, state:

(a) Whether or not the Commission should recommend changes in the Communications Act of 1934 which would operate to authorize domestic telegraph carriers to handle telegraph traffic between the mainland and Hawaii, and the reasons for the position taken;

(b) The plans which any telegraph carrier seeking such authorization has to serve Hawaii including:

(1) The rates to be charged, and

(2) The regulations, classifications and practices for and in connection with the telegraph traffic proposed to be handled;

(c) Whether it is proposed that telegraph traffic between the mainland and Hawaii be handled exclusively by domestic telegraph carriers, exclusively by international telegraph carriers, or by both domestic and international telegraph carriers;

(d) The revenues presently realized from the handling of telegraph traffic between the mainland and Hawaii, and the revenues which would be realized in the event that

(1) Hawaii were to be served only by domestic carriers, and

(2) Hawaii were to be served by both domestic and international telegraph carriers;

(e) The effect upon and the changes which would have to be made in the Formula provided for in section 222(e) of the Communications Act if traffic is to be handled competitively by the domestic and international carriers; and

(f) The exact language of any legislative proposal advocated.

All comments must be submitted to the Commission in writing not later than October 2, 1959 and all replies to such comments by October 19, 1959.

Adopted: September 2, 1959.

Released: September 9, 1959.

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

[F.R. Doc. 59-7617; Filed, Sept. 11, 1959; 8:48 a.m.]

[Docket No. 13180; FCC 59-896]

RODNEY F. JOHNSON (KWJJ)

Order Designating Application for Hearing on Stated Issues

In re application of Rodney F. Johnson (KWJJ), Portland, Oregon, Docket No. 13180, File No. BP-12056; Has: 1080 kc, 10 kw, DA-2, U, Requests: 1080 kc, 10 kw, 50 kw-LS, DA-2, for construction permit.

At a session of the Federal Communications Commission held at its offices in Washington D.C., on the 2d day of September, 1959;

The Commission having under consideration the above-captioned and described application;

It apearing, that except as indicated by the issues specified below, the instant applicant is legally, technically, financially, and otherwise qualified to construct and operate the instant proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated June 11, 1959, and incorporated herein by reference, notified the applicant, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of the application would serve the public interest, convenience and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the applicant filed a timely reply to the aforementioned letter, which reply has not, however, entirely eliminated the grounds and reasons precluding a grant of the application and requiring a hearing on the particular issues hereinafter specified; and in which the applicant stated that he would appear at a hearing on the instant application; and

It further appearing that after consideration of the foregoing and the applicant's reply, the Commission is still unable to make the statutory finding that a grant of the application would serve the public interest, convenience, and necessity; and is of the opinion that the application must be designated for hearing on the issues specified below;

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant application is designated for hearing, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operation of Station KWJJ and the availability of other primary service to such areas and populations.

2. To determine whether the instant proposal of KWJJ would involve objectionable interference with Station KSCO, Santa Cruz, California, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the area and populations affected thereby, and the availability of other primary service to such areas and populations.

3. To determine, in the light of the evidence adduced pursuant to the foregoing issues, whether a grant of the instant application would serve the public interest, convenience and necessity.

It is further ordered, That, Charles Vernon Berlin, Fred D. McPherson, Jr., and Mahlon D. McPherson, a partnership, d/b as Radio Santa Cruz, licensee of Station KSCO, Santa Cruz, California, is made a party to the proceeding.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicant and party respondent herein, pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

Released: September 9, 1959.

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

[F.R. Doc. 59-7619; Filed, Sept. 11, 1959; 8:48 a.m.]

[Docket No. 13182; FCC 59-899]

KHON BROADCASTING CO., INC.

Assignment of Call Letters

The Commission has before it for consideration the requests filed on June 15, 1959 by Radio Hawaii, Inc., licensee of Station KPOA, Honolulu, Hawaii and by its Washington, D.C. legal counsel that the Commission reconsider its action of May 1, 1959 in assigning the call letters KPOI to KHON Broadcasting Co., Inc., Honolulu, Hawaii, on the ground that use of the two sets of call letters KPOA and KPOI in Honolulu creates confusion in the minds of the listening public as to the identity of the said stations.

In support of its request, KPOA alleges that its call letters were assigned on May 27, 1946 and have been used continuously since that date; that during a period of 13 years the station has developed substantial good will and good reputation in the minds of the Honolulu public; that the call letters KPOA and KPOI are sufficiently similar, phonetically and rythmically, in pronunciation to cause general confusion in the minds of the public and among the trade; and that the confusion is greatly compounded by the method employed by KPOI in its daily use of its call letters. KPOA states further that on station identifications KPOI announces "You are listening to KAY-POY, KPOI" "1380 on your dial" or "Honolulu"; that the pronunciation and reiteration of "KAY-POY" is done in such a manner that the public generally associates the call sign with KPOA which has been serving the same area for 13 years;" that "this use and abuse by KHON Broadcasting Co., Inc. of its call sign is deliberate and is carefully calculated to mislead members of the public that they are listening to the older and more established station"; that "its obvious purpose, of course, is not only to deceive the public generally but to mislead the advertising trade and influence listener polls favorably to KHON Broadcasting Co., Inc. [KPOI]".

Additionally, KPOA points out that "POI is a popular word used generally throughout Honolulu to identify a common article of food among the native Hawaiians", and that every few minutes throughout the day KPOI makes announcements with respect to the "kay-poy bandstand", "kay-poy time", "kay-poy news center", "kay-poy weather", "kay-poy temperature", kay-poy album", "kay-poy release", "kay-poy top 26", etc., and that "the constant repetition of this contraction of the call letters KPOI aggravates the confusion in the minds of the listeners which the simlarity of the two call signs presents." Attached to KPOA's letter is an affidavit by Mr. M. Franklyn Warren, Vice President and General Manager of Station KPOA, in which he states that "since the change of call letters from KHON to KPOI by Radio Station KHON confusion was shown on the part of the public due to the similarity of call letters KPOA and KPOI"; and that "the following represents only part of the incidents occurred because the staff did not keep a regular log on each incident:

May 25, a.m.; call for Mr. Jock Fearnhead, owner of KPOI.

May 26, 2:10 p.m.; call for Ron Jacobs, disc jockey at KPOI.

May 27, 3:23 p.m.; call for Tom Rounds, news director at KPOI.

May 28, 2:24 p.m.; call for Tom Moffatt, disc jockey at KPOI.

May 28, 4:51 p.m.; call for George West, disc jockey at KPOI.

May 28, 4:58 p.m.; call for Sam Sanford, disc jockey at KPOI.

May 29, 10:15 a.m.; call for KPOI.

May 29, 10:45 a.m.; call for KPOI.

May 29, 1:40 p.m.; listener came to station to pick up records in exchange for Ed and Don Candy box tops This is a contest being run on KPOI.

June 2, 10:30 a.m.; lady came to studio to see George West, disc pockey at KPOI.

May 28, delivery of advertising material from Honolulu Advertiser to KPOA which was the KPOI engravings used in newspaper ad.

May 28; received bill from Transocean Air Lines which included, among our own charges, the following item used by KPOI's attorney: Air transportation for Davis/George/Lorrain/Tim SF/Hnl/SF, $626.70."

KPOA urges that the Commission, on its own motion to rescind, cancel and set aside its assignment of the call letters KPOI to KHON Broadcasting Co. Inc. and make a new call letter assignment to that licensee.

In a letter dated July 6, 1959, Washington, D.C. legal counsel for KPOI contends that the above-referenced letter of June 15, 1959 "is not even a formal petition, [and] cannot be given any consideration whatsoever", and that "the KPOI call letter change was to be effective May 1, 1959 so that the very latest time reconsideration of that call letter change could be had was 30 days after Commission action authorized the call letter change and certainly no later than 30 days after its effective date"; and that "the said letter, therefore, is not timely filed pursuant to section 405 of the Communications Act of 1934, as amended which requires that the petition to be timely must be filed within 30 days from the date upon which public notice is given of any decision, order or requirement complained of." KPOI states that the claim of confusion in the minds of listeners because of the call letters KPOI and KPOA "is a contradiction by itself for, as even Radio Hawaii [KPOA] knows, POI is as common a word in Hawaii as bread is elsewhere in the world and to many Hawaiians as much a staple in their diet".

KPOA does not state pursuant to which Commission rule or provision of the Communications Act its instant request is filed. However, § 1.191 of the Commission rules and section 405 of the Communications Act, which provide for petitions for reconsideration, require that such petitions be filed within 30 days of the action against which the petition is filed. The Commission's assignment of the call letters KPOI was effective May 1, 1959, and the instant request was not submitted until June 15, 1959. Therefore, the said request is not timely filed pursuant to the requirements of said sections for consideration thereunder.

The Commission on its own motion here considers the allegations before us with respect to confusion arising from the similarity of the two sets of call letters in Honolulu. We are of the opinion that the statements made by KPOA raise a substantial question as to whether confusion does arise from the use of the two sets of call letters KPOA and KPOI in Honolulu, Hawaii and whether KPOI should be required to change its call letters to avoid confusion and misconception in the minds of the listeners as to the identity of said two stations. We find nothing in the KPOI reply of July 6, 1959, to rebut the above showing by KPOA that confusion does obtain. Moreover, we are of the opinion that the call letters KPOA and KPOI are sufficiently similar phonetically and rhythmically in pronunciation to cause possible confusion and misconception in the minds of the Honolulu listeners as to the identity of the said two stations.

In view of the foregoing: *It is ordered*, That KHON Broadcasting Co., Inc. is directed to show cause, by public hearing if requested, within 30 days from the date of this Order, why the Commission should not issue an order rescinding its action of May 1, 1959 in assigning the call letters KPOI to its Honolulu, Hawaii station.

It is further ordered, That in the event KHON Broadcasting Co., Inc. desires a public hearing in the matter, such hearing should be requested within 30 days from the date of this order.

Adopted: September 2, 1959.

Released: September 9, 1959.

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

[F.R. Doc. 59-7620; Filed, Sept. 11, 1959; 8:48 a.m.]

[Docket No. 13179; FCC 59-894]

MARTIN KARIG

Order Designating Application for Hearing on Stated Issues

In re application of Martin Karig, Johnstown, New York, Docket No. 13179, File No. BP-11926; Requests: 930 kc, 1 kw, DA-D, for construction permit.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 2d day of September 1959;

The Commission having under consideration the above-captioned and described application;

It appearing that except as indicated by the issues specified below, the instant applicant is legally, technically, and otherwise qualified to construct and operate the instant proposal; and

It further appearing that on the basis of the information submitted by the instant applicant, it cannot be found that he is financially qualified to construct and operate the instant proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated July 9, 1959, and incorporated herein by reference, notified the applicant, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of the application would serve the public interest, convenience and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the applicant filed a timely reply to the aforementioned letter, which reply has not, however, entirely eliminated the grounds and reasons precluding a grant of the application and requiring a hearing on the particular issues hereinafter specified; and in which the applicant stated that he would appear at a hearing on the instant application; and

It further appearing that after consideration of the foregoing and the applicant's reply, the Commission is still unable to make the statutory finding that a grant of the application would serve the public interest, convenience, and necessity; and is of the opinion that the application must be designated for hearing on the issues specified below;

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant application is designated for hearing, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which would receive primary service from the proposed operation and the availability of other primary service to such areas and populations.

2. To determine whether the instant proposal would involve objectionable interference with Station WIBX, Utica, New York, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

3. To determine whether interference received from Stations WPAT, Paterson, New Jersey and WBEN, Buffalo, New York, would affect more than ten percent of the population within the normally protected primary service area of the instant proposal, in contravention of § 3.28(c)(3) of the Commission rules, and, if so, whether circumstances exist which would warrant a waiver of said section.

4. To determine whether the directional antenna parameters will produce the pattern proposed by instant applicant.

5. To determine whether the antenna system proposed by the instant applicant would constitute a hazard to air navigation.

6. To determine whether Martin Karig is financially qualified to construct and operate his proposed station.

7. To determine, in the light of the evidence adduced pursuant to the foregoing issues, whether a grant of the instant application would serve the public interest, convenience and necessity.

It is further ordered, That WIBX, Incorporated, licensee of Station WIBX, is made a party to the proceeding.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicant and party respondent herein, pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

Released: September 9, 1959.

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

[F.R. Doc. 59-7621; Filed, Sept. 11, 1959; 8:49 a.m.]

[Docket No. 13181; FCC 59-897]

MARIN BROADCASTING CO., INC. (KTIM)

Order Designating Application for Hearing on Stated Issues

In re application of Marin Broadcasting Company, Inc., Radio Station KTIM, San Rafael, California, Docket No. 13181, File No. BP-12540; for construction permit to change transmitter site.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 2d day of September 1959:

The Commission having under consideration the above-captioned and described application;

It appearing that except as indicated by the issues specified below, the applicant is legally, technically, financially, and otherwise qualified to construct and operate the instant proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, by letter dated May 20, 1959, and incorporated herein by reference, notified the applicant and Radio Station KAFP, the only other known party in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of the application would serve the public interest, convenience and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the applicant filed a timely reply to the aforementioned letter which reply has not, however, entirely eliminated the grounds and reasons precluding a grant without hearing of the application; and

It further appearing that after consideration of the applicant's reply, the Commission is still unable to make the statutory finding that a grant of the application would serve the public interest, convenience, and necessity; and is of the opinion that the application must be designated for hearing on the issues specified below:

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the above-captioned application is designated for hearing, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine whether the instant proposal of Radio Station KTIM would involve objectionable interference with Radio Station KAFP, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

2. To determine whether overlap of the respective 2 mv/m and 25 mv/m contours would occur between the instant proposal of Radio Station KTIM and Radio Station KAFP in contravention of § 3.37 of the Commission's rules, and if so whether circumstances would warrant a waiver of the said section.

3. To determine, in the light of the evidence adduced under the foregoing issues, whether a grant of the instant application would serve the public interest, convenience, and necessity.

It is further ordered, That Broadcast Associates, Incorporated, licensee of Radio Station KAFP, is made a party to this proceeding.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicant and party respondent herein, pursuant to § 1.140 of the Commission's rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

Released: September 9, 1959.

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

[F.R. Doc. 59-7622; Filed, Sept. 11, 1959; 8:49 a.m.]

FEDERAL POWER COMMISSION

[Docket No. G-14140, etc.]

WARREN PETROLEUM CORP. ET AL.

Notice of Applications and Date of Hearing

JULY 29, 1959.

In the matters of Warren Petroleum Corporation,[1] Docket No. G-14140; Glen

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See footnotes at end of document.

A. Martin, et al.,[2] Docket No. G–14141; Southland Royalty Company, Docket No. G–14144; Southwestern Exploration Company, et al.,[3] Docket No. G–14147; Skelly Oil Company, Docket No. G–14150; Union Oil Company of California, Docket No. G–14152; William D. Emery, Docket No. G–14153; Humble Oil & Refining Company,[4] Docket No. G–14154; Glenn L. Haught, et al., d/b/a Valentine Gas Company,[5] Docket No. G–14155; N. B. Hunt,[6] Docket No. G–14165; W. H. Hunt,[6] Docket No. G–14166; Lamar Hunt,[6] Docket No. G–14167.

Take notice that each of the above Applicants has filed an application for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing each to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the respective applications, and any amendments thereto, which are on file with the Commission and open to public inspection.

The respective Applicants produce and propose to sell natural gas for transportation in interstate commerce for resale as indicated below:

Docket Nos.; Field and Location; Purchaser

G–14140; Fairbanks Field, Harris County, Texas; Texas Illinois Natural Gas Pipeline Company.

G–14141; Henze Field, Dewitt County, Texas; Texas Eastern Transmission Corporation.

G–14144; Crosby-Devonian Field, Lea County, New Mexico; El Paso Natural Gas Company.

G–14147; Hugoton Field, Seward County, Kansas; Panhandle Eastern Pipeline Company.

G–14150; Seaman Pool, Lea County, New Mexico; Phillips Petroleum Company.

G–14152; Camrick Southeast Pool (Boyd Area), Beaver County, Oklahoma; Natural Gas Pipeline Company of America.

G–14153; Keyes Field, Cimarron County, Oklahoma; Colorado Interstate Gas Company.

G–14154; East Lake Palourde Field, Assumption and St. Martin Parish, Louisiana; Texas Gas Transmission Corporation.

G–14155; Murphy District, Ritchie County, West Virginia; Hope Natural Gas Company.

G–14165; Blinebry Pool, Lea County, New Mexico; El Paso Natural Gas Company.

G–14166; Blinebry Pool, Lea County, New Mexico; El Paso Natural Gas Company.

G–14167; Blinebry Pool, Lea County, New Mexico; El Paso Natural Gas Company.

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 September 15, 1959, at 9:30 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such 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 August 21, 1959. 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.

JOSEPH H. GUTRIDE,
Secretary.

[1] Warren Petroleum Company proposes to sell to Texas Illinois Natural Gas Pipeline Company residue gas from its Fairbanks Gasoline Plant pursuant to a gas sales contract dated September 1, 1957, which gas is purchased from Sinclair Oil & Gas Company. The application states that Sinclair receives as payment for said gas a percentage of the proceeds derived from the sale of residue gas.

[2] Glen A. Martin, Grande Oil Company, C. C. Dauchy, R. F. Schoolfield and Richard B. Lock are filing jointly for their working interests in the subject acreages. All are signatory seller parties to the subject gas sales contract.

[3] Southwestern Exploration Company, a co-partnership composed of W. H. Bird and A. Leon Derby, Jr., is filing for itself and on behalf of the co-owner, Vickers Petroleum Company, Inc. Both are signatory seller parties to the subject gas sales contract. Amendment filed December 30, 1957 corrects application, which erroneously lists Northern Natural Gas Company as purchaser instead of Panhandle Eastern.

[4] Application covers a basic contract dated December 3, 1957, and amendatory agreement adding additional acreages thereto dated January 15, 1958. Amendment filed July 10, 1958, requests inclusion of acreage dedicated under the aforesaid amendatory agreement.

[5] Valentine Gas Company, Applicant, is a partnership composed of Glenn L. Haught, Raymond Valentine, Clifton G. Valentine, Paul McCoy, L. E. Haught, Frederick Barker, Jr., Mountain Iron & Supply Company, Ed Meservie, R. S. Kemery, A. C. Sands, H. R. Amos, V. R. Williams, Harry Davis, V. E. Millsark, Arthur M. Taylor, Edward Harrigan, L. D. Nutter, Lewis T. Fuccy and H. B. Heflin. All are signatory seller parties to the subject gas sales contract through the signatures of Glenn L. Haught, who has signed the contract for himself and as Attorney-in-Fact for the remaining above-named partners.

[6] In Docket Nos. G–14165, G–14166 and G–14167, N. B. Hunt, W. H. Hunt and Lamar Hunt, respectively, propose to sell natural gas to El Paso from certain acreage pursuant to the same gas sales contract dated January 1, 1958, to which contract all are signatory seller parties. In each case, application was amended by instrument dated January 27, 1958, to designate subject field as Blinebry Pool rather than Queen Field.

[F.R. Doc. 59–7614; Filed, Sept. 11, 1959; 8:48 a.m.]

[Docket No. G–19320, etc.]

SULTEX OIL AND GAS CORP. ET AL.

Order for Hearings and Suspending Proposed Changes in Rates [1]

SEPTEMBER 4, 1959.

In the matters of Sultex Oil and Gas Corporation, Docket No. G–19320; James V. Rossi (V. L. Rossi, Trustee), Docket No. G–19321; Cities Service Oil Company, Docket No. G–19322; Premont Gas Gathering System, Inc., Docket No. G–19323; McAlester Fuel Company, Docket No. G–19324; Republic Natural Gas Company, et al., Docket No. G–19325.

The above-named Respondents have tendered for filing proposed changes in presently effective rate schedules for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes are designated as follows:

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser	Notice of change dated—	Date tendered	Proposed effective date	Rate suspended until—
G–19320	Sultex Oil and Gas Corp.	1	2	Tennessee Gas Transmission Co.	8–5–59	8–6–59	11–1–59	4–1–60
G–19321	James V. Rossi (V. L. Rossi, trustee).	1	3	do	Undated.	8–7–59	11–1–59	4–1–60
G–19322	Cities Service Oil Co.	[2] 121	7	Kansas-Nebraska Natural Gas Co., Inc.	8–3–59	8–6–59	10–1–59	3–1–60
G–19323	Premont Gas Gathering System, Inc.	1	2	Tennessee Gas Transmission Co.	8–6–59	8–10–59	11–1–59	4–1–60
G–19324	McAlester Fuel Co.	[3] 2	3	El Paso Natural Gas Co.	8–3–59	8–10–59	9–10–59	2–10–60
G–19325	Republic Natural Gas Co., et al.	25	1	Tennessee Gas Transmission Co.	8–6–59	8–10–59	11–1–59	4–1–60

[2] Presently effective rate is subject to refund in Docket No. G–16123.
[3] Presently effective rate is subject to refund in Docket No. G–14417.

Sultex Oil and Gas Corporation (Sultex), James V. Rossi (V. L. Rossi, Trustee), (Rossi), Republic Natural Gas Company, et al and Premont Gas Gathering System, Inc., (Premont), in support of their increased rate proposals, cite their respective contract provisions and state that the contracts were negotiated through arm's-length bargaining. In addition, Rossi states that expenses are increasing. Sultex and Republic, in addition, contend that its increased rate is probably less than the current mar-

[1] This order does not provide for the consolidation for hearing or disposition of the separately docketed matters covered herein, nor should it be so construed.

ket value for the gas in the area. Republic further states that the cost of preparing cost information in support of its increased rate would far exceed the total amount of the increase itself.

Cities Service Oil Company, in support of its proposed periodic increased rate, cites its contract provisions and states that the increase is reasonable and is lower than the present market value of equivalent gas in the area.

In support of its favored-nation increased rate proposal, McAlester Fuel Company cites its contract provisions and states that its contract was negotiated at arm's-length.

The increased rates and charges so proposed 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 hearings concerning the lawfulness of the several proposed changes and that the above-designated supplements 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), public hearings be held upon dates to be fixed by notices from the Secretary concerning the lawfulness of the several proposed increased rates and charges contained in the above-designated supplements.

(B) Pending hearing and decision thereon, each of the aforementioned supplements is suspended and the use thereof deferred until the date specified in the above-designated "Rate Suspended Until" column and thereafter until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplements hereby suspended, nor the rate schedules sought to be altered thereby, shall be changed until these proceedings have been disposed of or until the periods of suspension have 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.

MICHAEL J. FARRELL,
Acting Secretary.

[F.R. Doc. 59-7597; Filed, Sept. 11, 1959; 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

SEPTEMBER 9, 1959.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 35665: *Cement—Central territory to the south.* Filed by Traffic Executive Association-Eastern Railroads, Agent (No. CTR No. 2412), for interested railroads. Rates on cement, hydraulic or portland, carloads from specified points in Illinois, Indiana, Iowa, Missouri, New York, Ohio, and Pennsylvania to destinations in southern territory.

Grounds for relief: Short-line distance formula, grouping, and relief line arbitraries.

Tariff: Supplement 33 to Central Territory Railroads Tariff Bureau tariff I.C.C. 4638 (Hinsch series).

FSA No. 35666: *Iron or steel plates, Houston, Tex., to Pascagoula, Miss.* Filed by Southwestern Freight Bureau, Agent (B-7634), for interested rail carriers. Rates on iron or steel plates, carloads from Houston, Tex., to Pascagoula, Miss.

Grounds for relief: Barge competition.

Tariff: Supplement 65 to Southwestern Freight Bureau, Agent, tariff I.C.C. 4308.

FSA No. 35667: *Cement—Central territory to official territory.* Filed by Traffic Executive Association—Eastern Railroads, Agent (CTR No. 2413), for interested rail carriers. Rates on cement, and related articles, carloads from specified points in Illinois, Indiana, and Ohio to destinations in official territory in Kentucky, North Carolina, Virginia, and West Virginia.

Grounds for relief: Short-line distance formula, grouping and establishment of rates on destination level.

Tariff—Supplement 96 to Traffic Executive Association-Eastern Railroads, Agent, tariff I.C.C. 3826; Supplement 5 to Norfolk and Western Railway Company tariff I.C.C. 9685.

FSA No. 35668: *Cement from and to points in central territory.* Filed by Traffic Executive Association-Eastern Railroads, Agent, (CTR No. 2414), for interested rail carriers. Rates on cement and related articles, carloads from specified points in Indiana, New York and Ohio to destinations in central territory in Kentucky and West Virginia.

Grounds for relief: Short-line distance scale and establishment of rates on the destination level.

Tariff: Supplement 17 to Traffic Executive Association-Eastern Railroads, Agent, tariff I.C.C. C-56.

FSA No. 35669: *Cement—Lamson, Mich., to Illinois territory.* Filed by Traffic Executive Association-Eastern Railroads, Agent (CTR 2415), for interested rail carriers. Rates on cement and related articles, carloads from Lamson, Mich., to destinations in Illinois Territory.

Grounds for relief: Short-line distance formula and market competition with other producing points in official territory.

Tariff: Supplement 17 to Traffic Executive Association-Eastern Railroads, Agent, tariff I.C.C. C-56.

FSA No. 35670: *Grains—Stations in Iowa to Texas gulf ports.* Filed by The Chicago, Rock Island, and Pacific Railroad Company (No. 885), for itself and other interested rail carriers. Rates on barley, corn, oats, rye, and wheat, in bulk, carloads from stations in Iowa on the Rock Island to Galveston, Houston, and Texas City, Tex., for export.

Grounds for relief: Competition with the Port of New Orleans from the same origins.

Tariff: Supplement 8 to Chicago, Rock Island, and Pacific Railroad Company tariff I.C.C. C-13604.

FSA No. 35671: *Scrap iron or steel—Zanesville, Ohio to Calvert, Ky.* Filed by O. E. Schultz, Agent (ER No. 2509), for interested rail carriers. Rates on scrap iron or steel (not copper clad), carloads from Zanesville, Ohio to Calvert, Ky.

Grounds for relief: Truck-barge competition.

Tariff: Supplement 129 to Traffic Executive Association-Eastern Railroads, Agent, tariff I.C.C. 4664 (Hinsch series).

By the Commission.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 59-7604; Filed, Sept. 11, 1959; 8:47 a.m.]

[Notice 188]

MOTOR CARRIER TRANSFER PROCEEDINGS

SEPTEMBER 9, 1959.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 62497. By order of September 4, 1959, The Transfer Board approved the transfer to Buglio Trucking Co., a New Jersey Corporation, Vineland, N.J., of Certificate in No. MC 60183, issued May 25, 1949, to Joseph Buglio, doing business as Buglio Trucking Co., Vineland, N.J., authorizing the transportation of: Agricultural commodities from Vineland, N.J., Landisville, Hammonton, Swedesboro, and Cedarville, N.J., to Boston, Mass., Providence, R.I., New Haven, Conn., Syracuse and New York, N.Y., Philadelphia, Scranton and Wilkes-Barre, Pa., and Baltimore, Md.; fresh fruits and vegetables and such commodities as are used in, or incidental to the preparation, packing and shipment of canned, frozen and processed foods, from points in Pennsylvania, Delaware, Maryland, New York,

Connecticut, Rhode Island, Virginia, Massachusetts, and the District of Columbia, to points in New Jersey; such commodities as are used in, or incidental to the preparation, packing, and shipment of canned and processed foods from Connecticut, New York, Pennsylvania, Maryland, Washington, D.C., and Norfolk, Va., to Swedesboro; fertilizer and fertilizer materials, chemicals, insecticides, empty tin cans, barrels, boxes and pails from points in Maryland, Pennsylvania, New York to points in New Jersey; lime from Plymouth Meeting, Pa., to Vineland, N.J., glass containers, from Bridgeton, N.J., to New York, N.Y.; such merchandise as is dealt in by wholesale, retail, and chain grocery and food business houses, from New York to Pennsylvania, Maryland, the District of Columbia and points in New Jersey; from Philadelphia, Pa., to New York, N.Y.; canned and processed foods from points in New Jersey to points in Pennsylvania, Delaware, Maryland, the District of Columbia, New York, Connecticut, Rhode Island, and Massachusetts; damaged or rejected shipments of canned and processed foods from above-specified destination points to above-specified origin points. David Brodsky, Brodsky and Lieberman, Attorneys, 1776 Broadway, New York, N.Y.

No. MC–FC 62517. By order of September 4, 1959, The Transfer Board approved the transfer to James D. Marino, doing business as H. E. Edgar, Newton Highlands, Mass., of the operating rights in Certificate No. MC 79657, issued September 19, 1940, to Hazen E. Edgar, doing business as H. E. Edgar, Newton Highlands, Mass., authorizing the transportation of household goods, over irregular routes, between Newton, Mass., and points within 15 miles thereof, on the one hand, and, on the other, points in Massachusetts, New Hampshire, Maine, Vermont, Rhode Island, Connecticut, New York, and New Jersey. Joseph A. Kline, 185 Devonshire Street, Boston 10, Mass., for applicants.

[SEAL] HAROLD D. McCOY,
Secretary.

[F.R. Doc. 59–7605; Filed, Sept. 11, 1959; 8:47 a.m.]

DEPARTMENT OF COMMERCE

Federal Maritime Board

CITY OF LOS ANGELES AND AMERICAN PRESIDENT LINES, LTD.

Notice of Agreement Filed for Approval

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

Agreement No. 8325–1, between the City of Los Angeles and American President Lines, Ltd., modifies the basic agreement between the parties which provides for a preferential assignment of certain terminal property which is to be constructed within the Port of Los Angeles by the City in accordance with plans, specifications and designs acceptable to APL. The purpose of the modification is to provide that the wharves and transit sheds be constructed on the south instead of the north side of the slip.

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

Dated: September 9, 1959.

By order of the Federal Maritime Board.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 59–7613; Filed, Sept. 11, 1959; 8:48 a.m.]

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Area 237]

MONTANA

Declaration of Disaster Area

Whereas, it has been reported that during the month of August, 1959, because of the effects of certain disasters, damage resulted to residences and business property located in certain areas in the State of Montana;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act.

Now, therefore, as Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b) of the Small Business Act may be received and considered by the Offices below indicated from persons or firms whose property situated in the following Counties (including any areas adjacent to said Counties) suffered damage or other destruction as a result of the catastrophe hereinafter referred to:

Counties: Gallatin and Madison (earthquake occurring on or about August 17, 1959).

Offices: Small Business Administration Regional Office, Smith Tower, Room 1220, 506—2d Avenue, Seattle 4, Wash.

Small Business Administration Branch Office, Power Block, Room 412, Corner Main and Sixth Avenue, Helena, Mont.

2. No Special field offices will be established at this time.

3. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to February 29, 1960.

Dated: August 31, 1959.

WENDELL B. BARNES,
Administrator.

[F.R. Doc. 59–7625; Filed, Sept. 11, 1959; 8:49 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1–2645]

F. L. JACOBS CO.

Order Summarily Suspending Trading

SEPTEMBER 8, 1959.

In the matter of trading on the New York Stock Exchange and the Detroit Stock Exchange in the $1.00 par value common stock of F. L. Jacobs Co., File No. 1–2645.

I. The common stock, $1.00 par value, of F. L. Jacobs Co. is registered on the New York Stock Exchange and admitted to unlisted trading privileges on the Detroit Stock Exchange, national securities exchanges, and

II. The Commission on February 11, 1959 issued its order and notice of hearing under section 19(a)(2) of the Securities Exchange Act of 1934 to determine at a hearing beginning March 16, 1959 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 F. L. Jacobs Co. on the New York Stock Exchange and Detroit Stock Exchange for failure to comply with section 13 of the Act and the rules and regulations thereunder.

On August 28, 1959 the Commission issued its order summarily suspending trading of said securities on the exchanges 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 September 8, 1959.

III. The Commission being of the opinion that the public interest requires the summary suspension of trading in such security on the New York Stock Exchange and Detroit Stock Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the further opinion that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, trading in the stock of F. L. Jacobs Co. will be unlawful under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's rule 240.15c 2–2 (17 CFR 240.15c2–2) 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 security on the New York Stock Exchange and Detroit Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, this order to be effective for a period of ten (10) days, September 9, 1959 to September 18, 1959, inclusive.

By the Commission.

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

[F.R. Doc. 59-7600; Filed, Sept. 11, 1959; 8:46 a.m.]

[File No. 1-1673]

MAHONING COAL RAILROAD CO.

Notice of Application To Strike From Listing and Registration, and of Opportunity for Hearing

SEPTEMBER 8, 1959.

In the matter of Mahoning Coal Railroad Company, Common Stock, File No. 1-1673.

New York Stock Exchange has made application, pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-1(b) promulgated thereunder, to strike the specified security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following:

The stock is no longer suitable for listing and registration on the Exchange by reason of its limited distribution. All but 5,994 shares are held by the New York Central Railroad Company and public holders of record number only 279. The stock is inactively traded on the Exchange.

Upon receipt of a request, on or before September 23, 1959, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official file of the Commission pertaining to the matter.

By the Commission.

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

[F.R. Doc. 59-7601; Filed, Sept. 11, 1959; 8:46 a.m.]

[File No. 1-1616]

NEW YORK AND HARLEM RAILROAD CO.

Notice of Application To Strike From Listing and Registration, and of Opportunity for Hearing

SEPTEMBER 8, 1959.

In the matter of the New York and Harlem Railroad Company, Common Stock, File No. 1-1616.

New York Stock Exchange has made application, pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-1(b) promulgated thereunder, to strike the specified security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following:

The stock is no longer suitable for listing and registration on the Exchange by reason of its limited distribution. All but 9,682 shares are held by New York Central Railroad Company and public holders of record number only 174. The stock is inactively traded on the Exchange.

Upon receipt of a request, on or before September 23, 1959, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official file of the Commission pertaining to the matter.

By the Commission.

ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-7602; Filed, Sept. 11, 1959; 8:46 a.m.]

[File No. 7-2023]

TEXAS GULF PRODUCING CO.

Notice of Application for Unlisted Trading Privileges, and of Opportunity for Hearing

SEPTEMBER 8, 1959.

In the matter of application by the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in Texas Gulf Producing Company, Common Stock, File No. 7-2023.

The above named stock exchange, pursuant to section 12(f)(2) of the Securities Exchange Act of 1934 and Rule 12f-1 promulgated thereunder, has made application for unlisted trading privileges in the specified security, which is listed and registered on the New York Stock Exchange and Midwest Stock Exchange.

Upon receipt of a request, on or before September 23, 1959 from any interested person, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person making the request and the position he proposes to take at the hearing. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official file of the Commission pertaining to the matter.

By the Commission.

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

[F.R. Doc. 59-7603; Filed, Sept. 11, 1959; 8:46 a.m.]

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