

FEDERAL REGISTER



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Presidential Documents

Title 3—THE PRESIDENT

Executive Order 11114

EXTENDING THE AUTHORITY OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS it is the policy of the United States Government to encourage by affirmative action the elimination of discrimination because of race, creed, color, or national origin in employment on work involving Federal financial assistance, to the end that employment opportunities created by Federal funds shall be equally available to all qualified persons; and

WHEREAS Executive Order No. 10925 of March 6, 1961, 26 F.R. 1977, reaffirmed the policy of requiring the inclusion of non-discrimination provisions in Government contracts and established the President's Committee on Equal Employment Opportunity to administer the program for obtaining adherence to and compliance with such provisions; and

WHEREAS construction under programs of Federal grants, loans, and other forms of financial assistance to State and local governments and to private organizations creates substantial employment opportunities; and

WHEREAS it is deemed desirable and appropriate to extend the existing program for nondiscrimination in employment in Government contracts established by Executive Order No. 10925 to include certain contracts for construction financed with assistance from the Federal Government; and

WHEREAS it is also desirable to amend Executive Order No. 10925 in certain respects in order to clarify the authority of the President's Committee on Equal Employment Opportunity:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—NON-DISCRIMINATION PROVISIONS IN FEDERALLY ASSISTED CONSTRUCTION CONTRACTS

SECTION 101. Each executive department and agency which administers a program involving Federal financial assistance shall, insofar as it may be consistent with law, require as a condition for the approval of any grant, contract, loan, insurance or guarantee thereunder which may involve a construction contract that the applicant for Federal assistance undertake and agree to incorporate, or cause to be incorporated, into all construction contracts paid for in whole or in part with funds obtained from the Federal Government or borrowed on the Credit of the Federal Government pursuant to such grant, contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the provisions prescribed for Government contracts by section 301 of Executive Order No. 10925 or such modification thereof, preserving in substance the contractor's obligations thereunder, as may be approved by the President's Committee on Equal Employment Opportunity (the "Committee"), together with such additional provisions as the Committee deems appropriate to establish and protect the interest of the United States in the enforcement of these obligations. Each such applicant shall also undertake and agree (i) to assist and cooperate actively with the administering department or agency and the Committee in obtaining the compliance of contractors and subcontractors with said contract provisions and with the rules, regulations, and relevant orders of the Committee, (ii) to obtain and to furnish to the administering department or agency and

to the Committee such information as they may require for the supervision of such compliance, (iii) to enforce the obligations of contractors and subcontractors under such provisions, rules, regulations, and orders, (iv) to carry out sanctions and penalties for violation of such obligations imposed upon contractors and subcontractors by the Committee or the administering department or agency pursuant to Part III, Subpart D, of Executive Order No. 10925, and (v) to refrain from entering into any contract subject to this order, or extension or other modification of such a contract with a contractor debarred from Government contracts under Part III, Subpart D, of Executive Order No. 10925.

SEC. 102. (a) "Construction contract" as used herein means any contract for the construction, rehabilitation, alteration, conversion, extension, or repair of buildings, highways, or other improvements to real property.

(b) The provisions of Part III of Executive Order No. 10925 shall apply to such construction contracts, and for purposes of such application the administering department or agency shall be considered the contracting agency referred to therein.

(c) The term "applicant" as used herein means an applicant for Federal assistance or, as determined by agency regulation, other program participant, with respect to whom an application for any grant, contract, loan, insurance or guarantee is not finally acted upon prior to the effective date of this part, and it includes such an applicant after he becomes a recipient of such Federal assistance.

SEC. 103. (a) Each administering department and agency shall be primarily responsible for obtaining the compliance of such applicants with their undertakings hereunder and shall comply with the rules of the Committee in the discharge of this responsibility. Each administering department and agency is directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order.

(b) In the event an applicant fails and refuses to comply with his undertakings, the administering department or agency may, and upon the recommendation of the Committee, shall take any or all of the following actions:

(1) cancel, terminate, or suspend in whole or in part the agreement or contract with such applicant with respect to which the failure and refusal occurred;

(2) refrain from extending any further assistance under any of its programs subject to this order until satisfactory assurance of future compliance has been received from such applicant;

(3) refer the case to the Department of Justice for appropriate legal proceedings.

(c) No action shall be taken with respect to an applicant pursuant to paragraph (1) or (2) of subsection (b) without notice and hearing before the administering department or agency or the Committee, in accordance with the rules and regulations of the Committee.

SEC. 104. The Committee may, by rule, regulation, or order, exempt all or part of any program of an administering agency from the requirements of this order when it deems that special circumstances in the national interest so require.

SEC. 105. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order.

PART II—AMENDMENTS TO EXECUTIVE ORDER No. 10925

SECTION 201. Section 301 of Executive Order No. 10925 of March 6, 1961, is amended to read:

"SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all Government contracting agencies shall include in every Government contract hereafter entered into the following provisions:

'During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

'(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the non-discrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

'(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'*"

SEC. 202. Section 303 of Executive Order No. 10925 is amended to read:

THE PRESIDENT

"The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including any or all of the provisions of section 301 of this order in any specific contract, subcontract or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; (c) involving less than specified amounts of money or specified numbers of workers; or (d) to the extent that they involve subcontracts below a specified tier. The Committee may also provide, by rule, regulation, or order, for the exemption of facilities of a contractor which are in all respects separate and distinct from activities of the contractor related to the performance of the contract, provided that such an exemption will not interfere with or impede the effectuation of the purposes of this order and provided that in the absence of such an exemption all such facilities shall be covered by the provisions of this order."

PART III—MISCELLANEOUS

SECTION 301. The Secretary of Health, Education, and Welfare and the Administrator of the Housing and Home Finance Agency are designated members of the Committee. Each such member may designate an alternate to represent him in his absence.

SEC. 302. Section 401 of Executive Order No. 10925 shall apply to the administering departments and agencies subject to this order.

SEC. 303. Part I of this order shall become effective thirty days after the execution of this order. Parts II and III shall be effective immediately.

JOHN F. KENNEDY

THE WHITE HOUSE,
June 22, 1963.

[F.R. Doc. 63-6779; Filed, June 24, 1963; 10:50 a.m.]

Letter of June 22, 1963

[ASSIGNMENT TO SECRETARY OF STATE OF RESPONSIBILITY
REGARDING INTERNATIONAL AVIATION POLICY]THE WHITE HOUSE,
Washington, June 22, 1963.

DEAR MR. SECRETARY:

The recommendations of the Interagency Steering Committee on International Aviation Policy, which I approved a few weeks ago, underscored the need for a focus of leadership within the executive branch for (1) identifying emerging problems and advising me on their solution; (2) giving continuing attention to international aviation policies; and (3) assuring necessary follow-up actions. Since international aviation policies necessarily affect our over-all relations with other nations, I shall look to the Secretary of State, as a part of his assigned responsibilities, to provide such a focus of leadership for this vital area of foreign policy.

In making this assignment to you, I am mindful of the statutory responsibilities vested in the Department of Defense, the Department of Commerce, the Federal Aviation Agency, the Civil Aeronautics Board and the Agency for International Development, which bear importantly on the field of international aviation policy and of the contributions which these agencies are able to make. It is my desire, therefore, that you take such measures as may be necessary to assure that these agencies are appropriately consulted on all matters affecting their interests or falling within their special areas of competence. The effective accomplishment of this undertaking requires the cooperation and full utilization of the resources and skills of each of the agencies which participate in international aviation activities.

In this regard, I endorse the recommendations contained in the May 29, 1963, summary of the Bureau of the Budget study that there be established a high-level interagency Committee on International Aviation Policy, to be chaired by the Secretary of State or his representative. The other members will be the Secretaries of Defense and Commerce, or their representatives, the Administrator of the Federal Aviation Agency, the Chairman of the Civil Aeronautics Board, and the Administrator of the Agency for International Development. The Administrator of the Federal Aviation Agency will serve as vice chairman.

This committee will concern itself with policy matters affecting international aviation, as distinct from the technical matters which will, in the first instance, continue to be handled through the mechanism of the Interagency Group on International Aviation. The Chairman should convene the Committee on International Aviation Policy as soon as possible.

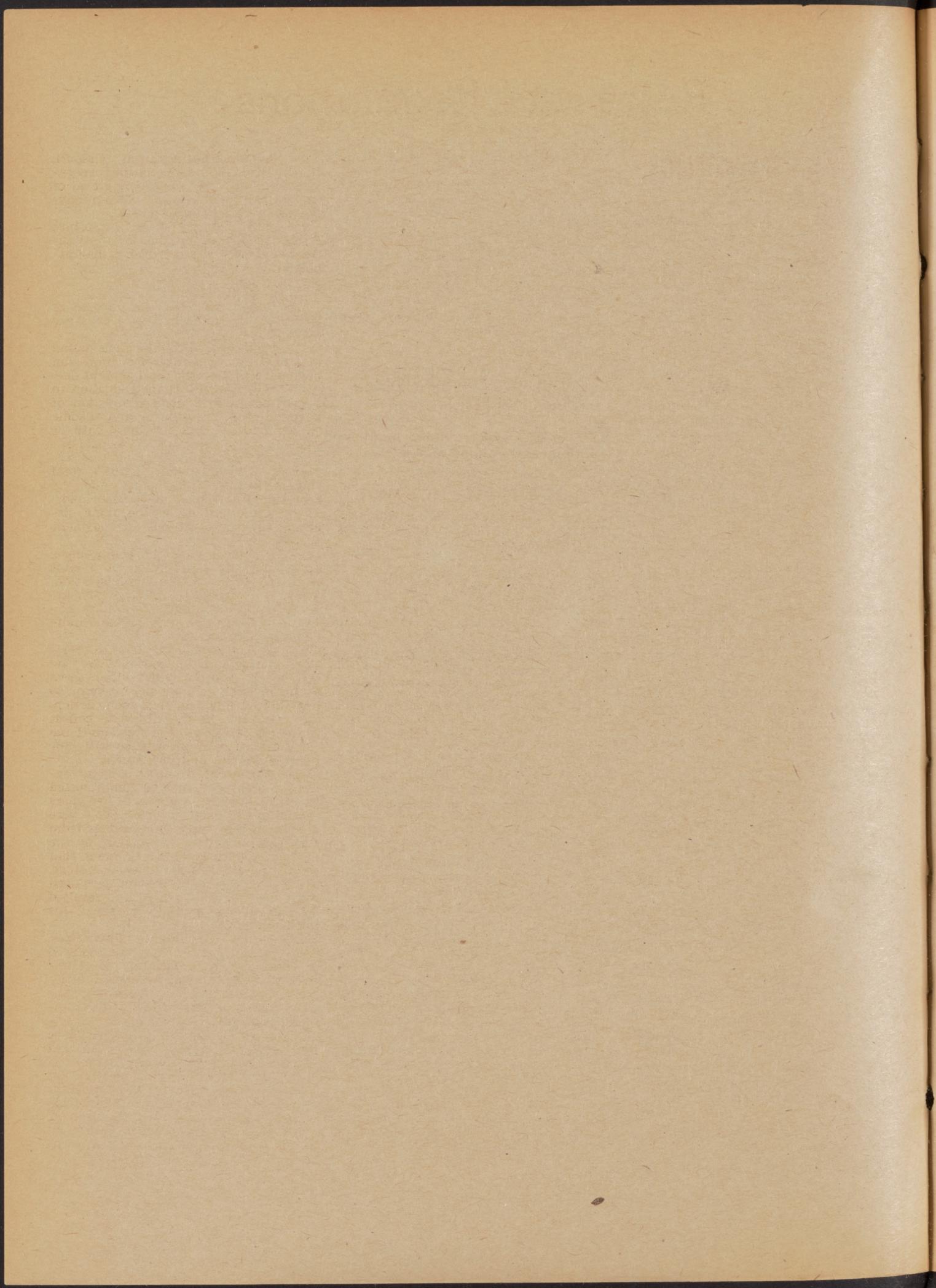
I know that you will take the necessary steps within the Department of State to assure that there are clear assignments of responsibility and adequate allocations of staff resources for meeting the important responsibilities which leadership in international aviation policy matters entails. Please report to me from time to time upon the significant developments under this program, including such revisions in present policy as may be indicated by changing circumstances.

Sincerely,

JOHN F. KENNEDY

HONORABLE DEAN RUSK,
Secretary of State,
Washington, D.C.

[F.R. Doc. 63-6796; Filed, June 24, 1963; 3:23 p.m.]



Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Department of the Interior

1. Effective upon publication in the **FEDERAL REGISTER**, paragraph (h) of § 6.110 is revoked.

2. Effective upon publication in the **FEDERAL REGISTER**, paragraph (j)(1) is added to § 6.110 as set out below.

§ 6.110 Department of the Interior.

* * * * *

(j) *Office of Geography.* (1) One position of Research Analyst (Native Arabic Language Expert), GS-7.

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

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,
Executive Assistant to
the Commissioners.

[F.R. Doc. 63-6646; Filed, June 24, 1963;
8:57 a.m.]

PART 27—EXCLUSION FROM PROVISIONS OF THE FEDERAL EMPLOYEES PAY ACT OF 1945, AS AMENDED, AND THE CLASSIFICATION ACT OF 1949, AS AMENDED, AND ESTABLISHMENT OF MAXIMUM STIPENDS FOR POSITIONS IN GOVERNMENT HOSPITALS FILLED BY STUDENT OR RESIDENT TRAINEES

Sociology Interns and Student Nurse Anesthetists

1. Effective June 25, 1963, § 27.1 is amended by the addition of the following items:

§ 27.1 Exclusion from provisions of Federal Employees Pay Act and Classification Act.

* * * * *

Sociology interns, Department of Health, Education, and Welfare, approved postgraduate training during program for graduate degree.

Student nurse anesthetists, Department of Health, Education, and Welfare, eighteen months' approved postgraduate training.

2. Effective June 25, 1963, § 27.2 is amended by the addition of the following items:

§ 27.2 Maximum stipends prescribed.

* * * * *

Sociology interns, Department of Health, Education, and Welfare, approved postgraduate training during program for graduate degree, no stipend other than any maintenance provided.

Student nurse anesthetists, Department of Health, Education, and Welfare, eighteen months' approved postgraduate training per year, \$2,000.

(61 Stat. 727, 728, as amended; 5 U.S.C. 1051-1058)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to
the Commissioners.

[F.R. Doc. 63-6684; Filed, June 24, 1963;
9:03 a.m.]

Title 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

[FHA Instruction 456.1]

PART 364—DEBT SETTLEMENT

Part 364, Title 6, Code of Federal Regulations (22 F.R. 467, 24 F.R. 9327), is revised to read as follows:

Sec.	Purpose and scope.
364.1	General policies.
364.2	Compromise and adjustment.
364.3	Cancellation upon application.
364.4	Cancellation of debts of deceased, disappeared, and bankrupt debtors without application.
364.5	Cancellation of small claims with principal of \$150 or less.
364.6	Compromise or cancellation of debts through the use of Form FHA 456-1, "Application for Settlement of Indebtedness," when signature of debtor cannot be obtained.
364.7	Joint debtors.
364.8	Cases in the hands of the Office of the General Counsel.
364.9	Cases referred to the Department of Justice.
364.10	Approval of settlement and submission to Farmers Home Administration National Office.
364.11	Processing of Form FHA 456-1.
364.12	Processing of Form FHA 456-2.
364.13	Disposition of promissory notes.
364.14	Delinquent adjustment agreements.
364.15	Finance Office handling.
364.16	Finance Office handling.

AUTHORITY: §§ 364.1 to 364.16 issued under secs. 331, 339, 75 Stat. 312, 318, secs. 2, 4, 64 Stat. 98, 100; 7 U.S.C. 1981, 1989, 40 U.S.C. 440, 442; Order of Sec. of Agr. 19 F.R. 74, 26 F.R. 8403, 27 F.R. 5005, 9957.

§ 364.1 Purpose and scope.

This part sets forth the policies and procedures for settlement of debts owed the United States and administered by the Farmers Home Administration (hereinafter referred to as debts owed to the Farmers Home Administration or to the Government) under any of its programs, including State Rural Rehabilitation Corporation accounts being administered under agreements entered into pursuant to section 2(f) of Public Law 499, 81st Congress provided that:

(a) Settlement of Arkansas, Missouri, North Carolina, and Wisconsin corporation accounts requires prior approval of the corporations or State officials having responsibility for the assets.

(b) Settlement of New Hampshire Rural Rehabilitation Corporation accounts requires post approval of the Corporation.

§ 364.2 General policies.

(a) *Definitions.* For the purpose of this part, the following definitions are applicable:

(1) "Compromise" is the satisfaction of a debt by acceptance of a lump-sum payment less than the total amount due.

(2) "Adjustment" is the reduction in a debt conditioned upon completion of payment of the adjusted amount at some specified future time or times, with or without the payment of any consideration when the adjustment offer is approved. An adjustment is not a final settlement until all payments under the adjustment agreement have been made.

(3) "Cancellation" is the final discharge of a debt without any payment thereon.

(4) "Settlement" is the compromise, adjustment, or cancellation of a debt owed the Farmers Home Administration. The term "settlement" is used for convenience in referring to compromise, adjustment, or cancellation actions, individually or collectively.

(b) *Collection efforts.* The authorities contained in this Part 364 for the settlement of debts will neither serve as justification for, nor permit prior to initiation of any debt settlement action, any relaxation of the efforts to collect in full the debts owed the Farmers Home Administration in accordance with applicable policies and procedures.

(c) *Settlement of debts created recently.* Debts will not be compromised or adjusted within a period of five years following the date on which they were created, except when it is obvious from the facts submitted in support of the debtor's application for settlement that conditions of a very unusual nature, which were beyond his control, developed after the debt was created and resulted directly in his inability to repay his indebtedness.

(d) *Review by County Committee.* The County Committee is not required to consider the cancellation of claims under § 364.6. All other proposed settlement actions will be reviewed by the County Committee, which will recommend approval or rejection, and no settlement will be approved if it would be more favorable to the debtor than that recommended by the County Committee.

(e) *Determination that debtor has acted in good faith.* (1) When a debtor applies for the settlement of his indebtedness, consideration will be given to whether he has acted in good faith in an effort to pay his debts to the Govern-

RULES AND REGULATIONS

ment. Some of the factors to consider in making this determination are:

(i) Whether the debtor has made any material misrepresentation or concealed any material facts in obtaining the loans.

(ii) Whether the debtor used substantial amounts of loan funds for unauthorized purposes which were detrimental to his operations.

(iii) Whether the debtor has attempted through the transfer or sale of security property or other assets, or by other means, to defeat efforts to collect the debt.

(2) If it is determined that a debtor has not acted in good faith the settlement will not be approved unless or until the debtor has made appropriate compensation therefor.

(f) *Settlement when legal action has been recommended or is contemplated.* Debts will not be settled if the debtor has committed any acts which might still subject him to criminal prosecution in connection therewith, civil action to protect the interests of the Government is contemplated or pending, or the case is in the hands of the United States Attorney.

(g) *Negotiating the settlement.* In negotiating a settlement the repayment ability and other circumstances of debtors will be discussed with them in order to assist in determining the proper type and terms of settlement offers. The present and future repayment ability of debtors, and any other pertinent factors will be the basis for determining whether the debts should be compromised, adjusted, or canceled. The period of time during which payments on adjustment offers are to be made should not, except in unusual cases, exceed three years. Farmers Home Administration personnel will not negotiate compromise or adjustment offers from debtors who have no present or prospective future repayment ability; also, debtors will be discouraged from making mere token offers. Debtors have the right, however, to make voluntary compromise or adjustment offers in any amount should they elect to do so. In such event their offers should be considered and processed, but an adjustment offer will not be approved in any case unless there is reasonable assurance that the debtor will be able to make the payments as they become due.

(h) *Proceeds from the sale of security property.* Proceeds derived from the sale of security property, including crop security, will not be used in making a compromise or adjustment offer. Such proceeds are subject to application on the debtor's account, irrespective of an application for debt settlement. When a debtor has sold security property and wishes to use the proceeds therefrom as part or all of the offer, the County Supervisor will explain to him that such funds are to be credited on his debt. After such funds are received for credit to the debtor's account, he then may apply for settlement of his remaining indebtedness.

(i) *Settlement where debtor owes more than one type of Farmers Home Administration loan.* As a general rule, it will not be the policy to settle any loan

indebtedness of a debtor who is also indebted on another Farmers Home Administration loan, and who will continue as an active borrower.

(j) *Claims against estates.* Settlement of a claim against an estate under the provisions of this Part 364 will be based on the recovery that may reasonably be expected, taking into consideration such items as the security, costs of administration, allowances of minor children and surviving spouse, allowable funeral expenses, and dower and courtesy rights, and specific encumbrances on the property having priority over claims of the Government.

§ 364.3 Compromise and adjustment.

Debts owed to the Farmers Home Administration may be compromised or adjusted, upon the application of the debtor, or if a debtor is unable to act for himself, upon the application of his guardian, executor, administrator, or any other person directly interested in his estate, subject to the policies and procedures contained in this Part 364 and subject to the following:

(a) The debt or any extension thereof on which compromise or adjustment is requested is due and payable, or the debt has been accelerated by written notice prior to the date of application.

(b) The debtor has offered an amount at least equal to the fair market value of the existing security for the debt, including crop security.

(c) The debtor is unable to pay his indebtedness in full and has offered an amount, in addition to the value of the security, which represents a reasonable determination of his ability to pay. The debtor's income, expenses, assets, age, and health are critical factors in determining whether he is eligible for any settlement and, if so, the type of settlement and the amount which he can reasonably be expected to offer.

§ 364.4 Cancellation upon application.

Debts owed to the Farmers Home Administration may be canceled upon application of a debtor, or if a debtor is unable to act for himself, upon the application of his guardian, executor, administrator, or any other person directly interested in his estate, subject to the policies and procedures contained in this Part 364 and subject to the following:

(a) The employee of the Farmers Home Administration having charge of the account furnishes a report and favorable recommendation concerning the cancellation.

(b) There is no known security for the debt.

(c) The debt or any extension thereof, on which cancellation is requested, has been due and payable, or the debt has been accelerated by written notice, five years or more prior to the date of application.

(d) The debtor is unable to pay any part of his debt and has no reasonable prospect of being able to do so.

§ 364.5 Cancellation of debts of deceased, disappeared, and bankrupt debtors without application.

Debts due the Farmers Home Administration may be canceled by use of Form FHA 456-2, "Cancellation or Charge-Off of FHA Indebtedness," upon a report and the favorable recommendation of the employee having charge of the account in the following instances:

(a) *Deceased debtors.* The debtor is deceased and the following conditions exist:

(1) There is no known security for the debt.

(2) If an administrator or executor has not been appointed to settle the estate of the debtor, the financial condition of the estate has been investigated and it has been established that there is no reasonable prospect of recovery.

(3) If an administrator or executor has been appointed to settle the estate of a debtor and (i) a final settlement has been made and confirmed by the probate court and the Government's claim was recognized properly and the Government has received all funds it was entitled to, or (ii) a final settlement has not been made and confirmed by the probate court but there are no assets in the estate from which there is any reasonable prospect of recovery, or (iii) regardless of whether a final settlement has been made, there were assets in the estate from which recovery might have been effected but such assets have been disposed of or lost in a manner which precludes any reasonable prospect of recovery by the Government.

(b) *Disappeared debtors.* The debtor has been absent from his last known address for a period of at least five years, he has no known assets, his whereabouts cannot be ascertained without undue expenses, and there is no existing security for the debt.

(c) *Cancellation of debts that have been discharged in bankruptcy.* Debts discharged in bankruptcy, except judgments obtained by United States Attorneys, may be canceled by the use of Form FHA 456-2, when an opinion has been obtained from the Office of the General Counsel showing that the discharge may be pleaded to bar legal action by the Government against the debtor to enforce collection of the debt.

§ 364.6 Cancellation of small claims with principal of \$150 or less.

Debts with a principal balance of \$150 or less may be canceled without application by use of Form FHA 456-2 upon a report and the favorable recommendation of the employee having charge of the account when the indebtedness has all been due and payable for five years or more, efforts to collect the account have been unsuccessful, and it is apparent that further collection efforts would be ineffectual or likely to prove uneconomical.

§ 364.7 Compromise or cancellation of debts through the use of Form FHA 456-1, "Application for Settlement of Indebtedness," when signature of debtor cannot be obtained.

Debts of a living debtor whose whereabouts is known may be compromised

or canceled if it is impossible or impracticable to obtain his signed application and all requirements of this Part 364 applicable to compromise or cancellation have been met.

§ 364.8 Joint debtors.

Settlements may not be approved as to one joint debtor unless approved as to all debtors. The term "joint debtors" includes all persons who are legally liable for payment of the debt.

(a) Separate and individual adjustment offers from joint debtors should be accepted and processed only as a joint adjustment offer. Joint debtors should be advised, and Form FHA 456-1 should contain a statement, that neither debtor will be released from liability for the full amount of the debt until all payments due under the joint offer have been made.

(b) In those States in which the wife is not legally liable for payment of the debt even though she signed notes or other loan or security instruments with respect thereto, the State Director will prescribe the basis for determining whether the wife is a joint debtor and, consequently, whether she will be required to make application for settlement.

(c) A separate application will be completed by each debtor, unless the debtors are members of the same family, such as husband and wife, or mother and son, and their situation is such that all necessary information can be shown clearly in a single application. In the latter cases, the application will contain the required financial information for each debtor and will be signed by each.

(d) If one debtor applies for compromise, adjustment, or cancellation, and the other debtor is deceased, or has received a discharge of the debt in bankruptcy, or his whereabouts is unknown, or it is impossible or impracticable to obtain his signature, Form FHA 456-1 will be prepared by showing at the top of the Form the name of the debtor requesting settlement, followed by the name of the other debtor. In addition to the information concerning settlement of the debt as to the debtor making application, information also will be shown which justifies settlement of the debt as to the debtor not joining in the application.

(e) If the total indebtedness is not in excess of \$150 (principal) and the proposed action is cancellation, Form FHA 456-2 may be used and the names of all the debtors will be shown. Sufficient information also will be given to justify cancellation of the debt against each debtor.

(f) If all debtors are either deceased or have received a discharge of a debt in bankruptcy or their whereabouts are unknown, or if a combination of these situations exists, Form FHA 456-2 will be used and will be completed in the manner required in paragraph (e) of this § 364.8.

§ 364.9 Cases in the hands of the Office of the General Counsel.

When a case is in the hands of the Office of the General Counsel, and the

debtor makes an offer of settlement before the case has been referred to the United States Attorney, immediately upon receipt of such offer, the County Supervisor will notify the State Director who will obtain the advice of the Office of the General Counsel concerning the proposal and further handling of the case.

§ 364.10 Cases referred to the Department of Justice.

(a) *Claims and judgments on which United States Attorney's File has not been closed.* When a claim is pending before, or a judgment has been obtained by, the United States Attorney, and the debtor requests settlement of his indebtedness, the County Supervisor will explain to him (1) that the United States Attorney has exclusive jurisdiction over the claim or judgment and that, therefore, the Farmers Home Administration has no authority to consider a settlement offer, and (2) that if he wishes to make a compromise or adjustment offer, he may submit it with any related payment direct to the United States Attorney. The County Supervisor, upon request by the debtor, may assist him in preparing the offer for submission to the United States Attorney, but the offer will be under the signature of the debtor. The offer may be made on Form FHA 456-1, if acceptable to the United States Attorney, or in such other manner as the debtor desires. The County Supervisor will not make any recommendations to the United States Attorney, or any statement or commitment to the debtor which might in any way prejudice the United States Attorney's handling of the case. The County Supervisor will advise the debtor that any payment submitted in connection with the offer should be in the form of a money order or cashier's check payable to the Treasurer of the United States. The County Supervisor will not issue a receipt for the payment.

(b) *Claims on which United States Attorney's file has been closed.* When a claim has been referred to the United States Attorney and his file has been closed without taking judgment, the debt may be compromised, adjusted or canceled under this Part 364.

§ 364.11 Approval of settlement and submission to Farmers Home Administration National Office.

(a) *Approval of settlement.* Subject to the policies, procedures, and limitations set forth in this Part 364, the compromise, adjustment or cancellation of debts may be approved:

(1) By the Administrator where the indebtedness involved in the settlement is \$15,000 or more (including principal, interest, and other charges).

(2) By the State Director where the indebtedness involved in the settlement is less than \$15,000 (including principal, interest, and other charges). The State Director may redelegate all or part of his authority to State Office loan approval officials upon authorization from the Administrator when justified by the volume of debt settlement actions.

(b) *Submission to National Office.* The following types of proposed settle-

ments, if recommended by the State Director, will be submitted to the National Office for consideration before approval or rejection by the authorized official:

(1) Settlements falling within the Administrator's authority.

(2) Compromise or adjustment offers where the indebtedness is not two years past due.

(3) The debts on which settlement is proposed include rent accounts, D-1 and other leases, Lease and Purchase Contracts that have been canceled or any other debts which have been reported to the General Accounting Office as uncollectible, if the file contains no evidence that the General Accounting Office has closed its file and agreed that Farmers Home Administration resume collection efforts, or if the account is known to be in the hands of the Department of Justice or United States Attorney.

(4) A debt settlement is proposed and a further loan is contemplated.

(5) The proposed debt settlement is for an active borrower.

(6) The debtor's account is involved in a fiscal irregularity investigation case upon which final action has not been taken, or it shows evidence that a shortage may exist and that an inquiry should be made into the matter.

§ 364.12 Processing of Form FHA 456-1.

Form FHA 456-1 will be used by debtors in making application for compromise, adjustment, or cancellation of their debts.

(a) *Settlement payments and receipts.* An application with which the debtor offers a lump-sum payment in compromise, or with which he offers an initial payment on an adjustment offer, will be supported by payments required therein at the time such application is filed in the County Office. An adequate explanation should be given to the debtors that payments made in connection with offers will be refunded in the form of Treasury checks if the offers are rejected. Payments may be in any form that is acceptable to the Farmers Home Administration as payments on accounts and will be received for, by officials of the Farmers Home Administration who are authorized to accept collections, in the usual manner on Form FHA 451-1, "Receipt for Payment," except that receipts covering payments made in compromise cases will contain the following legend: "Compromise Offer—FHA"; receipts covering payments in adjustment cases, made either simultaneously with the offer or prior to receipt of notice of approval, will contain the legend: "Adjustment Offer—FHA"; and receipts covering subsequent payments by debtors under approved adjustments will contain the legend: "Payment under FHA adjustment approved _____."

(b) *Approval or rejection of offer.* The final action taken on an application for settlement will be indicated by the approving official who will sign and date the original Form FHA 456-1. When a compromise offer or payments under an adjustment offer are involved and the

debtor's offer is rejected, any payments made on the offer will be refunded to the debtor in care of the appropriate County Supervisor. State Directors will notify debtors by letter of the final action taken on their applications for settlement. For rejected applications, the letter will set forth the reasons therefor.

§ 364.13 Processing of Form FHA 456-2.

Form FHA 456-2 will be used to cancel debts without application of the debtor.

(a) *Approval or rejection.* The final action taken with respect to the cancellation of debts without application will be indicated by the approving official who will sign and date the original of Form FHA 456-2.

§ 364.14 Disposition of promissory notes.

Notes evidencing debts settled upon application or compromise through use of Form FHA 456-1 without signature will be returned to the debtor or to his legal representative and the security instruments satisfied. Notes evidencing debts canceled without application will not be delivered to the debtor but will be placed in his case folder and disposed of three years after the settlement is completed.

§ 364.15 Delinquent adjustment agreements.

The State Director may void the agreement when the debtor becomes delinquent in his payments. When an adjustment agreement is voided, the State Director will notify the debtor giving the reasons therefor. Any payments made under the voided agreement will be retained as payments on the debt owed at the time of the application. Such payments may not be used as any part of a subsequent compromise or adjustment offer.

§ 364.16 Finance Office handling.

In cases of approved offers, remittances will be applied in accordance with established policies, beginning with the oldest loan included in the settlement, except that when the request for settlement includes loans made from different funds, the Finance Office will prorate the amount received on the basis of the total principal balance due the respective funds. When a debtor's adjustment offer is approved, the accounts involved will not be adjusted in the records of the Finance Office until all payments have been made. In such cases, Form FHA 456-1 will be held in a suspense file pending payment of the full amount of the approved offer. All copies of Form FHA 450-1, "Statement of Account," or other forms used for the same purpose, issued in cases of approved adjustments, will be stamped by the Finance Office with the following legend: "Subject to approved adjustment."

Dated: June 19, 1963.

ROBERT C. LEARY,
Acting Administrator,
Farmers Home Administration.

[F.R. Doc. 63-6662; Filed, June 24, 1963;
9:02 a.m.]

Title 12—BANKS AND BANKING

Chapter V—Federal Home Loan Bank Board

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

[No. FSLIC—1,591]

PART 563—OPERATIONS

Sales Plans and Sales Commissions

Correction

In F.R. Doc. 63-6256, appearing at page 6062 of the issue for Friday, June 14, 1963, the phrase in § 563.26(a) (1) now reading "or savings account in any institution", should read "or savings account in an institution".

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

SUBCHAPTER E—AIRSPACE [NEW]

[Airspace Docket No. 63-CE-7]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Revocation and Designation of Control Zones; Designation of Transition Area

On April 5, 1963, a notice of proposed rule making was published in the *FEDERAL REGISTER* (28 F.R. 3356) stating that the Federal Aviation Agency proposed to alter the Topeka, Kans., control zone by dividing it into two separate control zones, one surrounding Forbes AFB, the other surrounding the Philip Billard Airport, and designate a transition area at Topeka.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and no adverse comments were received regarding the proposed amendments.

The substance of the proposed amendments having been published, and for the reasons stated in the notice, the following actions are taken:

1. In § 71.171 (27 F.R. 220-91, November 10, 1962) the Topeka, Kans., control zone is revoked.

2. In § 71.171 (27 F.R. 220-91, November 10, 1962) the following control zones are added:

Topeka, Kans. (Forbes AFB)

Within a 5-mile radius of Forbes AFB (latitude 38°57'10" N., longitude 95°39'50" W.), within 2 miles each side of the Forbes AFB TACAN 321° radial extending from the 5-mile radius zone to 6 miles NW of the TACAN, and within 2 miles each side of the Forbes AFB ILS localizer SE course, extending from the 5-mile radius zone to 1 mile SE of the OM, excluding the portion subtended by a chord drawn between the points of intersection of the 5-mile radius zone with the Topeka, Kans. (Philip Billard Airport) control zone.

Topeka, Kans. (Philip Billard Airport)

Within a 5-mile radius of Philip Billard Airport (latitude 39°04'09" N., longitude 95°37'18" W.), within 2 miles each side of the Topeka VORTAC 219° radial extending from the 5-mile radius zone to the VORTAC, and within 2 miles each side of the Philip Billard Airport ILS localizer SE course, extending from the 5-mile radius zone to 11 miles SE of the SE end of the Philip Billard Airport Runway 31, excluding the portion subtended by a chord drawn between the points of intersection of the 5-mile radius zone with the Topeka, Kans. (Forbes AFB) control zone.

3. In § 71.181 (27 F.R. 220-139, November 10, 1962) the following transition area is added:

Topeka, Kans.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Philip Billard Airport, Topeka, Kans. (latitude 39°04'09" N., longitude 95°37'18" W.), within 2 miles each side of the Topeka VORTAC 039° radial, extending from the 7-mile radius area to 8 miles NE of the VORTAC, within 5 miles SW and 8 miles NE of the Philip Billard Airport ILS localizer NW course, extending from 3 miles SE to 12 miles NW of the OM; within a 7-mile radius of Forbes AFB, Topeka, Kans. (latitude 38°57'10" N., longitude 95°39'50" W.), and within 2 miles each side of the Forbes AFB TACAN 321° radial extending from the 7-mile radius area to 9 miles NW of the TACAN; that airspace extending upward from 1,200 feet above the surface bounded by a line beginning at latitude 38°22'30" N., longitude 96°02'00" W., thence SE along a line 8 miles NE of and parallel to the Emporia, Kans., VORTAC 134° radial to the S boundary of V-10, thence NE along the S boundary of V-10 to latitude 38°52'00" N., longitude 95°05'25" W., thence NW to latitude 38°59'00" N., longitude 95°12'20" W., thence N to latitude 39°30'00" N., longitude 95°09'00" W., thence N along longitude 95°09'00" W., to the arc of a 20-mile radius circle centered on the Rosecrans Memorial Airport, St. Joseph, Mo. (latitude 39°46'23" N., longitude 94°54'31" W.), thence clockwise along the arc of the 20-mile radius circle to the W boundary of V-77, thence SW along the W boundary of V-77 to the arc of a 28-mile radius circle centered on the Philip Billard Airport, thence counterclockwise along the arc of the 28-mile radius circle to longitude 95°45'00" W., thence NW to latitude 39°40'00" N., longitude 95°57'00" W., thence SW to latitude 39°26'50" N., longitude 96°30'50" W., thence SE along the Emporia VORTAC 346° radial to the arc of a 23-mile radius circle centered on Marshall AAF, Fort Riley, Kans. (latitude 39°03'15" N., longitude 96°45'50" W.), thence clockwise along the arc of the 23-mile radius circle to the intersection of the Emporia VORTAC 346° radial, thence SE along the Emporia VORTAC 346° radial to the arc of a 5-mile radius circle centered on the Emporia Municipal Airport, Emporia, Kans. (latitude 38°20'00" N., longitude 96°11'15" W.), thence clockwise along the arc of the 5-mile radius circle to the Emporia VORTAC 044° radial, thence NE along the 044° radial to the point of beginning; and that airspace extending upward from 3,500 feet MSL bounded by a line beginning at latitude 39°52'15" N., longitude 96°48'00" W., thence E along the S boundary of V-216 S alternate and V-50 to the arc of a 20-mile radius circle centered on the Rosecrans Memorial Airport, thence counterclockwise along the arc of the 20-mile radius circle to the W boundary of V-77, thence SW along the west boundary of V-77 to the arc of a 28-mile radius circle centered on Philip Billard Airport, thence counterclockwise along the arc of the 28-mile radius circle to longitude 95°45'00" W.,

thence NW to latitude 39°40'00" N., longitude 95°57'00" W., thence SW to latitude 39°26'50" N., longitude 96°30'50" W., thence NW to latitude 39°40'45" N., longitude 96°35'00" W., to the point of beginning.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

These amendments shall become effective 0001, e.s.t., August 22, 1963.

Issued in Washington, D.C., on June 19, 1963.

W. R. ANDREWS,
Acting Chief,
Airspace Utilization Division.

[F.R. Doc. 63-6613; Filed, June 24, 1963;
8:45 a.m.]

[Airspace Docket No. 63-EA-57]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Alteration of Control Zone

The purpose of this amendment to § 71.171 of the Federal Aviation Regulations is to alter the description of the Hartford, Conn., control zone.

The Hartford control zone is presently designated, in part, with reference to the Hartford radio range southeast course. The Federal Aviation Agency (FAA) has scheduled the conversion of this facility to a radio beacon on or about July 25, 1963. The action taken herein reflects this facility conversion. Controlled airspace requirements for the Hartford terminal area will be reviewed at a later date under the CAR Amendments 60-21/60-29 implementation program.

Since the changes effected by this amendment are editorial in nature, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, the following action is taken:

In § 71.171 (27 F.R. 220-91, November 10, 1962), the Hartford, Conn., control zone is amended to read:

Hartford, Conn.

Within a 5-mile radius of Brainard Field, Hartford, Conn. (latitude 41°44'15" N., longitude 72°39'10" W.), and within 2 miles each side of the 130° bearing from the Hartford RBN, extending from the 5-mile radius zone to 10 miles SE of the RBN.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

This amendment shall become effective 0001, E.S.T., July 25, 1963.

Issued in Washington, D.C., on June 19, 1963.

W. R. ANDREWS,
Acting Chief,
Airspace Utilization Division.

[F.R. Doc. 63-6614; Filed, June 24, 1963;
8:46 a.m.]

[Airspace Docket No. 63-WA-3]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Designation of Positive Control Area

On March 26, 1963, a notice of proposed rule making was published in the

FEDERAL REGISTER (28 F.R. 2964) stating that the Federal Aviation Agency (FAA) proposed to include portions of the airspace from flight level 240 to and including flight level 600 which are under the jurisdiction of the Oakland, Seattle and Salt Lake City air route traffic control centers in positive control area. This area is to be known as the Salt Lake City, Utah, positive control area.

The Air Transport Association of America endorsed this proposal. No other comments were received.

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.

The substance of the proposed amendment having been published, therefore, and for the reasons stated in the Notice, the following action is taken:

In § 71.193 (27 F.R. 220-157, November 10, 1962) the following is added:

Salt Lake City, Utah

That airspace within the continental control area, from flight level 240 to and including flight level 600, bounded by a line beginning at: latitude 40°45'00" N., longitude 119°35'00" W.; thence to latitude 41°50'00" N., longitude 119°52'00" W.; thence to latitude 42°12'00" N., longitude 119°10'00" W.; thence to latitude 43°13'00" N., longitude 119°45'00" W.; thence to latitude 44°00'00" N., longitude 119°20'00" W.; thence to latitude 45°05'00" N., longitude 118°15'00" W.; thence to latitude 45°30'00" N., longitude 117°30'00" W.; thence to latitude 45°30'00" N., longitude 115°45'00" W.; thence to latitude 45°30'00" N., longitude 115°00'00" W.; thence to latitude 45°20'00" N., longitude 115°00'00" W.; thence to latitude 45°20'00" N., longitude 107°45'00" W.; thence to latitude 43°50'00" N., longitude 107°45'00" W.; thence to latitude 43°47'10" N., longitude 106°31'00" W.; thence to latitude 43°30'00" N., longitude 106°30'00" W.; thence to latitude 43°00'00" N., longitude 107°00'00" W.; thence to latitude 42°40'00" N., longitude 107°05'00" W.; thence to latitude 42°00'00" N., longitude 106°15'00" W.; thence to latitude 41°05'00" N., longitude 106°10'00" W.; thence to latitude 40°45'00" N., longitude 109°35'00" W.; thence to latitude 40°11'00" N., longitude 110°22'00" W.; thence to latitude 39°39'00" N., longitude 110°39'00" W.; thence to latitude 38°59'00" N., longitude 111°07'00" W.; thence to latitude 38°26'00" N., longitude 115°34'00" W.; thence to latitude 38°00'00" N., longitude 114°57'00" W.; thence to latitude 38°07'00" N., longitude 114°00'00" W.; thence to latitude 38°00'00" N., longitude 116°38'00" W.; thence to latitude 37°12'00" N., longitude 117°20'00" W.; thence to latitude 37°12'00" N., longitude 118°35'00" W.; thence to latitude 38°14'00" N., longitude 118°35'00" W.; thence to latitude 39°35'00" N., longitude 119°15'00" W.; thence to the point of beginning.

This amendment shall become effective 0021, e.s.t., August 22, 1963.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on June 19, 1963.

W. R. ANDREWS,
Acting Chief,
Airspace Utilization Division.

[F.R. Doc. 63-6615; Filed, June 24, 1963;
8:46 a.m.]

[Airspace Docket No. 63-WA-35]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

PART 73—SPECIAL USE AIRSPACE [NEW]

Designation of Restricted Areas and Federal Airways, and Alteration of Controlled Airspace and Federal Airways

On May 14, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 4796) stating that the Federal Aviation Agency (FAA) was considering a proposal to designate four joint-use restricted areas and to include these restricted areas in the continental control area; designate a low altitude Federal airway between Deming, New Mexico, and Truth or Consequences, New Mexico; alter certain Federal airways and the Truth or Consequences transition area. The actions were proposed in order to protect non-participating aircraft from the hazards associated with an off-range missile firing project being conducted by the Department of Defense (DOD).

Subsequent to the publication of the notice, action was taken to revoke that segment of VOR Federal airway No. 421 which would have been affected by the designation of the Magdalena, New Mexico, Restricted Area R-5112. Accordingly, no action regarding Victor 421 is required herein.

The manager of the Green River, Utah, Airport suggested that the boundaries of the proposed restricted area near Green River, R-6409, be so configured as to remain east of the Green River and south of the railroad tracks lying north of the launch site. The FAA has considered this suggestion; however, because of the safety zone required by DOD during the launching of the missile, a reduction in the size of this restricted area is not feasible. The west boundary of the proposed restricted area is such that the Green River can still be utilized as a geographical reference point in remaining clear of the restricted area. Several comments were received regarding the use of the land underlying the proposed restricted areas. DOD has stated that contracts are being negotiated for the use of the privately owned lands necessary to contain the missile operations. Should use of these lands be denied for these purposes, action will be taken to modify or rescind these airspace actions as appropriate. The FAA will not authorize any missile firing in connection with this project until such time as these contracts have been consummated. It should be noted that because of the flight profile of the missile and its components, the lateral dimensions of the restricted areas are necessarily larger than that required on the surface.

Although not mentioned in the notice, no hazardous activities except those required for the firing of the missile, shall be conducted in the proposed restricted

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areas and, except for the periods of time required to conduct these activities, these areas will be returned to the controlling agencies for air traffic purposes.

Further, the actions taken herein does not permit the using agency and/or his representatives to deviate from the provisions of § 48.22(g) of the Civil Air Regulations. In consideration of the foregoing, and for the reasons stated here and in the notice, the following actions are taken:

1. In § 73.64 Utah (28 F.R. 19-42, January 26, 1963), the following are added: R-6408 Indian Creek, Utah.

Boundaries. Beginning at latitude 38°22'00" N., longitude 109°38'00" W.; to latitude 38°06'00" N., longitude 109°22'00" W.; to latitude 37°59'00" N., longitude 109°23'00" W.; to latitude 37°57'00" N., longitude 109°25'00" W.; to latitude 37°58'00" N., longitude 109°40'00" W.; to latitude 38°21'00" N., longitude 109°54'00" W.; to latitude 38°23'00" N., longitude 109°52'00" W.; to the point of beginning.

Designated altitudes. Surface to unlimited.

Time of designation. Continuous.

Controlling agency. Federal Aviation Agency, Denver ARTC Center.

Using agency. Commander, Air Force Missile Development Center, Holloman AFB, New Mexico.

R-6409 Green River, Utah.

Boundaries. Beginning at latitude 39°00'00" N., longitude 110°03'00" W.; to latitude 38°54'00" N., longitude 109°58'00" W.; to latitude 38°51'00" N., longitude 110°05'00" W.; to latitude 38°58'00" N., longitude 110°09'00" W.; to the point of beginning.

Designated altitudes. Surface to unlimited.

Time of designation. Continuous.

Controlling agency. Federal Aviation Agency, Denver ARTC Center.

Using agency. Commander, Air Force Missile Development Center, Holloman AFB, New Mexico.

2. In § 73.51 New Mexico (28 F.R. 19-31, January 26, 1963), the following are added:

R-5111 Elephant Butte, New Mexico.

Boundaries. Beginning at latitude 33°35'00" N., longitude 106°48'00" W.; to latitude 33°13'00" N., longitude 106°52'00" W.; to latitude 32°43'00" N., longitude 106°45'00" W.; to latitude 32°47'00" N., longitude 107°06'00" W.; to latitude 33°00'00" N., longitude 107°13'00" W.; to latitude 33°21'00" N., longitude 107°08'00" W.; to the point of beginning.

Designated altitudes. Surface to unlimited.

Time of designation. Continuous.

Controlling agency. Federal Aviation Agency, Albuquerque ARTC Center.

Using agency. Commander, Air Force Missile Development Center, Holloman AFB, New Mexico.

R-5112 Magdalena, New Mexico.

Boundaries. Beginning at latitude 34°33'00" N., longitude 107°41'00" W.; to latitude 34°30'00" N., longitude 107°25'00" W.; to latitude 34°16'00" N., longitude 107°17'00" W.; to latitude 34°02'00" N., longitude 107°28'00" W.; to latitude 33°58'00" N., longitude 107°55'00" W.; to latitude 33°54'00" N., longitude 108°10'00" W.; to latitude 34°09'00" N., longitude 108°18'00" W.; to latitude 34°25'00" N., longitude 108°03'00" W.; to the point of beginning.

Designated altitudes. Surface to unlimited.

Time of designation. Continuous.

Controlling agency. Federal Aviation Agency, Albuquerque ARTC Center.

Using agency. Commander, Air Force Missile Development Center, Holloman AFB, New Mexico.

3. In § 71.123 (27 F.R. 220-6, November 10, 1962), the following changes are made:

a. In V-19 "The portion of this airway within R-5111 will be used only after obtaining prior approval from appropriate authority." is added.

b. In V-192 "The portion of this airway within R-5112 will be used only after obtaining prior approval from appropriate authority." is added.

c. In V-244 "The portion of this airway within R-6408 shall be used only after obtaining prior approval from appropriate authority." is added.

d. In V-264 "The portion of this airway within R-5112 shall be used only after obtaining prior approval from appropriate authority." is added.

e. V-110 is added to read: V-110 From Deming, N. Mex., to Truth or Consequences, N. Mex.

4. In § 71.143 (27 F.R. 220-38, November 10, 1962), the following changes are made:

a. In V-1516 (27 F.R. 11532, 12440), "The portion of this airway within R-6408 shall be used only after obtaining prior approval from appropriate authority." is added.

b. In V-1536 (27 F.R. 11939, 12167), "The portion of this airway within R-5112 shall be used only after obtaining prior approval from appropriate authority." is added.

c. V-1543 (28 F.R. 4435) is amended to read: V-1543 Newman, Tex.; 10 miles wide INT Newman 28°, Truth or Consequences, N. Mex., 159° radials; Truth or Consequences, Socorro, N. Mex.; thence Albuquerque, N. Mex.; Santa Fe, N. Mex.; Taos, N. Mex.; Alamosa, Colo.; Pueblo, Colo.; Colorado Springs, Colo.; 10 miles wide Denver, Colo.; thence Akron, Colo.; North Platte, Nebr.; O'Neill, Nebr.; Sioux Falls, S. Dak.; Redwood Falls, Minn.; Minneapolis, Minn. The portion of this airway within R-5111 shall be used only after obtaining prior approval from appropriate authority.

d. In V-1625 "The portion of this airway within R-5111 shall be used only after obtaining prior approval from appropriate authority." is added.

e. In V-1756 "The portion of this airway within R-5112 shall be used only after obtaining prior approval from appropriate authority." is added.

5. In § 71.165 (27 F.R. 220-59, November 10, 1962), the following change is made: In Truth or Consequences, N. Mex., "The portion of this control area extension within R-5111 shall be used only after obtaining prior approval from appropriate authority." is added.

6. In § 71.151 (27 F.R. 220-54, November 10, 1962), the following are added:

R-5111 Elephant Butte, N. Mex.

R-5112 Magdalena, N. Mex.

R-6408 Indian Creek, Utah.

R-6409 Green River, Utah

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

These amendments shall become effective 0001, e.s.t., August 1, 1963.

Issued in Washington, D.C., on June 21, 1963.

LEE E. WARREN,
Acting Director,
Air Traffic Service.

[F.R. Doc. 63-6768; Filed, June 24, 1963; 9:03 a.m.]

[Airspace Docket No. 63-WA-48]

PART 73—SPECIAL USE AIRSPACE [NEW]

Alteration of Restricted Area

The purpose of this amendment to § 73.66 [New] of the Federal Aviation Regulations is to change the controlling agency of R-6610 Hampton Roads, Va. (Langley AFB), Restricted Area/Military Climb Corridor from "Federal Aviation Agency, Norfolk ARTC Center/Tower" to "Federal Aviation Agency, Norfolk Approach Control".

On June 30, 1963, the Norfolk ARTC Center/Tower will become the Norfolk Tower and concurrently the center functions of the facility will be transferred to the Washington ARTCC. This change must therefore be reflected in the description of R-6610.

Since this change is editorial in nature, notice and public procedure are unnecessary.

In consideration of the foregoing, the following action is taken:

Section 73.66 (28 F.R. 19-43, January 26, 1963, 28 F.R. 3483, April 10, 1963), is amended as follows: In the R-6610 Hampton Roads, Va. (Langley AFB), Restricted Area/Military Climb Corridor, "Controlling agency, Federal Aviation Agency, Norfolk ARTC Center/Tower" is deleted and "Controlling agency, Norfolk Approach Control" is substituted therefor.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

This amendment shall become effective 0001, e.s.t., June 30, 1963.

Issued in Washington, D.C., on June 19, 1963.

LEE E. WARREN,
Acting Director,
Air Traffic Service.

[F.R. Doc. 63-6616; Filed, June 24, 1963; 8:46 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket C-503]

PART 13—PROHIBITED TRADE PRACTICES

Myra Textile Co., Inc., et al.

Subpart—Misbranding or mislabeling: § 13.1185 Composition; § 13.1185-90 Wool Products Labeling Act. Subpart—Neglecting, unfairly or deceptively, to

make material disclosure: § 13.1845 Composition; § 13.1845-80 Wool Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, secs. 2-5, 54 Stat. 1128-1130; 15 U.S.C. 45, 68) [Cease and desist order, Myra Textile Company, Inc., et al., Chicago, Ill., Docket C-503, June 12, 1963]

In the Matter of Myra Textile Company, Inc., a Corporation, and William I. Frishman, Lyle Hochman, and Gloria Cloobeck, Individually and as Officers of Said Corporation

Consent order requiring Chicago distributors of wool products to cease violating the Wool Products Labeling Act by such practices as tagging as "100% Wool", interlining materials containing a substantial quantity of reprocessed or reused wool, and failing to disclose on labels on certain interlinings the content of reused or reprocessed wool and the percentage thereof.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That Myra Textile Company, Inc., a corporation, and its officers, and William I. Frishman, Lyle Hochman, and Gloria Cloobeck, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of wool fabrics or other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from:

Misbranding of such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by section 4(a) (2) of the Wool Products Labeling Act of 1939.

It is further ordered, That Myra Textile Company, Inc., a corporation and its officers, and William I. Frishman, Lyle Hochman and Gloria Cloobeck, individually and as officers of said corporation and respondents' representatives, agents, employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of fabrics or any other textile products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of constituent fibers contained in fabrics or any other textile products on invoices or shipping memoranda applicable thereto or in any other manner.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a

report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: June 12, 1963.

By the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 63-6617; Filed, June 24, 1963;
8:46 a.m.]

[Docket C-504]

PART 13—PROHIBITED TRADE PRACTICES

Yale Woolen Mills et al.

Subpart—Misbranding or Mislabeling: § 13.1185 Composition; § 13.1185-90 Wool Products Labeling Act. Subpart—Neglecting, Unfairly or Deceptively, To Make Material Disclosure: § 13.1845 Composition; § 13.1845-80 Wool Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, secs. 2-5, 54 Stat. 1128-1130; 15 U.S.C. 45, 68) [Cease and desist order, Yale Woolen Mills, et al., Yale, Mich., Docket C-504, June 12, 1963]

In the Matter of Yale Woolen Mills, a Corporation, and Fred N. Andreae, and Robert E. Andreae, Individually and as Officers of Said Corporation

Consent order requiring manufacturers of wool products in Yale, Mich., to cease violating the Wool Products Labeling Act by such practices as tagging as "100% wool", interlining materials which contained a substantial quantity of reprocessed or reused wool, and failing to disclose on labels of certain interlinings the reprocessed or reused wool present and the percentage thereof.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That Yale Woolen Mills, a corporation, and its officers, and Fred N. Andreae, and Robert E. Andreae, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of wool fabrics or other wool products, as "commerce", and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from:

Misbranding of such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by section 4(a) (2) of the Wool Products Labeling Act of 1939.

It is further ordered, That Yale Woolen Mills, a corporation, and its officers, and

Fred N. Andreae, and Robert E. Andreae, individually and as officers of said corporation, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of fabrics or any other textile products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of constituent fibers contained in fabrics or any other textile products on invoices or shipping memoranda applicable thereto or in any other manner.

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

Issued: June 12, 1963.

By the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 63-6618; Filed, June 24, 1963;
8:47 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER A—GENERAL

PART 8—COLOR ADDITIVES

Caramel; Listing for Food Use and Exempting From Certification

In answer to the notice published in the FEDERAL REGISTER of April 6, 1963 (28 F.R. 3421), which proposed the listing and exemption from certification of the color additive caramel for use in coloring foods, a number of comments were received. Some of the comments suggested changes in paragraph (a) Identity and others suggested that the regulation list caramel for drug and cosmetic use.

The Commissioner of Food and Drugs has carefully considered the comments received, together with other relevant data, and has reached the following conclusions:

1. Since section 706(b)(1) of the Federal Food, Drug, and Cosmetic Act provides that color additives shall be separately listed for use in or on food, drugs, and cosmetics, and since adequate provision is made in the subsection cited and in section 706(c) for the listing and exemption from certification of caramel for drug and cosmetic use in accordance with the procedure outlined in the statute, it is concluded that the procedural requirements of section 701(e) have not been complied with, and the requested changes will therefore be considered at a later date.

2. It is concluded that grounds have been stated for the requested revision of proposed paragraph (a), and the request is granted.

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Therefore, pursuant to the provisions of sections 701(e) and 706 (b) and (c) of the Federal Food, Drug, and Cosmetic Act (secs. 701(e), 706 (b), (c), 52 Stat. 1055 as amended, 74 Stat. 402; 21 U.S.C. 371(e), 376 (b), (c)), and under the authority delegated to him by the Secretary of Health, Education, and Welfare (25 F.R. 8625); *It is ordered*, That § 8.303 be adopted as proposed, with paragraph (a) changed to read as set forth below:

§ 8.303 Caramel.

(a) *Identity.* (1) The color additive caramel is the amorphous, dark-brown material resulting from the carefully controlled heat treatment of the food-grade carbohydrates listed in this subparagraph (liquid caramel may be dehydrated).

Dextrose.
Invert sugar.
Lactose.
Malt syrup.
Molasses.
Starch hydrolysates and fractions thereof.
Sucrose.

(2) The food-grade acids, alkalies, and salts listed in this subparagraph may be employed to assist caramelization, in amounts consistent with good manufacturing practice.

(i) *Acids:*

Acetic acid.
Citric acid.
Phosphoric acid.
Sulfuric acid.
Sulfurous acid.

(ii) *Alkalies:*

Ammonium hydroxide.
Potassium hydroxide.
Sodium hydroxide.

(iii) *Salts:* Ammonium, sodium, or potassium carbonate (including bicarbonate), phosphate (including dibasic phosphate and monobasic phosphate), sulfate, and sulfite.

(3) Polyglycerol esters of fatty acids, identified in § 121.1120 of this chapter, may be used as antifoaming agents in amounts not greater than that required to produce the intended effect.

(4) Color additive mixtures made with caramel may contain as diluents only those substances that, if used in foods, are not food additives within the meaning of section 201(s) of the act; or, if they are food additives, are authorized for a specific use or uses under the provisions of Part 121 of this chapter.

(b) *Specifications.* Caramel conforms to the following specifications:

Lead (Pb), not more than 10 parts per million.

Arsenic (As), not more than 3 parts per million.

Mercury (Hg), not more than 0.1 part per million.

(c) *Uses and restrictions.* Caramel may be used for coloring foods generally, in amounts consistent with good manufacturing practice, except that it may not be used to color foods for which standards of identity have been promulgated under section 401 of the act and the use of added color is not authorized by such standards.

(d) *Exemption from certification.* Certification of this color additive is not necessary for the protection of the public health, and therefore batches thereof are exempt from the certification requirement of section 706(c) of the act.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the *FEDERAL REGISTER* file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing, and such objections must be supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed preferably in quintuplicate.

Effective date. This order shall become effective 60 days from the date of its publication in the *FEDERAL REGISTER*, except as to any provisions that may be stayed by the filing of proper objections. Notice of the filing of objections or lack thereof will be announced by publication in the *FEDERAL REGISTER*.

(Secs. 701(e), 706 (b), (c), 52 Stat. 1055 as amended, 74 Stat. 401; 21 U.S.C. 371(e), 376 (b), (c))

Dated: June 19, 1963.

JOHN L. HARVEY,
Deputy Commissioner
of Food and Drugs.

[F.R. Doc. 63-6634; Filed, June 24, 1963;
8:49 a.m.]

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 121—FOOD ADDITIVES

Subpart C—Food Additives Permitted in Animal Feed or Animal-Feed Supplements

CHLORTETRACYCLINE

The Commissioner of Food and Drugs, having evaluated the data submitted in a petition filed by American Cyanamid Company, Post Office Box 400, Princeton, New Jersey, and other relevant material, has concluded that the following amendments to the regulation for chlortetracycline should issue to provide for an additional use of chlortetracycline in chicken and turkey feed and in swine feed, and to provide for an editorial correction in the table for swine feed. Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)), and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (25 F.R. 8625), § 121.208 *Chlortetracycline* (21 CFR 121.208; 28 F.R. 25) is changed by amending paragraph (d) in the following respects:

1. In table 1, item 1, the statement under "Indications for use" is changed to read: "Prevention of chronic respiratory disease (air-sac infection); prevention of this disease during times of stress."

2. In table 1, item 2, the statement under "Indications for use" is changed to read: "Prevention of infectious sinusitis, hexamitiasis; prevention of these diseases during times of stress."

3. In table 2, item 1, the statement under "Indications for use" is amended by changing the period to a semicolon and adding the phrase: "prevention of bacterial swine enteritis during times of stress."

4. In table 2, item 4, the statement under "Limitations" is changed to read: "To be fed for 14 days as sole medication; as chlortetracycline hydrochloride."

Notice and public procedure and delayed effective date are not necessary prerequisites to the promulgation of amendment four of this order, since this amendment merely clarifies the existing regulation.

Any person who will be adversely affected by this order may at any time within 30 days from the date of its publication in the *FEDERAL REGISTER* file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in quintuplicate.

Effective date. This order shall be effective on the date of its publication in the *FEDERAL REGISTER*.

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348 (c)(1))

Dated: June 18, 1963.

JOHN L. HARVEY,
Deputy Commissioner
of Food and Drugs.

[F.R. Doc. 63-6635; Filed, June 24, 1963;
8:50 a.m.]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

RUBBER ARTICLES INTENDED FOR REPEATED OR CONTINUOUS USE

The Commissioner of Food and Drugs, having evaluated the data submitted in a petition filed by Phillips Petroleum Company, Bartlesville, Oklahoma, and other relevant material, has concluded that § 121.2562 (21 CFR 121.2562) of the food additive regulations should be

amended to provide for the use of polybutadiene as an elastomer in the manufacture of rubber articles intended for repeated or continuous use in contact with food. Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)), and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (25 F.R. 8625), paragraph (c)(4)(1) of § 121.2562 *Rubber articles intended for repeated or continuous use* is amended by inserting therein, alphabetically, the following new item:

Polybutadiene.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the **FEDERAL REGISTER** file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in quintuplicate.

Effective date. This order shall be effective on the date of its publication in the **FEDERAL REGISTER**.

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

Dated: June 18, 1963.

JOHN L. HARVEY,
Deputy Commissioner of
Food and Drugs.

[F.R. Doc. 63-6636; Filed, June 24, 1963;
8:50 a.m.]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

SURFACE LUBRICANTS USED IN MANUFACTURE OF METALLIC ARTICLES

The Commissioner of Food and Drugs, having evaluated the data submitted in petitions filed by Aluminum Company of America, Pittsburgh 19, Pennsylvania, and Harry Miller Corporation, Fourth and Bristol Streets, Philadelphia 40, Pennsylvania, and other relevant material, has concluded that the food additive regulations should be amended to provide for the use of additional substances in surface lubricants used in the manufacture of metallic articles that contact food. Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)), and under the authority delegated to the Commissioner by the Secretary of Health, Edu-

cation, and Welfare (25 F.R. 8625), § 121.2531 (21 CFR 121.2531; 28 F.R. 1290) is amended by inserting alphabetically in the list of substances in paragraph (c), five new items as follows:

§ 121.2531 Surface lubricants used in the manufacture of metallic articles.

* * * * *

(c) * * * * * Ethylenediaminetetraacetic acid, sodium salts.

Polyethylene glycol (400) monostearate

Polyisobutylene.

Potassium oleate.

Tallow, sulfonated.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the **FEDERAL REGISTER** file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in quintuplicate.

Effective date. This order shall be effective on the date of its publication in the **FEDERAL REGISTER**.

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

Dated: June 18, 1963.

JOHN L. HARVEY,
Deputy Commissioner
of Food and Drugs.

[F.R. Doc. 63-6637; Filed, June 24, 1963;
8:51 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6659]

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

Disallowance of Certain Entertainment, etc., Expenses

On March 30, 1963, notice of proposed rule making was published in the **FEDERAL REGISTER** (28 F.R. 3137) to amend the Income Tax Regulations to reflect the provisions of section 274 (other than subsection (d) thereof) of the Internal Revenue Code, added by section 4(a) of the Revenue Act of 1962 (76 Stat. 974), relating to the disallowance of certain entertainment, etc., expenses. All comments on the proposed regulations were carefully considered in developing the final regulations. Although it was im-

practicable to acknowledge each communication because of the limited time available, the Internal Revenue Service expresses its appreciation for the helpful and constructive comments submitted.

The regulations are hereby adopted in the following amended form:

PARAGRAPH 1. There are inserted immediately after § 1.274 (relating to statutory provisions; disallowance of certain entertainment, etc., expenses) the following new sections:

§ 1.274-1 Disallowance of certain entertainment, gift and travel expenses.

Section 274 disallows in whole, or in part, certain expenditures for entertainment, gifts and travel which would otherwise be allowable under chapter 1 of the Code. The requirements imposed by section 274 are in addition to the requirements for deductibility imposed by other provisions of the Code. If a deduction is claimed for an expenditure for entertainment, gifts, or travel, the taxpayer must first establish that it is otherwise allowable as a deduction under chapter 1 of the Code before the provisions of section 274 become applicable. An expenditure for entertainment, to the extent it is lavish or extravagant, shall not be allowable as a deduction. The taxpayer should then substantiate such an expenditure in accordance with the rules under section 274(d). See § 1.274-5. Section 274 is a disallowance provision exclusively, and does not make deductible any expense which is disallowed under any other provision of the Code. Similarly, section 274 does not affect the includability of an item in, or the excludability of an item from, the gross income of any taxpayer. For specific provisions with respect to the deductibility of (a) expenditures for an activity of a type generally considered to constitute entertainment, amusement, or recreation, and for a facility used in connection with such an activity, see § 1.274-2, (b) expenses for gifts, see § 1.274-3, (c) expenses for travel, see § 1.274-4, (d) expenditures deductible without regard to business activity, see § 1.274-6, and (e) treatment of personal portion of entertainment facility, see § 1.274-7.

§ 1.274-2 Disallowance of deductions for certain expenses for entertainment, amusement, or recreation.

(a) General rules—(1) Entertainment activity. Except as provided in this section, no deduction otherwise allowable under chapter 1 of the Code shall be allowed for any expenditure with respect to entertainment unless the taxpayer establishes—

(i) That the expenditure was directly related to the active conduct of the taxpayer's trade or business, or

(ii) In the case of an expenditure directly preceding or following a substantial and bona fide business discussion (including business meetings at a convention or otherwise), that the expenditure was associated with the active conduct of the taxpayer's trade or business.

Such deduction shall not exceed the portion of the expenditure directly related to (or in the case of an expenditure described in subdivision (ii) of this sub-

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paragraph, the portion of the expenditure associated with) the active conduct of the taxpayer's trade or business.

(2) *Entertainment facilities.* Except as provided in this section, no deduction otherwise allowable under chapter 1 of the Code shall be allowed for any expenditure with respect to a facility used in connection with entertainment unless the taxpayer establishes—

(i) That the facility was used primarily for the furtherance of the taxpayer's trade or business, and

(ii) That the expenditure was directly related to the active conduct of such trade or business.

Such deduction shall not exceed the portion of the expenditure directly related to the active conduct of the taxpayer's trade or business.

(3) *Cross references.* For definition of the term "entertainment", see paragraph (b)(1) of this section. For rules and definitions with respect to—

(i) "Directly related entertainment", see paragraph (c) of this section,

(ii) "Associated entertainment", see paragraph (d) of this section,

(iii) "Expenditures with respect to entertainment facilities", see paragraph (e) of this section,

(iv) "Specific exceptions" to the disallowance rules of this section, see paragraph (f) of this section.

(b) *Definitions—(1) Entertainment defined—(i) In general.* For purposes of this section, the term "entertainment" means any activity which is of a type generally considered to constitute entertainment, amusement, or recreation, such as entertaining at night clubs, cocktail lounges, theaters, country clubs, golf and athletic clubs, sporting events, and on hunting, fishing, vacation and similar trips, including such activity relating solely to the taxpayer or the taxpayer's family. The term "entertainment" may include an activity, the cost of which is claimed as a business expense by the taxpayer, which satisfies the personal, living, or family needs of any individual, such as providing, food and beverages, a hotel suite, or an automobile to a business customer or his family. The term "entertainment" does not include activities which, although satisfying personal, living, or family needs of an individual, are clearly not regarded as constituting entertainment, such as (a) supper money provided by an employer to his employee working overtime, (b) a hotel room maintained by an employer for lodging of his employees while in business travel status, or (c) an automobile used in the active conduct of trade or business even though used for routine personal purposes such as commuting to and from work. On the other hand, the providing of a hotel room or an automobile by an employer to his employee who is on vacation would constitute entertainment of the employee.

(ii) *Objective test.* An objective test shall be used to determine whether an activity is of a type generally considered to constitute entertainment. Thus, if an activity is generally considered to be entertainment, it will constitute entertainment for purposes of this section and section 274(a) regardless of whether the

expenditure can also be described otherwise, and even though the expenditure relates to the taxpayer alone. This objective test precludes arguments such as that "entertainment" means only entertainment of others or that an expenditure for entertainment should be characterized as an expenditure for advertising or public relations. However, in applying this test the taxpayer's trade or business shall be considered. Thus, although attending a theatrical performance would generally be considered entertainment, it would not be so considered in the case of a professional theater critic, attending in his professional capacity. Similarly, if a manufacturer of dresses conducts a fashion show to introduce his products to a group of store buyers, the show would not be generally considered to constitute entertainment. However, if an appliance distributor conducts a fashion show for the wives of his retailers, the fashion show would be generally considered to constitute entertainment.

(iii) *Special definitional rules—(a) In general.* Except as otherwise provided in (b) or (c) of this subdivision, any expenditure which might generally be considered either for a gift or entertainment, or considered either for travel or entertainment, shall be considered an expenditure for entertainment rather than for a gift or travel.

(b) *Expenditures deemed gifts.* An expenditure described in (a) of this subdivision shall be deemed for a gift to which this section does not apply if it is:

(1) An expenditure for packaged food or beverages transferred directly or indirectly to another person intended for consumption at a later time.

(2) An expenditure for tickets of admission to a place of entertainment transferred to another person if the taxpayer does not accompany the recipient to the entertainment unless the taxpayer treats the expenditure as entertainment. The taxpayer may change his treatment of such an expenditure as either a gift or entertainment at any time within the period prescribed for assessment of tax as provided in section 6501 of the Code and the regulations thereunder.

(3) Such other specific classes of expenditure generally considered to be for a gift as the Commissioner, in his discretion, may prescribe.

(c) *Expenditures deemed travel.* An expenditure described in (a) of this subdivision shall be deemed for travel to which this section does not apply if it is:

(1) With respect to a transportation type facility (such as an automobile or an airplane), even though used on other occasions in connection with an activity of a type generally considered to constitute entertainment, to the extent the facility is used in pursuit of a trade or business for purposes of transportation not in connection with entertainment. See also paragraph (e) (3) (iii) (b) of this section for provisions covering non-entertainment expenditures with respect to such facilities.

(2) Such other specific classes of expenditure generally considered to be for travel as the Commissioner, in his discretion, may prescribe.

(2) *Other definitions—(i) Expenditure.* The term "expenditure" as used in this section shall include expenses paid or incurred for goods, services, facilities, and items (including items such as losses and depreciation).

(ii) *Expenses for production of income.* For purposes of this section, any reference to "trade or business" shall include any activity described in section 212.

(iii) *Business associate.* The term "business associate" as used in this section means a person with whom the taxpayer could reasonably expect to engage or deal in the active conduct of the taxpayer's trade or business such as the taxpayer's customer, client, supplier, employee, agent, partner, or professional adviser, whether established or prospective.

(c) *Directly related entertainment—(1) In general.* Except as otherwise provided in paragraph (d) of this section (relating to associated entertainment) or under paragraph (f) of this section (relating to business meals and other specific exceptions), no deduction shall be allowed for any expenditure for entertainment unless the taxpayer establishes that the expenditure was directly related to the active conduct of his trade or business within the meaning of this paragraph.

(2) *Directly related entertainment defined.* Any expenditure for entertainment, if it is otherwise allowable as a deduction under chapter 1 of the Code, shall be considered directly related to the active conduct of the taxpayer's trade or business if it meets the requirements of any one of subparagraphs (3), (4), (5), or (6) of this paragraph.

(3) *Directly related in general.* Except as provided in subparagraph (7) of this paragraph, an expenditure for entertainment shall be considered directly related to the active conduct of the taxpayer's trade or business if it is established that it meets all of the requirements of subdivisions (i), (ii), (iii) and (iv) of this subparagraph.

(i) At the time the taxpayer made the entertainment expenditure (or committed himself to make the expenditure), the taxpayer had more than a general expectation of deriving some income or other specific trade or business benefit (other than the goodwill of the person or persons entertained) at some indefinite future time from the making of the expenditure. A taxpayer, however, shall not be required to show that income or other business benefit actually resulted from each and every expenditure for which a deduction is claimed.

(ii) During the entertainment period to which the expenditure related, the taxpayer actively engaged in a business meeting, negotiation, discussion, or other bona fide business transaction, other than entertainment, for the purpose of obtaining such income or other specific trade or business benefit (or, at the time the taxpayer made the expenditure or committed himself to the expenditure, it was reasonable for the taxpayer to expect that he would have done so, although such was not the case solely for reasons beyond the taxpayer's control).

(iii) In light of all the facts and circumstances of the case, the principal character or aspect of the combined business and entertainment to which the expenditure related was the active conduct of the taxpayer's trade or business (or at the time the taxpayer made the expenditure or committed himself to the expenditure, it was reasonable for the taxpayer to expect that the active conduct of trade or business would have been the principal character or aspect of the entertainment, although such was not the case solely for reasons beyond the taxpayer's control). It is not necessary that more time be devoted to business than to entertainment to meet this requirement. The active conduct of trade or business is considered not to be the principal character or aspect of combined business and entertainment activity on hunting or fishing trips or on yachts and other pleasure boats unless the taxpayer clearly establishes to the contrary.

(iv) The expenditure was allocable to the taxpayer and a person or persons with whom the taxpayer engaged in the active conduct of trade or business during the entertainment or with whom the taxpayer establishes he would have engaged in such active conduct of trade or business if it were not for circumstances beyond the taxpayer's control. For expenditures closely connected with directly related entertainment, see paragraph (d) (4) of this section.

(4) *Expenditures in clear business setting.* An expenditure for entertainment shall be considered directly related to the active conduct of the taxpayer's trade or business if it is established that the expenditure was for entertainment occurring in a clear business setting directly in furtherance of the taxpayer's trade or business. Generally, entertainment shall not be considered to have occurred in a clear business setting unless the taxpayer clearly establishes that any recipient of the entertainment would have reasonably known that the taxpayer had no significant motive, in incurring the expenditure, other than directly furthering his trade or business. Objective rather than subjective standards will be determinative. Thus, entertainment which occurred under any circumstances described in subparagraph (7) (ii) of this paragraph ordinarily will not be considered as occurring in a clear business setting. Such entertainment will generally be considered to be socially rather than commercially motivated. Expenditures made for the furtherance of a taxpayer's trade or business in providing a "hospitality room" at a convention (described in paragraph (d) (3) (i) (b) of this section) at which goodwill is created through display or discussion of the taxpayer's products, will, however, be treated as directly related. In addition, entertainment of a clear business nature which occurred under circumstances where there was no meaningful personal or social relationship between the taxpayer and the recipients of the entertainment may be considered to have occurred in a clear business setting. For example, entertainment of business representa-

tives and civic leaders at the opening of a new hotel or theatrical production, where the clear purpose of the taxpayer is to obtain business publicity rather than to create or maintain the goodwill of the recipients of the entertainment, would generally be considered to be in a clear business setting. Also, entertainment which has the principal effect of a price rebate in connection with the sale of the taxpayer's products generally will be considered to have occurred in a clear business setting. Such would be the case, for example, if a taxpayer owning a hotel were to provide occasional free dinners at the hotel for a customer who patronized the hotel.

(5) *Expenditures for services performed.* An expenditure shall be considered directly related to the active conduct of the taxpayer's trade or business if it is established that the expenditure was made directly or indirectly by the taxpayer for the benefit of an individual (other than an employee), and if such expenditure was in the nature of compensation for services rendered or was paid as a prize or award which is required to be included in gross income under section 74 and the regulations thereunder. For example, if a manufacturer of products provides a vacation trip for retailers of his products who exceed sales quotas as a prize or award which is includable in gross income, the expenditure will be considered directly related to the active conduct of the taxpayer's trade or business.

(6) *Club dues, etc., allocable to business meals.* An expenditure shall be considered directly related to the active conduct of the taxpayer's trade or business if it is established that the expenditure was with respect to a facility (as described in paragraph (e) of this section) used by the taxpayer for the furnishing of food or beverages under circumstances described in paragraph (f) (2) (i) of this section (relating to business meals and similar expenditures), to the extent allocable to the furnishing of such food or beverages.

(7) *Expenditures generally considered not directly related.* Expenditures for entertainment, even if connected with the taxpayer's trade or business, will generally be considered not directly related to the active conduct of the taxpayer's trade or business, if the entertainment occurred under circumstances where there was little or no possibility of engaging in the active conduct of trade or business. The following circumstances will generally be considered circumstances where there was little or no possibility of engaging in the active conduct of a trade or business:

(i) The taxpayer was not present;
(ii) The distractions were substantial, such as—

(a) A meeting or discussion at night clubs, theaters, and sporting events, or during essentially social gatherings such as cocktail parties, or

(b) A meeting or discussion, if the taxpayer meets with a group which includes persons other than business associates, at places such as cocktail lounges, country clubs, golf and athletic clubs, or at vacation resorts.

An expenditure for entertainment in any such case is considered not to be directly related to the active conduct of the taxpayer's trade or business unless the taxpayer clearly establishes to the contrary.

(d) *Associated entertainment—(1) In general.* Except as provided in paragraph (f) of this section (relating to business meals and other specific exceptions) and subparagraph (4) of this paragraph (relating to expenditures closely connected with directly related entertainment), any expenditure for entertainment which is not directly related to the active conduct of the taxpayer's trade or business will not be allowable as a deduction unless—

(i) It was associated with the active conduct of trade or business as defined in subparagraph (2) of this paragraph, and

(ii) The entertainment directly preceded or followed a substantial and bona fide business discussion as defined in subparagraph (3) of this paragraph.

(2) *Associated entertainment defined.* Generally, any expenditure for entertainment, if it is otherwise allowable under chapter 1 of the Code, shall be considered associated with the active conduct of the taxpayer's trade or business if the taxpayer establishes that he had a clear business purpose in making the expenditure, such as to obtain new business or to encourage the continuation of an existing business relationship. However, any portion of an expenditure allocable to a person who was not closely connected with a person who engaged in the substantial and bona fide business discussion (as defined in subparagraph (3) (i) of this paragraph) shall not be considered associated with the active conduct of the taxpayer's trade or business. The portion of an expenditure allocable to the spouse of a person who engaged in the discussion will, if it is otherwise allowable under chapter 1 of the Code, be considered associated with the active conduct of the taxpayer's trade or business.

(3) *Directly preceding or following a substantial and bona fide business discussion defined—(i) Substantial and bona fide business discussion—(a) In general.* Whether any meeting, negotiation or discussion constitutes a "substantial and bona fide business discussion" within the meaning of this section depends upon the facts and circumstances of each case. It must be established, however, that the taxpayer actively engaged in a business meeting, negotiation, discussion, or other bona fide business transaction, other than entertainment, for the purpose of obtaining income or other specific trade or business benefit. In addition, it must be established that such a business meeting, negotiation, discussion, or transaction was substantial in relation to the entertainment. This requirement will be satisfied if the principal character or aspect of the combined entertainment and business activity was the active conduct of business. However, it is not necessary that more time be devoted to business than to entertainment to meet this requirement.

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(b) *Meetings at conventions, etc.* Any meeting officially scheduled in connection with a program at a convention or similar general assembly, or at a bona fide trade or business meeting sponsored and conducted by business or professional organizations, shall be considered to constitute a substantial and bona fide business discussion within the meaning of this section provided—

(1) *Expenses necessary to taxpayer's attendance.* The expenses necessary to the attendance of the taxpayer at the convention, general assembly, or trade or business meeting, were ordinary and necessary within the meaning of section 162 or 212;

(2) *Convention program.* The organization which sponsored the convention, or trade or business meeting had scheduled a program of business activities (including committee meetings or presentation of lectures, panel discussions, display of products, or other similar activities), and that such program was the principal activity of the convention, general assembly, or trade or business meeting.

(ii) *Directly preceding or following.* Entertainment which occurs on the same day as a substantial and bona fide business discussion (as defined in subdivision (i) of this subparagraph) will be considered to directly precede or follow such discussion. If the entertainment and the business discussion do not occur on the same day, the facts and circumstances of each case are to be considered, including the place, date and duration of the business discussion, whether the taxpayer or his business associates are from out of town, and, if so, the date of arrival and departure, and the reasons the entertainment did not take place on the day of the business discussion. For example, if a group of business associates comes from out of town to the taxpayer's place of business to hold a substantial business discussion, the entertainment of such business guests and their wives on the evening prior to, or on the evening of the day following, the business discussion would generally be regarded as directly preceding or following such discussion.

(4) *Expenses closely connected with directly related entertainment.* If any portion of an expenditure meets the requirements of paragraph (c) (3) of this section (relating to directly related entertainment in general), the remaining portion of the expenditure, if it is otherwise allowable under chapter 1 of the Code, shall be considered associated with the active conduct of the taxpayer's trade or business to the extent allocable to a person or persons closely connected with a person referred to in paragraph (c) (3) (iv) of this section. The spouse of a person referred to in paragraph (c) (3) (iv) of this section will be considered closely connected to such a person for purposes of this subparagraph. Thus, if a taxpayer and his wife entertain a business customer and the customer's wife under circumstances where the entertainment of the customer is considered directly related to the active conduct of the taxpayer's trade or business (within the meaning of paragraph

(c) (3) of this section) the portion of the expenditure allocable to both wives will be considered associated with the active conduct of the taxpayer's trade or business under this subparagraph.

(e) *Expenditures with respect to entertainment facilities.*—(1) *In general.* Any expenditure with respect to a facility used in connection with entertainment shall not be allowed as a deduction except to the extent it meets the requirements of paragraph (a) (2) of this section.

(2) *Facilities used in connection with entertainment.*—(i) *In general.* Any item of personal or real property owned, rented, or used by a taxpayer shall (unless otherwise provided under the rules of subdivision (ii) of this subparagraph) be considered to constitute a facility used in connection with entertainment if it is used during the taxable year for, or in connection with, entertainment (as defined in paragraph (b) (1) of this section). Examples of facilities which might be used for, or in connection with, entertainment include yachts, hunting lodges, fishing camps, swimming pools, tennis courts, bowling alleys, automobiles, airplanes, apartments, hotel suites, and homes in vacation resorts.

(ii) *Facilities used incidentally for entertainment.* A facility used only incidentally during a taxable year in connection with entertainment, if such use is insubstantial, will not be considered a "facility used in connection with entertainment" for purposes of this section or for purposes of the recordkeeping requirements of section 274(d). See § 1.274-5(c) (6) (iii).

(3) *Expenditures with respect to a facility used in connection with entertainment.*—(i) *In general.* The phrase "expenditures with respect to a facility used in connection with entertainment" includes depreciation and operating costs, such as rent and utility charges (for example, water or electricity), expenses for the maintenance, preservation or protection of a facility (for example, repairs, painting, insurance charges), and salaries or expenses for subsistence paid to caretakers or watchmen. In addition, the phrase includes losses realized on the sale or other disposition of a facility.

(ii) *Club dues.* Dues or fees paid to any social, athletic, or sporting club or organization are considered expenditures with respect to a facility used in connection with entertainment. The purposes and activities of a club or organization, and not its name, determine its character. Generally, the phrase "social, athletic, or sporting club or organization" has the same meaning for purposes of this section as it has in part II of chapter 33 of the Code, and the regulations thereunder, relating to tax on club dues. However, for purposes of this section only, clubs operated solely to provide lunches under circumstances of a type generally considered to be conducive to business discussion, within the meaning of paragraph (f) (2) (i) of this section, will not be considered social clubs.

(iii) *Expenditures not with respect to a facility.* The following expenditures shall not be considered to constitute ex-

penditures with respect to a facility used in connection with entertainment—

(a) *Out of pocket expenditures.* Expenses (exclusive of operating costs and other expenses referred to in subdivision (i) of this subparagraph) incurred at the time of an entertainment activity, even though in connection with the use of facility for entertainment purposes, such as expenses for food and beverages, or expenses for catering, or expenses for gasoline and fishing bait consumed on a fishing trip;

(b) *Non-entertainment expenditures.* Expenses or items attributable to the use of a facility for other than entertainment purposes such as expenses for an automobile when not used for entertainment; and

(c) *Expenditures otherwise deductible.* Expenses allowable as a deduction without regard to their connection with a taxpayer's trade or business such as taxes, interest, and casualty losses. The provisions of this subdivision shall be applied in the case of a taxpayer which is not an individual as if it were an individual. See also § 1.274-6.

(iv) *Cross reference.* For other rules with respect to treatment of certain expenditures for entertainment-type facilities, see § 1.274-7.

(4) *Determination of primary use.*—

(i) *In general.* A facility used in connection with entertainment shall be considered as used primarily for the furtherance of the taxpayer's trade or business only if it is established that the primary use of the facility during the taxable year was for purposes considered ordinary and necessary within the meaning of sections 162 and 212 and the regulations thereunder. All of the facts and circumstances of each case shall be considered in determining the primary use of a facility. Generally, it is the actual use of the facility which establishes the deductibility of expenditures with respect to the facility; not its availability for use and not the taxpayer's principal purpose in acquiring the facility. Objective rather than subjective standards will be determinative. If membership entitles the member's entire family to use of a facility, such as a country club, their use will be considered in determining whether business use of the facility exceeds personal use. The factors to be considered include the nature of each use, the frequency and duration of use for business purposes as compared with other purposes, and the amount of expenditures incurred during use for business compared with amount of expenditures incurred during use for other purposes. No single standard of comparison, or quantitative measurement, as to the significance of any such factor, however, is necessarily appropriate for all classes or types of facilities. For example, an appropriate standard for determining the primary use of a country club during a taxable year will not necessarily be appropriate for determining the primary use of an airplane. However, a taxpayer shall be deemed to have established that a facility was used primarily for the furtherance of his trade or business if he establishes such primary use in accordance

with subdivision (ii) or (iii) of this subparagraph. Subdivisions (ii) and (iii) of this subparagraph shall not preclude a taxpayer from otherwise establishing the primary use of a facility under the general provisions of this subdivision.

(ii) *Certain transportation facilities.* A taxpayer shall be deemed to have established that a facility of a type described in this subdivision was used primarily for the furtherance of his trade or business if—

(a) *Automobiles.* In the case of an automobile, the taxpayer establishes that more than 50 percent of mileage driven during the taxable year was in connection with travel considered to be ordinary and necessary within the meaning of section 162 or 212 and the regulations thereunder.

(b) *Airplanes.* In the case of an airplane, the taxpayer establishes that more than 50 percent of hours flown during the taxable year was in connection with travel considered to be ordinary and necessary within the meaning of section 162 or 212 and the regulations thereunder.

(iii) *Entertainment facilities in general.* A taxpayer shall be deemed to have established that—

(a) A facility used in connection with entertainment, such as a yacht or other pleasure boat, hunting lodge, fishing camp, summer home or vacation cottage, hotel suite, country club, golf club or similar social, athletic, or sporting club or organization, bowling alley, tennis court, or swimming pool, or,

(b) A facility for employees not falling within the scope of section 274(e) (2) or (5).

was used primarily for the furtherance of his trade or business if he establishes that more than 50 percent of the total calendar days of use of the facility by, or under authority of, the taxpayer during the taxable year were days of business use. Any use of a facility (of a type described in this subdivision) during one calendar day shall be considered to constitute a "day of business use" if the primary use of the facility on such day was ordinary and necessary within the meaning of section 162 or 212 and the regulations thereunder. For the purposes of this subdivision, a facility shall be deemed to have been primarily used for such purposes on any one calendar day if the facility was used for the conduct of a substantial and bona fide business discussion (as defined in paragraph (d) (3) (i) of this section) notwithstanding that the facility may also have been used on the same day for personal or family use by the taxpayer or any member of the taxpayer's family not involving entertainment of others by, or under the authority of, the taxpayer.

(f) *Specific exceptions to application of this section—(1) In general.* The provisions of paragraphs (a) through (e) of this section (imposing limitations on deductions for entertainment expenses) are not applicable in the case of expenditures set forth in subparagraph (2) of this paragraph. Such expenditures are deductible to the extent allowable under chapter 1 of the Code. This paragraph

shall not be construed to affect the allowability or nonallowability of a deduction under section 162 or 212 and the regulations thereunder. The fact that an expenditure is not covered by a specific exception provided for in this paragraph shall not be determinative of the allowability or nonallowability of the expenditure under paragraphs (a) through (e) of this section. Expenditures described in subparagraph (2) of this paragraph are subject to the substantiation requirements of section 274(d) to the extent provided in § 1.274-5.

(2) *Exceptions.* The expenditures referred to in subparagraph (1) of this paragraph are set forth in subdivisions (i) through (ix) of this subparagraph.

(i) *Business meals and similar expenditures—(a) In general.* Any expenditure for food or beverages furnished to an individual under circumstances of a type generally considered conducive to business discussion (taking into account the surroundings in which furnished, the taxpayer's trade, business, or income-producing activity, and the relationship to such trade, business or activity of the persons to whom the food or beverages are furnished) is not subject to the limitations on allowability of deductions provided for in paragraphs (a) through (e) of this section. There is no requirement that business actually be discussed for this exception to apply.

(b) *Surroundings.* The surroundings in which the food or beverages are furnished must be such as would provide an atmosphere where there are no substantial distractions to discussion. This exception applies primarily to expenditures for meals and beverages served during the course of a breakfast, lunch or dinner meeting of the taxpayer and his business associates at a restaurant, hotel dining room, eating club or similar place not involving distracting influences such as a floor show. This exception also applies to expenditures for beverages served apart from meals if the expenditure is incurred in surroundings similarly conducive to business discussion, such as an expenditure for beverages served during the meeting of the taxpayer and his business associates at a cocktail lounge or hotel bar not involving distracting influences such as a floor show. This exception may also apply to expenditures for meals or beverages served in the taxpayer's residence on a clear showing that the expenditure was commercially rather than socially motivated. However, this exception, generally, is not applicable to any expenditure for meals or beverages furnished in circumstances where there are major distractions not conducive to business discussion, such as at night clubs, sporting events, large cocktail parties, sizeable social gatherings, or other major distracting influences.

(c) *Taxpayer's trade or business and relationship of persons entertained.* The taxpayer's trade, business, or income-producing activity and the relationship of the persons to whom the food or beverages are served to such trade, business or activity must be such as will reasonably indicate that the food or

beverages were furnished for the primary purpose of furthering the taxpayer's trade or business and did not primarily serve a social or personal purpose. Such a business purpose would be indicated, for example, if a salesman employed by a manufacturing supply company meets for lunch during a normal business day with a purchasing agent for a manufacturer which is a prospective customer. Such a purpose would also be indicated if a life insurance agent meets for lunch during a normal business day with a client.

(d) *Business programs.* Expenditures for business luncheons or dinners which are part of a business program, or banquets officially sponsored by business or professional associations, will be regarded as expenditures to which the exception of this subdivision (i) applies. In the case of such a business luncheon or dinner it is not always necessary that the taxpayer attend the luncheon or dinner himself. For example, if a dental equipment supplier purchased a table at a dental association banquet for dentists who are actual or prospective customers for his equipment, the cost of the table would not be disallowed under this section. See also paragraph (c) (4) of this section relating to expenditures made in a clear business setting.

(ii) *Food and beverages for employees.* Any expenditure by a taxpayer for food and beverages (or for use of a facility in connection therewith) furnished on the taxpayer's business premises primarily for his employees is not subject to the limitations on allowability of deductions provided for in paragraphs (a) through (e) of this section. This exception applies not only to expenditures for food or beverages furnished in a typical company cafeteria or an executive dining room, but also to expenditures with respect to the operation of such facilities. This exception applies even though guests are occasionally served in the cafeteria or dining room.

(iii) *Certain entertainment expenses treated as compensation.* Any expenditure by a taxpayer for entertainment (or for use of a facility in connection therewith), if an employee is the recipient of the entertainment, is not subject to the limitations on allowability of deductions provided for in paragraphs (a) through (e) of this section to the extent that such expenditure is treated by the taxpayer—

(a) On his income tax return as originally filed, as compensation paid to the employee, and

(b) As wages to the employee for purposes of withholding under chapter 24 (relating to collection of income tax at source on wages).

For example, if an employer rewards the employee (and the employee's wife) with an expense paid vacation trip, such an expense is deductible by the employer (if allowable under section 162 and the regulations thereunder) to the extent the employer so treats the expenses as compensation and as wages. On the other hand, if a taxpayer owns a yacht which he uses for the entertainment of business customers, the portion of salary paid to employee members of the crew which is allocable to use of the yacht

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for entertainment purposes (even though treated on the taxpayer's tax return as compensation and treated as wages for withholding tax purposes) would not come within this exception since the members of the crew were not recipients of the entertainment. If an expenditure of a type described in this subdivision properly constitutes a dividend paid to a shareholder or if it constitutes unreasonable compensation paid to an employee, nothing in this exception prevents disallowance of the expenditure to the taxpayer under other provisions of the Code.

(iv) *Reimbursed entertainment expenses*—(a) *Introductory*. In the case of any expenditure for entertainment paid or incurred by one person in connection with the performance by him of services for another person (whether or not such other person is an employer) under a reimbursement or other expense allowance arrangement, the limitations on allowability of deductions provided for in paragraphs (a) through (e) of this section shall be applied only once, either (1) to the person who makes the expenditure or (2) to the person who actually bears the expense, but not to both. For purposes of this subdivision (iv), the term "reimbursement or other expense allowance arrangement" has the same meaning as it has in section 62(2)(A), but without regard to whether the taxpayer is the employee of a person for whom services are performed. If an expenditure of a type described in this subdivision properly constitutes a dividend paid to a shareholder, unreasonable compensation paid to an employee, or a personal, living or family expense, nothing in this exception prevents disallowance of the expenditure to the taxpayer under other provisions of the Code.

(b) *Reimbursement arrangements between employee and employer*. In the case of an expenditure for entertainment paid or incurred by an employee under a reimbursement or other expense allowance arrangement with his employer, the limitations on deductions provided for in paragraphs (a) through (e) of this section shall not apply.

(1) *Employees*. To the employee except to the extent his employer has treated the expenditure on the employer's income tax return as originally filed as compensation paid to the employee and as wages to such employee for purposes of withholding under chapter 24 (relating to collection of income tax at source on wages).

(2) *Employers*. To the employer to the extent he has treated the expenditure as compensation and wages paid to an employee in the manner provided in (b)(1) of this subdivision.

(c) *Reimbursement arrangements between independent contractors and clients or customers*. In the case of an expenditure for entertainment paid or incurred by one person (hereinafter termed "independent contractor") under a reimbursement or other expense allowance arrangement with another person other than an employer (hereinafter termed "client or customer"), the limitations on deductions provided for in para-

graphs (a) through (e) of this section shall not apply.

(1) *Independent contractors*. To the independent contractor to the extent he accounts to his client or customer within the meaning of section 274(d) and the regulations thereunder. See § 1.274-5.

(2) *Clients or customers*. To the client or customer if the expenditure is disallowed to the independent contractor under paragraphs (a) through (e) of this section.

(v) *Recreational expenses for employees generally*. Any expenditure by a taxpayer for a recreational, social, or similar activity (or for use of a facility in connection therewith), primarily for the benefit of his employees generally, is not subject to the limitations on allowability of deductions provided for in paragraphs (a) through (e) of this section. This exception applies only to expenditures made primarily for the benefit of employees of the taxpayer other than employees who are officers, shareholders on other owners who own a 10-percent or greater interest in the business, or other highly compensated employees. For purposes of the preceding sentence, an employee shall be treated as owning any interest owned by a member of his family (within the meaning of section 267(c)(4) and the regulations thereunder).

Ordinarily, this exception applies to usual employee benefit programs such as expenses of a taxpayer (a) in holding Christmas parties, annual picnics, or summer outings, for his employees generally, or (b) of maintaining a swimming pool, baseball diamond, bowling alley, or golf course available to his employees generally. Any expenditure for an activity which is made under circumstances which discriminate in favor of employees who are officers, shareholders or other owners, or highly compensated employees shall not be considered made primarily for the benefit of employees generally. On the other hand, an expenditure for an activity will not be considered outside of this exception merely because, due to the large number of employees involved, the activity is intended to benefit only a limited number of such employees at one time, provided the activity does not discriminate in favor of officers, shareholders, other owners, or highly compensated employees.

(vi) *Employee, stockholder, etc., business meetings*. Any expenditure by a taxpayer for entertainment which is directly related to bona fide business meetings of the taxpayer's employees, stockholders, agents, or directors held principally for discussion of trade or business is not subject to the limitations on allowability of deductions provided for in paragraphs (a) through (e) of this section. For purposes of this exception, a partnership is to be considered a taxpayer and a member of a partnership is to be considered an agent. For example, an expenditure by a taxpayer to furnish refreshments to his employees at a bona fide meeting, sponsored by the taxpayer for the principal purpose of instructing them with respect to a new procedure for conducting his business,

would be within the provisions of this exception. A similar expenditure made at a bona fide meeting of stockholders of the taxpayer for the election of directors and discussion of corporate affairs would also be within the provisions of this exception. While this exception will apply to bona fide business meetings even though some social activities are provided, it will not apply to meetings which are primarily for social or nonbusiness purposes rather than for the transaction of the taxpayer's business. A meeting under circumstances where there was little or no possibility of engaging in the active conduct of trade or business (as described in paragraph (c)(7) of this section) generally will not be considered a business meeting for purposes of this subdivision. This exception will not apply to a meeting or convention of employees or agents, or similar meeting for directors, partners or others for the principal purpose of rewarding them for their services to the taxpayer. However, such a meeting or convention of employees might come within the scope of subdivisions (iii) or (v) of this subparagraph.

(vii) *Meetings of business leagues, etc.* Any expenditure for entertainment directly related and necessary to attendance at bona fide business meetings or conventions of organizations exempt from taxation under section 501(c)(6) of the Code, such as business leagues, chambers of commerce, real estate boards, boards of trade, and certain professional associations, is not subject to the limitations on allowability of deductions provided in paragraphs (a) through (e) of this section.

(viii) *Items available to the public*. Any expenditure by a taxpayer for entertainment (or for a facility in connection therewith) to the extent the entertainment is made available to the general public is not subject to the limitations on allowability of deductions provided for in paragraphs (a) through (e) of this section. Expenditures for entertainment of the general public by means of television, radio, newspapers and the like, will come within this exception, as will expenditures for distributing samples to the general public. Similarly, expenditures for maintaining private parks, golf courses and similar facilities, to the extent that they are available for public use, will come within this exception. For example, if a corporation maintains a swimming pool which it makes available for a period of time each week to children participating in a local public recreational program, the portion of the expense relating to such public use of the pool will come within this exception.

(ix) *Entertainment sold to customers*. Any expenditure by a taxpayer for entertainment (or for use of a facility in connection therewith) to the extent the entertainment is sold to customers in a bona fide transaction for an adequate and full consideration in money or money's worth is not subject to the limitations on allowability of deductions provided for in paragraphs (a) through (e) of this section. Thus, the cost of

producing night club entertainment (such as salaries paid to employees of night clubs and amounts paid to performers) for sale to customers or the cost of operating a pleasure cruise ship as a business will come within this exception.

§ 1.274-3 Disallowance of deduction for gifts.

(a) *In general.* No deduction shall be allowed under section 162 or 212 for any expense for a gift made directly or indirectly by a taxpayer to any individual to the extent that such expense, when added to prior expenses of the taxpayer for gifts made to such individual during the taxpayer's taxable year, exceeds \$25.

(b) *Gift defined—(1) In general.* Except as provided in subparagraph (2) of this paragraph the term "gift", for purposes of this section, means any item excludable from the gross income of the recipient under section 102 which is not excludable from his gross income under any other provision of chapter 1 of the Code. Thus, a payment by an employer to a deceased employee's widow is not a gift, for purposes of this section, to the extent the payment constitutes an employee's death benefit excludable by the recipient under section 101(b). Similarly, a scholarship which is excludable from a recipient's gross income under section 117, and a prize or award which is excludable from a recipient's gross income under section 74(b), are not subject to the provisions of this section.

(2) *Items not treated as gifts.* The term "gift", for purposes of this section, does not include the following:

(i) An item having a cost to the taxpayer not in excess of \$4.00 on which the name of the taxpayer is clearly and permanently imprinted and which is one of a number of identical items distributed generally by such a taxpayer.

(ii) A sign, display rack, or other promotional material to be used on the business premises of the recipient, or

(iii) An item of tangible personal property having a cost to the taxpayer not in excess of \$100 which is awarded to an employee by reason of length of service or for safety achievement.

The deductibility of the expense of any of the items described in this subparagraph is not governed by this section and the taxpayer need not take such items into account in determining whether the \$25 limitation on gifts to any individual has been exceeded. The fact that such items are excepted from the applicability of this section has no effect in determining whether the value of such items is includable in the gross income of the recipient.

(c) *Expense for a gift.* For purposes of this section, the term "expense for a gift" means the cost of the gift to the taxpayer, other than incidental costs such as for customary engraving on jewelry, or for packaging, insurance, and mailing or other delivery. A related cost will be considered "incidental" only if it does not add substantial value to the gift. Although the cost of customary gift wrapping will be considered an incidental cost, the purchase of an

ornamental basket for packaging fruit will not be considered an incidental cost of packaging if the basket has a value which is substantial in relation to the value of the fruit.

(d) *Gifts made indirectly to an individual—(1) Gift to spouse or member of family.* If a taxpayer makes a gift to the wife of a man who has a business connection with the taxpayer, the gift generally will be considered as made indirectly to the husband. However, if the wife has a bona fide business connection with the taxpayer independently of her relationship to her husband, a gift to her generally will not be considered as made indirectly to her husband unless the gift is intended for his eventual use or benefit. Thus, if a taxpayer makes a gift to a wife who is engaged with her husband in the active conduct of a partnership business, the gift to the wife will not be considered an indirect gift to her husband unless it is intended for his eventual use or benefit. The same rules apply to gifts to any other member of the family of an individual who has a business connection with the taxpayer.

(2) *Gift to corporation or other business entity.* If a taxpayer makes a gift to a corporation or other business entity intended for the eventual personal use or benefit of an individual who is an employee, stockholder, or other owner of the corporation or business entity, the gift generally will be considered as made indirectly to such individual. Thus, if a taxpayer provides theater tickets to a closely held corporation for eventual use by any one of the stockholders of the corporation, and if such tickets are gifts, the gifts will be considered as made indirectly to the individual who eventually uses such ticket. On the other hand, a gift to a business organization of property to be used in connection with the business of the organization (for example, a technical manual) will not be considered as a gift to an individual, even though, in practice, the book will be used principally by a readily identifiable individual employee. A gift for the eventual personal use or benefit of some undesignated member of a large group of individuals generally will not be considered as made indirectly to the individual who eventually uses, or benefits from, such gifts unless, under the circumstances of the case, it is reasonably practicable for the taxpayer to ascertain the ultimate recipient of the gift. Thus, if a taxpayer provides several baseball tickets to a corporation for the eventual use by any one of a large number of employees or customers of the corporation, and if such tickets are gifts, the gifts generally will not be treated as made indirectly to the individuals who use such tickets.

(e) *Special rules—(1) Partnership.* In the case of a gift by a partnership, the \$25 annual limitation contained in paragraph (a) of this section shall apply to the partnership as well as to each member of the partnership. Thus, in the case of a gift made by a partner with respect to the business of the partnership, the \$25 limitation will be applied at the partnership level as well as at

the level of the individual partner. Consequently, deductions for gifts made with respect to partnership business will not exceed \$25 annually for each recipient, regardless of the number of partners.

(2) *Husband and wife.* For purposes of applying the \$25 annual limitation contained in paragraph (a) of this section, a husband and wife shall be treated as one taxpayer. Thus, in the case of gifts to an individual by a husband and wife, the spouses will be treated as one donor; and they are limited to a deduction of \$25 annually for each recipient. This rule applies regardless of whether the husband and wife file a joint return or whether the husband and wife make separate gifts to an individual with respect to separate businesses. Since the term "taxpayer" in paragraph (a)(1) of this section refers only to the donor of a gift, this special rule does not apply to treat a husband and wife as one individual where each is a recipient of a gift. See paragraph (d)(1) of this section.

(f) *Cross reference.* For rules with respect to whether this section or § 1.274-2 applies, see § 1.274-2(b)(1) (iii).

§ 1.274-4 Disallowance of certain travel expenses.

(a) *Introductory.* Section 274(c) and this section impose certain restrictions on the deductibility of travel expenses incurred in the case of an individual who, while traveling away from home in the pursuit of trade or business (hereinafter termed "business activity"), engages in substantial personal activity not attributable to such trade or business (hereinafter termed "nonbusiness activity"). Section 274(c) and this section are limited in their application to individuals (whether or not an employee or other person traveling under a reimbursement or other expense allowance arrangement) who engage in nonbusiness activity while traveling, and do not impose restrictions on the deductibility of travel expenses incurred by an employer or client under an advance, reimbursement, or other arrangement with the individual who engages in nonbusiness activity. For purposes of this section, any reference to "trade or business" or "business activity" shall include any activity described in section 212. For rules governing the disallowance of travel expense to which this section applies, see paragraph (e) of this section.

(b) *Limitations on application of section.* The restrictions on deductibility of travel expenses contained in paragraph (e) of this section are applicable only if—

(1) The travel expense is otherwise deductible under section 162 or 212 and the regulations thereunder.

(2) The travel expense is for travel away from home which exceeds one week as determined under paragraph (c) of this section, and

(3) The time away from home attributable to nonbusiness activity, as determined under paragraph (d) of this section, constitutes 25 percent or more of the total time away from home on such travel.

(c) *Travel in excess of one week.* This section does not apply to an expense of travel unless the expense is for travel away from home which exceeds one week. For purposes of this section, one week means seven consecutive days. The day of departure shall not be considered, but the day of return shall be considered, in determining whether a taxpayer is away from home for more than seven consecutive days. For example, if a taxpayer departs on a trip on a Wednesday morning and returns the following Wednesday evening, he shall be considered as being away from home only seven consecutive days. In such a case, this section would not apply because the taxpayer was not away from home for more than seven consecutive days. However, if the taxpayer is away from home for more than seven consecutive days, both the day of departure and the day of return shall be considered a "business day" or a "nonbusiness day", as the case may be, for purposes of determining whether nonbusiness activity constituted 25 percent or more of travel time under paragraph (d) of this section and for purposes of allocating expenses under paragraph (e) of this section.

(d) *Nonbusiness activity constituting 25 percent or more of travel time—(1) In general.* This section does not apply to any expense of travel away from home unless the portion of time away from home attributable to nonbusiness activity constitutes 25 percent or more of the total time away from home on such travel.

(2) *Allocation on per day basis.* The total time traveling away from home will be allocated on a day-by-day basis to (i) days of business activity or (ii) days of nonbusiness activity (hereinafter termed "business days" or "nonbusiness days" respectively) unless the taxpayer establishes that a different method of allocation more clearly reflects the portion of time away from home which is attributable to nonbusiness activity. For purposes of this section, a day shall be deemed entirely a business day even though spent only in part on business activity if the taxpayer establishes—

(i) *Transportation days.* That on such day the taxpayer was traveling to or returning from a destination to which he traveled in the pursuit of trade or business. However, if for purposes of engaging in nonbusiness activity, the taxpayer does not travel by a reasonably direct route, only that number of days shall be considered business days as would be required for the taxpayer, using the same mode of transportation, to travel to or return from the same destination by a reasonably direct route. Also if, while enroute, the taxpayer interrupts the normal course of travel by engaging in substantial diversions for nonbusiness reasons of his own choosing, only that number of days shall be considered business days as equals the number of days required for the taxpayer, using the same mode of transportation, to travel to or return from the same destination without engaging in such diversion. For example, if a taxpayer residing in New York departs on an evening by airplane for a business meet-

ing to be held in Chicago the next morning, for purposes of determining whether nonbusiness activity constituted 25 percent or more of his travel time, the entire day of his departure shall be considered a business day. On the other hand, if a taxpayer travels by automobile from New York to Chicago to attend a business meeting and while enroute spends two days in Philadelphia and one day in Pittsburgh on nonbusiness activities of his personal choice, only that number of days shall be considered business days as would have been required for the taxpayer to drive by a reasonably direct route to Chicago, taking into account normal periods for rest and meals.

(ii) *Presence required.* That on such day his presence away from home was required at a particular place for a specific and bona fide business purpose. For example, if a taxpayer is instructed by his employer to attend a specific business meeting, the day of the meeting shall be considered a business day even though, because of the scheduled length of the meeting, the taxpayer spends more time during normal working hours of the day on nonbusiness activity than on business activity.

(iii) *Days primarily business.* That during hours normally considered to be appropriate for business activity, his principal activity on such day was the pursuit of trade or business.

(iv) *Circumstances beyond control.* That on such day he was prevented from engaging in the conduct of trade or business as his principal activity due to circumstances beyond his control.

(v) *Weekends, holidays, etc.* That such day was a Saturday, Sunday, legal holiday, or other reasonably necessary stand-by day which intervened during that course of the taxpayer's trade or business while away from home which the taxpayer endeavored to conduct with reasonable dispatch. For example, if a taxpayer travels from New York to Chicago to take part in business negotiations beginning on a Wednesday and concluding on the following Tuesday, the intervening Saturday and Sunday shall be considered business days whether or not business is conducted on either of such days. Similarly, if in the above case the meetings which concluded on Tuesday evening were followed by business meetings with another business group in Chicago on the immediately succeeding Thursday and Friday, the intervening Wednesday will be deemed a business day. However, if at the conclusion of the business meetings on Friday, the taxpayer stays in Chicago for an additional week for personal purposes, the Saturday and Sunday following the conclusion of the business meeting will not be considered business days.

(e) *Application of disallowance rules—(1) In general.* In the case of expense for travel away from home by an individual to which this section applies, except as otherwise provided in subparagraphs (4) or (5) of this paragraph, no deduction shall be allowed for that amount of travel expense specified in subparagraph (2) or (3) of this paragraph (whichever is applicable) which is obtained by multiplying the

total of such travel expense by a fraction—

(i) The numerator of which is the number of nonbusiness days during such travel, and

(ii) The denominator of which is the total number of business days and nonbusiness days during such travel.

For determination of "business days" and "nonbusiness days", see paragraph (d) (2) of this section.

(2) *Nonbusiness activity at, near, or beyond business destination.* If the place at which the individual engages in nonbusiness activity (hereinafter termed "nonbusiness destination") is at, near, or beyond the place to which he travels in the pursuit of a trade or business (hereinafter termed "business destination"), the amount of travel expense referred to in subparagraph (1) of this paragraph shall be the amount of travel expense, otherwise allowable as a deduction under section 162 or section 212, which would have been incurred in traveling from the place of departure to the business destination, and returning. Thus, if the individual travels from New York to London on business, and then takes a vacation in Paris before returning to New York, the amount of the travel expense subject to allocation is the expense which would have been incurred in traveling from New York to London and returning.

(3) *Nonbusiness activity on the route to or from business destination.* If the nonbusiness destination is on the route to or from the business destination, the amount of the travel expense referred to in subparagraph (1) of this paragraph shall be the amount of travel expense, otherwise allowable as a deduction under section 162 or 212, which would have been incurred in traveling from the place of departure to the nonbusiness destination and returning. Thus, if the individual travels from San Francisco to New York on business and while enroute he takes a vacation in Denver, the amount of travel expense subject to allocation is the expense which would have been incurred in traveling from San Francisco to Denver and returning.

(4) *Other allocation method.* If a taxpayer establishes that a method other than allocation on a day-by-day basis (as determined under paragraph (d) (2) of this section) more clearly reflects the portion of time away from home which is attributable to nonbusiness activity, the amount of travel expense for which no deduction shall be allowed shall be determined by such other method.

(5) *Travel expense deemed entirely allocable to business activity.* Expenses of travel shall be considered allocable in full to business activity, and no portion of such expense shall be subject to disallowance under this section, if incurred under circumstances provided for in subdivision (i) or (ii) of this subparagraph.

(i) *Lack of control over travel.* Expenses of travel otherwise deductible under section 162 or 212 shall be considered fully allocable to business activity if, considering all the facts and circumstances, the individual incurring such expenses did not have substantial

control over the arranging of the business trip. A person who is required to travel to a business destination will not be considered to have substantial control over the arranging of the business trip merely because he has control over the timing of the trip. Any individual who travels on behalf of his employer under a reimbursement or other expense allowance arrangement shall be considered not to have had substantial control over the arranging of his business trip, provided the employee is not—

(a) A managing executive of the employer for whom he is traveling (and for this purpose the term "managing executive" includes only an employee who, by reason of his authority and responsibility, is authorized, without effective veto procedures, to decide upon the necessity for his business trip), or

(b) Related to his employer within the meaning of section 267(b) but for this purpose the percentage referred to in section 267(b)(2) shall be 10 percent.

(ii) *Lack of major consideration to obtain a vacation.* Any expense of travel, which qualifies for deduction under section 162 or 212, shall be considered fully allocable to business activity if the individual incurring such expenses can establish that, considering all the facts and circumstances, he did not have a major consideration, in determining to make the trip, of obtaining a personal vacation or holiday. If such a major consideration were present, the provisions of subparagraphs (1) through (4) of this paragraph shall apply. However, if the trip were primarily personal in nature, the traveling expenses to and from the destination are not deductible even though the taxpayer engages in business activities while at such destination. See § 1.162-2(b).

(f) *Examples.* The application of this section may be illustrated by the following examples:

Example (1). Individual A flew from New York to Paris where he conducted business for 1 day. He spent the next 2 days sightseeing in Paris and then flew back to New York. The entire trip, including 2 days for travel enroute, took 5 days. Since the trip did not exceed 1 week, the disallowance rules of this section do not apply.

Example (2). Individual B flew from New York to Brussels where he spent 14 days on business and 5 days on personal matters and then flew back to New York. The entire trip, including 2 days for travel enroute, took 21 days. Although the trip exceeded a week, the time away from home attributable to nonbusiness activities (5 days out of 21) was less than 25 percent of the total time away from home during the trip. Therefore, the disallowance rules of this section do not apply.

Example (3). C, an employee of Y Company, who is neither a managing executive of, nor related to, Y Company within the meaning of paragraph (e)(5)(i) of this section, traveled away from home on behalf of his employer and was reimbursed by Y for his traveling expense to and from the business destination. The trip took more than a week and C took advantage of the opportunity to enjoy a personal vacation which exceeded 25 percent of the total time on the trip. Since C, traveling under a reimbursement arrangement, is not a managing executive of, or related to, Y Company, he is not considered to have substantial control over the arranging of the business trip,

and the travel expenses shall be considered fully allocable to business activity.

Example (4). D, a managing executive and principal shareholder of X Company, travels from New York to Chicago to attend a series of business meetings. At the conclusion of the series of meetings, which last one week, D spends one week on a personal vacation in Chicago. If D establishes either that he did not have substantial control over the arranging of the trip or that a major consideration in his determining to make the trip was not to provide an opportunity for taking a personal vacation, the entire travel expense to and from Chicago shall be considered fully allocable to business activity.

Example (5). E, a self-employed professional man, flew from New York to Copenhagen, Denmark, to attend a convention sponsored by a professional society. The trip lasted three weeks, of which two weeks were spent on vacation in Europe. E generally would be regarded as having substantial control over arranging this business trip. Unless E can establish that obtaining a vacation was not a major consideration in determining to make the trip, the disallowance rules of this section apply.

Example (6). Taxpayer G flew from New York to San Francisco where he conducted business for 2 days. G then flew to Seattle for a 9 day vacation after which he flew back to New York from Seattle. The entire trip, including 2 days for travel enroute, took 13 days. G would not have made the trip except for the business he had to conduct in San Francisco. The travel away from home exceeded a week and the time devoted to nonbusiness activities was not less than 25 percent of the total time away from home. If G is unable to establish either that he did not have substantial control over the arranging of the business trip or that a major consideration in his determining to make the trip was not to provide an opportunity for taking a personal vacation, 9/13ths (9 days devoted to nonbusiness activities out of a total 13 days away from home on the trip) of the expenses attributable to transportation and food to and from San Francisco will be disallowed (unless G establishes that a different method of allocation more clearly reflects the portion of time away from home which is attributable to nonbusiness activity).

(g) *Cross reference.* For rules with respect to whether this section or § 1.274-2 applies, see § 1.274-2(b)(1)(iii).

PAR. 2. There are inserted immediately after § 1.274-5 (relating to substantiation requirements) the following new sections:

§ 1.274-6 Expenditures deductible without regard to trade or business or other income producing activity.

The provisions of §§ 1.274-1 through 1.274-5, inclusive, do not apply to any deduction allowable to the taxpayer without regard to its connection with the taxpayer's trade or business or other income producing activity. Examples of such items are interest, taxes such as real property taxes, and casualty losses. Thus, if a taxpayer owned a fishing camp, he could still deduct mortgage interest and real property taxes in full even if its use was not primarily for the furtherance of the taxpayer's trade or business. In the case of a taxpayer which is not an individual, the provisions of this section shall be applied as if it were an individual. Thus, if a corporation sustains a casualty loss on an entertainment facility used in its trade or business, it could deduct the loss even

though the facility was not used primarily in furtherance of the corporation's trade or business.

§ 1.274-7 Treatment of certain expenditures with respect to entertainment-type facilities.

If deductions are disallowed under § 1.274-2 with respect to any portion of a facility, such portion shall be treated as an asset which is used for personal, living, and family purposes (and not as an asset used in a trade or business). Thus, the basis of such a facility will be adjusted for purposes of computing depreciation deductions and determining gain or loss on the sale of such facility in the same manner as other property (for example, a residence) which is regarded as used partly for business and partly for personal purposes.

§ 1.274-8 Effective date.

Section 274 and §§ 1.274-1 through 1.274-7 apply with respect to taxable years ending after December 31, 1962, but only in respect of periods after such date.

(Sec. 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805))

MORTIMER M. CAPLIN,
Commissioner of Internal Revenue.

Approved: June 21, 1963.

STANLEY S. SURREY,
Assistant Secretary of the
Treasury.

[F.R. Doc. 63-6690; Filed, June 24, 1963;
5:14 a.m.]

Title 29—LABOR

Chapter XI—Office of Welfare and Pension Plans, Department of Labor

PART 1307—EXEMPTION FROM BONDING REQUIREMENTS

Bonds Placed With Certain Reinsuring Companies Correction

In F.R. Doc. 63-6491, appearing at page 6267 of the issue for Wednesday, June 19, 1963, the last sentence of the preamble, reading "The amendment shall become effective on July 15, 1963," should be deleted.

Title 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 168—DIRECTORY OF INTERNATIONAL MAIL Miscellaneous Amendments

The regulations of the Post Office Department in Part 168 are amended as follows:

I. In § 168.1 that part of paragraph (a) following the tabular information is amended to clarify the postage rate for commercial papers and the weight limits for printed matters. As so amended; the regulations read as follows:

§ 168.1 Postal Union mail.

(See Subchapter L—Postal Union Mail—for detailed information as to mailing conditions.)

(a) *Classifications, surface rates, and weight limits.* (For air mail, see individual country items in § 168.5 for rates, and Part 131 of this chapter for general information.)

* * * * *

(1) The following weight limits apply to individual packages of printed matter:

Countries	Books, catalogs, and directories	All other prints
For countries not listed below.		
Paraguay and Peru	11 pounds.	6 pounds, 9 ounces.
Argentina, Bolivia, Brazil, Fernando Po, Rio Muni, Spain (including Balearic Islands, Canary Islands and Spanish Offices in Northern Africa), and Span- ish West Africa.	11 pounds. 22 pounds.	11 pounds, 22 pounds.
Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Republic of Honduras, Mex- ico, Nicaragua, Panama, El Salvador, Uruguay, and Venezuela.	33 pounds.	33 pounds.

See § 112.4(b)(3) of this chapter concerning exceptional weight limit for packages or bundles of second class and controlled circulation publications mailed to Canada by publishers or registered news agents.

§ 168.5 [Amendment]

II. In § 168.5 *Individual country regulations* make the following changes:

A. In each of the following countries, under Postal Union Mail, amend the item "Special delivery. No service", to read "Special delivery. Yes. See § 168.3 for fees and other conditions."

Afghanistan.	Malta.
Albania.	Martinique.
Algeria.	Morocco.
Azores.	Netherlands New Guinea.
Bulgaria.	Niger.
Cambodia.	Nigeria.
Cape Verde Islands.	Paraguay.
Ceylon.	Portuguese East Africa.
French Guiana.	Portuguese Timor.
French Polynesia.	Portuguese West Africa.
French Somaliland.	Reunion Island.
Gambia.	Rumania.
Guadeloupe.	Sarawak.
Indonesia.	Sierra Leone.
Laos.	Upper Volta.
Macao.	Vietnam.
Madeira Islands.	

B. In country "Bolivia", under Parcel Post, the second paragraph of the item "Observations" is amended to show revised invoice requirements. As so amended; the second paragraph reads as follows:

Observations * * *

Commercial invoices legalized by a Bolivian consulate as well as consular invoices are required for parcels exceeding \$50.00 in value. The invoices must be in the form prescribed by the Bolivian consular regulations. If senders are not familiar with the requirements, they should be advised to consult one of the Bolivian consulates located in principal cities of the United States. Information

may also be obtained from the American Republics Division, Bureau of International Commerce, Department of Commerce, Washington 25, D.C., or any field office of that Department. Parcels not exceeding \$50.00 in value do not require invoices.

C. In country "Canada", under Postal Union mail, make the following changes:

1. In the item "Special delivery" make the following changes in the alphabetical listing of places where special delivery service is in effect.

(a) Delete the following places:

Aurora, Ontario.
Beauharnois, P.Q.
*Beloeil, P.Q.
Chateauguay, P.Q.
East St. Paul, Manitoba.
Gatineau, P.Q.
Grande Praire, Alberta.
Grimsby, Ontario.
McMasterville, P.Q.
Otterburn Heights, P.Q.
Otterburn Park, P.Q.
Rosemere, P.Q.
St. Hilaire Station, P.Q.
St. Hilaire Village, P.Q.
Sept Iles, P.Q.
Tillsonburg, Ontario.
Ville Jacques Cartier, P.Q.
West Saint Paul, Manitoba.

(b) Insert in alphabetical order the following places.

Alma, P.Q.
Baie d'Urfe, P.Q.
Charleswood, Manitoba.
Cité-de-Jacques-Cartier, P.Q.
Elliot Lake, Ontario.
Etobicoke, Ontario.
Georgetown, Ontario.
Kirkfield Park, Manitoba.
Pacific Junction, Manitoba.
Pointe-aux-Trembles, P.Q.
St. Boniface, Manitoba.
St. James, Manitoba.
St. Thomas, Ontario.
Stoney Creek, Ontario.
Whitby, Ontario.

2. In the item "Observations," amend the second paragraph to read as follows:

Observations * * *

Letter packages exceeding 4 pounds 6 ounces in weight, and direct sacks of printed matter (see § 112.4(f) of this chapter) are not admissible for CAPO addresses. Patrons desiring to mail such articles should be advised to obtain civilian addresses either from the addressee or from the Post Office Department, Ottawa 8, Ont., Canada, and to prepare their articles for mailing in accordance with the regulations applicable to the country of destination concerned.

D. In country "Colombia", Under Postal Union mail, amend the item "Special delivery" to read as follows:

Special delivery. Yes. Service confined to Armenia, Barranquilla, Bogota, Bucamaranga, Buenaventura, Buga, Cali, Catagena, Cartago, Cucuta, Girardot, Honda, Ibagué, Manizales, Medellin, Monteria, Neiva, Palmira, Pasto, Pereira, Popayán, Quibdo, Santa Marta and Tunja.

E. In country "Cuba", under Postal Union mail, amend the item "Special de-

livery" to read. "Special delivery." No service.

F. In country "Cyprus", under Postal Union mail, amend the item "Special delivery" to read as follows:

Special delivery. Yes. Service is confined to Famagusta, Kyrenia, Larnaca, Limassol, Nicosia and Paphos. See § 168.3 for fees and other conditions.

G. In country "Iceland", under Parcel Post, add the following to item "Prohibition."

Prohibitions * * *

For other reasons—Icelandic coins and banknotes, as well as any values payable in Icelandic currency.

H. In country "Indonesia", amend the country heading by inserting "Irian, Barat (West New Guinea)" in the alphabetical listing of places therein.

I. In country "Iran", under Postal Union mail, amend the item "Special delivery" to read as follows:

Special delivery. Available to Teheran only. See § 168.3 for fees and other conditions.

J. In country "Kenya and Uganda", under Postal Union mail, amend the item "Special delivery" to read as follows:

Special delivery. Yes. See § 168.3 for fees and other conditions.

K. Delete the country "Netherlands New Guinea", and the accompanying data.

L. In country "Pakistan" make the following changes:

1. Under Postal Union mail, amend the item "Special delivery" to read as follows:

Special delivery. Yes. See § 168.3 for fees and other conditions. The service in Pakistan is limited to ordinary (unregistered) articles.

2. Under Parcel Post, amend the second paragraph of the item "Import restrictions" to read as follows:

Import restrictions * * *

Addressees in Pakistan are now required to obtain import licenses for all types of merchandise except for unsolicited gift parcels containing the following articles:

(a) Books, magazines, newspapers and medicines up to 300 rupees (\$63) per year.

(b) All other articles up to 300 rupees (\$63) per year, except for textiles (other than ready-made clothing), imitation jewelry, watches and watch bands, fountain pens, photographic apparatus, radio apparatus, and hunting trophies.

Import licenses are also not required for bona fide trade samples up to 250 rupees (\$52.50) per year, furnished without cost to authorized importers, or for printed advertising matter and technical literature furnished without cost.

M. Amend the country heading of "Persian Gulf Ports" to read:

Persian Gulf Ports (British Postal Agencies in Bahrain, Muscat, Trucial States (Dubai, Sharjah and Abu Dhabi), and Qatar (Doha and Umm Said)).

* Beloeil Station, P.Q.

O. In country "South Africa (Repub-lic Of.)" made the following changes.

1. Under Postal Union mail, the item "Letter packages containing dutiable merchandise," as amended by 28 F.R. 2278, is amended to read as follows:

Letter packages containing dutiable merchandise. Accepted. See § 112.1(e) of this chapter. Perishable biological materials accepted. See § 111.3(b) (5) of this chapter.

2. Under Parcel Post, in the tabular information following the item "Air parcel rates" amend "footnote 1" for "Weight limit" to read as follows:

¹ 22 pounds to Republic of South Africa, Basutoland, Bechuanaland Protectorate and Swaziland. 11 pounds to South-West Africa.

P. In country "Togo", under Postal Union mail, amend the item "Special delivery" to read as follows:

Special delivery. Available to Lomé only. See § 168.3 for fees and other conditions.

Q. In country "Union of Soviet Socialist Republics", under Postal Union mail, make the following changes as a result of medicines being prohibited in letter packages:

1. Amend the item "Letter packages containing dutiable merchandise" to read as follows:

Letter packages containing dutiable merchandise. Not accepted.

2. Amend the item "Observations" to read as follows:

Observations. Articles at the printed matter rate addressed to individuals require an import license in some cases. It is forbidden to add marks to printed matter for correction of errors in printing or to emphasize certain passages. Not more than two copies of any book or issue of a periodical may be sent in as package.

3. Delete the first paragraph of the item "Prohibitions and import restrictions."

R. In country "Windward Islands", under Postal Union mail, amend the item "Special delivery" to read as follows:

Special delivery. Available to Saint Lucia only. See § 168.3 for fees and other conditions.

S. In "Places Not Included in Alphabetical List of Countries" insert "Netherlands New Guinea (Indonesia)" in proper order therein and amend "New Guinea (Netherlands) (Netherlands New Guinea)" to read "New Guinea (Netherlands) (Indonesia)".

(R.S. 161, as amended; 5 U.S.C. 22, 39 U.S.C. 501, 505)

Louis J. Doyle,
General Counsel.

[F.R. Doc. 63-6645; Filed, June 24, 1963;
8:57 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter II—Bureau of Reclamation, Department of the Interior

PART 404—COLUMBIA BASIN PROJECT, WASHINGTON

PART 411—SALE AND EXCHANGE OF LAND IN FARM UNITS OWNED BY THE UNITED STATES, COLUMBIA BASIN PROJECT, WASHINGTON

Revocation

The act of October 1, 1962 (76 Stat. 677) repealed the limitations on delivery of water to irrigation lands on the Columbia Basin Project, and superseded the statutory requirements of the Columbia Basin Project Act of March 10, 1943 (57 Stat. 14 as amended).

The regulations set forth in 43 CFR Part 404, Subparts A and B, and 43 CFR Part 411, having been promulgated to implement the requirements of the superseded Act, no longer apply. Under the authority of section 4 of the Act of October 1, 1962 (76 Stat. 677) the following amendments are made to Title 43—Public Lands: Parts 404 and 411 are revoked.

STEWART L. UDALL,
Secretary of the Interior.

JUNE 18, 1963.

[F.R. Doc. 63-6627; Filed, June 24, 1963;
8:49 a.m.]

Title 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

[Ex Parte MC-40]

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

PART 7—LIST OF FORMS—PART II INTERSTATE COMMERCE ACT

SUBCHAPTER B—CARRIERS BY MOTOR VEHICLE

PART 196—INSPECTION AND MAINTENANCE

PART 198—TRANSPORTATION OF MIGRANT WORKERS

Qualifications and Maximum Hours of Service of Employees of Motor Car- riers and Safety of Operation and Equipment

At a session of the Interstate Commerce Commission, Motor Carrier Board No. 2, held at its office in Washington, D.C., on the 4th day of June A.D. 1963.

The matter of maintenance and inspection under the Motor Carrier Safety Regulations prescribed by orders of April 14, 1952, and June 17, 1957, as amended, being under consideration; and

The matter of revisions of Forms MCS-31 and BMC-63 concerning driver equipment compliance inspections and motor vehicles declared "out of service" being under consideration, and, in connection therewith the matter of revision of §§ 196.5 and 198.8 only insofar as it relates to the revision of these forms and to clarify long standing administrative practices, being also under consideration; and

It appearing, that these revisions concern primarily the consolidation of forms to be used by Commission personnel when inspecting drivers and vehicles, in addition to parts and accessories, to insure compliance with the Motor Carrier Safety Regulations, and also to clarify §§ 196.5 and 198.8 in line with established administrative procedures and practices relative to these forms constitute an agency procedure, and, therefore, pursuant to section 4(a) of the Administrative Procedure Act (60 Stat. 237, 5 U.S.C. 1003) for good cause it is found that notice of proposed rule making is unnecessary;

It further appearing, that in order to eliminate large numbers of reports now required by motor carriers, eliminate many mailings by the Commission's field offices, to provide a form more completely adaptable to all types of inspections of equipment, to provide a form not requiring change by frequent revisions of the Motor Carrier Safety Regulations and in the interest of more efficient manpower utilization by motor carriers and Commission personnel:

It is ordered, That forms BMC 63 and 64,¹ driver equipment compliance check and "out of service" sticker, respectively, (49 CFR 7.63 and 7.64) are approved, adopted, and prescribed for appropriate use as required by §§ 196.5 and 198.8 of the Code of Federal Regulations (49 CFR 196.5 and 198.8).

It is further ordered, That §§ 196.5 and 198.8 of the Code of Federal Regulations (49 CFR 196.5 and 198.8) be and they are hereby, amended to read as follows:

§ 196.5 Commission inspection of motor vehicles in operation.

(a) *Commission personnel authorized to perform inspections.* The Chief and Assistant Chief of the Section of Field Service and the Section of Motor Carrier Safety, and all field safety specialists, mechanical engineers, safety supervisors, district supervisors, rate agents and safety inspectors employed in the Bureau of Motor Carriers are authorized, and hereby ordered, to enter upon and perform inspections of motor carriers' vehicles in operation.

(b) *Prescribed inspection report.* Form BMC 63, Driver-Equipment Compliance Check (§ 7.63 of this chapter), shall be used to record findings from motor vehicles selected for final inspection by authorized Commission employees.

¹ Filed as part of the original document.

RULES AND REGULATIONS

(c) *Motor vehicles declared "out of service".* (1) Authorized Commission employees shall declare and mark "out of service" any motor vehicle which by reason of its mechanical condition or loading is so imminently hazardous to operate as to be likely to cause an accident or a breakdown. Form BMC 64, "Out of Service Vehicle" sticker (§ 7.64 of this chapter), shall be used to mark vehicles "out of service."

(2) No motor carrier shall require or permit any person to operate nor shall any person operate any motor vehicle declared and marked, "out of service" until all repairs required by the "out of service notice" on Form BMC 63 have been satisfactorily completed. The term operate as used in this section shall include towing the vehicle; provided, however, that vehicles marked "out of service" may be towed away by means of a vehicle using a crane or hoist; and provided further, that the vehicle combination consisting of the emergency towing vehicle and the "out of service" vehicle meets the performance requirements of § 193.52.

(3) No person shall remove the "Out of Service Vehicle" sticker from any motor vehicle prior to completion of all repairs required by the "out of service notice" on Form BMC 63.

(4) The person or persons completing the repairs required by the "out of service notice" shall sign the "Certification of Repairman" in accordance with the terms prescribed on Form BMC 63, entering the name of his shop or garage and the date and time the required repairs were completed. If the driver completes the required repairs, he shall sign and complete the "Certification of Repairman."

(d) *Motor carrier's disposition of Form BMC 63.* (1) The driver of any motor vehicle receiving a Form BMC 63 shall deliver such BMC 63 to the motor carrier operating the vehicle upon his arrival at the next terminal or facility of the motor carrier, if such arrival occurs within twenty-four (24) hours. If the driver does not arrive at a terminal or facility of the motor carrier operating the vehicle within twenty-four (24) hours he shall immediately mail the Form BMC 63 to the motor carrier: *Provided, however,* That for operating convenience, motor carriers may designate any shop, terminal, facility or person to which it may instruct its drivers to deliver or forward Forms BMC 63: *Provided further, however,* that it shall be the sole responsibility of the motor carrier that Forms BMC 63 are returned to the Commission in accordance with the terms prescribed thereon and in subparagraphs (2) and (3) of this paragraph. A driver, if himself a motor carrier, shall return Form BMC 63 to the Commission in accordance with the terms prescribed thereon and in subparagraphs (2) and (3) of this paragraph.

(2) Motor carriers shall carefully examine Forms BMC 63. Any and all violations or mechanical defects noted thereon shall be corrected. To the extent drivers are shown not to be in compliance with the Motor Carrier Safety

Regulations, appropriate corrective action shall be taken by the motor carrier.

(3) Motor carriers shall complete the "Motor Carrier Certification of Action Taken" on Form BMC 63 in accordance with the terms prescribed thereon. Motor carriers shall return Forms BMC 63 to the District Director of the Bureau of Motor Carriers at the address indicated upon Form BMC 63 within fifteen (15) days following the date of the vehicle inspection.

§ 198.8 Commission inspection of motor vehicles in operation.

(a) *Commission personnel authorized to perform inspections.* The Chief and Assistant Chief of the Section of Field Service and the Section of Motor Carrier Safety, and all field safety specialists, mechanical engineers, safety supervisors, district supervisors, rate agents and safety inspectors employed in the Bureau of Motor Carriers are authorized, and hereby ordered, to enter upon and perform inspections of motor carriers' vehicles in operation.

(b) *Prescribed inspection report.* Form BMC 63, Driver-Equipment Compliance Check (§ 7.63 of this chapter), shall be used to record findings from motor vehicles selected for final inspection by authorized Commission employees.

(c) *Motor vehicles declared "out of service."* (1) Authorized Commission employees shall declare and mark "out of service" any motor vehicle which by reason of its mechanical condition or loading is so imminently hazardous to operate as to be likely to cause an accident or a breakdown. Form BMC 64, "Out of Service Vehicle" sticker (§ 7.64 of this chapter), shall be used to mark vehicles "out of service."

(2) No motor carrier shall require or permit any person to operate nor shall any person operate any motor vehicle declared and marked, "out of service" until all repairs required by the "out of service notice" on Form BMC 63 have been satisfactorily completed. The term operate as used in this section shall include towing the vehicle; provided, however, that vehicles marked "out of service" may be towed away by means of a vehicle using a crane or hoist; and provided further, that the vehicle combination consisting of the emergency towing vehicle and the "out of service" vehicle meets the performance requirements of § 193.52.

(3) No person shall remove the "Out of Service Vehicle" sticker from any motor vehicle prior to completion of all repairs required by the "out of service notice" on Form BMC 63.

(4) The person or persons completing the repairs required by the "out of service notice" shall sign the "Certification of Repairman" in accordance with the terms prescribed on Form BMC 63, entering the name of his shop or garage and the date and time the required repairs were completed. If the driver completes the required repairs, he shall sign and complete the "Certification of Repairman."

(d) *Motor carrier's disposition of Form BMC 63.* (1) Motor carriers shall carefully examine Forms BMC 63. Any

and all violations or mechanical defects noted thereon shall be corrected. To the extent drivers are shown not to be in compliance with the Motor Carrier Safety Regulations, appropriate corrective action shall be taken by the motor carrier.

(2) Motor carriers shall complete the "Motor Carrier Certification of Action Taken" on Form BMC 63 in accordance with the terms prescribed thereon. Motor carriers shall return Forms BMC 63 to the District Director of the Bureau of Motor Carriers at the address indicated upon Form BMC 63 within fifteen (15) days following the date of the vehicle inspection.

(Sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304)

It is further ordered, That this order shall be effective on the date of service of the order and shall continue in effect until further order of the Commission: *Provided, however,* That forms presently in stock may be used.

And it is further ordered, That notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Interstate Commerce Commission, Washington, D.C., and by filing a copy thereof with the Director, Office of the Federal Register.

By the Commission, Motor Carrier Board No. 2.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 63-6641; Filed, June 24, 1963;
8:56 a.m.]

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

[Sixth Rev. S.O. 95; Amdt. 1]

PART 95—CAR SERVICE

Appointment of Refrigerator Car Agent

At a session of the Interstate Commerce Commission, Safety and Service Board No. 1, in Washington, D.C., on the 19th day of June A.D. 1963.

Upon further consideration of Sixth Revised Service Order No. 95 (27 F.R. 6234) and good cause appearing therefor:

It is ordered, That § 95.95 *Appointment of refrigerator car agent* of Sixth Revised Service Order No. 95, be, and it is hereby amended by substituting the following paragraph (d) for paragraph (d) thereof:

(d) *Expiration date.* This order shall expire at 11:59 p.m., June 30, 1964, unless otherwise modified, changed, suspended, or annulled by the order of this Commission.

Effective date. This amendment shall become effective at 11:59 p.m., June 30, 1963.

Sec. 1, 12, 15, 24 Stat. 379, 383, 384, as amended; 49 U.S.C. 1, 12, 15. Interprets or applies sec. 1 (10-17), 15 (4), 40 Stat. 101, as amended, 54 Stat. 911, 49 U.S.C. 1 (10-17), 15 (4)

It is further ordered, That a copy of this amendment shall be served upon

the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this amendment be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and filing it with the Director, Office of the Federal Register.

By the Commission, Safety and Service Board No. 1.

[SEAL]

HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 63-6642; Filed, June 24, 1963;
8:56 a.m.]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

SUBCHAPTER C—THE NATIONAL WILDLIFE REFUGE SYSTEM

PART 32—HUNTING

Hunting of White-Tailed Deer on Tennessee National Wildlife Refuge

On page 3985 of the FEDERAL REGISTER of April 23, 1963, there was published a notice of a proposed amendment to § 32.31 of Title 50, Code of Federal Reg-

ulations. The purpose of this amendment is to provide public hunting of white-tailed deer on the Tennessee National Wildlife Refuge, Tennessee, as legislatively permitted.

Interested persons were given 30 days in which to submit written comments, suggestions or objections with respect to the proposed amendment. No comments, suggestions, or objections have been received.

The proposed amendment is hereby adopted without change.

This amendment shall become effective at the beginning of the 30th calendar day following the date of this publication in the FEDERAL REGISTER.

(R.S. 161, as amended, sec. 2, 33 Stat. 614, as amended, sec. 5, 43 Stat. 651, sec. 5, 45 Stat. 449, sec. 10, 45 Stat. 1224, sec. 4, 48 Stat. 402, as amended, sec. 4, 48 Stat. 451, as amended, sec. 2, 48 Stat. 1270; 5 U.S.C. 22; 16 U.S.C. 685, 725, 690d, 715i, 684, 718d; 43 U.S.C. 315a)

1. Section 32.31 is amended by the addition of the following area as one where the hunting of big game is authorized.

§ 32.31 List of open areas; big game.

* * * * *

TENNESSEE

TENNESSEE NATIONAL WILDLIFE REFUGE

STEWART L. UDALL,
Secretary of the Interior.

JUNE 18, 1963.

[F.R. Doc. 63-6621; Filed, June 24, 1963;
8:47 a.m.]

Proposed Rule Making

POST OFFICE DEPARTMENT

[39 CFR Part 22]

SECOND CLASS MAILING PRIVILEGES

Proposed Ownership, Management and Circulation Statement

Notice is hereby given of proposed rule making consisting of a proposed revision of § 22.6 of Title 39, Code of Federal Regulations, pursuant to 39 U.S. Code 4369, as amended by Public Law 87-865, approved October 23, 1962 (76 Stat. 1144). As so amended, section 4369 directs the Postmaster General to prescribe rules and regulations for filing and publishing statements concerning ownership, management and circulation of publications entitled to second class mailing privileges. Although the procedures in 39 CFR 22.6(b) relate to a proprietary function of the Government, it is the desire of the Postmaster General voluntarily to observe the rule making requirements of the Administrative Procedure Act (5 U.S.C. 1003) in order that patrons of the postal service may have an opportunity to present written views concerning the procedures. Accordingly, such written views may be submitted to the Director, Classification and Special Services Division, Bureau of Operations, Post Office Department, Washington 25, D.C., at any time prior to the thirtieth day following the date of publication of this notice in the *FEDERAL REGISTER*.

The proposed § 22.6 reads as follows:

§ 22.6 Ownership, management and circulation statement.

(a) Requirements (as contained in 39 U.S. Code 4369). (1) Each owner of a publication having second-class mail privileges under 39 U.S. Code, 4354 shall furnish to the Postmaster General at least once a year, and shall publish in such publication once a year, information in such form and detail and at such time as he may require respecting:

(i) The identity of the editor, managing editor, publishers, and owners;

(ii) The identity of the corporation and stockholders thereof, if the publication is owned by a corporation;

(iii) The identity of known bondholders, mortgagees, and other security holders;

(iv) The extent and nature of the circulation of the publication, including, but not limited to, the number of copies distributed, the methods of distribution, and the extent to which such circulation is paid in whole or in part: *Provided, however,* That trade publications serving the performing arts need only to furnish such information to the Postmaster General; and

(v) Such other information as he may deem necessary to determine whether the publication meets the standards for second-class mail privileges.

The Postmaster General shall not require the names of persons owning less than 1 per centum of the total amount of stocks, bonds, mortgages, or other securities.

(2) Each publication having second-class mail privileges under 39 U.S. Code, 4355(b) shall furnish to the Postmaster General information in such form and detail, and at such times, as he requires to determine whether the publication continues to qualify thereunder. In addition, the Postmaster General may require each publication which has second-class mail privileges under 39 U.S. Code, 4355(a) or 4356 to furnish information, in such form and detail and at such times as he may require, to determine whether the publication continues to qualify thereunder.

(3) The Postmaster General shall make appropriate rules and regulations to carry out the purposes of this section, including provision for suspension or revocation of second-class mail privileges for failure to furnish the required information.

(b) Procedures. (1) All publishers of publications having second-class mailing privileges must file on or before the first day of October a statement on Form 3526¹, Statement of Ownership, Management and Circulation, in duplicate at the post office where the original second-class permit is authorized.

(2) Publishers who file a statement under the provisions of paragraph (a) (1) of this section shall publish the complete statement in the second issue thereafter of the publication to which it relates.

EXCEPTION: Publications described in paragraph (a) (1)(iv) of this section are not required to publish circulation data. Publishers who file a statement under the provisions of paragraph (a) (2) of this section are not required to publish the statement.

(3) A publication which fails to comply with the requirements of this section within 10 days after notice by certified mail of the failure may not be mailed at the second-class rates of postage until it has come into compliance.

(4) Postmasters shall:

(i) Furnish publishers copies of Form 3526 at least 10 days prior to October 1.

(ii) Examine each statement filed in duplicate to see that it contains all of the information required by law.

(iii) Return incomplete or incorrect statements to the publishers and obtain from them complete and correct statements.

(iv) Arrange the original copies alphabetically by titles and forward them to the Bureau of Operation, Classification and Special Services Division, Washington 25, D.C. Retain the duplicate copies in the files of the post office.

(v) Obtain a copy of the issue of each publication in which the required statement is published, and verify the correctness of the published statement. File the copy. Do not forward it to the Department. Promptly report to the Bureau of Operations, Classification and Special Services Division, any instance where a publisher fails to file or to publish a statement.

NOTE: The corresponding proposed Postal Manual section is 132.6.

(R.S. 161, as amended 5 U.S.C. 22, 39 U.S. Code 4369)

LOUIS J. DOYLE,
General Counsel.

[F.R. Doc. 63-6644; Filed, June 24, 1963;
8:57 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 146]

FOOD ADDITIVES PERMITTED IN ANIMAL FEED OR ANIMAL FEED SUPPLEMENTS

Antibiotics for Growth Promotion and Feed Efficiency; Notice of Proposal To Amend Regulations

Correction

In F.R. Doc. 63-6487 appearing at page 6357 of the issue for Thursday, June 20, 1963, the word "milk" in § 146.26(b) (46) should read "mink".

FEDERAL AVIATION AGENCY

[14 CFR Part 71 [New]]

[Airspace Docket No. 62-WE-151]

CONTROL ZONE, CONTROL AREA EXTENSION AND TRANSITION AREA

Proposed Alteration, Revocation and Designation

Notice is hereby given that the Federal Aviation Agency (FAA) is considering amendments to Part 71 [New] of the Federal Aviation Regulations, the substance of which is stated below.

The following controlled airspace is presently designated in the Eugene, Oreg., terminal area:

1. The Eugene control zone is designated within a 5-mile radius of Mahlon-Sweet Field, Eugene, Oreg., and within 2 miles either side of the Eugene VORTAC 008° True radial, extending from the 5-mile radius zone to 8 miles north of the VORTAC.

2. The Eugene control area extension is designated within 5 miles either side of the Eugene radio range west course, extending from the radio range to V-27.

¹ Filed as part of the original document.

The FAA, having completed a comprehensive review of the terminal airspace structure requirements in the Eugene area, including studies attendant to the implementation of the provisions of CAR Amendments 60-21/60-29, has under consideration the following airspace actions:

1. Alter the Eugene control zone by redesignating it to comprise that airspace within a 5-mile radius of Mahlon-Sweet Field, Eugene, Oreg. (latitude 44°07'25" N., longitude 123°13'05" W.), and within 2 miles each side of the Eugene VORTAC 007° True radial, extending from the 5-mile radius zone to 8 miles north of the VORTAC.

2. Revoke the Eugene control area extension and designate the Eugene transition area as that airspace extending upward from 700 feet above the surface within 3 miles each side of the Eugene VORTAC 004° True radial, extending from the arc of a 5-mile radius circle centered on the Mahlon-Sweet Airport (latitude 44°07'25" N., longitude 123°13'05" W.) to 13 miles north of the VORTAC; and that airspace extending upward from 1,200 feet above the surface within 9 miles each side of the Eugene VORTAC 008° and 188° True radials, extending from 20 miles north to 8 miles south of the VORTAC; within 5 miles south and 10 miles north of the Eugene VORTAC 271° True radial, extending from the VORTAC to V-27, and that airspace bounded on the west by V-287, on the southeast by V-121, and on the northeast by V-23W, excluding the portion within the Kings Valley, Oreg., transition area.

The floors of the airways that traverse the transition area proposed herein

would automatically coincide with the floor of the transition area.

The actions taken herein would, in part, realign the Eugene control zone north extension to coincide with the final approach course specified by the prescribed VOR instrument approach procedure. The portion of the proposed transition area with a floor of 700 feet above the surface would provide protection for aircraft executing prescribed instrument approach and departure procedures at Mahlon-Sweet Field. In addition, the actions proposed herein would raise the floor of controlled airspace beyond the 700-foot area north of Eugene from 700 to 1,200 feet and, as a result, would make such airspace available for other uses, yet sufficient controlled airspace would be retained to provide adequate protection to aircraft executing prescribed instrument holding, arrival, departure and radar vectoring procedures within the Eugene terminal area. Certain minor revisions to prescribed instrument procedures would accompany the actions proposed herein, but operational complexities would not be increased nor would aircraft performance characteristics or established landing minimums be adversely affected. Specific details of the changes to procedures and minimum instrument flight rules altitudes that would be required may be examined by contacting the Chief, Airspace Utilization Branch, Air Traffic Division, Western Region, Federal Aviation Agency, 5651 West Manchester Avenue, P.O. Box 90007, Airport Station, Los Angeles 9, Calif.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be

submitted in triplicate to the Assistant Administrator, Western Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, 5651 West Manchester Avenue, P.O. Box 90007, Airport Station, Los Angeles 9, Calif. All communications received within forty-five 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 Air Traffic Division Chief, 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 A-103, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Division Chief.

This amendment is proposed under section 307(a) of the Federal Aviation Act of 1958 (72 Stat. 749; 49 U.S.C. 1348).

Issued in Washington, D.C., on June 17, 1963.

H. B. HELSTROM,
Acting Chief,
Airspace Utilization Division.

[F.R. Doc. 63-6612; Filed, June 24, 1963;
8:45 a.m.]

Notices

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Classification Order No. N4-STA-63-1]

NEVADA

Small Tract Classification

1. Pursuant to authority delegated by Bureau Order No. 684 dated August 28, 1961 (26 F.R. 8216) and the State Director June 29, 1962 (F.R. Doc. 62-6376), I hereby classify the following described public lands in White Pine County, Nevada, as suitable for disposition under the Small Tract Act of June 1, 1938 (52 Stat. 609, 43 U.S.C. 682a), as amended.

MOUNT DIABLO MERIDIAN

T. 13 N., R. 63 E.

Sec. 1, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$
SW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 2, Lot 5, S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$
NE $\frac{1}{4}$ NE $\frac{1}{4}$.

T. 14 N., R. 69 E.

Sec. 24, NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$
SE $\frac{1}{4}$ NW $\frac{1}{4}$.

The areas described aggregate 122.66 acres.

2. Classification of the above described lands by this order segregates them from all appropriations, including locations under the mining laws, except as to applications under the mineral leasing laws.

3. The lands are located from 3 to 5 miles northwest of Baker, Nevada and near the proposed Great Basin National Park at an elevation of about 6,000 feet. The lands are rough to gently sloping with big sage and spiny hop sage and other brush cover. Access is by paved and gravelled roads.

4. The lands classified by this order shall not be subject to application under the Small Tract Act of June 1, 1938 (52 Stat. 609, 43 U.S.C. 682a-e), as amended, until it is so provided by an order to be issued by an authorized officer opening the lands to sale.

CURTIS V. MCVEE,
District Manager.

JUNE 19, 1963.

[F.R. Doc. 63-6623; Filed, June 24, 1963;
8:48 a.m.]

[Classification Order No. N4-STA-63-2]

NEVADA

Small Tract Classification

1. Pursuant to authority delegated by Bureau Order No. 684 dated August 28, 1961 (26 F.R. 8216) and the State Director June 29, 1962 (F.R. Doc. 62-6376), I hereby classify the following described public lands in White Pine County, Nevada, as suitable for disposition under the Small Tract Act of June 1, 1938 (52 Stat. 609, 43 U.S.C. 682a), as amended.

MOUNT DIABLO MERIDIAN

T. 13 N., R. 63 E.

Sec. 16, W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$
NE $\frac{1}{4}$, except approximately 1.5 acres which lie within the boundaries of Mineral Survey No. 3458.

The area described aggregates approximately 8.5 acres.

2. Classification of the above described lands by this order segregates them from all appropriations, including locations under the mining laws, except as to applications under the mineral leasing laws.

3. The lands are located north of and contiguous to the Morley Addition to the City of Ely, White Pine County, Nevada, which is within close proximity to the business center of said city. The land is rough and mountainous in nature requiring leveling operations for development. Due to elevation and topography the subject lands command a good view of the city and surrounding mountains.

4. The lands classified by this order shall not be subject to application under the Small Tract Act of June 1, 1938 (52 Stat. 609, 43 U.S.C. 682a-e), as amended, until it is so provided by an order to be issued by an authorized officer opening the lands to sale.

CURTIS V. MCVEE,
District Manager.

JUNE 19, 1963.

[F.R. Doc. 63-6624; Filed, June 24, 1963;
8:48 a.m.]

MONTANA

Lewistown, Billings, and Missoula; Delegation of Authority to District Managers

In accordance with section 1.1(a) of BLM Order No. 684 (26 F.R. 8216, August 31, 1961) as amended, I hereby authorize the Lewistown, Billings, and Missoula District Managers, State of Montana, effective July 1, 1963, to perform the functions which are delegated to me in section 1.5(a) of the above cited order. The authority delegated applies only to lands within each District Manager's respective District and may not be redelegated.

Dated: June 7, 1963.

E. I. ROWLAND,
State Director, Montana.

Approved: June 19, 1963.

L. T. HOFFMAN,
Acting Director,
Bureau of Land Management.

[F.R. Doc. 63-6625; Filed, June 24, 1963;
8:48 a.m.]

ALASKA

Notice of Proposed Withdrawal and Reservation of Lands

JUNE 18, 1963.

The Geological Survey, Department of the Interior has filed an application, Serial Number 031321 for the withdrawal of the lands described below, from all forms of appropriation under the public land laws, including the mining laws. The applicant desires the land for Proposed Power Site Classification No. 450, Nenana River, Alaska.

For a period of 30 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, Fairbanks Land Office, P.O. Box 1150, Fairbanks, Alaska.

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

The determination of the Secretary on the 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:

The following land descriptions are based on Bureau of Land Management protraction diagram F-10-18.

FAIRBANKS MERIDIAN

	Acres
T. 18 S., R. 3 W., Sec. 19, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$	440
SW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 2)-----	30
NW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 3)-----	30
SW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 4)-----	30
Sec. 20, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{4}$ -----	520
Sec. 21, S $\frac{1}{2}$ -----	320
Sec. 22, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ -----	320
Sec. 26, SW $\frac{1}{4}$ SW $\frac{1}{4}$ -----	40
Sec. 27, W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ -----	440
Sec. 28, all-----	640
Sec. 29, all-----	640
Sec. 30, E $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 1)-----	31
SW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 2)-----	31
NW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 3)-----	31
Sec. 31, NE $\frac{1}{4}$ -----	160
Sec. 32, NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ -----	360
Sec. 33, N $\frac{1}{2}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ -----	400
Sec. 34, N $\frac{3}{4}$ -----	480
Sec. 35, N $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ -----	520
Sec. 36, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ -----	280
Township total-----	6,223

T. 17 S., R. 4 W., Sec. 31, NW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 3)-----	31
SW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 4)-----	31
Sec. 32, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ -----	200
Sec. 33, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ -----	120

 Township total-----

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FAIRBANKS MERIDIAN—Continued

	Acres
T. 18S., R. 4 W..	80
Sec. 4, S $\frac{1}{2}$ SW $\frac{1}{4}$	520
Sec. 5, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$	
Sec. 6, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$	
W $\frac{1}{2}$, SE $\frac{1}{4}$	
NW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 1)	440
SW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 2)	31
NW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 3)	32
SW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 4)	32
Sec. 7, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$	32
NW $\frac{1}{4}$	160
NW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 1)	32
Sec. 8, N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	440
Sec. 9, all	640
Sec. 10, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$	560
Sec. 11, SW $\frac{1}{4}$	160
Sec. 13, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	120
Sec. 14, all	640
Sec. 15, N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$	480
SE $\frac{1}{4}$ SE $\frac{1}{4}$	80
Sec. 16, N $\frac{1}{2}$ NE $\frac{1}{4}$	80
Sec. 23, all	640
Sec. 24, all	640
Sec. 25, N $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	440
Sec. 26, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$	200
SE $\frac{1}{4}$	80
Sec. 35, N $\frac{1}{2}$ NE $\frac{1}{4}$	80
Township total	6,479
T. 17 S., R. 5 W.,	
Sec. 28, S $\frac{1}{2}$ SW $\frac{1}{4}$	80
Sec. 29, S $\frac{1}{2}$ S $\frac{1}{2}$	160
Sec. 30, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, S $\frac{1}{2}$	200
SE $\frac{1}{4}$	31
NW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 1)	31
SW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 2)	31
NW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 3)	31
SW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 4)	31
Sec. 31, E $\frac{1}{4}$	31
NW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 1)	31
SW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 2)	31
NW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 3)	31
SW $\frac{1}{4}$ SW $\frac{1}{4}$ (lot 4)	31
Sec. 32, all	640
Sec. 33, all	640
Sec. 34, W $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{4}$	400
Sec. 35, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	80
Sec. 36, S $\frac{1}{2}$ S $\frac{1}{2}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$	200
Township total	3,128
T. 18 S., R. 5 W.,	
Sec. 1, all	640
Sec. 2, N $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$	600
Sec. 3, N $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$	560
Sec. 4, NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$	320
NE $\frac{1}{4}$ SE $\frac{1}{4}$	40
Sec. 5, NW $\frac{1}{4}$ NW $\frac{1}{4}$	160
Sec. 6, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$	31
NW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 1)	31
SW $\frac{1}{4}$ NW $\frac{1}{4}$ (lot 2)	31
Sec. 12, NE $\frac{1}{4}$ NE $\frac{1}{4}$	40
Township total	2,422
T. 17 S., R. 6 W.,	
Sec. 23, E $\frac{1}{2}$ NE $\frac{1}{4}$	80
Sec. 24, W $\frac{1}{2}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$	360
Sec. 25, E $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$	520
Sec. 35, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$	240
Sec. 36, all	640
Township total	1,840
T. 18 S., R. 6 W.,	
Sec. 1, N $\frac{1}{2}$	320
Sec. 2, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$	120
Township total	440
Grand total	20,914

DANIEL A. JONES,
Manager,
Fairbanks Land Office.

[F.R. Doc. 63-6626; Filed, June 24, 1963;
8:49 a.m.]

No. 123—5

Fish and Wildlife Service

[Depredation Order]

DEPREDATING GOLDEN EAGLES

Order Permitting Taking to Seasonally Protect Livestock in 23 Montana Counties; Correction

In F.R. Doc. 63-5654, appearing at page 5314 of the issue for Wednesday, May 29, 1963, the text under No. 5 designating the counties in which golden eagles may be taken should read as follows:

5. They may be taken only for the purpose of protecting domesticated livestock in the counties of:

Flathead.	Wheatland.
Garfield.	Park.
McCone.	Stillwater.
Richland.	Madison.
Blaine.	Cascade.
Fergus.	Beaumont.
Glacier.	Lewis and Clark.
Rosebud.	Judith Basin.
Granite.	Golden Valley.
Townsend.	Powder River.
Carter.	Musselshell.
Prairie.	

The remainder of the text of F.R. Doc. 63-5654 remains unchanged as published.

STEWART L. UDALL,
Secretary of the Interior.

JUNE 18, 1963.

[F.R. Doc. 63-6620; Filed, June 24, 1963;
8:47 a.m.]

Office of the Secretary

PORT MADISON RESERVATION,
WASHINGTON

Ordinance Legalizing the Introduction, Sale or Possession of Intoxicants

Pursuant to the Act of August 15, 1953 (Public Law 277, 83d Congress, 1st Session; 67 Stat. 586), I certify that Suquamish Tribal Council Ordinance No. 1, was enacted on May 5, 1963, determining that the introduction, sale and possession of intoxicating beverages shall be lawful in accordance with the laws of the State of Washington on the Port Madison Reservation, Washington. Relevant portions of the ordinance read as follows:

Whereas, Public Law 277, 83d Congress, approved August 15, 1953, provides that Sections 1154, 1156, 3113, 3488, and 3618, of Title 18, United States Code, commonly referred to as the Federal Indian Liquor Laws, shall not apply to any act or transaction within any area of Indian country provided such act or transaction is in conformity with both the laws of the State in which such act or transaction occurs and with an ordinance duly adopted by the tribe having jurisdiction over such area of Indian country, certified by the Secretary of the Interior, and published in the FEDERAL REGISTER.

Therefore, be it resolved, that the introduction, sale, or possession of intoxicating beverages shall be lawful within the Indian country under the jurisdiction of the Suquamish Tribe, provided, that such introduction, sale or possession is in conformity with the laws of the State of Washington.

Be it further resolved that any tribal laws, resolution or ordinances heretofore enacted

which prohibit the sale, introduction or possession of intoxicating beverages are hereby repealed.

STEWART L. UDALL,
Secretary of the Interior.

JUNE 18 1963.

[F.R. Doc. 63-6622; Filed, June 24, 1963;
8:47 a.m.]

DEPARTMENT OF COMMERCE

Bureau of International Commerce

[File No. 23-918]

AMERICAN BRITISH AND CANADIAN SPARE PARTS CO. AND JOSEPH W. KENT

Order Temporarily Denying Export Privileges

In the matter of American British and Canadian Spare Parts Co., also known as ABC Spare Parts Company, 408 Strand, London, W.C. 2, England, and Joseph W. Kent, 408 Strand, London, W.C. 2, England, respondents, File 23-918.

The Export Control Investigations Division, Bureau of International Commerce, United States Department of Commerce, pursuant to the provisions of § 382.11 of the Export Regulations (Title 15, Chapter III, Subchapter B, Code of Federal Regulations), has applied to the Compliance Commissioner for an order temporarily denying all export privileges to the above named respondents. It was requested that the order remain in effect for a period of ninety days pending continued investigation into the facts and transactions giving rise to the application and the commencement of such proceedings, as may be deemed proper under the law, against said respondents.

The Compliance Commissioner has reviewed the application and the evidence presented in support thereof and has submitted his report, together with his recommendation that the application be granted and that a temporary denial order be issued for ninety days. The evidence presented shows that the respondent American British and Canadian Spare Parts Co., also known as ABC Spare Parts Company, is a business firm with a place of business in London, England, and that the respondent Joseph W. Kent is a responsible official in charge of the operations of said firm; said firm is engaged in trading in industrial and marine engine spare parts. The evidence and the recommendation of the Compliance Commissioner have been considered, and I find that the evidence reasonably supports the conclusion that the respondents have been and are engaged in obtaining commodities of U.S. origin, including spare parts for diesel engines for locomotives, and have been and are diverting and transshipping, and participating in the diversion and transshipment of such commodities to Cuba in contravention of the United States Export Control Act and regulations thereunder. I further find that the evidence reasonably supports the conclusion that unless export privileges are temporarily

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denied, the respondents will continue to obtain goods of United States origin and thereafter cause them to be shipped to destinations in contravention of the United States Export Control Act and regulations. An order temporarily denying export privileges to the respondents is reasonably necessary for the protection of the public interest and national security. On the evidence submitted, I find that by reason of ownership, control, position of responsibility, and affiliation of said respondents with respect to the firm of J. W. Kent (Foreign Trade) Ltd., 408 Strand, London, W.C.2, England, the said firm is a party related to the respondents, and for the purposes of this order, the said related party is considered to be a respondent. Accordingly, it is hereby ordered:

1. The respondents, their successors, agents, and employees are hereby denied all privileges of participating, directly or indirectly, in any manner or capacity, in an exportation of any commodity or technical data from the United States to any foreign destination, including Canada. Without limitation of the generality of the foregoing denials of export privileges, participation in an exportation is deemed to include and prohibit participation by any respondent or related party, directly or indirectly, in any manner or capacity (a) as a party or as a representative of a party to any validated export license application, or documents to be submitted therewith, (b) in the preparation or filing of any export license application or of any documents to be submitted therewith, (c) in the obtaining or using of any validated or general export license or other export control document, (d) in the receiving, ordering, buying, selling, using or disposing in any foreign country of any commodities or technical data, in whole or in part exported or to be exported from the United States, and (e) in the storing, financing, forwarding, transporting, or other servicing of such exports from the United States.

2. Such denial of export privileges shall extend not only to the respondents, but also to any successors and to any person, firm, corporation or business organization with which they now or hereafter may be related by ownership, affiliation, control, position of responsibility, or other connection in the conduct of trade or services connected therewith.

3. This order shall take effect forthwith and shall remain in effect for a period of ninety days from the date hereof, unless it is hereafter extended, amended, modified, or vacated in accordance with the provisions of the United States Export Control Regulations.

4. No person, firm, corporation, partnership or other business organization, whether in the United States or elsewhere, without prior disclosure to and specific authorization from the Bureau of International Commerce, shall do any of the following acts, directly or indirectly, in any manner or capacity, on

behalf of or in any association with any such respondents or related party, or whereby any such respondent or related party may obtain any benefit therefrom or have any interest or participation therein, directly or indirectly: (a) Apply for, obtain, transfer, or use any license, shipper's export declaration, bill of lading, or other export control document relating to any exportation, reexportation, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States, by, to, or for any such respondent or related party denied export privileges; or (b) order, buy, receive, use, sell, deliver, store, dispose of, forward, transport, finance, or otherwise service or participate in any exportation, reexportation, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States.

5. A certified copy of this order shall be served upon the respondents.

The respondents may move at any time to vacate or modify this temporary denial order by filing an appropriate motion therefor, supported by evidence, with the Compliance Commissioner and may request an oral hearing thereon which, if requested, shall be held before the Compliance Commissioner in Washington, D.C. at the earliest convenient date.

Dated: June 18, 1963.

FORREST D. HOCKERSMITH,
Director,
Office of Export Control.

[F.R. Doc. 63-6639; Filed, June 24, 1963;
8:52 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Social Security Administration

STATEMENT OF ORGANIZATION AND DELEGATIONS OF AUTHORITY

Miscellaneous Amendments

Part 8 of the Statement of Organization and Delegations of Authority of the

Area of authority

- (1) Cases not decided by the waiver committee nor by the delegates listed below.
- (2) Reversal or revision of decisions made by the waiver committee or by the delegates listed below.
- (3) Cases involving situations other than those specified by the Commissioner of Social Security as being within the authority of the delegates listed below.
- (4) Cases involving situations specified by the Commissioner of Social Security from time to time in Commissioner's Decisions as being within the authority of the delegates listed below.

Department (22 F.R. 1050) as amended, is amended by revising sections 8-201.10, 8-201.20 and 8-201.30 to read as follows:

SEC. 8-201.10 Assignment of functions. (a) The Director, Bureau of Hearings and Appeals, and the Director, Bureau of Federal Credit Unions, have been delegated (see paragraphs 8.20 (b) and (c) of this part), and the Directors and heads of the other Social Security Administration components are hereby delegated authority to direct their respective organizations and to carry out assigned functions in accordance with established policy and practice. Such officials shall recommend to the Commissioner for consideration and formal decision, proposed program policies and certain significant operating decisions to carry out existing legislation. The types of matters to be submitted to the Commissioner for formal decision are described in Chapter SSA h:21-30 of the DHEW General Administration Manual.

(b) In accordance with paragraph 8.40 (a) of this part, and in order that the officials designated in paragraph 8-201.10 (a) above can effectively exercise the general authority delegated in such paragraph, the Commissioner has made certain specific delegations of authority. These delegations are identified in Sections 8-201.20 and 8-201.30 which follow.

SEC. 8-201.20 Delegations of authority under the Social Security Act as amended. (a) **Authority to certify wages and self-employment income.** Authority to certify to the Department of the Treasury wages and self-employment income (for the purpose of appropriating to the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund amounts due from the general fund in the Treasury), is delegated to the positions listed below:

Executive Director;
Executive Assistant, Social Security Administration;
Director and Deputy Director, Division of Accounting Operations.

(b) **Authority to approve or deny waiver of adjustment or recovery of incorrect payment.** Authority to approve or deny waiver of adjustment or recovery of incorrect payment, is delegated to the committee and positions listed below:

To whom delegated

- (1) Executive Director, Executive Assistant, Social Security Administration, Director and Deputy Director, Division of Claims Policy.
- (2) All officials specified in (1) above.
- (3) A committee of three members of the Division of Claims Policy of the Central Office, with one or more alternates, appointed by the Director or Deputy Director, Division of Claims Policy.

recovery of overpayment; adjustment of underpayments; suspension, reinstatement, termination, or adjustment of payments, and

(iii) The revision of earnings records maintained by the Administration, is delegated to the positions listed below:

Area of authority	To whom delegated
(1) Where the overpayment is \$25 or less.	(1) (a) Director and Deputy Director, Division of Claims Control. (b) Claims Examiner (Retirement) [Recovery Reviewer] in the:
(i) Recovery Unit, Reconsideration Section of payment centers other than Baltimore, or	(i) (a) Director and Deputy Director, Division of Claims Control.
(ii) Recovery Unit, Disbursement and Adjustment Section, Baltimore Payment Center, or	(ii) (a) Director and Deputy Director, Division of Claims Control.
(iii) Reconsideration Section, Foreign Claims Branch, Division of Claims Control.	(iii) (a) Director and Deputy Director, Division of Claims Control.
(c) All intervening positions in the direct line of supervision between (a) and (b) above.	(c) All intervening positions in the direct line of supervision between (a) and (b) above.
(ii) (a) Director and Deputy Director, Division of Claims Control.	(ii) (a) Director and Deputy Director, Division of Claims Control.
(b) Claims Examiner (Retirement) [Recovery Reviewer] in the:	(b) Claims Examiner (Retirement) [Recovery Reviewer] in the:
(i) Recovery Unit, Reconsideration Section of payment centers other than Baltimore, or	(i) Recovery Unit, Reconsideration Section, Foreign Claims Branch, Division of Claims Control.
(ii) Recovery Unit, Disbursement and Adjustment Section, Baltimore Payment Center, or	(ii) Recovery Unit, Disbursement and Adjustment Section, Baltimore Payment Center, or
(iii) Reconsideration Section, Foreign Claims Branch, Division of Claims Control.	(iii) Reconsideration Section, Foreign Claims Branch, Division of Claims Control.
(c) All intervening positions in the direct line of supervision between (a) and (b) above.	(c) All intervening positions in the direct line of supervision between (a) and (b) above.
(iii) (a) Director and Deputy Director, Division of Claims Control, Director and Deputy Director, Division of Disability Operations.	(iii) (a) Director and Deputy Director, Division of Claims Control, Director and Deputy Director, Division of Disability Operations.
(b) Claims Examiner (Retirement) [Reconsideration Reviewer] in the:	(b) Claims Examiner (Retirement) [Reconsideration Reviewer] in the:
(i) Reconsideration Unit, Reconsideration Section of payment centers other than Baltimore, or	(i) Reconsideration Unit, Reconsideration Section of payment centers other than Baltimore, or
(ii) Reconsideration Branch, Division of Disability Operations, or	(ii) Reconsideration Branch, Division of Disability Operations, or
(iii) Reconsideration Section, Foreign Claims Branch, Division of Claims Control.	(iii) Reconsideration Section, Foreign Claims Control.
(c) Claims Examiner (Disability and Death) in the Reconsideration Branch, Division of Disability Operations.	(c) Claims Examiner (Disability and Death) in the Reconsideration Branch, Division of Disability Operations.
(a) All intervening positions in the direct line of supervision between (a) above and the respective subordinate positions identified in (b) and (c) above.	(a) All intervening positions in the direct line of supervision between (a) above and the respective subordinate positions identified in (b) and (c) above.
(c) Authority to make findings of fact and decisions other than the existence or absence of disability.	(2) Authority to make findings of fact and decisions as to:
(i) The rights of individuals applying for a benefit payment (except as otherwise delegated in Paragraphs 8-201.20(g) and 8-201.20(i)).	(i) The continuing entitlement and eligibility of beneficiaries; reductions or increases of insurance benefits; imposition of deductions from benefits; adjustment or
(ii) The date of onset of the applicant's alleged disability is more than one year after the date he last met the	(ii) The date of onset of the applicant's alleged disability is more than one year after the date he last met the

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insured status requirements, or the alleged onset of his disability is due to traumatic injury which occurred after the date he last met the insured status requirements, is delegated to the following positions:

Area of authority	To whom delegated
(i) Cases in the District Offices, Division of Field Operations.	(i) (a) Director and Deputy Director, Division of Field Operations. (b) Claims Representatives, District Offices, Division of Field Operations. (c) All intervening positions in the direct line of supervision between (a) and (b) above.
(ii) Cases in the Foreign Claims Branch, Division of Claims Control.	(ii) Chief, Claims Development Unit and Claims Examiner (Retirement), Claims Development Unit, Adjudication and Accounts Section, Foreign Claims Branch, Division of Claims Control.

(3) Authority to administer oaths and affirmations in the course of investigations to determine whether there has been a violation of any provision of the Act or any regulation or procedure thereunder where such violation is punishable as a crime under such law or any other Federal statute imposing criminal penalties, is delegated to the positions listed below:

- (i) Executive Director.
- (ii) Executive Assistant, Social Security Administration.
- (iii) Director and Deputy Director, Division of Claims Policy.
- (iv) General Investigator and Claims Policy Specialist, Violations Branch, Division of Claims Policy.
- (v) All intervening positions in the direct line of supervision between (iii) and (iv) above.

(d) *Authority to certify benefit payments.* Authority to certify benefit payments under the provisions of the Act, and from any Special Deposit Account set up as a result of overpayments refunded by beneficiaries who have received payments under the Act, is delegated to the positions in each Payment Center, Division of Claims Control, listed below:

Area of authority	To whom delegated
Within the respective payment center—	(1) Operations Analyst, Coordination and Control Section. (2) Chief, Fiscal Control and Audit Unit (except Baltimore Payment Center). (3) Chief, Administrative Services Section. (4) Chief, Certification Unit. (5) Assistant Chief, Certification Unit. (6) Chief, Check Cancellation and Change of Address Subunit. (7) Chief, Scheduling and Balancing Subunit (Baltimore Payment Center only).

(e) *Authority to enter coverage agreements with States.* (1) Authority to enter into coverage agreements with States and to approve modifications of agreements previously entered into, and subject to the qualifications that the modifications do not involve unusual situations or major policy implications, and the Office of the General Counsel has found that there is no legal objection to the form or substance of such agreements or modifications, is delegated to the positions listed below:

Executive Director.
Executive Assistant, Social Security Administration.
Director and Deputy Director, Division of Claims Policy.

(2) Authority to enter into modifications with States which amend previous coverage agreements between the State and the Department of Health, Education, and Welfare, and subject to the qualifications that:

(i) The modifications are entered into during the period of December 16 through December 31 each year, unless such period ends on a Saturday, Sunday, or legal holiday, or on any other day all or part of which is declared to be a nonwork day for Federal employees by statute or Executive order, in which case such period shall end at the close of the first day thereafter which is not a Saturday, Sunday, or legal holiday or any other day all or part of which is

declared to be a nonwork day for Federal employees by statute or Executive order, and

(ii) Such modifications shall be executed subject to ratification by the Executive Director, the Executive Assistant, Social Security Administration, or by the Director or Deputy Director, Division of Claims Policy, Social Security Administration, and

(iii) Each such modification shall contain the following clause: "It is further agreed this modification is executed subject to ratification by an appropriate official of the Social Security Administration."

is delegated to the positions listed below:

Area of authority	To whom delegated
Within their respective region.	Social Security Regional Representative.

(3) Authority to terminate agreements with respect to one or more coverage groups in cases where States consent to the removal of dissolved coverage groups from agreements and waive the required notice and hearing provided by section 218(g)(2) of the Act, is delegated to the positions listed in (1) above.

(4) Authority upon request by a State and for "good cause" shown to grant extensions of time for filing contribution returns and wage reports, is delegated to the positions listed in (1) above.

(f) *Authority to enter agreements for State determinations of disability.* Au-

thority to enter into agreements for State determinations of disability and to execute modifications of disability agreements, subject to the qualifications that:

(1) The modifications do not involve unusual situations or major policy implications, and

(2) The Office of the General Counsel has found that there is no legal objection to the form or substance of such agreements or modifications,

is delegated to the positions listed below:

Executive Director.

Executive Assistant, Social Security Administration.

Director and Deputy Director, Division of Disability Operations.

(g) *Authority to review State disability determinations.* Authority to review determinations of disability made by a State agency and take action as provided in the Social Security Act, and where permitted, make findings of fact and decisions relating to periods of disability in such cases, is delegated to the positions listed below:

(1) Executive Director.

(2) Executive Assistant, Social Security Administration.

(3) Director and Deputy Director, Division of Disability Operations.

(4) Claims Examiner (Disability and Death), Evaluation and Authorization Branch and Reconsideration Branch, Division of Disability Operations; Disability Policy Examiner, Disability Policy Branch, Division of Disability Operations.

(5) Claims Examiner (Retirement), Evaluation and Authorization Branch and Reconsideration Branch, Division of Disability Operations, when he has been designated by his respective branch chief to act in the capacity of Claims Examiner (Disability and Death).

(6) All intervening positions in the direct line of supervision between (3) and (4) above, and between (3) and (5) above.

(h) *Authority to pay State agencies making disability determinations for their administrative expenses.* (1) Authority to authorize amounts for payment to a State agency for its administrative expenses, subject to the qualification that only the Commissioner or Executive Director shall authorize the first payment to a State under subsection 221(e) of the Act, is delegated to the positions listed below:

Executive Director.

Executive Assistant, Social Security Administration.

Director and Deputy Director, Division of Disability Operations.

(2) Authority to certify to the Managing Trustee of the Old-Age and Survivors Insurance Trust Fund or to the Managing Trustee of the Disability Insurance Trust Fund, as appropriate, such funds as are properly authorized under the provisions of (1) above, is delegated to the positions listed below:

(i) Chief, Financial Management Branch, Division of Management.

(ii) Chief, Auditing Unit, Fiscal Operations Section, Financial Management Branch.

(iii) All intervening positions in the direct line of supervision between (1) and (ii) above.

(i) *Authority to make Federal determinations of disability.* Authority to make Federal determinations of disability and findings of fact and decisions relating to periods of disability in the cases of individuals in a State which has no agreement to make disability determinations, in the cases of individuals outside the United States, and in cases of any class or classes of individuals not included by a State agreement to make disability determinations, is delegated to the positions listed below:

(1) Executive Director.
(2) Executive Assistant, Social Security Administration.

(3) Director and Deputy Director, Division of Disability Operations.

(4) Claims Examiner (Disability and Death), Evaluation and Authorization Branch and Reconsideration Branch, Division of Disability Operations; Disability Policy Examiner, Disability Policy Branch, Division of Disability Operations.

(5) Claims Examiner (Retirement), Evaluation and Authorization Branch and Reconsideration Branch, Division of Disability Operations, when he has been designated by his respective branch chief to act in the capacity of Claims Examiner (Disability and Death).

(6) All intervening positions in the direct line of supervision between (3) and (4) above and between (3) and (5) above.

(j) *Authority to affirm previous findings by Commissioner of Status of Foreign Social Insurance or Pension Systems.* Authority to make findings as to whether or not a foreign country has a social insurance or pension system which is acceptable under the Act, and to notify the foreign country involved of such finding, in cases requiring a reaffirmation (with or without a modification) of the Commissioner's last determination with respect to the qualification of such system as an exception to the alien non-payment provisions of the Act, is delegated to the positions listed below:

Executive Director.
Executive Assistant, Social Security Administration.
Director and Deputy Director, Division of Claims Policy.

Except that, where additional information provides a basis on which the Commissioner might reasonably change his last determination, or where there is a significant policy question involved, this delegation is not operative.

(k) *Authority to investigate and institute charges for suspension or disqualification of individual acting as a representative in title II matters.* Authority to investigate and institute charges and to make recommendations for suspension or disqualification of any person, including an attorney, from acting as a representative in title II (of the Act) matters under the conditions provided in the Act as amended and in the Social Security Administration's Regulations, is delegated to the positions listed below:

Executive Director.
Executive Assistant, Social Security Administration.
Director and Deputy Director, Division of Claims Policy.

(l) *Authority to publish Social Security rulings.* Authority to select, pre-

pare for publication, obtain approvals, and publish approved Social Security Rulings under the authority of the Commissioner, is delegated to the positions listed below:

- (1) Executive Director.
- (2) Executive Assistant, Social Security Administration.
- (3) Director and Deputy Director, Division of Claims Policy.
- (4) Social Insurance Ruling Writer-Editor, and Legal Assistant, Division of Claims Policy.

(5) All intervening positions in the direct line of supervision between (3) and (4) above.

SEC. 8-201.30 *Delegations of authority under other laws.* Authority to make determinations and certify such matters as are required by other government agencies for determining the rights of individuals to benefits payable under related programs, when such determinations and certifications are authorized by law, is delegated to the positions listed below:

<i>Area of authority</i>	<i>To whom delegated</i>
(a) All cases-----	(a) (1) Executive Director. (2) Executive Assistant, Social Security Administration. (3) Director and Deputy Director, Division of Claims Policy. (4) Claims Policy Specialist, Claims Policy Advisor and Contract Coverage Officer, Division of Claims Policy. (5) All intervening positions in the direct line of supervision between (3) and (4) above.
(b) Cases in the payment centers-----	(b) (1) Director and Deputy Director, Division of Claims Control. (2) Claims Examiner (Retirement), Claims Authorization Section, Disbursement and Adjustment Section, and Reconsideration Section, Payment Centers, Division of Claims Control. (3) All intervening positions in the direct line of supervision between (1) and (2) above.
(c) Cases in the Division of Accounting Operations-----	(c) (1) Director and Deputy Director, Division of Accounting Operations. (2) Claims Examiner (Retirement), Certification Branch; State Contributions Auditor, Registration Branch, Division of Accounting Operations. (3) All intervening positions in the direct line of supervision between (1) and (2) above.
(d) Cases in the Foreign Claims Branch, Division of Claims Control-----	(d) (1) Director and Deputy Director, Division of Claims Control. (2) Claims Examiner (Retirement), Claims Authorization Section, Reconsideration Section, and Post-Adjudication Unit, Adjudication and Accounts Section, Foreign Claims Branch, Division of Claims Control. (3) All intervening positions in the direct line of supervision between (1) and (2) above.
(e) Cases in the Division of Disability Operations-----	(e) (1) Director and Deputy Director, Division of Disability Operations. (2) Claims Examiner (Retirement) and Claims Examiner (Disability and Death), Evaluation and Authorization Branch and Reconsideration Branch, Division of Disability Operations. (3) All intervening positions in the direct line of supervision between (1) and (2) above.

(Sec. 6, Reorg. Plan No. 1 of 1953; paragraph 8.40(a) Statement of Organization and Delegations of Authority of the Department (22 F.R. 1050), as amended. For Secs. 8-201.10 and 8-201.20, also Title II, secs. 201 et seq., 49 Stat. 620, as amended; 42 U.S.C., subchap. II, secs. 401 et seq.)

Dated: May 29, 1963.

[SEAL] ROBERT M. BALL,
Commissioner of Social Security.

Approved: June 19, 1963.

ANTHONY J. CELEBREZZE,
Secretary.

[F.R. Doc. 63-6638; Filed, June 24, 1963;
8:51 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-3883]

NATIONAL TELEFILM ASSOCIATES, INC.

Notice of Application To Withdraw From Listing and Registration

JUNE 19, 1963.

The above named issuer has filed an application with the Securities and Exchange Commission pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-2(d) promulgated thereunder, to withdraw the specified se-

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curity from listing and registration on the American Stock Exchange.

The reasons alleged in the application for withdrawing this security from listing and registration include the following: The company has incurred substantial losses in each of its last four fiscal years.

Any interested person may, on or before July 5, 1963, submit by letter to the Secretary of the Securities and Exchange Commission, Washington 25, D.C., facts bearing upon whether the application has been made in accordance with the rules of the Exchange and what terms, if any, should be imposed by the Commission for the protection of investors. An order granting the application will be issued after the date mentioned above, on the basis of the application and any other information furnished to the Commission, unless it orders a hearing on the matter.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBoIS,
Secretary.

[F.R. Doc. 63-6660; Filed, June 24, 1963;
9:02 a.m.]

FEDERAL MARITIME COMMISSION

UNITED KINGDOM/UNITED STATES PACIFIC FREIGHT ASSOCIATION

Notice of Filing of Agreement for Approval

Notice is hereby given that an agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733; 75 Stat. 763; 46 U.S.C. 814):

Agreement 3357-3, among members of the United Kingdom/United States Pacific Freight Association, operating in the trade from the United Kingdom to United States Pacific Coast ports and Hawaii, provides for deletion of Article 6 of the basic agreement (3357), thereby causing the discontinuance of the provision for payment of forwarding agents' commissions.

Interested parties may inspect this agreement and obtain copies thereof at the Bureau of Foreign Regulation, Federal Maritime Commission, Washington 25, D.C., or may inspect a copy at the offices of the District Managers of the Commission in New York, N.Y., New Orleans, La., and San Francisco, Calif., and may submit to the Secretary, Federal Maritime Commission, Washington 25, D.C., 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 a request for hearing, should such hearing be desired.

By order of the Federal Maritime Commission.

Dated: June 19, 1963.

THOMAS LISI,
Secretary.

[F.R. Doc. 63-6648; Filed, June 24, 1963;
8:58 a.m.]

NAGA SHIPPING & TRADING CO., LTD., AND NEDLLOYD LINE GREAT LAKES SERVICE

Notice of Filing of Agreement for Approval

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733; 75 Stat. 763; 46 U.S.C. 814):

Agreement 9206, between Naga Shipping & Trading Company Ltd. and the Nedlloyd Line Great Lakes Service, a joint service of the N. V. Stoomvaart Maatschappij "Nederland" and the Koninklijke Rotterdamsche Lloyd n.v., covers the transportation of rubber on through bills of lading between the port of Belawan, Indonesia and the United States ports on the Great Lakes with transhipment at Singapore. The freight-rate will be the existing rate of the Deli New York Rate Agreement at U.S. \$33.00 per cubic meter plus the prevailing seaway-tolls.

Interested parties may inspect this agreement and obtain copies thereof at the Bureau of Foreign Regulation, Federal Maritime Commission, Washington 25, D.C., or may inspect a copy at the offices of the District Managers of the Commission in New York, N.Y., New Orleans, La., and San Francisco, Calif., and may submit to the Secretary, Federal Maritime Commission, Washington 25, D.C., 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 a request for hearing, should such hearing be desired.

By order of the Federal Maritime Commission.

Dated: June 20, 1963.

THOMAS LISI,
Secretary.

[F.R. Doc. 63-6649; Filed, June 24, 1963;
8:58 a.m.]

[No. 1005 etc.]

ASSOCIATED STEAMSHIP LINES, MANILA, ET AL.

Exclusive Patronage Contracts; Notice of Consolidation and Assignment of Presiding Officer

JUNE 20, 1963.

Associated Steamship Lines (Manila), exclusive patronage (dual rate) contract, No. 1005; Atlantic and Gulf Singapore, Malaya and Thailand Conference, exclusive patronage (dual rate) contract, No. 1015; Atlantic and Gulf-Indonesia Conference, exclusive patronage (dual rate) contract, No. 1017.

The above entitled proceedings are hereby consolidated for hearing and assigned to Examiner John Marshall for hearing and issuance of an initial decision on all issues except the five issues severed from these dockets and incorporated in Docket 1111.

All communications regarding these dockets should be addressed to Examiner John Marshall, care of the Federal Mar-

itime Commission. Any request for a prehearing conference should be made promptly.

G. O. BASHAM,
Chief Examiner.

[F.R. Doc. 63-6650; Filed, June 24, 1963;
8:59 a.m.]

[No. 1018]

ASSOCIATION OF WEST COAST STEAMSHIP COMPANIES

Exclusive Patronage Contract; Notice of Assignment of Presiding Officer

JUNE 20, 1963.

The above entitled proceeding is hereby assigned to Examiner Herbert K. Greer for hearing and issuance of an initial decision on all issues except the five issues severed from this docket and incorporated in Docket 1111.

All communications regarding this docket should be addressed to Examiner Herbert K. Greer, care of the Federal Maritime Commission. Any request for a prehearing conference should be made promptly.

G. O. BASHAM,
Chief Examiner.

[F.R. Doc. 63-6651; Filed, June 24, 1963;
8:59 a.m.]

[No. 1023 etc.]

FAR EAST CONFERENCE ET AL.

Exclusive Patronage Contracts; Notice of Consolidation and Assignment of Presiding Officer

JUNE 20, 1963.

Far East Conference, exclusive patronage (dual rate) contract, No. 1023; New York Freight Bureau (Hong Kong), exclusive patronage (dual rate) contract, No. 1031; Trans-Pacific Freight Conference (Hong Kong), exclusive patronage (dual rate) contract, No. 1050.

The above entitled proceedings are hereby consolidated for hearing and assigned to Examiner Walter T. Southworth for hearing and issuance of an initial decision on all issues except the five issues severed from these dockets and incorporated in Docket 1111.

All communications regarding these dockets should be addressed to Examiner Walter T. Southworth, care of the Federal Maritime Commission. Any request for a prehearing conference should be made promptly.

G. O. BASHAM,
Chief Examiner.

[F.R. Doc. 63-6652; Filed, June 24, 1963;
8:59 a.m.]

[No. 1046]

WEST COAST OF ITALY, SICILIAN & ADRIATIC PORTS/NORTH ATLANTIC RANGE CONFERENCE

Exclusive Patronage (Dual Rate) Con- tract; Notice of Assignment of Pres- iding Officer

JUNE 20, 1963.

The above entitled proceeding is hereby assigned to Examiner Charles E. Morgan for hearing and issuance of an

initial decision on all issues except the five issues severed from this docket and incorporated in Docket 1111.

All communications regarding this docket should be addressed to Examiner Charles E. Morgan, care of the Federal Maritime Commission. Any request for a prehearing conference should be made promptly.

G. O. BASHAM,
Chief Examiner.

[F.R. Doc. 63-6653; Filed, June 24, 1963;
9:00 a.m.]

[No. 1049]

**UNITED STATES ATLANTIC & GULF/
AUSTRALIA NEW ZEALAND CONFERENCE**

Exclusive Patronage (Dual Rate) Contract; Notice of Assignment of Presiding Officer

JUNE 20, 1963.

The above entitled proceeding is hereby assigned to Examiner C. W. Robinson for hearing and issuance of an initial decision on all issues except the five issues severed from this docket and incorporated in Docket 1111.

All communications regarding this docket should be addressed to Examiner C. W. Robinson, care of the Federal Maritime Commission. Any request for a prehearing conference should be made promptly.

G. O. BASHAM,
Chief Examiner.

[F.R. Doc. 63-6654; Filed, June 24, 1963;
9:00 a.m.]

[Nos. 1051, 1052]

**STRAITS/PACIFIC CONFERENCE AND
STRAITS/NEW YORK CONFERENCE**

Exclusive Patronage (Dual Rate) Contracts; Notice of Consolidation and Assignment of Presiding Officer

JUNE 20, 1963.

The above entitled proceedings are hereby consolidated for hearing and assigned to Examiner Paul D. Page, Jr., for hearing and issuance of an initial decision on all issues except the five issues severed from these dockets and incorporated in Docket 1111.

All communications regarding these dockets should be addressed to Examiner Paul D. Page, Jr., care of the Federal Maritime Commission. Any request for a prehearing conference should be made promptly.

G. O. BASHAM,
Chief Examiner.

[F.R. Doc. 63-6655; Filed, June 24, 1963;
9:00 a.m.]

[No. 1058]

**NORTH ATLANTIC WESTBOUND
FREIGHT ASSOCIATION**

Exclusive Patronage (Dual Rate) Contract (Wine and Spirits Contract); Notice of Assignment of Presiding Officer

JUNE 20, 1963.

The above entitled proceeding is hereby assigned to Examiner Edward C. Johnson

for hearing and issuance of an initial decision on all issues except the five issues severed from this docket and incorporated in Docket 1111.

All communications regarding this docket should be addressed to Examiner Edward C. Johnson, care of the Federal Maritime Commission. Any request for a prehearing conference should be made promptly.

G. O. BASHAM,
Chief Examiner.

[F.R. Doc. 63-6656; Filed, June 24, 1963;
9:01 a.m.]

[No. 1059]

**NORTH ATLANTIC WESTBOUND
FREIGHT ASSOCIATION**

Exclusive Patronage (Dual Rate) Contract; Notice of Assignment of Presiding Officer

JUNE 20, 1963.

The above entitled proceeding is hereby assigned to Examiner Edward C. Johnson for hearing and issuance of an initial decision on all issues except the five issues severed from this docket and incorporated in Docket 1111.

All communications regarding this docket should be addressed to Examiner Edward C. Johnson, care of the Federal Maritime Commission. Any request for a prehearing conference should be made promptly.

G. O. BASHAM,
Chief Examiner.

[F.R. Doc. 63-6657; Filed, June 24, 1963;
9:01 a.m.]

[Nos. 1055, 1056]

**PACIFIC/STRAITS CONFERENCE AND
PACIFIC INDONESIAN CONFERENCE**

Exclusive Patronage (Dual Rate) Contracts; Notice of Consolidation and Assignment of Presiding Officer

JUNE 20, 1963.

The above entitled proceedings are hereby consolidated for hearing and assigned to Examiner E. Robert Seaver for hearing and issuance of an initial decision on all issues except the five issues severed from these dockets and incorporated in Docket 1111.

All communications regarding these dockets should be addressed to Examiner E. Robert Seaver, care of the Federal Maritime Commission. Any request for a prehearing conference should be made promptly.

G. O. BASHAM,
Chief Examiner.

[F.R. Doc. 63-6658; Filed, June 24, 1963;
9:01 a.m.]

[No. 1114]

**IRON AND STEEL RATES BETWEEN
U.S. AND EUROPE AND JAPAN**

**Investigation; Notice of Extension of
Time To Intervene**

JUNE 18, 1963.

By Order served June 3, 1963, any persons, other than respondents, who de-

sired to become a party to this proceeding were to file petition to intervene on or before June 17, 1963.

At the request of interested parties, and good cause appearing, time for filing petitions to intervene is hereby extended to and including July 1, 1963.

THOMAS LISI,
Secretary.

[F.R. Doc. 63-6659; Filed, June 24, 1963;
9:01 a.m.]

GENERAL SERVICES ADMINISTRATION

**WATERFOWL FEATHERS AND DOWN
HELD IN NATIONAL STOCKPILE**

Proposed Disposal

Pursuant to the provisions of section 3(e) of the Strategic and Critical Materials Stock Piling Act, 50 U.S.C. 98b(e), notice is hereby given of a proposed disposition of approximately 5,800,000 pounds (clean basis) of waterfowl feathers and down now held in the national stockpile.

The Office of Emergency Planning has made a revised determination, pursuant to section 2(a) of the Strategic and Critical Materials Stock Piling Act, 50 U.S.C. 98a(a), that said waterfowl feathers and down are excess to stockpile needs. The revised determination is based partly on reduced military needs.

Since the revised determination is not by reason of obsolescence of the feathers and down for use in time of war, this proposed disposition is being referred to the Congress for its express approval, as required by section 3(e) of the Strategic and Critical Materials Stock Piling Act.

General Services Administration proposes to transfer said feathers and down to other Federal agencies, to offer the material for sale on a competitive basis, or otherwise to dispose of it in the best interest of the Government, upon the express approval by the Congress of this proposed disposition, but not earlier than six months after the date of publication of this notice in the **FEDERAL REGISTER** unless earlier disposal may be authorized by law. The initial offering will be for transfers to other Federal agencies. Offers for sale on a competitive basis or other disposition will depend upon favorable market conditions. This notice has also been transmitted to the Congress and to the Armed Services Committees of each House thereof.

When commercial sales are initiated, the initial quantity offered for sale will range between 60,000 and 250,000 pounds (clean basis). Each offering following the initial sale will be of a quantity to be determined after an evaluation of the results of earlier sales, taking into consideration the amounts purchased for export from the United States and market conditions then existing.

This plan and the dates of disposition have been fixed with due regard to the protection of producers, processors, and consumers against avoidable disruption of their usual markets as well as the pro-

tection of the United States against avoidable loss on disposal.

Dated: June 17, 1963.

BERNARD L. BOUTIN,
Administrator of General Services.

[F.R. Doc. 63-6695; Filed, June 24, 1963;
9:02 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

JUNE 20, 1963.

Protests to the granting of an application must be prepared in accordance with Rule 1.40 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. 38385: *Substituted service—sea-land service for Arpin Van Lines, Inc., Paul, et al.* Filed by Movers' & Warehousemen's Association of America, Inc., agent (No. 4), for interested carriers. Rates on property loaded in highway trailers, between ports of New York, N.Y. (Elizabeth-Port Authority Pier, N.J., and Port Newark, N.J.), on the one hand, and Jacksonville, Fla., Houston, Tex., Long Beach and Oakland, Calif., on

the other, on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motortruck competition.

FSA No. 38386: *Wheat from points in Missouri.* Filed by Missouri Pacific Railroad Company (No. 1126), for itself. Rates on wheat and direct products thereof, in carloads, from specified stations in Missouri, to Atchison, Leavenworth, Kans., and St. Joseph, Mo.

Grounds for relief: Motor-carrier and cross country competition.

Tariff: Supplement 23 to Missouri Pacific Railroad Company tariff I.C.C. 210.

FSA No. 38387: *Soda ash to points in Illinois.* Filed by Southwestern Freight Bureau, agent (No. B-8408), for interested rail carriers. Rates on soda ash (other than modified soda ash), in bulk, in carloads, from Lake Charles, La., Corpus Christi, Freeport, and Houston, Tex., to Chicago, Chicago Heights, Joliet, and Streator, Ill.

Grounds for relief: Market competition.

Tariffs: Supplements 89 and 158 to Southwestern Freight Bureau, agent, tariffs I.C.C. 4450 and 4370, respectively.

FSA No. 38388: *Commodity rates—Sea-Land Service, Inc.* Filed by Sea-Land Service, Inc. (No. 47), for itself and interested carriers. Rates on petroleum products, as described in the application, in truckloads, loaded in highway trailers and transported over the high-

ways and loaded in containerships to move via water, in intercoastal service, from specified points in Pennsylvania and Buffalo, N.Y., to Los Angeles and San Francisco, Calif.

Grounds for relief: All-rail competition.

Tariff: Supplement 25 to Sea-Land Service, Inc., tariff I.C.C. 14.

FSA No. 38389: *Liquid caustic soda to Phelps, Ga.* Filed by O. W. South, Jr., agent (No. A4331), for and on behalf of Southern Railway Company. Rates on liquid caustic soda, in tank-car loads, from Memphis, Tenn., to Phelps, Ga.

Grounds for relief: Market competition.

Tariff: Supplement 130 to Southern Freight Association, agent, tariff I.C.C. S-116.

FSA No. 38390: *Sterilized milk from and to points in southern territory.* Filed by O. W. South, Jr., agent (No. A4330), for interested rail carriers. Rates on sterilized milk, in carloads, from producing points in southern territory, to points in southern territory.

Grounds for relief: Short-line distance formula.

Tariff: Supplement 48 to Southern Freight Association, agent, tariff I.C.C. S-141.

By the Commission.

[SEAL] HAROLD D. MCCOY,

Secretary.

[F.R. Doc. 63-6640; Filed, June 24, 1963;
8:56 a.m.]

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213	6268	149	6076	45	5673
251	5617	166	6076	171	6456
261	5617	167	6077	255	5673
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7	5523	221	6077	510	5576
38 CFR		232	6077	PROPOSED RULES:	
3	5618, 5671	234	6077	Ch. IV	5619
13	5721	250	6078	47 CFR	
39 CFR		254	5577, 6078	2	6188
41	5423	257	6078	3	5498, 5501, 6270
94	6450	259	6453	12	6188
111	5423	270	6078	15	5577, 6081
112	5423	284	6453	PROPOSED RULES:	
168	6507	285	6453	3	5532, 5725, 6234, 6359
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22	6512	404	6509	31	5725, 6234
41 CFR		411	6509	35	5725, 6234
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5B-2	5457	2970	5648	1	6190
5B-16	5458	3005	5648	410	5513
9-4	5424	3012	5648	411	5513
11-1	6074	3016	5648	49 CFR	
50-202	5460, 6399	3088	5722	7	6509
60-1	5671	3098	5648	95	5648, 6016, 6401, 6510
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		3104	6355	32	6511
		3105	6355	33	5580, 6016

