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PART I

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Agencies in this issue—

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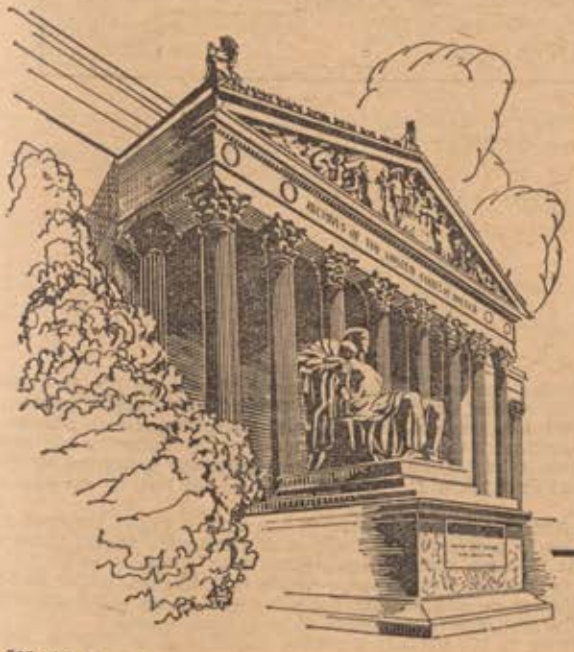

Just Released

LIST OF CFR SECTIONS AFFECTED

January–September 1965

(Codification Guide)

The List of CFR Sections Affected is published monthly on a cumulative basis. It lists by number the titles, parts, and sections of the Code of Federal Regulations amended or otherwise affected by documents published in the FEDERAL REGISTER during 1965. Entries indicate the exact nature of all changes effected. This cumulative list of CFR sections affected is supplemented by the current lists of CFR parts affected which are carried in each daily FEDERAL REGISTER.

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List of CFR Parts Affected

(Codification Guide)

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date appears at the end of each issue beginning with the second issue of the month.

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1965, and specifies how they are affected.

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 11251

PLACING AN ADDITIONAL POSITION IN LEVEL V OF THE FEDERAL EXECUTIVE SALARY SCHEDULE

By virtue of the authority vested in me by subsection (f) of Section 303 of the Government Employees Salary Reform Act of 1964, and as President of the United States, Section 2 of Executive Order No. 11248 of October 10, 1965, is amended by adding thereto the following:

(3) Comptroller, Department of Health, Education, and Welfare.

LYNDON B. JOHNSON

THE WHITE HOUSE,
October 19, 1965.

[F.R. Doc. 65-11391; Filed, Oct. 20, 1965; 3:48 p.m.]

Rules and Regulations

Title 7—AGRICULTURE

Chapter VIII—Agricultural Stabilization and Conservation Service (Sugar), Department of Agriculture

SUBCHAPTER G—DETERMINATION OF PROPORTIONATE SHARES

[850.147, as amended, Supp. 15]

PART 850—DOMESTIC BEET SUGAR PRODUCING AREA

Michigan Proportionate Share Areas and Farm Proportionate Shares for 1965 Crop

Pursuant to the provisions of § 850.147 (29 F.R. 14620, 15801, 17029), the Agricultural Stabilization and Conservation Michigan State Committee has issued the bases and procedures for dividing the State into proportionate share areas and establishing individual farm shares for the 1965 sugarbeet crop from acreage allocated and from any unused acreage redistributed to Michigan. Copies of these bases and procedures are available for public inspection at the office of such committee at 1405 South Harrison Street, East Lansing, Michigan, and at the offices of the Agricultural Stabilization and Conservation Committees in the sugarbeet producing counties of Michigan. These bases and procedures incorporate the following:

§ 850.162 Michigan.

(a) *Proportionate share areas.* Michigan shall be divided into four proportionate share areas comprising the parts of the State included in the factory districts of the Michigan Sugar Company, Monitor Sugar Division of Robert Gage Coal Co., Northern Ohio Sugar Co., and Buckeye Sugars, Inc. These areas shall be designated Michigan Area, Monitor Area, Northern Ohio Area, and Buckeye Area, respectively. Acreage allotments of 49,966, 22,229, 4,143 and 1,443 acres, respectively, are established for these areas on the basis of a formula giving 20 percent weighting to the accredited acreage record for the crop year 1962, 30 percent to such record for the crop year 1963 and 50 percent to such record for the crop year 1964 as a measure of "past production" and "ability to produce" with pro-rata adjustments to the State allocation.

(b) *Set-asides of acreage.* Set-asides of acreage shall be made from area allotments as follows: Michigan Area—240 acres for new producers, 125 acres for adjustments in initial shares and 125 acres for appeals; Monitor Area—120 acres for new producers, 56 acres for adjustments in initial shares and 56 acres for appeals; Northern Ohio Area—20 acres for new producers, 10 acres for adjustments in initial shares and 10 acres for appeals; Buckeye Area—20 acres for new producers, 4 acres for adjustments in initial shares and 4 acres for appeals.

(c) *Requests for proportionate shares.* A request for each farm share shall be filed at the local ASC County Office on Form SU–100, Request for Sugarbeet Proportionate Share, under the conditions, and on or before the closing date for such filing, as provided in § 850.147. If a preliminary request for a tentative share is filed, as provided in § 850.147, a fully-completed Form SU–100 shall be filed by April 13, 1965. However, requests for shares may be accepted after such dates and shares may be established if the State Committee determines that in any such case the farm operator was prevented from filing a completed Form SU–100 by such dates because of illness or other reason beyond his control and provided further, that requests may be accepted generally by the State Committee after such date if acreage is available within the area allotment.

(d) *Establishment of individual proportionate shares for old-producer farms*—(1) *Farm bases.* For each old-producer farm, a farm base shall be determined on the basis of a formula giving 20 percent weighting to the accredited acreage history of the farm for the 1962 crop, 30 percent weighting to such history for the 1963 crop and 50 percent weighting to such history for the 1964 crop.

(2) *Initial proportionate shares.* For the Northern Ohio Area, the total of individual farm bases for old-producer farms, as established pursuant to this paragraph, exceeds the area allotment minus the set-asides of acreage established under paragraph (b) of this section. Accordingly, initial shares shall be established from the farm bases by prorating to the farms in accordance with their respective bases, but not in excess of their requests, the area allotment less such set-asides. For each of the Michigan, Monitor and Buckeye areas, the totals of individual farm bases for old-producer farms, as established pursuant to this paragraph, are equal to or less than the area allotments minus the set-asides of acreage established under paragraph (b) of this section. Accordingly, initial shares shall be established from the farm bases as follows: For farms for which the respective requested acreages are equal to or less than their farm bases, the initial shares shall coincide with the requested acreages; and for all other farms, initial shares shall be computed by prorating to such farms in accordance with their respective bases, the area allotment less the prescribed set-asides and the total of the initial shares established in accordance with the preceding part of this subparagraph. The proration factor for the Northern Ohio Area shall be 0.950 and for the other areas the proration factor shall be 1.000.

(3) *Adjustments in initial shares.* Within the acreage available from the set-aside for adjustments, and from acreage of initial shares in excess of requested acreages in each proportionate share area, adjustments shall be made in initial farm shares for old producers so as to establish a share for each farm which is fair and equitable as compared with shares for all other farms in the area by taking into consideration availability and suitability of land, area of available fields, crop rotation, availability of irrigation water (where used), adequacy of drainage, availability of production and marketing facilities, and the production experience of the operator.

(e) *Establishment of individual proportionate shares for new-producer farms.* Within the acreage set aside for new producers in each proportionate share area, shares shall be established in an equitable manner for farms to be operated during the 1965-crop year by new producers. The State Committee has determined that the minimum acreage which is economically feasible to plant as a new-producer farm share is 20 acres. Distribution of acreage for establishing new-producer shares will be made on the basis of factory districts within allotment areas. In determining whether a farm for which a request is filed for a new-producer share may qualify for such a share, and to assist in establishing new-producer shares which are fair and equitable as to relative size among qualified farms, the County Committee, subject to review by the State Committee, by taking into consideration availability and suitability of land, availability of irrigation water (where irrigation is used), adequacy of drainage, the production experience of the operator, and the availability of production and marketing facilities, shall rate each farm as provided in § 850.147 paragraph (k). The State Committee shall establish new-producer farm shares as provided therein.

(f) *Adjustments under appeals.* Within the acreage set aside for making adjustments under appeals and any other acreage remaining unused in each proportionate share area, adjustments shall be made in shares under appeals to establish fair and equitable farm shares in accordance with the provisions of § 891.1 of this chapter applicable to appeals.

(g) *Adjustments because of unused or unallotted acreage.* Any acreage made available during the 1965-crop season by underplanting or failure to plant proportionate share acreage on farms in any county shall be reported to the ASC State Committee. Acreages so reported from counties in an area, or from other sources of unused acreage, shall be prorated insofar as practicable on the basis of total established shares to the various beet

sugar factory districts of the area wherein additional acreage may be used. In each such district, the acreage shall be prorated insofar as practicable to farms on which additional acreage may be utilized. Any such acreage remaining unused in the district shall then be prorated by the ASC State Committee to other districts in the area with farms capable of utilizing more proportionate share acreage, and if such acreage is not utilized within the area, it may be made available by such Committee to other areas in the State wherein additional acreage may be used. Such distribution shall be made prior to August 15, 1965.

(h) *Notification of farm operators.* The farm operator shall be notified concerning the share established for his farm on Form SU-103, Notice of Farm Proportionate Share—1965 Sugarbeet Crop. In each case of approved adjustment, whether resulting from the release of acreage, the redistribution of unused acreage, appeals or the reconstitution of the farm, the farm operator shall be notified regarding the adjusted share on a Form SU-103 marked "revised". For each tentative share which is established, the person filing the request for such share shall be notified on a Form SU-103-B specifying that such tentative share does not constitute a farm share for the purpose of payment under the Sugar Act of 1948, as amended.

(i) *Redetermination of proportionate share.* The share determined for any farm which is subdivided into, combined with, or becomes a part of another farm or farms shall be redetermined as provided in § 850.147.

(j) *Farms receiving commitments of acreage from the national reserve.* Proportionate shares for farms receiving commitments of acreage from the national sugarbeet acreage reserve shall be established in accordance with the provisions of §§ 850.147 and 851.1.

(k) *Determination provisions prevail.* The bases and procedures set forth in this section are issued in accordance with and subject to the provisions of § 850.147.

Statement of bases and considerations. This supplement sets forth the bases and procedures established by the Agricultural Stabilization and Conservation Michigan State Committee for determining farm proportionate shares in Michigan for the 1965 crop of sugarbeets.

Michigan is divided into four proportionate share areas. Informal relationships are maintained with grower and processor representatives.

In establishing shares for old-producer farms, the factors of "past production" and "ability to produce" sugarbeets are measured by applying a formula which gives a 20 percent weighting to the accredited acreage record for the farm for the crop year 1962, a 30 percent weighting to such record for the crop year 1963 and a 50 percent weighting to such record for the crop year 1964. Shares for new producers are established as provided in § 850.147. Minimum economic units for new-producer farms were determined to be 20 acres.

The bases and procedures for making adjustments in initial shares and for adjusting shares subsequently because of unused acreage and appeals, are designed to provide a fair and equitable share for each farm of the total acreage of sugarbeets required to enable the domestic beet sugar area to meet its quota and provide a normal carryover inventory.

(Sec. 403, 61 Stat. 932; 7 U.S.C. 1153, secs. 301, 302, 61 Stat. 929, 930, as amended; 7 U.S.C. 113, 1132)

Dated: October 24, 1965.

FRANK J. LIGHT,
Chairman, Agricultural Stabilization and Conservation Michigan State Committee.

Approved: October 19, 1965.

CHARLES L. FRAZIER,
Acting Deputy Administrator, State and County Operations.

[F.R. Doc. 65-11349; Filed, Oct. 21, 1965; 8:48 a.m.]

SUBCHAPTER H—DETERMINATION OF WAGE RATES

[Sugar Determination 864.12]

PART 864—WAGES; SUGARCANE; LOUISIANA

Fair and Reasonable Wage Rates

Pursuant to the provisions of section 301(c)(1) of the Sugar Act of 1948, as amended (herein referred to as "act"), after investigation and consideration of the evidence obtained at the public hearing held in Houma, Louisiana, on July 15, 1965, the following determination is hereby issued:

§ 864.12 Fair and reasonable wage rates for persons employed in the production, cultivation, or harvesting of sugarcane in Louisiana.

(a) *Requirements.* A producer of sugarcane in Louisiana shall be deemed to have complied with the wage provisions of the act if all persons employed on the farm in production, cultivation, or harvesting work shall have been paid in accordance with the following:

(1) *Wage rates.* All such persons shall have been paid in full for all such work and shall have been paid wages in cash therefor at rates required by existing legal obligations, regardless of whether those obligations resulted from an agreement (such as a labor union agreement) or were created by State or Federal legislative action, or at rates as agreed upon between the producer and the worker, whichever is higher but not less than the following:

(i) *For work performed on a time basis:*

Class of Worker or Operation

	Rate Per Hour
Harvest work:	
Harvester and loader operators	$1.10
Tractor drivers, truck drivers, harvester bottom blade operators, and hoist operators	1.05
Hand cutters, and scrappers behind loaders	.95
All other harvesting workers	.90
Production and cultivation work:	
Tractor drivers	1.00
All other production and cultivation workers	.90

(ii) *Workers between 14 and 16 years of age and handicapped workers when employed on a time basis.* For workers between 14 and 16 years of age (the act does not permit the employment of such workers for more than 8 hours per day without deduction from Sugar Act payments to the producer) and for workers certified by the Louisiana State Employment Service to be handicapped because of age or physical or mental deficiency or injury, and whose productive capacity is thereby impaired, the wage rate per hour shall be not less than 75 percent of the applicable hourly wage rate prescribed in subdivision (i) of this subparagraph.

(iii) *For work performed on a piecework basis.* The piecework for any operation shall be as agreed upon between the producer and the worker: *Provided,* That the hourly rate of earnings of each worker employed on piecework during each pay period (such pay period not to be in excess of 2 weeks) shall average for the time worked at piecework rates during such pay period not less than the applicable hourly rate prescribed in subdivisions (i) or (ii) of this subparagraph.

(2) *Compensable working time.* For work performed under subparagraph (1) of this paragraph, compensable working time includes all time which the worker spends in the performance of his duties except time taken out for meals during the work day. Compensable working time commences at the time the worker is required to start work and ends upon completion of work in the field. However, if the producer requires the operator of mechanical equipment, driver of animals, or any other class of worker to report to a place other than the field, such as an assembly point or a tractor shed located on the farm, the time spent in transit from such place to the field and from the field to such place is compensable working time. Any time spent in performing work directly related to the principal work performed by the worker, such as servicing equipment, is compensable working time. Time of the worker while being transported from a central recruiting point or a labor camp to an assembly point located on the farm, or from a central recruiting point to the field, is not compensable working time.

(3) *Equipment necessary to perform work assignment.* The producer shall furnish without cost to the worker any equipment required in the performance of any work assignment. However, the worker may be charged for the cost of such equipment in the event of its loss or destruction through negligence of the worker. Equipment includes, but is not limited to hand and mechanical tools and special wearing apparel, such as boots and raincoats, required to discharge the work assignment.

(b) *Workers not covered.* The requirements of this section are not applicable to persons who voluntarily perform work without pay in the production, cultivation, or harvesting of sugarcane on the farm for a religious or eleemosynary institution or organization; inmates of a prison who work on a farm operated by

the prison; truck drivers employed by a contractor engaged only in hauling sugarcane; members of a cooperative arrangement for exchange of labor; or to workers performing services which are indirectly connected with the production, cultivation, or harvesting of sugarcane, including but not limited to mechanics, welders, and other maintenance workers and repairmen.

(c) *Evidence of compliance.* Each producer subject to the provisions of this section shall keep and preserve, for a period of 2 years following the date on which his application for Sugar Act payment is filed, such wage records as will fully demonstrate that each worker has been paid in full in accordance with the requirements of this section. The producer shall furnish upon request to the appropriate Agricultural Stabilization and Conservation County Committee such records and other evidence as may satisfy such committee that the requirements of this section have been met.

(d) *Subterfuge.* The producer shall not reduce the wage rates to workers below those determined in accordance with the requirements in this section through any subterfuge or device whatsoever.

(e) *Claim for unpaid wages.* Any person who believes he has not been paid in accordance with this section may file a wage claim with the local county Agricultural Stabilization and Conservation Committee against the producer on whose farm the work was performed. Such claim must be filed within two years from the date the work with respect to which the claim is made was performed. Detailed instructions and wage claim forms are available at the local county ASCS office. Upon receipt of a wage claim the county office shall thereupon notify the producer against whom the claim is made concerning the representation made by the worker. The county ASC committee shall arrange for such investigation as it deems necessary and the producer and worker shall be notified in writing of its recommendation for settlement of the claim. If either party is not satisfied with the recommended settlement, an appeal may be made to the State Agricultural Stabilization and Conservation Committee, 3737 Government Street, Alexandria, Louisiana, 71303, which shall likewise consider the facts and notify the producer and worker in writing of its recommendation for settlement of the claim. If the recommendation of the State ASC Committee is not acceptable, either party may file an appeal with the Deputy Administrator, State and County Operations, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington, D.C., 20250. All such appeals shall be filed within 15 days after receipt of the recommended settlement from the respective committee, otherwise such recommended settlement will be applied in making payments under the act. If a claim is appealed to the Deputy Administrator, State and County Operations, his decision shall be binding on all parties insofar as payments under the act are concerned. Appeals procedures are set forth and explained fully in Part 780 of this title (29 F.R. 8200).

(f) *Failure to pay all wages in full.* Notwithstanding the provisions of this section requiring that all persons employed on the farm in the production, cultivation, or harvesting of sugarcane be paid in full for all such work as one of the conditions to be met by a producer for payment under the act, if the producer has failed to meet this condition but has met all other conditions, a portion of such payment representing the remainder after deducting from the payment the amount of accrued unpaid wages, may be disbursed to producer(s), upon a determination by the county committee (1) that the producer has made a full disclosure to the county committee or its representatives of any known failure to pay all workers on the farm wages in full as a condition for payment under the Sugar Act; and (2) that either (i) the failure to pay all workers their wages in full was caused by the financial inability of the producer; or (ii) the failure to pay all workers in full was caused by an inadvertent error or was not the fault of the producer or his agent, and the producer has used reasonable diligence to locate and to pay in full the wages due all such workers. If the county committtee makes the determination as heretofore provided in this paragraph, such committee shall cause to be deducted from the payment for the farm the full amount of the unpaid wages which shall be paid promptly to each worker involved if he can be located, otherwise the amount due shall be held for his account, and the remainder of the payment for the farm, if any, shall be made to the producer. Except as provided above in this paragraph, the entire Sugar Act payment with respect to a farm shall be withheld from the producer, if upon investigation the county committee determines that all workers on the farm have not been paid in full the wages required to be paid for all work in the production, cultivation, or harvesting of sugarcane on the farm, until such time as evidence required by the county ASC committee has been furnished to the committee establishing that all workers employed on the farm have been paid in full the wages earned by them. If payment has been made to the producer prior to the county committee's determination that all workers on the farm have not been paid in full, the producer shall be placed on the debt register for the total payment made until the county committee determines that all workers on the farm have been paid in full: *Provided*, That if the county committee determines that the producer did not pay all workers in full because of inadvertent error that was not discovered until after he signed the application for payment, the producer shall be placed on the debt register only for the total amount of the unpaid wages.

STATEMENT OF BASES AND CONSIDERATIONS

(a) *General.* The foregoing determination provides fair and reasonable wage rates to be paid for work performed by persons employed on the farm in the production, cultivation, or harvesting of sugarcane in Louisiana as one of the conditions with which producers must comply to be eligible for payments under the act.

(b) *Requirements of the act and standards employed.* Section 301(c)(1) of the act requires that all persons employed on the farm in the production, cultivation, or harvesting of sugarcane with respect to which an application for payment is made, shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing, and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended (i.e., cost of living prices of sugar and byproducts, income from sugarcane, and cost of production), and the differences in conditions among various sugar-producing areas.

(c) *Wage determination.* This determination differs from the prior determination in the following respects: It increases the minimum time rates 5 cents per hour for all worker classifications; eliminates specific piecework rates for cutting sugarcane; and adds a provision for the employment of handicapped workers at reduced minimum wage rates. Other provisions of the determination, except for clarification and incorporation of interpretations formerly issued, remain unchanged.

A public hearing was held in Houma, Louisiana, on July 15, 1965, at which interested persons were afforded the opportunity to testify with respect to whether the wage rates established for Louisiana sugarcane fieldworkers in the wage determination which became effective October 5, 1964, continue to be fair and reasonable under existing circumstances, or whether such determination should be amended. The notice of hearing specifically requested testimony and recommendations on changes in worker classifications and wage rate differentials.

A Louisiana State University economist presented data obtained from a study of large-scale and family-size sugarcane farms in Louisiana. He testified that the 1963 crop, the latest for which complete cost data had been obtained, was excellent by practically all standards, and that producers and processors made profits. The witness stated that 3- to 5-year averages rather than single year data should be considered in determining wage rates. He said the return on investment for large-scale farms averaged 55 percent in 1963, as compared to 7.8 percent for the 5-year period 1958–62, and family-type farms averaged 51 percent in 1963, as compared to 9.4 percent for the 5-year period; that on large-scale farms direct labor costs accounted for 47 percent of total direct costs for growing and harvesting sugarcane in 1963, as compared to 46 percent during the 3-year period 1961–63;

that for family-type farms direct labor costs accounted for 32 percent of total direct costs in 1963, as compared to 33 percent for the 3-year period; that labor costs in producing sugarcane have not decreased in proportion to the reduction in the amount of man labor required in producing sugarcane; and that direct costs other than labor have increased at a faster rate than have direct labor costs. The witness made no recommendation regarding wage rates.

Representatives of the Employee Relations Committee of the American Sugar Cane League recommended that the determination remain unchanged. They stated that minimum wage rates for sugarcane fieldworkers have increased 162 percent since 1947, while the Consumer Price Index has increased only 34.7 percent since the base period 1947–49; that the majority of producers paid harvester operators premium rates above the minimum rate; that such premium rates indicate that productivity for such workers has increased; that wage rate differentials are necessary and justified by prevailing practices and should be retained; and that the piecework rates for sugarcane cutters are desirable, but compliance problems make them impractical. The witness said that after analyzing all the facts, they could find no justification for the present wage levels, but nevertheless would recommend no change in the basic rates as presently established.

A representative of the Louisiana Farm Bureau Federation stated that sugar prices have remained stable for many years; and that while the cost of living has increased, minimum wage rates have increased at a faster rate. The witness said that there was a need for a provision for handicapped, or less productive workers, but that he saw no need for reduced rates for apprentice workers. The witness recommended that worker classifications and wage rate differentials be retained in their present form; and that piecework rates be abandoned unless workable compliance procedures can be devised.

The representatives of workers recommended that the minimum wage rate be no less than $1.25 per hour. One worker representative stated that some progress had been made in the wages of sugarcane workers in the past few years, but producers could expect increasing competition for labor from industry in Louisiana. He recommended a minimum wage for tractor and truck drivers of $1.50 per hour and $2.00 per hour for harvester and loader operators, and that workmen's compensation coverage be made mandatory for all fieldworkers. Another worker representative testified that the minimum rates now in effect are not fair and reasonable since such a wage would provide annual income less than the $3,000 standard established in the war on poverty, and that such wages are below the national average cash farm wage rate, and the lowest for any sugarcane fieldworkers. He recommended that minimum wage rates be set at not less than the industrial minimum of $1.25 per hour, with a range of $1.25 to $1.50, depending on the level of skill. He said that coverage by the workmen's compensation law should be compulsory for all workers.

Consideration has been given to the recommendations made at the public hearing, to the standards generally considered in wage determinations, to the returns, costs, and profits of producing sugarcane obtained by survey for a recent crop and recast to reflect prospective conditions for the 1965 crop, and to other pertinent factors. This analysis indicates that the minimum wage rates established in this determination are fair and reasonable and are within the producer's ability to pay.

With the exception of the 1964 crop, production of sugarcane in Louisiana has been profitable for a number of years. This has been due to favorable yields of sugarcane and sugar, increased income per ton and per acre of sugarcane, and improvements in production practices which have resulted in greater labor productivity. Damage from the hurricane that struck the sugarcane producing area just prior to the start of harvesting in 1964 resulted in higher harvesting costs and the lowest sucrose content and extraction of sugar per ton of cane for many years. Although the season's average price of raw sugar was the third highest in recent years producers' income per ton of 1964-crop sugarcane was the lowest in many years. Another hurricane, in early September severely damaged the 1965 crop and it is estimated that profits of producers will again be substantially affected. However, current crop prospects and sugar prices indicate that the wage increase provided in this determination is within the producers ability to pay.

Because of the difficulty of determining the amount of sugarcane cut by workers on a tonnage basis and since only a small portion of the crop is cut by hand, the per ton rates for cutting sugarcane as specified in prior determinations have been eliminated. The producer and the worker may agree upon a piecework rate, but earnings must be not less than the applicable hourly rate.

Provision is made in this determination for the employment of handicapped workers at rates not less than 75 percent of the minimums of able-bodied workers. Provision was made in prior determinations and is continued in this determination for the employment of youths 14 to 16 years of age at a reduced rate. Appropriate certifications of the age of youth workers should be obtained by the producer from a school board or other recognized source, and for handicapped workers whose ability to work is impaired, from local offices of the Louisiana State Employment Service. Such certification should be obtained prior to the employment of such persons at reduced rates.

This determination is issued on a continuing basis and will be effective until amended or terminated. However, the Department will keep the wage situation under review and will conduct investigations and hold hearings annually.

Accordingly, I hereby find and conclude that the foregoing wage determination will effectuate the wage provisions of the Sugar Act of 1948, as amended. (Sec. 403, 61 Stat. 932; 7 U.S.C. 1153. Interprets or applies Sec. 301, 61 Stat. 929, as amended; 7 U.S.C. 1132).

(The recordkeeping and reporting requirements of these regulations have been approved by, and subsequent recordkeeping and reporting requirements will be subject to the approval of the Bureau of the Budget in accordance with the Federal Reports Act of 1942.)

Effective date. This determination shall become effective on November 1, 1965 and shall remain in effect until amended, superseded, or terminated.

Signed at Washington, D.C., on October 18, 1965.

JOHN A. SCHNITTKER,
Acting Secretary.

[F.R. Doc. 65-11322; Filed, Oct. 21, 1965; 8:46 a.m.]

SUBCHAPTER I—DETERMINATION OF PRICES

[Sugar Determination 874.18]

PART 874—SUGARCANE; LOUISIANA

Prices, 1965 Crop

Pursuant to the provisions of section 301(c)(2) of the Sugar Act of 1948, as amended (herein referred to as "act"), after investigation and due consideration of the evidence presented at the public hearing held in Houma, La., on July 15, 1965, the following determination is hereby issued:

§ 874.18 Fair and reasonable prices for the 1965 crop of Louisiana sugarcane.

A producer of sugarcane in Louisiana who is also a processor of sugarcane (herein referred to as "processor"), shall have paid or contracted to pay for sugarcane of the 1965 crop grown by other producers and processed by him, in accordance with the following requirements.

(a) *Definitions.* For the purpose of this determination the term:

(1) "Price of raw sugar" means the price of 96° raw sugar quoted by the Louisiana Sugar Exchange, Inc., except that if the Director of the Policy and Program Appraisal Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington, D.C., 20250, determines that such price does not reflect the true market value of raw sugar, because of inadequate volume, failure to report sales in accordance with the rules of such Exchange or other factors, he may designate the price to be effective under this determination, which he determines will reflect the true market value of raw sugar.

(2) "Price of blackstrap molasses" means the price per gallon of blackstrap molasses quoted by the Louisiana Sugar Exchange, Inc., except that if the Director of the Policy and Program Appraisal Division determines that such price does not reflect the true market value of blackstrap molasses, because of inadequate volume, failure to report sales in accordance with the rules of such Exchange or other factors, he may designate the price to be effective under this

determination, which he determines will reflect the true market value of blackstrap molasses.

(3) "Weekly average price" means the simple average of the daily prices of raw sugar or blackstrap molasses, for the week (Friday through the following Thursday), in which the sugarcane is delivered.

(4) "Season's average price" means the simple average of the weekly prices of raw sugar or of blackstrap molasses for the period October 1, 1965, through April 28, 1966.

(5) "Delivered average price" means the weighted average price of 1965-crop raw sugar determined by weighting (a) the simple average of the daily prices of raw sugar for the period October 1, 1965, through December 31, 1965, by the quantity of 1965-crop raw sugar marketed under the processors' 1965 marketing allotment; and (b) the simple average of the daily prices of raw sugar for the period January 1, 1966, through April 28, 1966, by the quantity of 1965-crop raw sugar not marketed under the processors' 1965 marketing allotment.

(6) "Net sugarcane" means the quantity of sugarcane obtained by deducting the weight of trash from the gross weight of sugarcane as delivered by a producer.

(7) "Trash" means green or dried leaves, sugarcane tops, dirt, and all other extraneous material delivered with sugarcane.

(8) "Standard sugarcane" means net sugarcane, containing 12 percent sucrose in the normal juice with a purity of at least 76.00 but not more than 76.49 percent.

(9) "Salvage sugarcane" means any sugarcane containing either less than 9.5 percent sucrose in the normal juice or less than 68 purity in the normal juice.

(10) "State Office" means the Louisiana State Agricultural Stabilization and Conservation Service Office, 3737 Government Street, Alexandria, La., 71303.

(11) "State Committee" means the Louisiana State Agricultural Stabilization and Conservation Committee.

(b) *Basic price.* (1) The basic price for standard sugarcane shall be not less than $1.05 per ton for each 1-cent per pound of raw sugar determined on the basis of the weekly average price, the season's average price, or the delivered average price as elected by the processor in writing to the State office not later than November 1, 1965, and the pricing basis elected shall be used for pricing all 1965-crop sugarcane: *Provided*, That the average price of raw sugar as determined above shall be increased 0.03 cent for all mills located in Freight Area (a); shall be unchanged for all mills in Freight Area (b); and may be decreased 0.03 cent in Freight Area (c).[2]

(2) The basic price for salvage sugarcane shall be determined in accordance with the method of settlement used by the processor for the 1964-crop, except that the processor and producer may agree upon a different method of settlement subject to written approval by the State office upon a determination by the State committee that the method of settlement and the resultant price are fair and reasonable.

(c) *Conversion of net sugarcane to standard sugarcane.* Net sugarcane (except salvage sugarcane) shall be converted to standard sugarcane as follows:

(1) By multiplying the quantity of net sugarcane by the applicable quality factor in accordance with the following table:

Percent sucrose in normal juice	*Standard sugarcane quality factor* [1]
9.5	0.60
10.0	.70
10.5	.80
11.0	.90
11.5	.95
12.0	1.00
12.5	1.05
13.0	1.10
13.5	1.15
14.0	1.20
14.5	1.25

[1] The quality factor for sugarcane of intermediate percentages of sucrose in normal juice shall be interpolated and for sugarcane having more than 14.5 percent sucrose in the normal juice shall be computed in proportion to the immediately preceding interval.

and,

(2) By multiplying the quantity determined pursuant to subparagraph (1) of this paragraph by the applicable purity factor in the following table:

STANDARD SUGARCANE PURITY FACTOR [1]

PERCENT SUCROSE IN NORMAL JUICE

Percent purity of normal juice		At least 9.50	9.70	9.90	10.10	10.30	10.50	11.00	11.50	12.00	12.50	13.00	13.50	14.00	14.50	15.00	15.50
At least	But not more than	But not more than 9.69	9.89	10.09	10.29	10.49	10.99	11.49	11.99	12.49	12.99	13.49	13.99	14.49	14.99	15.49	15.99
68.00	68.24	1.000	0.989	0.978	0.967	0.956	0.945	0.936	0.929	0.922	0.922	0.908	0.901	0.894	0.887	0.880	0.873
68.25	68.49	1.005	.993	.982	.971	.960	.949	.941	.934	.927	.920	.913	.906	.899	.892	.885	.878
68.50	68.74	1.010	.998	.987	.976	.965	.954	.945	.938	.931	.924	.917	.910	.904	.897	.890	.884
68.75	68.99	1.016	1.003	.992	.981	.970	.959	.950	.943	.936	.929	.922	.915	.909	.902	.896	.890
69.00	69.49	1.021	1.009	.997	.986	.975	.964	.955	.948	.941	.934	.927	.920	.914	.908	.902	.896
69.50	69.99	1.025	1.013	1.001	.990	.979	.968	.960	.953	.945	.938	.931	.924	.918	.912	.905	.900
70.00	70.49	1.030	1.018	1.006	.995	.984	.973	.965	.958	.950	.943	.936	.929	.923	.917	.911	.905
70.50	70.99	1.035	1.023	1.011	.999	.988	.977	.969	.962	.954	.947	.940	.933	.927	.921	.915	.909
71.00	71.49	1.040	1.028	1.016	1.004	.993	.982	.974	.966	.959	.951	.945	.938	.932	.926	.920	.914
71.50	71.99	1.045	1.033	1.021	1.009	.998	.987	.978	.970	.963	.955	.949	.942	.936	.930	.924	.918
72.00	72.49	1.050	1.038	1.026	1.014	1.003	.992	.983	.975	.967	.960	.954	.947	.940	.934	.928	.922
72.50	72.99	1.055	1.043	1.031	1.019	1.007	.996	.987	.979	.971	.964	.958	.951	.944	.938	.932	.926
73.00	73.49	1.060	1.048	1.036	1.024	1.012	1.000	.991	.984	.976	.968	.962	.955	.948	.942	.936	.930
73.50	73.99	1.065	1.052	1.040	1.028	1.016	1.004	.995	.988	.980	.972	.966	.959	.952	.946	.940	.934
74.00	74.49		1.057	1.044	1.032	1.020	1.008	1.000	.992	.984	.977	.970	.963	.956	.950	.944	.938
74.50	74.99		1.062	1.049	1.036	1.024	1.012	1.004	.996	.988	.981	.974	.967	.960	.954	.948	.942
75.00	75.49			1.054	1.041	1.028	1.016	1.008	1.000	.992	.985	.978	.971	.964	.958	.952	.946
75.50	75.99			1.059	1.046	1.033	1.020	1.011	1.004	.996	.988	.981	.974	.967	.961	.955	.949
76.00	76.49				1.051	1.038	1.025	1.015	1.008	1.000	.992	.985	.978	.971	.965	.959	.953
76.50	76.99				1.054	1.041	1.028	1.019	1.011	1.004	.996	.989	.981	.975	.969	.963	.957
77.00	77.49					1.045	1.032	1.023	1.015	1.008	1.000	.993	.985	.979	.973	.967	.961
77.50	77.99					1.049	1.035	1.027	1.019	1.011	1.003	.996	.989	.982	.976	.970	.964
78.00	78.49						1.039	1.031	1.023	1.015	1.007	1.000	.993	.986	.980	.974	.968
78.50	78.99						1.042	1.035	1.026	1.018	1.010	1.003	.996	.989	.983	.977	.971
79.00	79.49							1.039	1.030	1.022	1.014	1.007	1.000	.993	.987	.981	.975
79.50	79.99							1.043	1.033	1.025	1.017	1.010	1.003	.996	.990	.984	.978
80.00	80.49								1.037	1.029	1.021	1.014	1.007	1.000	.994	.988	.982
80.50	80.99								1.040	1.032	1.024	1.017	1.010	1.003	.997	.991	.985
81.00	81.49									1.036	1.028	1.021	1.014	1.006	1.000	.994	.988
81.50	81.99									1.039	1.032	1.024	1.017	1.009	1.003	.997	.991
82.00	82.49										1.035	1.027	1.020	1.013	1.007	1.000	.995
82.50	82.99										1.038	1.030	1.023	1.016	1.010	1.004	.998
83.00	83.49											1.033	1.027	1.019	1.013	1.007	1.000
83.50	83.99											1.036	1.030	1.022	1.016	1.010	1.004
84.00	84.49												1.033	1.025	1.019	1.013	1.007
84.50	84.99													1.028	1.022	1.016	1.010

[1] Factors applicable to higher or lower sucrose and purity of normal juice than shown in this table shall be determined by the same method of calculation used to compute the factors specified and shall be furnished by the State office upon request.

[2] Freight Area (a) includes all mills except those located in Areas (b) and (c) below:
Freight Area (b) includes all mills located north of Bayou Goula between the Atchafalaya and Mississippi Rivers and southeast of New Iberia and west of the Atchafalaya River.
Freight Area (c) includes all mills located north and west of New Iberia west of the Atchafalaya River.

(d) *Payment for frozen sugarcane.* (1) The payment for sugarcane determined pursuant to paragraph (c) of this section may be reduced upon certification by the State office that sugarcane has been damaged by freeze and that the processing of such sugarcane has adversely affected boiling house operations. Deductions from the payment for such frozen sugarcane shall be at rates not in excess of 1.5 percent of the payment for each 0.1 cc. of acidity above 2.50 cc. of N/10 alkali per 10 cc. of juice but not in excess of 4.75 cc. (intervening fractions are to be computed to the nearest multiple of 0.05 cc.). No payment is required for the amount of sugar recoverable from sugarcane testing in excess of 4.75 cc. of acidity.

(2) In the event a general freeze causes abnormally low recoveries of raw sugar by a processor in relation to the sucrose and purity tests of sugarcane, payment for such sugarcane may be made as mutually agreed upon between the producer and the processor subject to written approval by the State office: *Provided*, That the payment for each ton of net sugarcane shall be not less than an amount equal to the total returns from raw sugar and molasses actually recovered from such sugarcane, determined on the basis of the season's average prices of raw sugar and blackstrap molasses less an amount not to exceed $3.00 per gross ton of sugarcane for processing and less the actual costs of hoisting, weighing, and transporting such sugarcane.

(e) *Molasses payment.* The processor shall pay an amount equal to the product of 7.0 gallons times one-half of the average price per gallon of blackstrap molasses in excess of 6 cents for each ton of net sugarcane processed except for (1) salvage sugarcane where settlement is based on the so-called "Java Formula"; (2) frozen sugarcane testing in excess of 4.75 cc. of acidity; and (3) sugarcane damaged by a general freeze which is tolled by the processor and settlement is based on the net proceeds from the sugar and molasses recovered from such cane. The average price of blackstrap molasses shall be the weekly average price or the season's average price as elected by the processor in writing to the State office not later than November 1, 1965, and such pricing basis shall be used in settlement for all molasses from 1965-crop sugarcane.

(f) *Hoisting, weighing, and transportation.* The price for sugarcane established by this section shall be applicable to sugarcane delivered by the producer (1) to a hoist for loading into the conveyance for transportation to the mill, or (2) from the farm directly to the mill. With respect to sugarcane delivered to a hoist, the costs of hoisting, weighing, and transporting sugarcane from the hoist to the mill shall be paid by the processor or the processor shall make allowances to the producer for performing such services, based on net sugarcane, at per ton rates not less than those made with respect to sugarcane of the 1964 crop: *Provided*, That the processor shall not be required to make hauling allowances to producers in excess of the rates charged by a contract or commercial carrier or the rates which such carrier would have charged for performing such service. With respect to sugarcane delivered directly from the farm to the mill the processor shall pay the cost of transportation or shall make an allowance to the producer for performing such service, based on net sugarcane, at per ton rates not less than those made with respect to the 1964 crop: *Provided*, That the processor shall not be required to make an allowance to the producer for hauling sugarcane directly from the farm to the mill at rates in excess of 30 cents per ton for distances of one mile or less, 40 cents per ton for distances of 1.1 to 2 miles, plus 5 cents per ton for each mile or fraction thereof in excess of 2 miles: *Provided, further*, That nothing in this paragraph shall be construed as prohibiting negotiations between the processor and the producer, any change to be approved in writing by the State office upon a determination by the State committee that the change results in allowances which are fair and reasonable.

(g) *Mutual plan for improving harvesting and delivery.* If a processor and the producers delivering sugarcane to such processor mutually agree upon a plan for improving harvesting and delivery operations, the processor may deduct from the price per ton of sugarcane an amount equal to one-half of the per ton cost of such plan. Such deduction may not be made until the plan has the written approval of the State office and it has been determined by the State committee that the plan is fair and reasonable.

(h) *Toll agreements.* The rate for processing sugarcane produced by a processor and processed under a toll agreement by another processor shall be the rate they agree upon.

(j) *Subterfuge.* The processor shall not reduce the returns to the producer below those determined in accordance with the requirements of this section through any subterfuge or device whatsoever.

STATEMENT OF BASES AND CONSIDERATIONS

(a) *General.* The foregoing determination establishes the fair and reasonable price requirements which must be met as one of the conditions for payment under the act, by a producer who processes sugarcane of the 1965 crop grown by other producers.

(b) *Requirements of the act.* Section 301(c)(2) of the act provides as a condition for payment, that the producer on the farm who is also, directly or indirectly, a processor of sugarcane, as may be determined by the Secretary, shall have paid or contracted to pay under either purchase or toll agreements, for sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

(c) *1965 price determination.* This determination continues the provisions of the 1964 crop determination, except that the basic price per ton of standard sugarcane is decreased from $1.06 to $1.05 for each one-cent per pound of raw sugar; the period for determining the season's average prices of raw sugar and blackstrap molasses is from October 1, 1965, through April 28, 1966; a third alternative basis for determining the average price of raw sugar on which payments for sugarcane are based is provided; and the molasses payment to producers is to be based on 7.0 gallons of blackstrap molasses per ton of sugarcane, instead of 6.8 gallons, reflecting the most recent 5-year average recovery.

A public hearing was held in Houma, La., on July 15, 1965, at which interested persons were afforded the opportunity to testify with respect to fair and reasonable prices for the 1965 crop of Louisiana sugarcane. The notice of hearing requested views and recommendations on the periods to be used to determine the season's average prices of raw sugar and blackstrap molasses; use of average quoted market prices of raw sugar or average prices of raw sugar received by processors as the basis of payments for sugarcane; and the equity of the pricing factor per ton of standard cane as related to alternative raw sugar price bases. A representative of the Grower-Processor Committee recommended that the pricing period for raw sugar and blackstrap molasses used in establishing the basic price for standard sugarcane extend from October 1, 1965, through April 28, 1966; that a third alternative pricing basis be included providing for a "delivered average price," such price to be the weighted average price of raw sugar for the weeks in which 1965-crop sugar is delivered to the purchaser, determined by weighting the simple average of the daily prices of raw sugar for each week in which the sugar is delivered to the purchaser by the quantity of 1965-crop sugar delivered during each corresponding week; *Provided*, That any sugar not delivered by April 29, 1966 be priced on the average price of sugar delivered prior to April 29, 1966; and that "delivered" be construed to mean "marketed" for quota charge purposes. He also recommended that in connection with the pricing factor consideration be given to Louisiana raw sugar price discounts and to the added storage costs incurred by processors as a result of marketing quotas for 1965-crop raw sugar. The witness stated that in view of the prospective large 1965-crop production of sugar in the mainland sugarcane area, the continuation of marketing allotments, and the increasing competition from beet sugar, a long pricing period was needed to coincide as closely as possible to the period in which the raw sugar was sold. The witness said that it had become more difficult for processors to sell their sugar on the season's average price basis; that since some processors would have over-quota sugar which could not be marketed during the period in which sugarcane was harvested, a weekly average price basis would not be fair to such processors; and that another pricing basis was needed in order to give the processor a greater oppor-

tunity to base settlements for sugarcane on a period somewhat similar to the period in which the sugar is sold. The witness testified that the refineries purchased 1964-crop raw sugar from some processors at a discount of about 10 cents per hundredweight under the prices quoted by the Louisiana Sugar Exchange and nothing had occurred to indicate that refiners would not demand a discount on 1965-crop sugar.

The representative of the Louisiana Farm Bureau Federation concurred in the recommendation of the Grower-Processor Committee that a pricing period for raw sugar and blackstrap molasses extend from October 1, 1965, through April 28, 1966. The witness said that if all raw sugar processors are able to store the bulk of their raw sugar the problem of discounts would virtually disappear; and that any change in the pricing factor should come only after a complete study of all costs affecting both the producing and processing of sugarcane. The witness was opposed to changing the basis of payment for sugarcane from the averages of quoted market prices.

Consideration has been given to the testimony presented at the public hearing and to other pertinent information. The comparative returns, costs, and profits of producing and processing sugarcane in Louisiana, obtained through field survey for recent crops have been recast in terms of prospective price and production conditions for the 1965 crop. In recasting producing and processing returns and costs for the 1965 crop, consideration has been given to all factors that would affect such returns and costs with special attention to hurricane damage, possible changes in storage costs for raw sugar, and the effect of price discounts on raw sugar returns. Analysis of these data indicates that the provisions of this determination will provide and equitable sharing of total returns between producers and processors based on their sharing of total costs.

The period specified for determining the seasons's average prices of raw sugar and blackstrap molasses upon which payments for sugarcane are based, follows the recommendation of the Grower-Processor Committee and the Louisiana Farm Bureau Federation. In view of current marketing allotments, it is believed that the period recommended will be equitable.

Prior determinations have provided two pricing bases, the season's average price, and the weekly average price, for determining payments for standard sugarcane. The recommendation of the Grower-Processor Committee for a third alternative pricing base has been adopted, but on a modified basis.

This determination provides that the "delivered average price" be determined by calculating the simple average of the daily price of raw sugar for two separate periods—one period from October 1 through December 31, 1965, and the other period from January 1 through April 28, 1966. The two averages then to be weighted as follows:

The average price for the period October 1 through December 31, 1965 weighted by the amount of 1965-crop sugar marketed under the processor's 1965 marketing allotment, and the average price for the period January 1 through April 28, 1966, weighted by the remainder of the 1965-crop sugar that was not marketed under the 1965 marketing allotment. It is believed that this method of determining the delivered average price will provide an alternative raw sugar pricing basis substantially as equitable as the method proposed by the Grower-Processor Committee, and will avoid most of the detailed documentation that would be necessary to demonstrate compliance.

Processors are required to inform the State office in writing within 10 days after publication of this section in the FEDERAL REGISTER the pricing basis the processor elects, i.e., weekly, season, or delivered average price for raw sugar and the weekly or season's average price for molasses. Processors are also required to use the periods elected for the entire crop.

On the basis of an examination of all pertinent factors, the provisions of this determination are deemed to be fair and reasonable.

Accordingly, I hereby find and conclude that the foregoing determination will effectuate the price provisions of the Sugar Act of 1948, as amended.

(Sec. 403, 61 Stat. 932; 7 U.S.C. Sup. 1153. Interprets or applies sec. 301, 61 Stat. 929; 7 U.S.C. Sup. 1131, as amended)

Effective date. This determination shall become effective on October 22, 1965, and is applicable to the 1965 crop of Louisiana sugarcane.

Signed at Washington, D.C., on October 18, 1965.

JOHN A. SCHNITTKER,
Acting Secretary.

[F.R. Doc. 65-11323; Filed, Oct. 21, 1965; 8:45 a.m.]

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

PART 906—ORANGES AND GRAPEFRUIT GROWN IN LOWER RIO GRANDE VALLEY IN TEXAS

Expenses and Rate of Assessment and Carryover of Unexpended Funds

Notice was published in the October 6, 1965, issue of the FEDERAL REGISTER (30 F.R. 12735) that consideration was being given to proposals regarding the expenses and the fixing of the rate of assessment for the fiscal period beginning August 1, 1965, and ending July 31, 1966, under the marketing agreement and Order No. 906 (7 CFR Part 906), regulating the handling of oranges and grapefruit grown in Lower Rio Grande Valley of Texas, effective under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). After consideration of all relevant matters presented, including the proposals set forth in the aforesaid notice which were submitted by the Texas Valley Citrus Committee (established pursuant to the said marketing agreement and order), it is hereby found and determined that:

§ 906.205 Expenses and rate of assessment and carryover of unexpended funds.

(a) *Expenses.* The expenses that are reasonable and likely to be incurred by the Texas Valley Citrus Committee during the period August 1, 1965, through July 31, 1966, will amount to $24,000.

(b) *Rate of assessment.* The rate of assessment for said period, payable by each handler in accordance with § 906.34, is fixed at one-half cent ($0.005) per 7/10 bushel carton, or equivalent quantity of oranges and grapefruit.

(c) *Reserve.* Unexpended assessment funds, in excess of expenses incurred during the fiscal period ended July 31, 1965, shall be carried over as a reserve in accordance with the applicable provisions of § 906.35(a)(2) of said marketing agreement and order.

It is hereby found that good cause exists for not postponing the effective time of this action until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 1001–1011) in that (1) shipments of oranges and grapefruit are now being made; (2) the relevant provisions of said marketing agreement and this part require that the rate of assessment fixed for a particular fiscal period shall be applicable to all assessable fruit from the beginning of such period; and (3) the current fiscal period began on August 1, 1965, and the rate of assessment herein fixed will automatically apply to all assessable oranges and grapefruit beginning with such date.

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

Dated: October 19, 1965.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 65-11350; Filed, Oct. 21, 1965; 8:48 a.m.]

[948.349 Amdt. 1]

PART 948—IRISH POTATOES GROWN IN COLORADO

Limitation of Shipments

Notice of rule making with respect to a proposed amendment to the limitation of shipments regulation to be made effective under Marketing Agreement No. 97 and Order No. 948, both as amended (7 CFR Part 948) regulating the handling of Irish potatoes grown in the State of Colorado, was published in the FEDERAL REGISTER, October 2, 1965 (30 F.R. 12644). This program is effective under the Agricultural Marketing Agreement

Act of 1937, as amended (7 U.S.C. 601 et seq.).

The notice afforded interested persons an opportunity to file data, views, or arguments pertaining thereto not later than 15 days after publication. None was filed.

After consideration of all relevant matters, including the proposal set forth in the aforesaid notice which was recommended by the Area No. 2 Committee, established pursuant to the said amended marketing agreement and order, it is hereby found that this amendment (§ 948.349(c)), which limits handling of potatoes hereunder to specified containers as hereinafter set forth, will tend to effectuate the declared policy of the act.

It is hereby further found that good cause exists for not postponing the effective date of this amendment until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 1003) in that (1) shipments of 1965 crop potatoes grown in Area No. 2 have begun, (2) to maximize benefits to producers this amended regulation should apply to as many shipments as possible during the marketing season, (3) compliance with this amendment will not require any special preparation on the part of handlers which cannot be completed by the effective date, and (4) information regarding this amendment has been given to producers and handlers in the production area and by publication of notice in the FEDERAL REGISTER.

Section 948.349 (30 F.R. 11132) is amended to read as follows:

§ 948.349 Limitation of shipments.

During the period October 25, 1965, through June 30, 1966, no person may handle any lot of potatoes grown in Area No. 2 unless such potatoes meet the requirements of paragraphs (a), (b), and (c) of this section, or unless such potatoes are handled in accordance with paragraphs (d), (e), (f), (g), and (h) of this section.

(a) *Minimum grade and size requirements*—(1) *Round varieties.* U.S. No. 2, or better, grade, 2⅛ inches minimum diameter.

(2) *Long varieties.* U.S. No. 2, or better, grade, 2 inches minimum diameter or 4 ounces minimum weight.

(3) *All varieties.* Size B, if U.S. No. 1 or better, grade, and if handled in accordance with the reporting requirements of paragraph (h) of this section.

(b) *Maturity (skinning) requirements.* Terminated October 16, 1965.

(c) *Container requirements.* Potatoes may be handled only in containers classified by weight as follows:

(1) 5 pounds;
(2) 10 pounds;
(3) 20 pounds;
(4) 25 pounds;
(5) 50 pounds; or
(6) 100 pounds and larger.

(d) *Special purpose shipments*—(1) *Chipping stock.* Potatoes may be handled for chipping if they meet the requirements of 2 inches minimum diameter, and if U.S. No. 2, or better grade, except for (i) scab, and (ii) the maturity requirements of paragraph (b) of this section, if such potatoes are handled in accordance with paragraph (c) of this section.

(2) *Other special purposes.* (i) The quality, maturity and container requirements of paragraphs (a), (b), and (c) of this section and the inspection and assessment requirements of this part shall not be applicable to shipments of potatoes for livestock feed, relief, or charity. (ii) The quality, maturity, and container requirements of paragraphs (a), (b), and (c) of this section shall not be applicable to the handling of potatoes for seed pursuant to § 948.6 but any lot of potatoes handled for seed shall be subject to assessments.

(e) *Safeguards.* (1) Each handler of potatoes which do not meet the quality, maturity, and container requirements of paragraphs (a), (b), and (c) and which are handled pursuant to paragraph (d) for any of the special purposes set forth therein shall:

(i) Prior to handling, apply for and obtain a Certificate of Privilege from the committee;

(ii) Furnish the committee such reports and documents as requested, including certification by the buyer or receiver as to the use of such potatoes; and

(iii) Bill each shipment directly to the applicable processor or receiver.

(2) Potatoes handled for livestock feed pursuant to paragraph (d) shall be mutilated so as to render them unfit for commercial tablestock market.

(f) *Minimum quantity.* For purposes of regulation under this part, each person may handle up to but not to exceed 1,000 pounds of potatoes without regard to the requirements of paragraphs (a), (b), and (c) but this exception shall not apply to any portion of a shipment of over 1,000 pounds of potatoes.

(g) *Inspection.* (1) No handler may handle any potatoes for which inspection is required unless an appropriate inspection certificate has been issued with respect thereto and the certificate is valid at the time of shipment. For purposes of operation under this part it is hereby determined pursuant to paragraph (d) of § 948.40, that each inspection certificate shall be valid for a period not to exceed 5 days following the date shown on the inspection certificate, except that inspection certificates issued on potatoes for use as potato chips handled pursuant to paragraph (d)(1) shall be exempt from this requirement.

(2) No handler may transport or cause the transportation by motor vehicle of any shipment of potatoes for which an inspection certificate is required unless each shipment is accompanied by, and made available for examination at any time upon request, a copy of the inspection certificate applicable thereto.

(h) *Reports.* Pursuant to § 948.80, no handler may ship Size B potatoes from Area No. 2 unless he reports to the committee in a manner prescribed by it the quantities handled and the destinations of such potatoes.

(i) *Definitions.* The terms "U.S. No. 1," "U.S. No. 2," "Size B," and "scab" shall have the same meaning as when used in the U.S. Standards for Potatoes (§§ 51.1540–51.1556 of this title), including the tolerances set forth therein. Other terms used in this section shall have the same meaning as when used in Marketing Agreement No. 97, as amended, and this part.

(j) *Applicability to imports.* Pursuant to § 608e–1 of the act and § 980.1, *Import regulations* (7 CFR 980.1), red skinned round type potatoes, except certified seed potatoes, imported into the United States during the period October 1, 1965, through June 30, 1966, shall meet the grade, size, quality and maturity requirements specified in paragraphs (a) and (b) of this section.

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

Dated October 18, 1965 to become effective October 25, 1965.

PAUL A. NICHOLSON,
Deputy Director,
Fruit and Vegetable Division.

[F.R. Doc. 65-11324; Filed, Oct. 21, 1965; 8:46 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Airspace Docket No. 65-CE-94]

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

Designation of Control Zone and Transition Area

On August 19, 1965, a notice of proposed rule making was published in the FEDERAL REGISTER (30 F.R. 10297) stating that the Federal Aviation Agency proposed to designate controlled airspace in the vicinity of Mankato, Minn.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. The one comment received was favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., January 6, 1966, as hereinafter set forth.

1. In § 71.171 (29 F.R. 17581) the following control zone is added:

MANKATO, MINN.

Within a 5-mile radius of the Mankato Municipal Airport (latitude 44°08'44" N., longitude 93°59'04" W.) and within 2 miles each side of the Mankato VOR 149° radial extending from the 5-mile radius zone to 8 miles southeast of the VOR. This control zone shall be effective during the specific dates and/or times established in advance by a notice to airmen and continuously published in the Airman's Information Manual.

2. In § 71.181 (29 F.R. 17643) the following transition area is added:

MANKATO, MINN.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Mankato Municipal Airport (latitude 44°08'44" N., longitude 93°59'04" W.) and within 2 miles each side of the Mankato VOR 149° radial, extending from the 5-mile radius area to 8 miles southeast of the VOR, and that airspace extending upward from 1,200 feet above the surface within 5 miles southwest and 8 miles northeast of the Mankato VOR 149° and 329° radials, extending from 13 miles southeast to 7 miles northwest of the VOR.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Kansas City, Mo., on October 14, 1965.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 65-11306; Filed, Oct. 21, 1965; 8:45 a.m.]

[Airspace Docket No. 65-CE-95]

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

Alteration of Transition Area

On August 19, 1965, a notice of proposed rule making was published in the FEDERAL REGISTER (30 F.R. 10296) stating that the Federal Aviation Agency proposed to alter controlled airspace in the vicinity of Appleton, Wis.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. The one comment received was favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., January 6, 1966, as hereinafter set forth.

In § 71.181 (29 F.R. 17643) the Appleton, Wis., transition area is amended to read:

APPLETON, WIS.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Outagamie County Airport, Appleton, Wis. (latitude 44°15'40" N., longitude 88°31'10" W.), within 2 miles each side of the 135° bearing from Outagamie County Airport extending from the 5-mile radius area to 8 miles southeast of the airport, and within 2 miles each side of the 285° bearing from Outagamie County Airport extending from the 5-mile radius area to 8 miles west of the airport.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Kansas City, Mo., on October 14, 1965.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 65-11307; Filed, Oct. 21, 1965; 8:45 a.m.]

[Airspace Docket No. 65-SW-27]

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

Alteration of Transition Area

On August 10, 1965, a notice of proposed rule making was published in the FEDERAL REGISTER (30 F.R. 9957) stating that the Federal Aviation Agency proposed to alter the Lafayette, Louisiana, transition area.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. All comments received were favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0001 e.s.t., January 6, 1966, as herein set forth.

In § 71.181 (30 F.R. 15943) the Lafayette, La., transition area is amended to read.

LAFAYETTE, LA.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of latitude 30°02'15" N., longitude 91°53'00" W., within 2 miles each side of the Lafayette VOR 139° radial extending from the 5-mile radius area to the VOR, within 2 miles each side of the Lafayette ILS localizer north course extending from the OM to 1 mile south, within 2 miles each side of the Lafayette ILS localizer south course extending from the 5-mile radius area to 14 miles south of the airport, and within 2 miles each side of the Lafayette VOR 172° radial extending from the VOR to 8 miles south; and that airspace extending upward from 1,200 feet above the surface within an area bounded by a line beginning at latitude 30°46'20" N., longitude 91°50'40" W., to latitude 30°07'40" N., longitude 91°36'45" W., to latitude 30°13'00" N., longitude 90°57'00" W., to latitude 29°53'00" N., longitude 91°00'00" W., to latitude 29°47'00" N., longitude 91°11'00" W., to latitude 29°36'00" N., longitude 91°11'00" W., thence west via latitude 29°36'00" N., to and clockwise along the arc of a 35-mile radius circle centered at latitude 30°02'15" N., longitude 91°53'00" W., to latitude 29°56'00" N., thence north to latitude 30°32'00" N., longitude 92°15'00" W., to point of beginning; within 8 miles north and 5 miles south of the White Lake VOR 090° and 270° radials extending from 7 miles west to 13 miles east of the VOR, and within 8 miles south and 5 miles north of the White Lake VOR 091° and 271° radials extending from 7 miles east to 13 miles west of the VOR.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Fort Worth, Tex., on October 13, 1965.

A. L. COULTER,
Acting Director, Southwest Region.

[F.R. Doc. 65-11308; Filed, Oct. 21, 1965; 8:45 a.m.]

[Airspace Docket No. 65-CE-65]

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

PART 75—ESTABLISHMENT OF JET ROUTES

Designation of Positive Control Area and Revocation of Jet Advisory Areas

On August 10, 1965, a notice of proposed rule making was published in the FEDERAL REGISTER (30 F.R. 9956) stating that the Federal Aviation Agency proposed to extend positive control area to the airspace in the vicinity of Aberdeen, S. Dak., and to revoke certain jet advisory areas.

Interested persons were afforded an opportunity to participate in the rule making through the submission of comments. All comments received were favorable.

In consideration of the foregoing, Parts 71 and 75 of the Federal Aviation Regulations are amended, effective 0001 e.s.t., December 9, 1965, as hereinafter set forth.

a. Section 71.193 (30 F.R. 1836, 12386) is amended as follows: "latitude 46°00'-00" N., longitude 100°00'00" W.; latitude 45°56'30" N., longitude 101°00'00" W.; latitude 44°37'00" N., longitude 101°00'00" W.; latitude 44°20'00" N., longitude 101°00'00" W.; latitude 43°-30'00" N., longitude 100°26'00" W.; latitude 43°30'00" N., longitude 97°17'-00" W.; latitude 43°35'30" N., longitude 97°23'30" W.;" is deleted and "latitude 46°14'00" N., longitude 100°00'00" W.; latitude 45°40'20" N., longitude 98°20'-40" W.;" is substituted therefor.

b. Section 75.200 (30 F.R. 2440, 12386) is amended as follows:

1. Jet Route No. 16 jet advisory area is revoked.

2. Jet Route No. 70 jet advisory area is revoked.

3. Jet Route No. 82 jet advisory area is revoked.

4. Jet Route No. 90 jet advisory area is revoked.

5. The text of Jet Route No. 32 jet advisory area is amended to read: "Nonradar—From the positive control area boundary NE of Duluth, Minn., to the United States/Canadian border only from FL 370 to FL 390, inclusive."

c. Section 75.300 (30 F.R. 2440) is amended as follows: 1. The Minneapolis, Minn., jet advisory area is revoked.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C. on October 15, 1965.

JAMES L. LAMPL,
Acting Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 65-11309; Filed, Oct. 21, 1965; 8:45 a.m.]

Title 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 14—NONMAILABLE MATTER

PART 15—MATTER MAILABLE UNDER SPECIAL RULES

Miscellaneous Amendments

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

I. In Part 14, make the following change:

In § 14.2, paragraph (d)(4) is revised to update the list of operations offices of the Atomic Energy Commission. As so revised, paragraph (d)(4) reads as follows:

§ 14.2 **Harmful matter.**

* * * * * * *

(d) *Radioactive matter.* * * *

(4) Operations offices of the United States Atomic Energy Commission are as follows:

Operations office	Mail address	Telephone No.
Albuquerque Operations Office	Post Office Box 5400, Albuquerque, N. Mex., 87115.	264-4667.
Chicago Operations Office	9800 South Cass Ave., Argonne, Ill., 60439.	Lemont, Ill., 739-7711, Ext. 4011.
Richland Operations Office	Post Office Box 550, Richland, Wash., 99352.	Whitehall 2-1111, Ext. 6-5441.
Idaho Operations Office	Post Office Box 2108, Idaho Falls, Idaho, 83401.	Jackson 2-6040.
New York Operations Office	376 Hudson St., New York, N.Y., 10014.	Yukon 9-1000.
Oak Ridge Operations Office	Post Office Box E, Oak Ridge, Tenn., 37831.	Oak Ridge, Tenn., 483-8611, Ext. 3333.
San Francisco Operations Office	2111 Bancroft Way, Berkeley, Calif., 94704.	Thornwall 1-5620.
Savannah River Operations Office	Post Office Box A, Aiken, S.C., 29802	North Augusta, S.C., 846-6331, Ext. 3333, Aiken, S.C., Midway 9-6211.

NOTE: The corresponding Postal Manual section is 124.244.

II. In Part 15 make the following changes:

A. In § 15.3, paragraph (f) is revised to permit acceptance of interstate shipments of meats and meat products bearing a mark of Federal meat inspection on the outside carton, wrapper or container in lieu of a certificate. Volume shippers whose shipments do not show a mark of Federal meat inspection on the outside container may place their certificate by hand stamp or otherwise directly on the address side of the outer wrapper or carton. Certificates of all other shippers will continue to be made on Form 3583, and only one copy of this form is to be completed for each shipment. However, Certificates 1 and 2 will continue to be mailed to the Meat Inspection Division of the U.S. Department of Agriculture, Washington, D.C., 20250. Certificate 3 will be mailed to the Investigator in Charge designated in § 15.3(f)(4) of this chapter. Duplicate copies of Form 3583 are no longer required and completed certificates on Form 3583 will no longer be retained in Post Office files. Those copies of completed Form 3583 now held in post offices will be retained for 1 year from the publication date of this rule in the FEDERAL REGISTER and then disposed of. As so revised, paragraph (f) reads as follows:

§ 15.3 **Perishable matter.**

* * * * *

(f) *Meat and meat products*—(1) *Certificate required.* Interstate shipments of meats and meat products may be sent through the mails only if they conform with regulations of the U.S. Department of Agriculture under Federal statutes. Each shipment must be accompanied with a certificate by the mailer unless the shipment shows on the outside the mark of Federal meat inspection in form of either a circular inspection legend or other domestic meat label. See subparagraph (2) of this paragraph. The mailer's certificate may be applied directly to the outside of the parcel, container or wrapper (in the case of volume shippers), or be submitted on Form 3583 filed at time of mailing. See subparagraph (3) of this paragraph.

(2) *Mark of Federal Meat Inspection.* Outside containers used to mail meat or meat products bearing either of the following marks of Federal Meat Inspection may be accepted without requiring a certificate.

(i) DOMESTIC MEAT LABEL

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The meat or meat food product contained herein has been U.S. inspected and passed by Department of Agriculture.

(ii) The name and address of the establishment, or the name only, may be printed on the label at the bottom.

U.S.
INSPECTED
AND PASSED BY
DEPARTMENT OF
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(3) *Form of certificate.* (i) Volume shippers of U.S. inspected and passed products may elect to rubber hand stamp or by other means affix the following certificate to the address side of each package of meat and meat products:

I certify that the meat or meat-food products described hereon, which are offered for mailing in interstate or foreign commerce, have been United States inspected and passed by Department of Agriculture, are so marked, and at this date are sound, healthful, wholesome, and fit for human food.

(Name of shipper)

(Address of shipper)

(ii) Mailers not preparing their shipments as provided in subparagraph (2) of this paragraph or in subdivision (i) of this subparagraph should use Form 3583. The form is designed for use by all other shippers of meat or meat food products subject to the inspection regulations of the U.S. Department of Agriculture. Three types of certificates are included in the form. The shipper must complete both sides of the form and submit it to the postmaster with each shipment.

(4) *Disposition of Form 3585.* Copies of Form 3583 with certificate 1 or 2 shall be mailed in a post office penalty envelope to Director, Meat Inspection Division, U.S. Department of Agriculture, Washington, D.C., 20250. Copies of Form 3583 having certificate 3 completed shall be mailed as follows:

Post offices within regions	*Mail to*—
Atlanta, Ga., Dallas, Tex., Memphis, Tenn., St. Louis, Mo., and Wichita, Kans.	Investigator in Charge, Southern Region, Rm. T 12015, Federal Office Bldg., 701 Loyola St., New Orleans, La., 70113.
Boston, Mass., Cincinnati, Ohio, New York, N.Y., Philadelphia, Pa., Washington, D.C.	Investigator in Charge, Eastern Region, Rm. 514, 45 Broadway, New York, N.Y., 10006.
Chicago, Ill., Minneapolis, Minn.	Investigator in Charge, Northern Region, 1058 Hillgrove Ave., Western Springs, Ill., 60558.
Denver, Colo., San Francisco, Calif., Seattle, Wash.	Investigator In Charge, Western Region, Post Office Box 386, South San Francisco, Calif., 94083.

NOTE: The corresponding Postal Manual section is 125.36.

§ 15.4 **[Amended]**

B. In § 15.4, paragraph (b) is revised to reflect current information on plant quarantines. As so revised, paragraph (b) reads as follows:

(b) *Plant quarantines applying to the continental United States.* When any State or area is quarantined by order of the Secretary of Agriculture, under authority of the Plant Quarantine Act, or by an authorized State plant pest official cooperating with the Secretary of Agriculture, on account of a plant disease or insect infestation, the mailing of plants, plant products, or other articles covered by such quarantine or regulatory order from such State or area into or through any State or area is subject to the restrictions imposed by such order. A summary of these quarantines follows:

(1) *Black Stem Rust.* Federal Quarantine No. 38: (i) Prohibits movement of barberry, mahonia, and mahoberberis plants and parts thereof capable of propagation other than designated rust-resistant plants, which may be moved by nurseries and dealers listed by the Director of Plant Pest Control Division, U.S. Department of Agriculture, as sources authorized to ship such plants (shippers may be required to present evidence or authorization to ship before shipments of these plants are accepted for mailing). Parts of mahonia plants without roots intended for decorative purposes are exempted from these requirements; (ii) prohibits movement of seeds and fruits of any barberry, mahonia, and mahoberberis from the other States and the District of Columbia into the eradication States of Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, Pennsylvania, South Dakota, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, except under special permit. Seeds and fruits of rust-resistant plants may be moved between the eradication States only when accompanied by permits issued specifically for such movement. There are no restrictions on the move-

ment of seeds and fruits from the eradication States to points outside thereof or between points entirely outside the eradication States.

(2) *Gypsy moth and brown-tail moth.* Federal Quarantine No. 45: Prohibits, except when accompanied by a Federal certificate or permit or when exempted by administrative instructions, the movement to any point outside the regulated areas, or from the generally infested area to points in the suppressive area of: (i) Timber and timber products; (ii) plants having persistent woody stems, and parts thereof, including Christmas trees; (iii) stone and quarry products; and (iv) any other commodities or articles when found on inspection to be infested with gypsy or brown-tail moths. The regulated areas include the entire States of Connecticut, Massachusetts, and Rhode Island, and parts of Maine, New Hampshire, New York, and Vermont. The suppressive area includes parts of the regulated area in New York.

(3) *Japanese beetle.* Federal Quarantine No. 48: Prohibits, except when accompanied by Federal certificates or permits or when exempted from certification by administrative instructions, the movement from the regulated areas of: (i) Soil, humus, compost, and decomposed manure; (ii) nursery stock; and (iii) fresh fruits and vegetables from seasonally designated areas during part of the year, when shipped by truck or in carload lots. The regulated areas include the District of Columbia, the entire States of Connecticut, Delaware, Indiana, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia, and parts of the States of Georgia, Kentucky, Maine, Ohio, and South Carolina.

(4) *Pink bollworm.* Federal Quarantine No. 52: Prohibits, except when accompanied by a Federal certificate or permit or when exempted from certification by administrative instructions, the movements from the regulated areas of: (i) Gin trash and cotton waste from gins and mills; (ii) cotton and wild cotton plants and products thereof, including seed cotton, cottonseed, cotton lint, linters, and all other forms of unmanufactured cotton fiber, cottonseed hulls, cake, and meal, and all other parts of such plants; (iii) okra plants including seed and edible and dry pods; and (iv) when infested with pink bollworms or contaminated with regulated cotton products, bagging and other containers of cotton, and farm products, farm household goods, and farm equipment. The regulated areas include the entire States of New Mexico, Oklahoma, and Texas, and parts of the States of Arizona, Arkansas, and Louisiana.

(5) *White-pine blister rust.* Federal Quarantine No. 63: Prohibits (i) the movement of five-leaved pines into the States of Arizona, Colorado, Nevada, New Mexico, Utah, and that part of California comprising the counties of Contra Costa, Mariposa, Mono, San Francisco, San Joaquin, Stanislaus, and all those south thereof unless originating in such areas, except when intended for reforestation purposes; (ii) the movement of European black currant plants (Ribes nigrum) into the District of Columbia and all States except Alabama, Arkansas, Florida, Kansas, Louisiana, Mississippi, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, and Texas; (iii) the movement of all currant and gooseberry plants into parts of the States of Georgia, Idaho, Maine, Montana, New Hampshire, New Jersey, New York, Tennessee, and West Virginia; and (iv) except when accompanied by a Federal control-area permit, the movement of all currant and gooseberry plants into the States of Connecticut, Delaware, Maryland, Massachusetts, Rhode Island, Vermont, and parts of the States of Michigan, Minnesota, North Carolina, Ohio, Oregon, Pennsylvania, Virginia, Washington, and Wisconsin.

(6) *Mexican fruit fly.* Federal Quarantine No. 64: Prohibits, except as provided in the regulations and administrative instructions supplemental thereto, the movement from the regulated areas in Texas of citrus and other specified fruits.

(7) *White-fringe beetle.* Federal Quarantine No. 72: Prohibits, except when accompanied by a Federal certificate or permit or when specifically exempted from certification requirements by administrative instruction, the movement from the regulated areas in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia of (i) soil independent of or in connection with nursery stock, plants, or other things; (ii) nursery stock and other stipulated plants or plant products; and (iii) other specified articles.

(8) *Khapra beetle.* Federal Quarantine No. 76: Prohibits movement from the regulated area, unless accompanied by Federal certificates or permits, of grains and grain products, dried seeds and seed products, bags, bagging, dried milk, dried blood, fish meal, and meat scraps. The regulated areas are limited to properties in parts of Arizona, California, and New Mexico which are designated as regulated areas in administrative instructions.

(9) *European chafer.* Federal Quarantine No. 77: Prohibits movement from the regulated area unless accompanied by Federal certificates or permits of nursery stock, sand, soil, gravel, humus, compost, and decomposed manure. The regulated areas include parts of Connecticut, New York, and West Virginia.

(10) *Soybean cyst nematode.* Federal Quarantine No. 79: Prohibits movement, unless accompanied by Federal certificates or permits, of soil, nursery stock and other plants with roots attached, true bulbs, corms, rhizomes, and tubers, root crops, soybeans, small grains, ear corn, hay, straw, fodder, and plant litter of any kind, seed cotton, used farm tools and implements, burlap bags, cotton picking sacks, and other farm products. The regulated areas include parts of the States of Arkansas, Illinois, Kentucky, Mississippi, Missouri, North Carolina, Tennessee, and Virginia.

(11) *Witch weed.* Federal Quarantine No. 80: Prohibits movement from the regulated area, unless accompanied by Federal certificates or permits, of soil, nursery stock, and other plants with roots attached, bulbs, corms, rhizomes, and tubers, root crops, seed cotton, tobacco, peanuts in shells, ear corn, soybeans, and small grains. The regulated areas include parts of North Carolina and South Carolina.

(12) *Imported fire ant.* Federal Quarantine No. 81: Prohibits movement, unless accompanied by Federal certificates or permits, of soil, plants with soil, grass sod, and forest products. The regulated areas include parts of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, South Carolina, and Texas.

(13) *Peach mosaic.* Standard State quarantines on account of the peach mosaic disease prohibit, except when accompanied by certificates issued by authorized officials of the States of origin, the movement of all peach, plum, prune, nectarine, apricot, and almond trees, and propagative parts except fruit pits, into, within or from Arizona and New Mexico and parts of Arkansas, California, Colorado, Oklahoma, Texas, and Utah.

(14) *Phony peach.* Standard State quarantines on account of the Phony peach disease prohibit, except when accompanied by certificates issued by authorized officials of the States of origin, the movement of all almond, apricot, nectarine, peach, and plum nursery stock into, within or from Alabama, Florida, Georgia, Louisiana, and Mississippi and parts of Arkansas, Missouri, North Carolina, Tennessee, and Texas.

(15) *Sweet potato weevil.* Live sweet potato weevils in any stage of development may be accepted for mailing only when accompanied by a permit issued by the U.S. Department of Agriculture. State sweetpotato weevil quarantines of Alabama, Arizona, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas prohibit movement from regulated areas of sweetpotatoes (tubers) and sweetpotato and morninglory (Impomoea) plants and parts thereof, including vines, cuttings, draws, and roots, unless they are accompanied by sweetpotato weevil quarantine or inspection certificates issued by authorized inspectors of the States of origin. The regulated areas include parts of the States of Alabama, Florida, Georgia, Louisiana, Mississippi, South Carolina, and Texas.

(16) *Cereal leaf beetle.* Standard State quarantines on account of the cereal leaf beetle prohibit, except when accompanied by certificates issued by authorized officials of the State of origin, the movement of grain, uncleaned grass and forage crop seed, hay, straw, fodder, and plant litter of any kind, and sod. The regulated areas include parts of Indiana, Michigan, and Ohio.

Detailed information regarding these quarantines may be obtained by writing

the U.S. Department of Agriculture, Washington, D.C., 20250.

NOTE: The corresponding Postal Manual section is 125.42.

C. In § 15.4, present paragraph (c) is redesignated paragraph (e), and new paragraphs (c) and (d) are inserted therein. New paragraph (c) gives information regarding plant quarantines applying to Hawaii and Puerto Rico. New paragraph (d) shows regulations concerning plant materials from the Canal Zone and Samoa. As so added, paragraphs (c) and (d) read as follows:

(c) *Plant quarantines applying to Hawaii and Puerto Rico.* Federal plant quarantines prohibit the shipment by mail or otherwise from Hawaii and Puerto Rico of the following plants and plant products into or through any other State, Territory, or District of the United States: Sugarcane or cuttings or parts thereof, or sugarcane leaves (Quarantine No. 16, revised), except that bagasse may be shipped under permit when accompanied by certificates issued by Federal plant quarantine inspectors for such shipment, or by special green and yellow mailing tags furnished by the U.S. Department of Agriculture, Plant Quarantine Division, and bearing the address of one of the following stations of that Bureau: Hoboken, N.J., San Francisco, Calif., Laredo, Tex., and Seattle, Wash.; also prohibited are sweetpotatoes, except under permit or certificate from an inspector of the Commonwealth of Puerto Rico (Quarantine No. 30, revised); cotton, seed cotton, cottonseed, cottonseed hulls, cake and meal, cotton waste, and bale covers, except under certificate or permit issued by an inspector of the Plant Quarantine Division in the Territory, District, or Insular Possession of origin (Quarantine No. 47); sand (other than clean ocean sand), soil, or earth around the roots of plants (Quarantine No. 60). Fruits and vegetables in the natural or raw state from Puerto Rico and fruits and vegetables in the natural or raw state, peel of fruits of all citrus and citrus relatives, certain cut flowers, rice straw, and mango seeds from Hawaii are prohibited from moving into or through any other State, Territory, or District of the United States; except that certificates may be issued by Federal plant quarantine inspectors for the shipment from Hawaii of specified fruits and vegetables on special determination in each case (Quarantine No. 13) and, for shipment from Puerto Rico, of grapefruit, oranges, and other citrus fruits, pineapples, bananas, plantains, avocados, dasheens, sweet corn on cob, and certain other articles, on special determination in each case (Quarantine No. 58). The regulations do not however apply to the shipment from Puerto Rico of coconuts either in, or free from, the husk when shipped through the mail without wrapping or packing as individual parcels. Federal permits are required from Hawaii and Puerto Rico to ship cotton, cottonmill waste and cottonseed cake, meal, and other cottonseed products other than oil, except that samples of raw or unmanufactured ginned cotton, including cottonmill waste, and samples of cottonseed cake and meal may be shipped by parcel post when the parcels are securely wrapped to prevent leakage and are conspicuously addressed to the Plant Quarantine Division at Hoboken, N.J., San Francisco, Calif., or Seattle, Wash. The name and address of the ultimate addressee must be indicated in the lower left corner. Upon arrival of such parcels at the Plant Quarantine Division they will be examined and fumigated and forwarded to the ultimate addressee under the original postage (Quarantine No. 47).

(d) *Plant materials from Canal Zone and Samoa.* Plant material from Tutuila, Manua, and the Canal Zone moving to the continental United States, Hawaii, and Puerto Rico is subject to the plant quarantines that affect the importation of plant material from foreign countries.

NOTE: The corresponding Postal Manual sections are 125.43 and 125.44.

D. In § 15.4 *Plant quarantines,* amend subdivision (iv) of paragraph (e) (6) by adding "Broderick, El Cerrito, and Orinda" in the alphabetical list therein of terminal inspection places in California.

NOTE: The corresponding Postal Manual section is 125.456d.

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

HARVEY H. HANNAH,
Acting General Counsel.

[F.R. Doc. 65-11212; Filed, Oct. 21, 1965; 8:45 a.m.]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 11—Coast Guard, Department of the Treasury

[CGFR 65-39]

MISCELLANEOUS AMENDMENTS

Pursuant to authority vested in me as Commandant, U.S. Coast Guard, by Treasury Department Order 167-17 (20 F.R. 4976) and Treasury Department Order 167-50 (28 F.R. 530):

PART 11-1—GENERAL

Subpart 11-1.3—General Policies

1. Section 11-1.302-3 is added, reading as follows:

§ 11-1.302-3 Contracts between the Government and Government employees or business concerns substantially owned or controlled by Government employees.

When a contracting officer has reason to believe that an exception as described in § 1-1.302-3 should be made, approval of the decision to make such an exception for any such contract must be obtained from Commandant (F).

§ 11-1.317 [Amended]

2. In § 11-1.317 the second line is amended by changing "§ 1-1.317(b)" to read "§ 1-1.317(e)."

3. Section 11-1.320-50 is added, reading as follows:

§ 11-1.320-50 Reporting possible violations.

Coast Guard contracting officers, auditors, technical inspectors, and other personnel responsible for the administration of negotiated contracts and subcontracts thereunder shall, through proper channels, report to Commandant (PS) any instances which come to their attention involving possible violations of the Anti-Kickback Act (41 U.S.C. 51-54). Such reports shall set forth all details of the transaction known to the reporting personnel, or available to them in the normal course of performance of their duties.

4. Section 11-1.351 is added, reading as follows:

§ 11-1.351 Variation in quantity.

To the extent that a variation in quantity is caused by the conditions specified in the clause in 1-7.101-4 that quantity may be accepted only to the extent specified in the Schedule. The permissible variation shall be stated as a percentage and may be an increase, a decrease, or a combination of both. There should be no standard or usual percentage or variation. Each procurement for which an overrun or underrun is permissible should be based upon the normal commercial practices of the particular industry for particular items, and the permitted percentage should be no larger than is necessary to afford a contractor reasonable protection. In no event shall the permissible variation exceed plus or minus 10 percent. The clause set forth below shall be included in the Schedule, only when one or more of the causes of quantity variation foreseeable exists at the time of solicitation.

EXTENT OF QUANTITY VARIATION (APR. 1965)

The permissible variation under the clause of the General Provisions entitled "Variation in Quantity" shall be limited to:

Increase (Insert: _____ Percent or None)
Decrease (Insert: _____ Percent or None)
This increase or decrease shall apply to _____.*

Consideration shall be given to the quantity to which the percentage variation applies. For example, when it is contemplated that delivery will be made to multiple destinations and it is desired that the quantity variation extend to the item quantity for each destination, this requirement must be set forth with particularity. Similarly, when it

*Insert in the blank the destination(s) to which the percentages apply, such as: (1) the total contract quantity; (2) item 1 only; (3) each quantity specified in the delivery schedule of the "Time of Delivery" clause; (4) the total item quantity for each destination; (5) the total quantity of each item without regard to destination.

is desired that the quantity variation extend to the total quantity of each item and not to the quantity for each destination, it may be desirable to express a percentage limitation for each destination to prevent unrealistic distribution of any increase or decrease.

Subpart 11–1.7—Small Business Concerns

1. Section 11–1.708–2 is added, reading as follows:

§ 11–1.708–2 **Applicability and procedure.**

(a)(6) Referrals pursuant to 1–1.708–2(a)(6) will be made to Commandant (P).

2. Section 11–1.709 is added, reading as follows:

§ 11–1.709 **Records and reports.**

Commandant (FS), District Commanders and Commanding Officers of Headquarters units shall summarize and report such procurements on Standard Form 37 (Report on Procurement by Civilian Executive Agencies) in accordance with § 1–16.804 as implemented by § 11–16.804.

PART 11–2—PROCUREMENT BY FORMAL ADVERTISING

Subpart 11–2.2—Solicitation of Bids

1. In § 11–2.201 paragraphs (a)(1)–(21); (a)(23)–(49); (b)(1)–(4); (b)(6)–(49) are deleted from the Code of Federal Regulations as publication of this material in Chapter 11, Title 41 CFR is not required. Paragraph (a)(50) is deleted as this provision is now covered in § 1–2.201(a)(11). Paragraph (a)(50) is reserved.

§ 11–2.201 **Preparation of invitations for bids.**

(a)(1)–(21) [Deleted]
(a)(23)–(49) [Deleted]
(a)(50) [Deleted]
(a)(50) [Reserved]
(b)(1)–(4) [Deleted]
(b)(6)–(49) [Deleted]

§ 11–2.201–51 [Corrected]

2. In the document adding § 11–2.201–51 of Chapter 11 of Title 41 of the Code of Federal Regulations, published on page 8520 in the FEDERAL REGISTER dated July 3, 1965, correction is made by redesignating paragraph "f" to read "e".

Subpart 11–2.4—Opening of Bids and Award of Contracts

1. Section 11–2.407–3 is deleted. This material is now covered in § 1–2.407–3.

§ 11–2.407–3 **Discounts.** [Deleted]

PART 11–3—PROCUREMENT BY NEGOTIATION

Subpart 11–3.8—Price Negotiation Policies and Techniques

The provisions in Subpart 11–3.8, Price Negotiation Policies and Techniques, are no longer required in view of the regulations which are currently prescribed in Subpart 1–3.8, of the Federal Procurement Regulations. Accordingly, Subpart 11–3.8 is rescinded in its entirety.

PART 11–5—SPECIAL AND DIRECTED SOURCES OF SUPPLY

Subpart 11–5.51—Procurement of Supplies From General Services Administration Stores Depot and of Services for Repair and Refinishing From General Services Administration Sources

§ 11–5.5100 [Amended]

1. In Section 11–5.5100 the last sentence, reading "It does not apply to any order for items or group of items which amount to $25 or less; however, items or groups of items costing $25 or less may be procured from GSA stores depots when it is determined that such procurement would be more economical than from commercial sources when such procurement is authorized under small purchase procedures", is deleted.

§ 11–5.5102 [Amended]

2. In Section 11–5.5102 the last sentence, reading "Copies of the Catalog may be obtained from any of the depots or offices listed in § 11–5.5103", is deleted.

3. Section 11–5.5103 is deleted from the Code of Federal Regulations in its entirety. Publication of this material in Chapter 11 Title 41 CFR is not required.

PART 11–7—CONTRACT CLAUSES

Subpart 11–7.1—Fixed-Price Supply Contracts

1. Section 11–7.101–60 is deleted and reserved. Publication of this material in Chapter II Title 41 CFR is not required as that provision of the terms and conditions of the Invitations for Bids concerning discounts is now prescribed on new Standard Form 33A, § 1–16.901–33A.

§ 11–7.101–60 **Discounts.** [Deleted]

PART 11–16—PROCUREMENT FORMS

Subpart 11–16.8—Miscellaneous Forms

1. Section 11–16.804 is added, reading as follows:

§ 11–16.804 **Report on procurement by civilian executive agencies.**

(a) *Form prescribed.* In addition to the requirements of § 1–16.804, Form CG–4090 may be used to record data on a daily basis.

(b) *Frequency and due date.* Reports (Reports Control Symbol FS–6129) shall be prepared semi-annually to cover the periods January 1 through June 30, and July 1 through December 31 of each year. The district office report will include data compiled from district unit reports. District Commanders and Commanding Officers of Headquarters units will submit their reports, in an original only, to Commandant (FS) prior to July 10 and January 10 for consolidation and submission of a Coast Guard report, in an original only, to the Treasury Department prior to July 20 and January 20.

(14 U.S.C. 633, 10 U.S.C. Ch. 137)

[SEAL] E. J. ROLAND,
Admiral, U.S. Coast Guard,
Commandant.

OCTOBER 12, 1965.

[F.R. Doc. 65–11328; Filed, Oct. 21, 1965; 8:47 a.m.]

Chapter 60—President's Committee on Equal Employment Opportunity

TRANSFER OF FUNCTIONS

EDITORIAL NOTE: Under Executive Order 11246, 30 F.R. 12319, the President's Committee on Equal Employment Opportunity is abolished and its functions transferred to the Secretary of Labor. Accordingly, the heading of Chapter 60 is changed to read: "Chapter 60—Office of Federal Contract Compliance, Equal Employment Opportunity, Department of Labor". See FEDERAL REGISTER Document 65–11364, *infra*, for adoption of the Committee's regulations as those of the Secretary of Labor and issuance of temporary regulations.

Chapter 60—Office of Federal Contract Compliance, Equal Employment Opportunity, Department of Labor

TRANSFER OF FUNCTIONS

Parts II and III of Executive Order No. 11246 (30 F.R. 12319, September 28, 1965) vested in the Secretary of Labor the functions previously exercised by the President's Committee on Equal Employment Opportunity under Executive Orders 10925 (3 CFR, 1959–1963 Comp. p. 448), 11114, June 22, 1963 (3 CFR 1959–1963 Comp. p. 774), and 11162, July 28, 1964 (3 CFR 1964 Comp. p. 154). Section 201 of Executive Order 11246 provides that the Secretary shall adopt such rules, regulations and orders as he deems necessary and appropriate to achieve the purposes of the Order. In the interest of continuity of the program it has been determined necessary and appropriate to adopt the current regulations on this subject hitherto prescribed by the President's Committee on Equal Employment Opportunity as those of the Secretary of Labor.

The provisions of section 4 of the Administrative Procedure Act (5 U.S.C. 1003) which require notice of proposed rule making, opportunity for public participation, and delay in effective date are not applicable because these rules only involve matters that relate to public contracts. I do not believe such procedures will serve a useful purpose here.

Accordingly, the following temporary regulations are prescribed to become effective October 24, 1965:

(a) All rules, regulations, orders, instructions, and other directives, issued by the President's Committee on Equal Employment Opportunity (see, Parts 60–1 and 60–80 of this chapter), to the extent not inconsistent with Executive Order 11246 of September 24, 1965 (30

F.R. 12319, September 28, 1965), remain in full force and effect as those of the Secretary of Labor.

(b) All references in rules, regulations, orders, instructions and other directives of the President's Committee on Equal Employment Opportunity to "Committee", "Chairman", "Vice-Chairman" and "Executive Vice-Chairman" shall, for purposes of these temporary regulations mean the Director of the Office of Federal Contract Compliance of the United States Department of Labor and all references to "a panel of the Committee" in said rules and regulations shall mean an appropriate panel of three appointed by the Director.

(c) *Effective date.* These temporary regulations are effective on October 24, 1965. With respect to invitations for bids and requests for proposals or similar documents, these temporary regulations apply to such documents first initiated on or after that date.

(Sec. 201, E.O. 11246, Sept. 24, 1965; 30 F.R. 12319)

Signed at Washington, D.C., this 19th day of October 1965.

W. WILLARD WIRTZ,
Secretary of Labor.

[F.R. Doc. 65-11364; Filed, Oct. 21, 1965; 8:48 a.m.]

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 913]

[Docket No. AO-353]

GRAPEFRUIT GROWN IN INTERIOR DISTRICT IN FLORIDA

Notice of Recommended Decision and Opportunity To File Written Exceptions With Respect to Proposed Marketing Agreement and Order

Pursuant to the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision with respect to a proposed marketing agreement and order regulating the handling of grapefruit grown in the Interior District in Florida, to be effective pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the "act". Interested persons may file written exceptions to this recommended decision with the Hearing Clerk, United States Department of Agriculture, Room 112, Administration Building, Washington, D.C., 20250, not later than the close of business of the 10th day after publication of this recommended decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate. All such communications will be made available for public inspection at the Office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Preliminary statement. The public hearing, on the record of which the proposed marketing agreement and order (hereinafter referred to collectively as the "order") were formulated, was held at Lakeland, Fla., on June 28, 1965, pursuant to a notice thereof which was published May 21, 1965, in the FEDERAL REGISTER (30 F.R. 6917). Such notice set forth a proposed marketing agreement and order which had been presented to the Department of Agriculture by the Florida Citrus Mutual and the Florida Fresh Shippers Association, with a petition for a hearing thereon.

Material issues. The material issues presented on the record of the hearing are as follows:

(1) The need for the proposed regulatory program to effectuate the declared purposes of the act;

(2) The existence of the right to exercise Federal jurisdiction in this instance;

(3) The definition of the commodity and determination of the productoin area to be affected by the order;

(4) The identity of the persons and transactions to be regulated; and

(5) The specific terms and provisions of the order including the definition of terms used therein which are necessary and incidental to attainment of the declared objectives of the act, and including all those set forth in the notice of hearing among which are those applicable to the following additional terms and provisions:

(a) The establishment, maintenance, composition, powers, duties, and operation of a committee for the local administration of the order;

(b) The incurring of expenses and the levying of assessments;

(c) The method for regulating shipments of grapefruit grown in the production area;

(d) The provision for continued regulation of the flow of shipments of Interior District grapefruit during periods when the season average price for such grapefruit is above parity, in order to avoid unreasonable fluctuations in supplies and prices;

(e) The specification of exceptions from regulation of grapefruit handled in certain types of shipments or for certain specified purposes;

(f) The requirement for inspection and certification of grapefruit handled;

(g) The establishment of record-keeping and reporting requirements for handlers;

(h) The requirement of compliance with all provisions of the order and with regulations issued pursuant thereto; and

(i) Additional terms and conditions as set forth in sections 57 through 65 and published in the FEDERAL REGISTER (30 F.R. 6917) on May 21, 1965, which are common to marketing agreements and orders, and certain other terms and conditions as set forth in sections 66 through 68 and also published in said issue of the FEDERAL REGISTER, which are common to marketing agreements only.

Findings and conclusions. The findings and conclusions on the aforementioned material issues, all of which are based on evidence adduced at the hearing and the record thereof, are as follows:

(1) Commercial citrus fruit production in Florida is confined to that portion of the State lying south and east of the Suwannee River. Within this area is the Interior District being comprised of that part of Florida bounded by the Suwannee River, the Georgia border, the Atlantic Ocean and the Gulf of Mexico, except for the part known as the Indian River District.

Florida ships from 25 to 30 thousand carloads of fresh grapefruit each year in interstate commerce. More than half of this grapefruit comes from the Interior District. The remainder comes from the Indian River District. Grapefruit grown in the latter district is subject to volume regulation as authorized under Marketing Order No. 912 (7 CFR Part 912). Approximately one-half of all Florida grapefruit is marketed in fresh form and the balance is utilized for processing.

The average on-tree returns for the nine marketing seasons from 1955–56 through 1963–64 for Interior grapefruit for fresh consumption was $1.16 a box. During this period the growers received an average of 90 percent of parity for their grapefruit used in fresh form. The on-tree returns of all Florida seedless grapefruit from processing averaged 56 cents and returns for the seeded varieties were a little higher at 76 cents a box. Therefore, Florida grapefruit growers look to the fresh market as the primary market outlet.

The preceding figures include the strong prices reflecting the diminished supply of grapefruit following the 1962–63 freeze. The grapefruit industry now faces increasing supplies as the groves recover from the freeze and an economic outlook geared to a history of declining per capita fresh consumption. Such consumption has dropped from a peak of 14 pounds in 1946 to six pounds in 1963. Economists predict a per capita increase in production of two pounds or 12 percent by 1969–70 of which about one-half is expected to be used in fresh form. Supply increases from sources outside of Florida are expected to be even greater than those in Florida. Moreover, there will be increased market competition from other fruit, especially oranges. It is predicted that annual orange production in Florida will increase by 70 million boxes by the end of another 5 years. From a marketing standpoint, the foregoing portends a situation wherein it will be necessary to maintain a flow of fresh grapefruit to market closely equated with market demand throughout the season to avoid market gluts and extreme price fluctuations. The most serious price declines would naturally occur during the months of heaviest production as hereinafter described.

To be eligible for marketing, Interior grapefruit must meet maturity requirements prescribed under Florida State laws. During the early part of the season, which begins about September 1, the quantity of such grapefruit which will meet such requirements is limited and generally is not excessive in relation to demand up through the month of December. However, practically all grapefruit will meet State maturity requirements by January and during the months of January, February, and March the supply under normal conditions far exceeds the quantity that could be advantageously marketed in fresh outlets.

The record evidence indicates that there is an inverse relationship between the volume of grapefruit shipments and prices received, and that shipment of a relatively few carloads of grapefruit in excess of market demand has weakened the market and depressed prices. Once the market has thus been demoralized, and in the absence of volume control, it is difficult to reestablish a reasonable price level and stabilize the market. It was reported that under such conditions, receivers, jobbers, and buyers for retail chainstores buy very sparingly whenever there is a threat that over supplies of grapefruit will lower prices and there is danger that anyone with a substantial quantity of grapefruit on hand will sustain a loss. It was further indicated that if the market is glutted with grapefruit, and considerable time is required to stabilize the market, the quality of the fruit held over long in wholesale and retail channels deteriorates and becomes unattractive to consumers. Thus, consumption is curtailed, and spoilage losses magnified at the retail level.

Mature grapefruit if left unpicked on the tree, will maintain market quality for a considerable period of time. Ordinarily, if conditions are not favorable, the fruit is left on the trees until more favorable conditions develop in the fresh market or it is harvested and marketed in processing outlets. The record indicates that when prices in fresh grapefruit outlets decline to a certain level, relative to the price of grapefruit for processing, shippers then dump fruit into the processing market. Thus, the processing market is depressed and this reduces total returns received by the producers. Moreover, the record shows that, although the industry is aware of the detrimental effect of unstabilized market conditions resulting from overshipments, several factors operate which tend to encourage over-shipment during certain periods and, in the absence of any restraint, are beyond the individual control of handlers. One of these factors is the urge among handlers to make full use of harvest labor and packing facilities. The evidence of record indicates that in recent years in response to strong processor demand, the early and mid-season orange harvest has been completed before the Valencia orange crop, on which the harvest labor would next normally be employed, is mature. Because of this development, shippers have turned to grapefruit, since this variety is available in quantity so as to keep harvest labor employed and packing facilities in use. This results in the shipment to market of Interior grapefruit in excess of market demand and contributes to unstable marketing conditions.

The record indicates that the industry has made an effort to exert some degree of control over the volume of shipments through its recommendations for restriction of grades and sizes under Order No. 905 (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida. However, the supply of grapefruit which could be shipped under any reasonable grade or size restriction, particularly during January, February, and March, far exceeds the market demand, and it is generally conceded that such restriction does not offer a practical solution to the problem of overshipment.

As previously indicated, Florida grapefruit produced in the Indian River District is subject to volume regulation under marketing Order 912. Some citrus sales agents in Florida are involved in the selling of both Indian River grapefruit and Interior grapefruit. Evidence of record presented by such agents is to the effect that when volume regulation is made effective for Indian River grapefruit the market immediately strengthens for such fruit reflecting the increased confidence of market receivers that any rise in price level will not be followed by burdensome shipments. Regulation of the Indian River grapefruit has no noticeable effect on the market for Interior grapefruit.

In view of the foregoing, it is concluded that the authority to limit shipments of Interior grapefruit to fresh market channels each week under a marketing order would provide a means whereby the quantity of fruit shipped could be adjusted to that required in such marketing channels. Moreover, such regulations under a marketing order would make readily available information as to the quantity of such grapefruit to be shipped during a particular week and market receivers would be provided a basis for maintaining their commercial operations in the light of information concerning the rate at which supply will be available to them. Such conditions would tend to promote more orderly marketing conditions for grapefruit than exist in the absence of some program providing restraint on the volume of grapefruit shipped. Individual handlers cannot successfully bring about such conditions by reducing shipments, or delaying shipment, as other handlers can nullify such action by increasing the volume of their shipments.

It is concluded, therefore, that a marketing order is needed to establish orderly marketing conditions for Interior grapefruit by providing a means of limiting the quantity of such grapefruit that can be shipped in fresh market channels.

(2) Interior grapefruit is distributed widely within the United States and is exported to Canada and other foreign countries. Markets within the State of Florida are important outlets for Interior grapefruit. Last season over 2 percent of the fresh Interior grapefruit sales were to intrastate markets. However, it is known that a portion of the grapefruit so marketed by handlers is later transshipped to destinations outside the State. The wholesalers and chainstore warehouses in Jacksonville and in west Florida service retail outlets in Georgia and Alabama. Also, it is common practice for truckers to assemble mixed loads of produce, including Interior grapefruit, in the Jacksonville and west Florida markets and to transport these loads to destinations in the Southeastern States.

Any handling of Interior grapefruit in fresh market channels exerts a direct influence upon all other handling of such grapefruit in fresh form. It is the primary objective of all handlers of Interior grapefruit to obtain the highest possible return for the grapefruit they have for sale. Markets within the State of Florida provide opportunities to dispose of fresh grapefruit the same as markets within other States. Whenever the price of grapefruit in one market, whether within the State or outside thereof, is higher than that in other markets, supplies tend to be diverted to the market having the highest price.

It is obvious that there is considerable market competition between grapefruit that moves to any point in west Florida and grapefruit that is sold in the southern parts of the neighboring States of Georgia and Alabama. The fact that field personnel of Order No. 905 until the Suwannee River was designated as the boundary beyond which interstate regulations apply, spent the greatest share of their time investigating violation complaints in west Florida is strong evidence of the competitive situation between that area and the States bordering Florida. Considerable quantities of grapefruit are shipped from warehouses in Pensacola to points as far west as New Orleans, La. From the foregoing it is apparent that interstate commerce is affected by Interior grapefruit shipments to west Florida. The Suwannee River is also designated as the boundary line for interstate regulations under Order No. 912.

It is found, therefore, that all handling of Interior grapefruit is either in the current of interstate or foreign commerce, or directly burdens, obstructs, or affects such commerce. Hence, except as hereinafter provided, all handling of grapefruit grown in the Interior District of Florida should be subject to the authority of the act and of the order.

(3) The term "grapefruit" or "fruit" should be defined in the order to identify the commodity to be regulated thereunder. Such term, as used in the order should include all varieties of the fruit classified botanically as citrus paradisi, MacFadyen (commonly called grapefruit) grown in the Interior District in the State of Florida. Grapefruit are readily identifiable from other citrus fruits. The term should be limited to the grapefruit grown in the Interior District inasmuch as the order is to apply only to such grapefruit.

A definition of the term "Interior District" or "district" should be set forth in the order to delineate the production area in which the grapefruit to be regulated is grown. The boundary of such district should be established as hereinafter set forth. This boundary is identical with that of Regulation Area I prescribed in Order No. 905.

The boundary line for the Interior District is a natural one geographically. The Interior District lies south and east of the Suwannee River comprising all of that portion of Florida having commercial grapefruit production except the Indian River District. The Interior Dis-

trict is separated from the Indian River district by areas of swamps, rivers, lakes and canals. In practically all areas several miles separate the grapefruit groves of the Interior District from those of other citrus producing areas in Florida.

It is concluded that, for the purposes of the order, the Interior District as hereinafter defined, is the smallest regional production area which is practicable, consistent with carrying out the declared policy of the act.

(4) The term "handler" or "shipper" should be defined in the order to identify the persons who are subject to regulation under the program. Since it is the handling of Interior grapefruit that is to be regulated, the term should apply to all persons who place such grapefruit in commerce by performing any of the activities within the scope of the term "handle" as hereinafter described. In other words, any person who is responsible for the sale or transportation of Interior grapefruit, or who in any other way directly or indirectly places such grapefruit in commerce, should be a handler under the order and be required to carry out such activities in accordance with the order provisions. However, the transportation by a common or contract carrier of grapefruit owned by another person should not be considered as making such carrier a "handler" as, in such instances, the carrier is performing services for hire and is not responsible for the quantity or pack of the commodity. Of course, if the carrier is the owner of the grapefruit being transported, such carrier would be the handler the same as any other person who may primarily be engaged in another business—such as producer or retailer—but at times is also a handler of grapefruit.

The term "handle" or "ship" should be defined to identify those activities that it is necessary to regulate in order to effectuate the declared policy of the act. Such activities include all phases of selling and transporting which place Interior grapefruit in the channels of commerce between the "Regulation area," as hereinafter defined, and any point outside thereof in the United States, Canada, or Mexico. The handling of such grapefruit begins at the time the fruit is picked from the trees and includes each of the successive selling and transporting activities until the fruit reaches its final destination. The performance of any one or more of these activities, such as selling (including consignment and delivery), or transporting by any person, either directly or through others, should constitute handling. In order to effectuate the declared policy of the act, each such person should be required, except as hereinafter indicated, to limit such handling of Interior grapefruit to fruit which conforms to the applicable requirements of the order.

It is usual for grapefruit, after picking, to be sorted, graded, packed, or otherwise prepared for market. Such preparation for market generally is performed at a packinghouse within the Interior District. However, it is the practice of a few handlers, who have packinghouses located outside the Interior District and within the regulation area, to transport limited quantities of Interior grapefruit to such packinghouses where it is prepared for market. The grower, in such instances, properly relies on the person preparing the grapefruit for market to see that it meets all requirements for marketing. Moreover, such activities, if performed, are preliminary to placing the fruit in marketing channels. It would not be practical, and would unnecessarily complicate the administration of the order, to require persons engaged in the preparation of grapefruit for market to meet the requirements of regulations under the order at any time except after such preparation. Therefore, the movement of grapefruit from the grove where grown to the place within the regulation area where the fruit is to be prepared for market, and activity in connection with such preparation, should not be covered as handling subject to regulation.

While some grapefruit is handled for consumption within the regulation area, most of the transportation of grapefruit within such area is from groves to packinghouses and processing plants or from packinghouses to destinations outside the regulation area. The quantity of grapefruit handled for consumption within the regulation area is small, in relation to the total movement, and the difficulties of enforcing regulations for fruit so marketed would be great. Moreover, it is not necessary that such handling be regulated in order to accomplish the objectives of the program.

The term "handle" should relate to transactions involving only the markets in the United States, Canada, and Mexico. Such markets are considered by handlers of Interior grapefruit to be one "domestic" market. Methods of shipment to these markets are the same and shipments may readily be diverted from one market destination to another after the grapefruit leaves the regulation area. As a matter of fact, this situation does not exist in connection with shipments to the export markets where transportation is by steamship lines and large quantities of grapefruit are usually included in each shipment. Furthermore, it is the policy of the Florida citrus industry to promote exportation of all citrus fruits.

The primary responsibility for determining whether a particular lot of grapefruit conforms to the order requirements should rest with the person who places such lot, or causes it to be placed, in the current of the regulated commerce. In most cases, such person will be the one who was responsible for packing or otherwise preparing the grapefruit for market. However, the fact that grapefruit may have been handled contrary to the order requirements should not excuse a subsequent handler of the fruit from complying with such requirements. Each person who handles grapefruit should be responsible for seeing that all order requirements are met at the time such person handles the fruit.

As all handling of Interior grapefruit is in interstate or foreign commerce, or directly burdens, obstructs, or affects such commerce, it is concluded that, except as indicated herein and as specifically exempted by the act and order, all such handling should be subject to the order and any regulations issued pursuant thereto.

(5) Certain terms applying to specific individuals, agencies, legislation, concepts, or things are used throughout the order. These terms should be defined for the purpose of designating specifically their applicability and establishing appropriate limitations on their respective meanings wherever they are used.

The definition of "Secretary" should include not only the Secretary of Agriculture of the United States, the official charged by law with the responsibility for programs of this nature, but also, in order to recognize the fact that it is physically impossible for him to perform personally all functions and duties imposed upon him by law, any other officer or employee of the United States Department of Agriculture who is, or who may hereafter be, authorized to act in his stead.

The definition of "act" provides the correct legal citation for the statute pursuant to which the proposed regulatory program is to be operative and avoids the need for referring to these citations.

The definition of "person" follows the definition of that term as set forth in the act, and will insure that it will have the same meaning as it has in the act.

The term "fiscal period" should be defined to set forth the period with respect to which financial records of the Interior Grapefruit Marketing Committee—the agency which will administer the program locally—are to be maintained. It is desirable to establish the fiscal period as a 12-month period beginning on the first day of August of each year. Such a period would fix the end of one fiscal period and the beginning of the next at a time of inactivity in the marketing of Interior grapefruit. This would facilitate fixing the term of office of members and alternates to coincide with such period as it would allow sufficient time prior to the time shipments begin for the committee to organize and develop information necessary to its functioning during the ensuing year, and would still insure that a minimum of expense would be incurred during a fiscal period prior to the time assessment income is available to defray such expenses. However, since the order cannot be effective at the beginning of such period, the initial fiscal period should begin on the effective date of the order. Therefore, it is concluded that such term should be defined as hereinafter set forth.

A definition of "committee" should be incorporated in the order to identify the administrative agency established under the provisions of the program. Such committee is authorized by the act, and the definition thereof, as hereinafter set forth, is merely to avoid the necessity of

repeating its full name each time it is referred to.

The term "standard packed box" should be defined, as hereinafter set forth, to provide a specific unit of measure for purposes of assessment, volume limitations, and handler allotments. Interior District grapefruit is packed in a number of different containers of varying sizes and capacities. The common unit of measure throughout the industry for statistical and other purposes is the standard 1⅗ bushel box. Hence, the establishment of assessments, regulations, and allotments in terms of a container equivalent to 1⅗ bushels will have specific meaning to growers, handlers, and others within the industry.

The term "regulation area" should be defined so as to include therein all of the State of Florida that is south and east of the Suwannee River. As indicated heretofore, the movement of Interior grapefruit for consumption within this area is relatively small while substantial quantities move within this area for processing. Also, a few handlers transport grapefruit from the Interior District to packinghouses located at other points within this area for the purpose of preparing such grapefruit for market. It would complicate the administration of the order to apply regulations to fruit handled for consumption within the area; and it is not necessary to do so in order to accomplish the purposes of the order.

It is desirable to fix the boundaries of the regulation area so as to coincide with established check points employed by the State in connection with its regulations concerning citrus fruits. A large portion of the shipments of Florida citrus fruits, including Interior grapefruit, are made by truck and there has been established so-called road guard stations to check truck shipments of citrus fruits and other commodities. These stations are located near the highway crossings of the Suwannee River and on the major roads near the Georgia border leading out of the State that do not cross that river. As all Interior grapefruit marketed in fresh form is prepared for market within the regulation area, there are already available facilities for checking compliance with the regulations under the order. The exclusion of any portion of the State other than that west of the Suwannee River would increase the number of routes by which grapefruit could move by truck from the regulation area and would correspondingly increase the difficulty and expense of effecting compliance with the order provisions.

(a) It is desirable to establish an agency to administer the order locally under and pursuant to the act, as an aid to the Secretary in the administration of his functions in carrying out the declared policy of the act. The term "Interior Grapefruit Marketing Committee" is a proper identification of the agency and accurately reflects its character.

The record evidence indicates that selection of the members and alternates of the Growers Administrative and Shippers Advisory Committees, designated under Order 905, and whose residence and principal place of business are in the Interior District, as the members and alternates of the Interior Grapefruit Marketing Committee would be a practical means of staffing such committee and this would avoid many of the objectionable problems which often are involved in establishing and dealing with an additional group. The number of members on each of the aforesaid committees under the current provisions of Order 905 from the Interior District is 7. Hence, such selection would provide a well balanced committee, with respect to grower and handler representation, of 14. It was pointed out that in the consideration of recommendations for grade and size regulations for Interior grapefruit, under Order 905, the committeemen consider essentially the same factors that would have to be considered in appraising the need for and the extent of volume regulations. Moreover, in order to be nominated and selected to represent the industry in connection with Order 905, such committemen must be thoroughly familiar with the problems involved in the growing and marketing the citrus fruits covered under that order, including Interior grapefruit. Hence, such committeemen would be well qualified to perform the functions of committeemen on the Interior Grapefruit Marketing Committee.

It is, therefore, concluded that the order should provide, as hereinafter set forth, that the members and alternates of the Growers Administrative and Shippers Advisory Committees, selected under Order 905, whose residence and principal place of business are in the Interior District shall be the members and alternates of the Interior Grapefruit Marketing Committee.

Any vacancy on the proposed Interior Grapefruit Marketing Committee would occur as the result of a vacancy on the Growers Administrative or Shippers Advisory Committees under Order No. 905. Appointment by the Secretary to fill a member or alternate member vacancy on either such committee would automatically fill the corresponding vacancy on the proposed committee.

The term of office of committee members and alternates under the order should be concurrent with the terms of office of the Growers and Shippers Committees. Such terms of office are for 1 year beginning on August 1 and ending the last day of July. Hence, the term of office will begin sufficiently in advance of the beginning of Interior grapefruit shipments each season to allow adequate time for the committee to organize and start functioning.

It was testified at the hearing that in order to provide for continuity of operations, should there be any termination or suspension of Order No. 905, continuation of the Interior Grapefruit Marketing Committee should be authorized until an alternate method of nomination and selection of members and alternates by the Secretary, by amendment of the order, could be accomplished. In order that there would be an administrative committee in existence to function at all times, the Secretary should be authorized to select committee members and alternates without regard to provisions of the order.

Since the order, if made effective, obviously cannot become effective until after the 1965–66 marketing year is in progress, the initial members and alternates would be the eligible incumbent members and alternates of the Growers Administrative and Shippers Advisory Committees designated under Order No. 905.

The order should provide that an alternate member shall serve in the place of a member of the committee, in appropriate circumstances, in order to help insure full representation at meetings. If any committee member is sick, or otherwise unable to attend a meeting, the alternate member should attend and serve for the member at such meeting. Also, the alternate should act for the member for whom he is an alternate should the member die, be removed from office, or be disqualified, and should serve in this capacity until a successor to such member has been appointed and has qualified. So that as large a representation as possible will be present at meetings, the order should provide that in the event neither a member nor his alternate is able to attend a meeting, the chairman of the committee may designate any other alternate member who is not acting as a member to serve in such member's place and stead. To the extent practicable, such designation should be made so as to maintain the composition of the committee as prescribed in the order.

The committee should be given those specific powers which are set forth in section 8c(7)(C) of the act. Such powers are necessary to enable an administrative agency of this character to function.

The committee's duties, as set forth in the order, are necessary for the discharge of its responsibilities. These duties are generally similar to those specified for administrative agencies under other programs of this character. It is intended that any activities undertaken by the members of the committee will be confined to those which reasonably are necessary for the committee to carry out its responsibilities as prescribed in the program. It should be recognized that these specified duties are not necessarily all inclusive, and that it may develop that there are other duties which the committee may need to perform.

At least a simple majority of the members should constitute a quorum when the committee is acting on matters other than recommendations for volume regulation. Moreover, any decision or action on any such matter should require concurrence by such a majority. Such a provision is necessary to assure consideration of such matters by at least a majority of the committee and encourage full attendance and opportunity for discussion by committee members at assembled meetings. To this end, it should also

be provided that all committee votes must be cast in person.

It was emphasized at the hearing that regulation of volume of shipments of Interior grapefruit should not be recommended unless such regulation is favored by a substantial majority of the committee after full discussion and consideration of the need for such regulation as evidenced by market price and supply factors. Therefore, the order should provide that any committee vote to recommend volume regulation should require concurrence by not less than 60 percent of the full committee, except when regulations have been in effect for three continuous weeks or longer. Since the purpose of volume regulation as herein contemplated is to restrict the flow of grapefruit to fresh markets only during weeks when market supplies are, or are expected to be, excessive rather than to restrict the volume for the season as a whole, the order should provide that after regulations have been in effect for three continuous weeks, not less than 75 percent of the full committee shall concur before any recommendation for volume regulation is made to the Secretary. However, in recommending amendment of an existing regulation, concurrence by 60 percent of the full committee would be sufficient since this action would be to increase the quantity of grapefruit permitted to be shipped.

The number of votes necessary to constitute a majority favorable to volume regulation is stated in terms of percentages to allow for a possible change in the number of members on the committee. Since the membership would be limited to the same persons serving on the Growers Administrative and the Shippers Advisory Committees under Order No. 905 whose residence and principal place of business are in the Interior District, it is possible that in the future the membership of the committees administering Order No. 905 may be changed by amendment or that a different number of members and alternates of either committee may have their residence and principal place of business in the Indian River District. By describing a majority in terms of percentage of the committee rather than as a specific number, the necessary flexibility is provided in the order to deal with such possible changes.

Under the presently constituted Growers Administrative and Shippers Advisory Committees the order would have an administrative committee of 14 members. Therefore, under present circumstances, the requirement for 60 percent concurrence on recommended volume regulations would mean that 9 of the 14 members of the proposed committee shall be favorable to such action and a requirement for 75 percent concurrence for continued volume regulation would mean that 11 of the 14 committee members shall be favorable.

In order for an alternate to serve adequately in place of an absent member, it may be desirable that he should have attended previous meetings along with the member so as to have a full understanding of all background discussions leading up to actions that may be taken at the meeting. Also, an alternate may, in future years, be selected as a member on the committee, hence attendance at meetings as an alternate member could provide helpful experience. Although only committee members and alternates acting as members have authority to vote on actions taken by the committee, an alternate from a different part of the regulation area than the member could, by attending the meeting, provide additional information to be considered in connection with a proposed volume regulation or other matters. In addition, as heretofore discussed, certain actions by the committee require concurrence of not less than a specified proportion of the members. In the event that members are absent, the presence of alternates to serve in their place would help assure that business could be conducted. Therefore, the order should provide that the committee, at its discretion, may request the attendance of alternate members at any or all meetings, notwithstanding the expected or actual presence of the respective members, when a situation so warrants. The order should also provide for reimbursement of reasonable out-of-pocket expenses incurred by members and alternates in performance of their designated duties under the order. It would not be reasonable to require members or alternates to bear personally such expenses incurred in the interest of all growers and handlers. The same reimbursement of expenses that is available to members should be made available to alternate members when they are requested to attend meetings.

(b) The committee should be authorized to incur such expenses as the Secretary finds are reasonable and likely to be incurred by it for its maintenance and functioning and to enable it to exercise its power and perform its duties pursuant to the order. The funds to cover the expenses of the committee should be obtained through the levying of assessments on handlers. The act specifically authorizes the Secretary to approve the incurring of expenses by the administrative agency established under an order, and requires that each order of this nature contain provisions requiring handlers to pay, pro rata, the necessary expenses.

As his pro rata share of such expenses, each handler who first handles grapefruit during a fiscal period should pay assessments to the committee, at a rate fixed by the Secretary, on all grapefruit so handled. In this way, each handler's total payments of assessments during a fiscal period would be proportionate to the quantity of grapefruit handled by each such handler and assessments would be levied on the same grapefruit only once.

The committee should be required to prepare a budget at the beginning of each fiscal period, and as often as may be necessary thereafter, showing estimates of the income and expenditures necessary for the administration of the order during such period. Each such budget should be submitted to the Secretary with an analysis of its components. Such budget and report should also recommend to the Secretary the rate of assessment believed necessary to secure the income required for that period. The committee, because of its knowledge of the prospective crop, will be in a good position to ascertain the necessary assessment rate and make recommendations in this regard.

The rate of assessment to be applicable during a fiscal year should be fixed by the Secretary on the basis of the recommendation of the committee, or from other available information, so as to assure such assessments are consistent with the act. Such rate should be fixed on a fair and equitable unit basis and in an amount designed to secure sufficient funds to cover the expenses which may be incurred during the fiscal period.

The Secretary should have the authority to increase the assessment rate, at any time during the fiscal period or thereafter, when necessary to obtain sufficient funds to cover the expenses of the committee applicable to such period. Since the act requires that the administrative expenses shall be paid by handlers, this is the only source of income to meet such expenses. The increased assessment rate should be applied to all grapefruit handled during the particular fiscal period so that the total payments by each handler during each fiscal period will be proportionate to the total volume of grapefruit handled during that period. Likewise, should the provisions of the order be suspended, during any portion or all of a fiscal period, it will be necessary to secure funds to cover expenses during such period. The committee will incur expenses each fiscal period even though the order may be inoperative during a particular period. To cease incurring any expenses when operations under the order were suspended for short periods would tend to increase rather than decrease total expenses as complete liquidation of the committee's affairs would be necessary to eliminate the payment of any salaries, rent, or utilities. Thereafter, when operations were resumed, it would be necessary to hire and train new personnel and new quarters would have to be obtained and outfitted. Such costs probably would exceed the expenses of maintaining an office and a minimum staff during a period of suspension. Moreover, the committee should be in a position to resume its functions fully at any time conditions are such that a period of suspension of operations should be terminated. Since expenses will not cease when the order is suspended or inoperative for a period, authorization should be provided to require the payment of assessments during such periods.

The assessment rate under the proposed program would be fixed prior to each marketing season based on an estimated volume of shipments. However, the anticipated crop for any season is susceptible to reduction by adverse weather since a substantial part of the grapefruit crop is still unharvested at the times of the year when hurricanes

and freezing conditions occur. If the crop were reduced sufficiently to result in assessment income falling below program expenses, there would arise the necessity for handlers to pay an increased rate of assessment, in order to avoid or cover a budget deficit.

Hearing testimony emphasized that it would be far less burdensome for handlers to contribute to a reserve fund during years of normal production than to be required to pay a sharply increased rate of assessment on a materially reduced crop. It was also testified that with but few exceptions, the same handlers ship grapefruit year after year. Thus, the same persons who contribute to the reserve fund would receive the benefit from it. The reserve fund should be established by using budget surpluses arising from assessments levied at rates designed to yield a surplus during years of normal production. Although a reserve fund would be established gradually, attainment of the full amount should not be unduly delayed because the need for a financial reserve could occur during any season due to the unpredictable nature of the weather hazards involved.

The reserve fund could properly be used for several purposes. The primary purpose, of course, would be to cover deficits, during years when assessment income is insufficient to cover expenses, without changing the assessment rate well after the season has begun as well as to facilitate the establishment from year to year of a relatively stable assessment rate through the use of funds from the reserve to augment assessment income during years of low production. In addition, at the beginning of each fiscal year operating costs are incurred but there is little income assessments until shipments are being made in volume two to three months later. Unless an operating reserve is available or handlers choose to leave their credits on deposit with the committee, funds to cover these costs must be borrowed, the costs of which are an expense which handlers must pay. Also, should the order be terminated at some future date, funds in the reserve would be available to pay liquidation costs rather than assessing handlers to secure the necessary funds. It is appropriate for all handlers who have benefited from the operation of the program to participate in the payment of the costs of liquidating the program upon its termination.

In order that such a reserve fund would not be accumulated beyond a reasonable amount, it should be limited to approximately one-half of the usual expenses of one fiscal period. It was shown that such an amount should be sufficient to cover any foreseeable need especially since some assessment income may be expected during any year. After the reserve fund has reached the proposed limit, to assure that the reserve does not exceed such approximate limit, the assessment rate should be set at a level calculated to result in a deficit and such deficit covered from the reserve or excess assessments should be refunded to handlers on a prorata basis.

Upon termination of the order, any funds in the reserve which are not used to defray the necessary expenses of liquidation should, to the extent practicable, be returned to the handlers from whom such funds were collected. However, should the order be terminated after many years of operation, and there have been several withdrawals and redeposits in the reserve, the precise equities of handlers may be difficult to ascertain and any requirement that there be a precise accounting of the remaining funds could involve such costs as to nearly equal the funds to be distributed. Therefore, it is desirable and necessary to permit the unexpended reserve funds to be disposed of in any manner that the Secretary may determine to be appropriate in such circumstances.

It is concluded, therefore, that the order should permit excess assessments to be placed in a reserve and used to cover all expenses authorized under the order and any necessary expenses of liquidation.

Funds received by the committee pursuant to the levying of assessments should be used solely for the purposes of the order. The committee should be required, as a matter of good business practice, to maintain books and records clearly reflecting the true, up-to-date operation of its affairs so that its administration could be subject to inspection at any time by the Secretary. All such fiscal and financial records should be audited at least once each year by a certified or registered public accountant. The committee should provide the Secretary with periodic reports at appropriate times, such as at the end of each month and each marketing season or at such other times as may be necessary, to enable him to maintain appropriate supervision and control over the committee's activities and operations. Each member and each alternate, as well as employees, agents, or other persons working for or on behalf of the committee, should be required to account for all receipts and disbursements, funds, property, and records for which they are responsible, should the Secretary at any time ask for such an accounting. Also, whenever any person ceases to be a member or alternate of the committee, he should similarly be required to account for all funds, property, and other committee assets for which he is responsible and to deliver such funds, property, and other assets to the committee. Such person should also be required to execute assignments and such other instruments which may be appropriate to vest in the committee the right to all such funds and property and all claims vested in such person. This is a matter of good business practice.

(c) The declared policy of the act is, among other things, to establish and maintain such orderly marketing conditions for grapefruit, among other commodities, as will tend to establish parity prices therefor, and be in the public interest. The regulation of Interior grapefruit shipments, as authorized in the order, would provide a means of carrying out such policy.

In order to facilitate the operation of the program, the committee should each year, and prior to recommending regulation of grapefruit shipments, prepare and adopt a marketing policy for the ensuing marketing season. A report on such policy should be submitted to the Secretary and made available to growers and handlers. The policy so established would serve to inform the Secretary and persons in the industry, in advance of the marketing of the crop, of the committee's plans for regulation and the basis therefor. Handlers and growers could then plan their operations in accordance therewith. The policy also would be useful to the committee and the Secretary when specific regulatory actions are being considered, since it would provide basic information necessary to the evaluation of such regulation.

In preparing its marketing policy, the committee should give consideration to the supply and demand factors, hereinafter set forth in the order, affecting marketing conditions for grapefruit, since consideration of such factors is essential to the development of an economically sound and practical marketing policy.

The committee should be permitted to revise its marketing policy so as to give appropriate recognition to the latest known conditions when changes in such conditions since the beginning of the season are sufficiently marked to warrant modification of the marketing policy previously adopted. Such action is necessary if the marketing policy is to appropriately reflect the probable regulatory proposals of the committee and be of maximum benefit to all persons concerned. A report of each revised marketing policy should be submitted to the Secretary and made available to growers and handlers, together with the data considered by the committee in making the revision.

The committee should, as the local administrative agency under the order, be authorized to recommend regulations limiting the total quantity of grapefruit which may be shipped during weekly periods whenever it believes that such regulation will tend to effectuate the declared policy of the act. It is the key to successful operation of the order that the committee should have such responsibility. The Secretary should look to the committee, as the agency reflecting the thinking of the industry, for its views and recommendations for promoting more orderly marketing conditions in the interest of producers and consumers. In arriving at its recommendations for regulation, the committee should consider current information with respect to the factors affecting marketing conditions for grapefruit.

The record indicates that the authority for volume regulation is needed primarily to facilitate the establishment of a more orderly flow of fruit to market

during critical periods when a market glut appears imminent. As heretofore indicated, the most critical period of potential market glutting exists during January, February, and March. At other times of the season other factors generally tend to stabilize the market. Therefore, it was contended that authority for continuous regulation during each week of the season is not necessary and the authority of the order to regulate the volume of shipments should be limited to that which will permit not more than 6 weeks of regulation in the 1965–66 fiscal period, 8 weeks in the next succeeding fiscal period, and 10 weeks in any subsequent fiscal period and that such increase in the number of weeks would recognize the progressively increased volume expected as recovery from the 1962 freeze takes place. It was further contended that provision for volume regulation on such limited basis should result in more judicious consideration of recommendations by the committee, would encourage the committee to recommend such regulations only at such times and to the extent such are needed to effect orderly marketing, and that the regulation during a limited number of weeks, as specified, would be desirable from the standpoint of permitting handlers ample opportunity to ship grapefruit during weeks when no regulations are prescribed. In view of the foregoing, it is concluded that provision of authority for volume regulation as hereinafter set forth would be a reasonable means by which to effect orderly marketing and the order should so provide.

The demand for grapefruit varies depending upon the volume of available supplies, the quality of such supplies, the availability of competing commodities, and other factors. It is not possible to anticipate precisely the quantities of grapefruit that may be sold advantageously during a particular week. Consequently, when conditions change so that the then current regulations do not appear to the committee to be carrying out the declared policy of the act, the committee should have the authority to recommend an increase in the quantity of grapefruit which may be handled during the particular week or the suspension or termination of such regulations, whichever the situation warrants. The quantity of grapefruit, fixed by a regulation, to be shipped during a given week should not be decreased as handlers cannot be expected to reduce shipping schedules after being notified of the quantities of grapefruit that they may individually handle. Moreover, inequities could result if some handlers had already shipped their allotments prior to such a decrease.

The order should authorize the Secretary, on the basis of committee recommendations or other available information, to fix, or increase, the quantity of grapefruit that may be handled during a particular week to help producers to obtain favorable returns or to regulate the flow in the interest of producers and consumers through establishment of more orderly marketing conditions for grapefruit and to avoid unreasonable fluctuations in supplies and prices. The Secretary should not be precluded from using such information as he may have, and which may or may not be available to the committee for consideration, in issuing or amending such regulations as may be necessary to effectuate the declared policy of the act. Also, when he determines that any regulation does not tend to effectuate such policy, he should have authority to suspend or terminate the regulation, in accordance with the requirements of the act.

The order should provide a method for apportioning equitably to handlers the total quantity of grapefruit that may be shipped under regulation during each week such regulations are in effect. The evidence of record shows that such equitable apportionment can be achieved by providing that each handler, who has applied for a portion of the quantity of grapefruit permitted to be shipped, be given an allotment to ship grapefruit based on such handler's past performance in the handling of grapefruit.

The record shows that ordinarily the prorate bases of handlers should be based upon the seasonal average shipments during the immediately preceding three seasons, but that because of the freeze damage of December 1962, which affected the volume of some handlers more than others, it would be desirable to provide for a gradual transition during the recovery period to the three season base. It was indicated that such transition could be effected by basing prorate bases in the initial fiscal period upon shipments of the immediately preceding season, and in the second fiscal period upon shipments of the two preceding seasons, and in the third and subsequent fiscal periods upon shipments of the three immediately preceding fiscal periods.

Moreover, provision should be made in the continuing operation of the order for the computation of prorate bases of handlers who begin handling grapefruit for the first time and those who have less than three seasons of shipments immediately preceding the fiscal period for which prorate bases are being computed. Consequently, the order should provide that at any time a handler has shipped grapefruit only in the immediately preceding season his prorate base should be based upon the quantity he shipped during such season, and a handler who has made shipments in only the two immediately preceding seasons shall have his prorate base based on the seasonal average quantity of grapefruit shipped by him during such seasons.

From time to time, new handlers may enter the business of handling Interior grapefruit. Therefore, the order should include provisions so that any such handler who controls grapefruit and who owns or has contracted for the use of packinghouse facilities to pack such grapefruit may participate in the handling of grapefruit during regulation periods. Such a stipulation is necessary to preclude the establishment of a prorate base for a person or firm other than a bona fide handler. The determination of a proper and equitable base for a new handler should take into consideration any prior shipments of grapefruit, the capacity of the handler's packinghouse facilities, quantity of grapefriut under contract and any other factor having a bearing on the handler's expected volume of shipments of grapefruit. It was testified that each season all persons who handle Florida citrus fruits are required by State laws to have a valid license and post a bond prior to handling such fruit. Such bond is in varying amounts directly related to the quantity of fruit which the handler states he will ship during the season. This is one factor which, taken with the others set forth in the order, would assist in establishing an appropriate prorate base for a new handler.

Even though a person may have previously handled grapefruit, if he did not handle grapefruit in the season preceding that in which the prorate bases of handlers are being computed, he should be considered a new handler. Any person in such position would undoubtedly have disposed of his former handling business and would be reentering the business of handling grapefruit. Under such circumstances, he should be treated the same as anyone who had not previously handled grapefruit.

The order should provide that each handler who desires to handle grapefruit during regulated periods should make application to the committee for a prorate base and allotments. Such application is necessary in order that the committee will have knowledge of the handlers for whom the prorate bases and allotments are to be computed. Each such application should be supported by such information and substantiated in such manner as the committee may require. In most instances, such information probably would include only a certification as to past shipments of grapefruit which can readily be checked against records of the Florida State Inspection Service. However, for some handlers located outside the district, it may be that such records will not disclose the Interior grapefruit shipments of the handler but only the total shipments of all grapefruit. Also, a new handler usually would have no record of past grapefruit shipments. It is neccessary , therefore, that the committee have authority to require such information as may be necessary in order to assure that the allotments computed for individual handlers are appropriate.

The committee should check the accuracy of the information submitted with the application for a prorate base and allotments and correct any error, omission, or inaccuracy in such information; and the person submitting the information should be given an opportunity to discuss with the committee the factors considered in making the correction. Only in this manner can the determination of correct allotments to individual handlers be assured.

Whenever volume regulation is likely to be recommended by the committee, it should compute the prorate base of each person who has applied for a prorate base and allotments and should notify the Secretary and each person of his prorate base. Also, if volume regulation

is recommended and the Secretary fixes the total quantity of grapefruit that may be handled during a particular week, the committee should determine the individual handler's allotments. Each such allotment should be determined by multiplying the total quantity fixed by the Secretary by the percentage which each handler's prorate base is of the aggregate of the prorate bases of all handlers. Thus a handler's allotment to ship grapefruit during a regulation week will be equal, in relation to other handlers, subject to adjustment for new handlers, to the relationship between his average shipments of grapefruit during the preceding one, two, or three marketing seasons as applicable, and those of all other handlers during such seasons. The committee should make these computations and provide reasonable notice to each such person of the allotment so computed for him as the committee, by reason of its intimate knowledge of the industry, is in the best position to perform this function.

The order should contain provisions permitting, to the extent practicable, flexibility in handler activities under the program regulations. Such flexibility can be provided by authorizing the overshipment and undershipment of allotments and allotment loans between individual handlers.

During any week that a handler has had an allotment computed for him by the committee, such handler should be permitted to handle, in addition to the total allotment available to him, a quantity of grapefruit equal to 10 percent of such total allotment, or 500 boxes, whichever is the greater. Such provision would permit a handler to conduct his business in an orderly fashion since he could fulfill orders or complete carlot quantities to the extent of the permitted overshipment even though his available allotment does not equal such orders. This limitation on the amount of overshipment allowed is necessary to assure that the quantity fixed by the Secretary for the particular week is not exceeded by more than a reasonable amount. Also, any such overshipment by a handler should be deducted from such handler's allotment for the next succeeding week so that total shipments by a handler under regulation does not exceed his fair share.

Similarly, provision should be made to permit a handler who has handled a quantity of grapefruit less than the total allotment available to him for a particular week to handle during the following week, if volume regulation is in effect, an additional quantity of grapefruit equal to such undershipment but not exceeding 25 percent of the allotment available to such handler during the week of undershipment. This provision for, in effect, carrying forward allotment that has not been used is desirable and is needed because at times weather or other conditions do not permit a handler to ship all of his allotment. The limitation on the amount of undershipment privilege allowed is also desirable as it will tend to cause handlers to endeavor to use their allotments or lend them to others. The proponents testified that it was as important to assure that approximately the entire quantity fixed by the Secretary would be shipped as it was to guard against excessive overshipments as, otherwise, marketing opportunity may be lost. The record indicates that some uncertainty exists as to what percentage of the total undershipments should be carried forward, hence the correct quantity would have to be ascertained on the basis of experience. The order should, therefore, provide that this percentage could be changed by the committee with the approval of the Secretary.

Provision should be made for the lending and borrowing of allotment to enable handlers who have allotment in excess of that which they want to use and those who desire to ship more grapefruit than their allotment would permit to adjust their operations accordingly. The committee must, of course, have knowledge of all allotment loan transactions so that they can determine whether handlers' shipments of grapefruit are in compliance with the order provisions. All loan transactions should be subject to the prior approval of the committee so as to assure that all loans are made in accordance with the provisions of the order. The committee can serve a useful function by assisting handlers in the making of allotment loans. Some handlers may at times have allotment in excess of the quantity they desire to use but do not have knowledge of anyone who desires to borrow allotment. At the same time, other handlers may want to borrow allotment but do not know of anyone with allotment available to loan. Without committee assistance the loaning and borrowing of allotment probably would become very restricted. The order should, therefore, provide that all loan agreements shall be subject to the prior approval of the committee and each loan agreement shall provide for repayment except that loans falling due during any week when there are no volume regulations shall be deemed paid. New handlers, as heretofore described, should be prohibited from lending allotment. This is needed to prevent anyone from qualifying as a new handler for the purpose of lending allotment. The provision would not be burdensome since the order makes ample provision for bona fide handlers to make application and receive allotment in their own right. Also, since the weeks of regulation would be limited, there is ample opportunity for handlers to dispose of their grapefruit during the unregulated periods. All loan transactions should be confirmed by the committee in writing to the parties concerned so that there will be no question concerning the terms of the loan agreement.

(d) The order should also contain the authority for issuance of such volume regulations in above-parity price situations as will tend to establish and maintain such orderly marketing conditions for grapefruit as will provide, in the interest of producers and consumers, an orderly supply to market and avoid unreasonable fluctuations in supplies and prices. The need for such authority is illustrated by the fluctuating price and supply factors as cited heretofore. The issuance of volume regulations during periods of above-parity prices, subject to the recommended limitations on total weeks allowable, would serve the same objective of stabilizing prices and supplies available to consumers as regulations issued during periods of below-parity prices. Authority for such regulations would make it possible to extend the supply over a longer period during seasons of short supply and thus preclude the ill effect of the occurrence of even short periods of oversupply to the market. Any such oversupply would contribute to an ensuing period of unstabilized prices and a premature end of the availability of grapefruit during the season.

(e) The order should provide for the exemption from its provisions of such handling of grapefruit which it is not necessary to regulate in order to effectuate the declared purposes of the act. Insofar as practicable, such exempted handling should be stated explicitly in the order so that handlers will have knowledge of such handling as is not subject to the provisions of the program.

Grapefruit which are handled by parcel post, for consumption by charitable institutions, for distribution by relief agencies, or for commercial processing into canned or frozen products or a beverage base have little influence on the level of prices for grapefruit sold for fresh consumption in the domestic markets. Hence, grapefruit handled for such purposes should be exempted from compliance with the regulations issued under the order.

In addition, provision should be made to authorize the committee, with the approval of the Secretary, to exempt the handling of grapefruit, in such specified small quantities, or types of shipments, or shipments made for such specified purposes as it is not necessary to regulate in order to effectuate the declared purposes of the act. Such authorization is necessary to enable the exemption of such handling as may be found not feasible administratively to regulate and which does not materially affect marketing conditions in commercial channels. It would be impractical to set forth these exemptions in detail in the order, because to do so would destroy the flexibility which is necessary to reflect conditions affecting the handling of grapefruit. Therefore, it should be discretionary with the committee, subject to the approval of the Secretary, whether small quantities or types of shipments, or shipments made for specified purposes, should be exempted from regulation, inspection, and assessments, and the period during which such exemptions should be in effect.

The allowance of such exemptions may be found to result in avenues of escape from regulation which, if they are found to exist, should be closed. Hence, the committee should be authorized to prescribe, with the approval of the Secretary, such rules, regulations,

and safeguards as are necessary to prevent grapefruit handled for any of the exempted purposes from entering into regulated channels of trade and thereby tend to defeat the objective of the program. For example, should it be found that a portion of the grapefruit moving to commercial processors was being diverted to fresh fruit markets, it may be necessary for the committee to establish procedures to govern the movement of fruit for processing even though such grapefruit do not have to comply with other requirements of the order. These procedures might include such requirements as filing applications for authorization to move grapefruit in exempted channels and certification by the receiver that such grapefruit would be used only for the purpose indicated, if it is found that such requirements are necessary to the effective enforcement of the program regulations.

(f) Provision should be made in the order requiring all grapefruit handled, whenever regulations are effective, to be inspected by the Federal or Federal-State Inspection Service and certified as meeting the applicable requirements of such regulation. The requirement of inspection and certification of all grapefruit subject to regulation is needed to provide evidence of compliance with the regulations in effect. Handlers are familiar with the Federal and Federal-State Inspection Services and with the procedures for inspection and certification of grapefruit in the production area. All grapefruit is required under State laws and by Order No. 905 to be inspected by such service. It was testified by a representative of the service that no additional cost would accrue by reason of the inspection requirement in the order as only the one inspection would be performed to meet the requirements of all such programs. The certification as to meeting the requirements of the regulations means that the inspector has obtained a statement from the handler that the particular lot of grapefruit inspected is covered by allotment. This is desirable as it will provide evidence that the handler was aware that allotment was needed in order to handle such grapefruit.

After the first handler of a lot of grapefruit has had such lot inspected and certified as meeting the applicable regulations, subsequent handlers would be permitted to handle such fruit without incurring the expense of another inspection. However, should it develop that the first handler has not complied with such inspection requirements, this should not excuse the later handler or handlers from complying with the inspection and certification requirements.

(g) The committee should have the authority to require that handlers submit to the committee such reports and information as may be needed to perform such agency's functions under the order and to maintain for prescribed periods of time, such records as may be necessary to verify reports pursuant to this section. It is anticipated that much of the information needed by the committee in order to carry out its functions can be obtained from copies of shipping manifests. However, prompt reports of over and undershipments of allotment will be necessary in order for the committee to advise the handlers of the allotment each has available for use during a particular week. Under a program of this nature, it would be practically impossible to anticipate every type of report or kind of information which the committee may find necessary in the conduct of its operations under the order. Therefore, the committee should have the authority to request, with the approval of the Secretary, reports and information, as needed and at such times and in such manner as may be necessary.

The Secretary should retain the right to approve, change, or rescind any requests by the committee for information in order to protect handlers from unreasonable requests for reports.

(h) Except as provided in the order, no handler should be permitted to handle grapefruit, the handling of which is prohibited pursuant to the order; and no handler should be permitted to handle grapefruit except in conformity with the order. If the program is to operate effectively, compliance therewith is essential; and, hence, no handler should be permitted to evade any of its provisions. Any such evasion on the part of even one handler could be demoralizing to the handlers who are in compliance and would tend, thereby, to impair the effective operation of the program.

(i) The provisions of §§ 913.55 through 913.65, as hereinafter set forth, are similar to those which are included in other marketing agreements and orders now operating. The provisions of §§ 913.66 through 913.68, as hereinafter set forth, also are included in other marketing agreements now operating. All such provisions are incidental to and not inconsistent with the act and are necessary to effectuate the other provisions of the recommended marketing agreement and order and to effectuate the declared policy of the act. Testimony at the hearing supports the inclusion of each such provision.

Those provisions which are applicable to both the proposed marketing agreement and the proposed order, identified by section number and heading, are as follows: § 913.57 *Right of the Secretary;* § 913.58 *Effective time;* § 913.59 *Termination;* § 913.60 *Proceedings after termination;* § 913.61 *Duration of immunities;* § 913.62 *Agents;* § 913.63 *Derogation;* § 913.64 *Personal liability;* and § 913.65 *Separability.*

Those provisions which are applicable to the proposed marketing agreement only, identified by section number and heading, are as follows: § 913.66 *Counterparts;* § 913.67 *Additional parties;* and § 913.68 *Order with marketing agreement.*

Rulings on proposed findings and conclusions. July 12, 1965, was set by the Presiding Officer at the hearing as the latest date by which briefs would have to be filed by interested parties with respect to facts presented in evidence at the hearing and the conclusions which should be drawn therefrom. No such brief was filed.

General findings. Upon the basis of the evidence introduced at such hearing, and the record thereof, it is found that:

(1) The marketing agreement and order, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The said marketing agreement and order regulate the handling of grapefruit grown in the Interior District in Florida in same manner as, and are applicable only to persons in the respective classes of commercial or industrial activity specified in, a proposed marketing agreement and order upon which a hearing has been held;

(3) The said marketing agreement and order are limited in their application to the smallest regional production area which is practicable, consistently with carrying out the declared policy of the act, and the issuance of several orders applicable to subdivisions of the production area would not effectively carry out the declared policy of the act;

(4) There are no differences in the production and marketing of grapefruit grown in the Interior District in Florida which make necessary different terms and provisions applicable to different parts of such area;

(5) All handling of grapefruit grown in the Interior District, as defined in said marketing agreement and order, is in the current of interstate or foreign commerce or directly burdens, obstructs, or affects such commerce.

Recommended marketing agreement and order. The following marketing agreement and order [1] are recommended as the detailed means by which the foregoing conclusions may be carried out.

DEFINITIONS

§ 913.1 Secretary.

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

§ 913.2 Act.

"Act" means Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (Sec. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674).

§ 913.3 Person.

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

§ 913.4 Fruit or grapefruit.

"Fruit" or "grapefruit" means any or all varieties of Citrus Paradisi, MacFadyen, grown in the Interior district in the State of Florida.

[1] The provisions identified with asterisks (***) apply only to the proposed marketing agreement and not to the proposed order.

§ 913.5 Handler or shipper.

"Handler" is synonymous with "shipper" and means any person (except a common or contract carrier transporting grapefruit owned by another person) who, as owner, agent, or otherwise, handles grapefruit in fresh form, or causes grapefruit to be so handled.

§ 913.6 Handle or ship.

"Handle" or "ship" means to sell or transport grapefruit, or in any other way to place grapefruit in the current of commerce between the regulation area and any point outside thereof in the United States, Canada, or Mexico.

§ 913.7 Standard packed box.

"Standard packed box" means a unit or measure equivalent to one and three-fifths (1⅗) United States bushels of grapefruit, whether in bulk or in any container.

§ 913.8 Fiscal period.

"Fiscal period" means the period of time from August 1, of any year until July 31, of the following year, both dates inclusive: *Provided*, That the initial fiscal period shall begin on the effective date of this part.

§ 913.9 Committee.

"Committee" means Interior Grapefruit Marketing Committee.

§ 913.10 Regulation area.

"Regulation area" means that portion of the State of Florida which is bounded by the Suwannee River, the Georgia border, the Atlantic Ocean, and the Gulf of Mexico.

§ 913.11 Interior district or district.

"Interior district" or "district" means the production area comprised of the following areas in the State of Florida: The counties of Hillsborough, Pinellas, Manatee, Citrus, Sumter, Hernando, Pasco, Lake, Orange, Osceola, Seminole, Alachua, Putnam, St. Johns, Flagler, Marion, Levy, Duval, Nassau, Baker, Union, Bradford, Columbia, Clay, Gilchrist, Suwannee, Polk, Hardee, Sarasota, Monroe, Highlands, Okeechobee, Glades, De Soto, Charlotte, Lee, Hendry, Collier, Dade, Broward and County Commissioner's Districts One, Two and Three of Volusia County and shall include the portions of the Counties of Brevard, Indian River, Martin, and Palm Beach except as particularly described as follows: Beginning at a point on the shore of the Atlantic Ocean where the line between Flagler and Volusia Counties intersects said shore, thence follow the line between said two counties to the southwest corner of Section 23, Township 14 South, Range 31 East; thence continue south to the southwest corner of Section 35, Township 14 South, Range 31, East; thence east to the northwest corner of Township 18 South, Range 32 East; thence south to the southwest corner of Township 17 South, Range 32 East; thence east to the northwest corner of Township 18 South, Range 33 East, thence south to the St. Johns River; thence along the main channel of the St. Johns River and through Lake Harney, Lake Poinsett, Lake Winder, Lake Washington, Sawgrass Lake, and Lake Helen Blazes to the range line between Ranges 35 East and 36 East; thence south to the south line of Brevard County; thence east to the line between Ranges 36 East and 37 East; thence south to the southwest corner of St. Lucie County; thence east to the line between Ranges 39 East and 40 East; thence south to the south line of Martin County, thence east to the line between Ranges 40 East and 41 East; thence south to the West Palm Beach Canal (also known as the Okeechobee Canal); thence follow said canal eastward to the mouth thereof; thence east to the shore of the Atlantic Ocean; thence northerly along the shore of the Atlantic Ocean to the point of beginning.

ADMINISTRATIVE BODY

§ 913.20 Establishment and membership.

There is hereby established an Interior Grapefruit Marketing Committee. The members and alternates of such committee shall be those members and alternates of the Growers Administrative Committee and Shippers Advisory Committee, selected under Order No. 905 (7 CFR Part 905), whose residence and principal place of business are in the Interior district: *Provided*, That in the event the membership of such committees is not selected as aforesaid, the Secretary may select the members and alternate members of the Interior Grapefruit Marketing Committee until such time as a method for the selection of the membership of such committee is prescribed in the provisions of this Part.

§ 913.21 Inability of members to serve.

An alternate for a member of the committee shall act in the place and stead of such member (a) in his absence, or (b) in the event of his removal, resignation, disqualification, or death, and until a successor for his unexpired term has been selected.

§ 913.22 Powers of the Interior Grapefruit Marketing Committee.

The committee, in addition to the power to administer the terms and provisions of this subpart, as provided in this subpart, shall have the power (a) to make, only to the extent specifically permitted by the provisions contained in this subpart, administrative rules and regulations; (b) to receive, investigate, and report to the Secretary complaints of violations of this subpart; and (c) to recommend to the Secretary amendments to this subpart.

§ 913.23 Duties of the Interior Grapefruit Marketing Committee.

It shall be the duty of the committee:

(a) To select a chairman from its membership, and to select such other officers and adopt such rules and regulations for the conduct of its business as it may deem advisable;

(b) To keep minutes, books, and records which will clearly reflect all of its acts and transactions, which minutes, books, and records shall at all itmes be subject to the examination of the Secretary;

(c) To act as intermediary between the Secretary and producers and handlers;

(d) To furnish the Secretary with such available information as he may request;

(e) To appoint such employees as it may deem necessary and to determine the salaries and define the duties of such employees;

(f) To cause its books to be audited by one or more certified or registered public accountants at least once for each fiscal period, and at such other times as it deems necessary or as the Secretary may request, and to file with the Secretary copies of all audit reports;

(g) To prepare and publicly issue a monthly statement of financial operations of the committee; and

(h) To provide an adequate system for determining the total crop of grapefruit, and to make such determinations, as it may deem necessary, or as may be prescribed by the Secretary, in connection with the administration of this subpart.

§ 913.24 Compensation and expenses of committee members.

The members and alternate members of the committee shall serve without compensation but may be reimbursed for expenses necessarily incurred by them in attending committee meetings and in the performance of their duties under this subpart.

§ 913.25 Procedure of committee.

(a) Except as provided in paragraphs (b) and (c) of this section, a majority of the members shall constitute a quorum and any decision or action shall require concurrence by a majority of the committee.

(b) For any recommendation for regulations to be valid, not less than 60 percent of the committee shall concur, except as provided for in paragraph (c) of this section.

(c) Not less than 75 percent of the committee shall concur to make a recommendation for regulations for any week following three or more weeks of continuous regulations. The requirements of this paragraph shall not apply to recommendations to amend an existing regulation.

(d) The vote of each member cast for or against any recommendations made pursuant to this subpart, shall be duly recorded. Each member must vote in person.

(e) In the event any member of the committee and his alternate are not present at any meeting of the committee, any alternate present who is not acting for any other member may be designated by the chairman of the committee, to serve in the place and stead of the absent member.

(f) The committee shall give to the Secretary the same notice of meetings of the committee as is given to the members thereof.

§ 913.26 Funds.

(a) All funds received by the committee pursuant to the provisions of this subpart shall be used solely for the purposes herein specified and shall be accounted for in the manner provided in this subpart.

(b) The Secretary may, at any time, require the committee and its members to account for all receipts and disbursements.

(c) Upon the removal or expiration of the term of office of any member of the committee such member shall account for all receipts and disbursements and deliver all property and funds, together with all books and records in his possession, to his successor in office, and shall execute such assignment and other instruments as may be necessary or appropriate to vest in such successor full title to all of the property, funds and claims vested in such member pursuant to this subpart.

EXPENSES AND ASSESSMENTS

§ 913.30 Expenses.

The committee is authorized to incur such expenses as the Secretary may find are reasonable and are likely to be incurred to carry out the functions of the committee under this subpart during each fiscal period. The funds to cover such expenses shall be acquired by the levying of assessments upon handlers as provided in § 913.31.

§ 913.31 Assessments.

(a) Each handler who first handles fruit shall pay to the committee, upon demand, such handler's pro rata share of the expenses which the Secretary finds are reasonable and likely to be incurred by such committee for its maintenance and functioning during each fiscal period. Each such handler's share of such expenses shall be that proportion thereof which the total quantity of fruit shipped by such handler as the first handler thereof during the applicable fiscal period is of the total quantity of fruit so shipped by all handlers during the same fiscal period. The Secretary shall fix the rate of assessment per standard packed box of fruit to be paid by each such handler. The payment of assessments for the maintenance and functioning of the committee may be required under this part throughout the period it is in effect irrespective of whether particular provisions thereof are suspended or become inoperative.

(b) At any time during or after the fiscal period, the Secretary may increase the rate of assessment so that the sum of money collected pursuant to the provisions of this section shall be adequate to cover the said expenses. Such increase shall be applicable to all fruit shipped during the given fiscal period. In order to provide funds to carry out the functions of the committee, handlers may make advance payment of assessments.

§ 913.32 Handler's accounts.

If, at the end of a fiscal period the assessments collected are in excess of expenses incurred, the committee, with the approval of the Secretary, may carry over such excess into subsequent fiscal periods as a reserve: *Provided*, That funds already in the reserve do not exceed approximately one-half one fiscal period's expenses. Such reserve funds may be used (a) to cover any expenses authorized by this part and (b) to cover necessary expenses of liquidation in the event of termination of this part. If any such excess is not retained in a reserve, each handler entitled to a proportionate refund shall be credited with such refund against the operations of the following fiscal period unless he demands payment of the sum due him, in which case such sum shall be paid to him. Upon termination of this part, any funds not required to defray the necessary expenses of liquidation shall be disposed of in such manner as the Secretary may determine to be appropriate: *Provided*, That to the extent practical, such funds shall be returned pro rata to the persons from whom such funds were collected.

REGULATION

§ 913.40 Marketing policy.

(a) Prior to the first recommendation for regulation during any marketing season, the committee shall submit to the Secretary its marketing policy for such season. Such marketing policy shall contain the following information:

(1) The estimated available crop of grapefruit in the district, including estimated quality;

(2) The estimated utilization of the crop that will be marketed in domestic, export, and by-product channels, together with quantities otherwise to be disposed of;

(3) A schedule of estimated weekly shipments of grapefruit during the ensuing season;

(4) The available supplies of competitive deciduous fruits in all producing areas of the United States;

(5) Level and trend in consumer income;

(6) Estimated supplies of competitive citrus commodities; and

(7) Any other pertinent factors bearing on the marketing of grapefruit. In the event that it becomes advisable substantially to modify such marketing policy, the committee shall submit to the Secretary a revised marketing policy.

(b) All meetings of the committee held for the purpose of formulating such marketing policies shall be open to growers and handlers.

(c) The committee shall transmit a copy of each marketing policy report or revision thereof to the Secretary and to each grower and handler who files a request therefor. Copies of all such reports shall be maintained in the office of the committee where they shall be available for examination by growers and handlers.

§ 913.41 Recommendation for volume regulation.

(a) The committee may, during any week, recommend to the Secretary the total quantity of grapefruit which it deems advisable to be handled during the next succeeding week: *Provided*, That volume regulations shall not be recommended after such regulations have been effective for an aggregate of 6 weeks during the 1965–66 fiscal period; or an aggregate of 8 weeks during the 1966–67 fiscal period; or an aggregate of 10 weeks during any subsequent fiscal period.

(b) In making its recommendations, the committee shall give due consideration to the following factors:

(1) Market prices for grapefruit;

(2) Supply of grapefruit on track at, and en route to, the principal markets;

(3) Supply, maturity, and condition of grapefruit in the production area;

(4) Market prices and supplies of citrus fruits from competitive producing areas, and supplies of other competitive fruits;

(5) Trend and level in consumer income; and

(6) Other relevant factors.

(c) At any time during a week for which the Secretary, pursuant to § 913.42, has fixed the quantity of grapefruit which may be handled, the committee may recommend to the Secretary that such quantity be increased for such week. Each such recommendation, together with the committee's reason for such recommendation, shall be submitted promptly to the Secretary.

§ 913.42 Issuance of volume regulation.

Whenever the Secretary finds, from the recommendations and information submitted by the committee, or from other available information, that to limit the quantity of grapefruit which may be handled during a specified week will tend to effectuate the declared policy of the act, he shall fix such quantity: *Provided*, That such regulations during each fiscal period shall not in the aggregate limit the volume of grapefruit shipments during the 1965–66 fiscal period for more than 6 weeks; or for more than an aggregate of 8 weeks during the 1966–67 fiscal period; or for more than an aggregate of 10 weeks during any subsequent fiscal period. The quantity so fixed for any week may be increased by the Secretary at any time during such week. Such regulations may, as authorized by the act, be made effective irrespective of whether the season average price of grapefruit is in excess of the parity price specified therefor in the act. The Secretary may upon the recommendation of the committee, or upon other available information, terminate or suspend any regulation at any time.

§ 913.43 Prorate bases.

(a) Each person who desires to handle grapefruit, shall submit to the committee, at such time and in such manner as may be designated by the committee, and upon forms made available by it, a written application for a prorate base and for allotments as provided in this section and § 913.44.

(b) Such application shall be substantiated in such manner and shall be supported by such information as the committee may require.

(c) The committee shall determine the accuracy of the information submitted pursuant to this section. Whenever the committee finds that there is an error, omission, or inaccuracy in any such information, it shall correct the same and shall give the person who submitted the information a reasonable opportunity to discuss with the committee the factors considered in making the correction.

(d) Each week during the marketing season when volume regulation is likely to be recommended, the committee shall compute a prorate base for each handler who has made application in accordance with the provisions of this section. Except as provided in paragraph (e) of this section, such prorate base for each handler shall, for the 1965–66 fiscal period, be the quantity of grapefruit shipped by him during the preceding marketing season; for the 1966–67 fiscal period, be the average quantity of grapefruit shipped by him during the two preceding marketing seasons; and for subsequent fiscal periods, be the seasonal average quantity of grapefruit shipped by him during the three preceding marketing seasons.

(e) Any applicant for a prorate base who has made no shipments of grapefruit in the season immediately preceding the season for which prorate bases are being established, and who controls grapefruit and owns or has contracted for the use of packinghouse facilities to pack such grapefruit, shall be considered a new handler. The committee shall compute a prorate base for such applicant based upon his prior shipments of grapefruit, if any, grapefruit under his control, and any other factors which, in the judgment of the committee are relevant and proper to be used in arriving at an equitable prorate base for such handler. For the next succeeding fiscal period, the prorate base of such handler shall be the quantity of grapefruit shipped by him during the preceding marketing season, and for the second succeeding marketing season, his prorate base shall be the seasonal average quantity of grapefruit shipped by him during the two preceding marketing seasons.

§ 913.44 Allotments.

Whenever the Secretary has fixed the quantity of grapefruit which may be handled during any week, the committee shall calculate the quantity of grapefruit which may be handled during such week by each person who has applied for a prorate base. Such quantity shall be the allotment of such person and shall be that portion of the total quantity fixed by the Secretary which, expressed in terms of percent, is equal to the percentage that such applicant's prorate base is of the aggregate of the prorate bases of all such applicants. The committee shall give reasonable notice to each person of the allotment computed for him pursuant to this section.

§ 913.45 Overshipments.

During any week for which the Secretary has fixed the total quantity of grapefruit which may be handled, any person who has received an allotment may handle, in addition to the total allotment available to him for use during such week, an amount of grapefruit equivalent to 10 percent of such total allotment, or 500 boxes, whichever is greater. The quantity of grapefruit so handled in excess of the total allotment which such person had available for use during such week (but not exceeding an amount equivalent to the excess shipments permitted under this section) shall be deducted from such person's allotment for the next week. If such person's allotment for such week is in an amount less than the excess shipments permitted under this section, the remaining quantity shall be deducted from succeeding weekly allotments issued to such person until such excess has been entirely offset: *Provided*, That at any time there is no volume regulation in effect it shall be deemed to cancel all requirements to undership allotments because of previous overshipments pursuant to this part.

§ 913.46 Undershipments.

If any person handles during any week a quantity of grapefruit, covered by a regulation issued pursuant to § 913.42, in an amount less than the total allotment available to him for such week, he may handle, during the next succeeding week, a quantity of grapefruit, in addition to that permitted by the allotment available to him for such week, equivalent to such undershipment or 25 percent of the allotment issued to him for the week during which the undershipment was made, whichever is the lesser: *Provided*, That the committee, with the approval of the Secretary, may increase or decrease such percentage.

§ 913.47 Allotment loans.

(a) A person to whom allotments have been issued, except a new handler, may lend such allotments to other persons to whom allotments have also been issued. A new handler may borrow allotments and repay same. Each party to any such loan agreement shall, prior to completion of the agreement, notify the committee of the proposed loan and the date of repayment and obtain the committee's approval of the agreement.

(b) The committee may act on behalf of persons desiring to arrange allotment loans. In each case, the committee shall confirm all such transactions immediately after the completion thereof by memorandum addressed to the parties concerned, which memorandum shall be deemed to satisfy the requirements of paragraph (a) of this section as to an approval of the loan agreement.

§ 913.48 Inspection and certification.

Whenever the handling of grapefruit is regulated pursuant to § 913.42, each handler who handles any grapefruit shall, prior to the handling of any lot of grapefruit, cause such lot to be inspected by the Federal or Federal-State Inspection Service and certified by it as meeting all applicable requirements of such regulation: *Provided*, That such inspection and certification shall not be required if the particular lot of fruit previously had been so inspected and certified.

Reports and Records

§ 913.50 Reports and records.

Upon request of the committee, made with approval of the Secretary, each handler shall furnish to the committee, in such manner and at such time as it may prescribe, reports of overshipments and undershipments and such other reports and information as may be necessary for the committee to perform its duties under this part. Each handler shall maintain for such period of time as the committee shall prescribe, with the approval of the Secretary, such records of grapefruit handled as may be necessary to verify reports submitted pursuant to this section.

Miscellaneous Provisions

§ 913.55 Fruit not subject to regulation.

Except as otherwise provided in this section, any person may, without regard to the provisions of §§ 913.42 through 913.48 and the regulations issued thereunder, ship grapefruit for the following purposes:

(a) To a charitable institution for consumption by such institution;

(b) To a relief agency for distribution by such agency;

(c) To a commercial processor for conversion by such processor into canned or frozen products or into a beverage base;

(d) By parcel post; and

(e) In such minimum quantities, types of shipments, or for such purposes as the committee with the approval of the Secretary may specify. No assessment shall be levied on fruit so shipped. The committee shall, with the approval of the Secretary, prescribe such rules, regulations, or safeguards as it may deem necessary to prevent grapefruit handled under the provisions of this section from entering channels of trade for other than the purposes authorized by this section. Such rules, regulations, and safeguards may include the requirements that handlers shall file applications with the committee for authorization to handle grapefruit pursuant to this section, and that such applications be accompanied by a certification by the intended purchaser or receiver that the grapefruit will not be used for any purpose not authorized by this section.

§ 913.56 Compliance.

Except as provided in this part, no person shall handle grapefruit during any week in which a regulation issued by the Secretary pursuant to § 913.42 is in effect, unless such grapefruit are, or have been, handled pursuant to an allotment therefor, or unless such person is otherwise permitted to handle such grapefruit under the provisions of this part; and no person shall handle grapefruit except in conformity with the provisions of this part and the regulations issued under this part.

§ 913.57 Right of Secretary.

The members of the committee (including successors and alternates), and any agents, employees, or representatives thereof, shall be subject to removal or suspension by the Secretary at any time. Each and every regulation, decision, determination, or other act of the committee shall be subject to the continuing right of the Secretary to disapprove of the same at any time. Upon such disapproval, the disapproved action of the committee shall be deemed null and void, except as to acts done in reliance thereon or in compliance therewith prior to such disapproval by the Secretary.

§ 913.58 Effective time.

The provisions of this part shall become effective at such time as the Secretary may declare above his signature to this part, and shall continue in force until terminated in one of the ways specified in § 913.59.

§ 913.59 Termination.

(a) The Secretary may at any time terminate the provisions of this part by giving at least one day's notice by means of a press release or in any other manner which he may determine.

(b) The Secretary shall terminate the provisions of this part at the end of any fiscal period whenever he finds that such termination is favored by a majority of producers who, during the preceding fiscal period, have been engaged in the production for market of fruit: *Provided*, That such majority have, during such period, produced for market more than 50 percent of the volume of such fruit produced for market, but such termination shall be effective only if announced on or before July 31 of the then current fiscal period.

(c) The provisions of this part shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

§ 913.60 Proceedings after termination.

(a) Upon the termination of the provisions of this part, the then functioning members of the committee shall continue as joint trustees, for the purpose of liquidating the affairs of the same committee, of all the funds and property then in the possession of or under control of such administrative committee, including claims for any funds unpaid or property not delivered at the time of such termination.

(b) The said trustees (1) shall continue in such capacity until discharged by the Secretary; (2) shall, from time to time, account for all receipts and disbursements or deliver all property on hand, together with all books and records of the committee and of the joint trustees, to such person as the Secretary may direct; and (3) shall, upon the request of the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title and right to all of the funds, property, and claims vested in the committee, or the joint trustees pursuant to this part.

(c) Any funds collected pursuant to § 913.31, over and above the amounts necessary to meet outstanding obligations and expenses necessarily incurred during the operation of this part and during the liquidation period, shall be returned to handlers to the extent practicable after the termination of this part. The refund to each handler shall be represented by the excess of the amount paid by him over and above his pro rata share of the expenses.

(d) Any person to whom funds, or claims have been transferred or delivered by the committee, or its members, pursuant to this section, shall be subject to the same obligations imposed upon the members of said committee and upon the said joint trustees.

§ 913.61 Duration of immunities.

The benefits, privileges, and immunities conferred upon any person by virtue of this part shall cease upon its termination, except with respect to acts done under and during the existence of this part.

§ 913.62 Agents.

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

§ 913.63 Derogation.

Nothing contained in this part is, or shall be construed to be in derogation or in modification of the rights of the Secretary or of the United States (a) to exercise any powers granted by the act or otherwise, or (b) in accordance with such powers, to act in the premises whenever such action is deemed advisable.

§ 913.64 Personal liability.

No member or alternate of the committee, nor any employee or agent thereof, shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any handler or to any other person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member, alternate, agent, or employee.

§ 913.65 Separability.

If any provision of this part is declared invalid, or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder of this part of the applicability thereof to any other person, circumstance, or thing shall not be affected thereby.

§ 913.66 Counterparts.

This agreement may be executed in multiple counterparts and when one counterpart is signed by the Secretary, all such counterparts shall constitute, when taken together, one and the same instrument as if all signatures were contained in one original.***

§ 913.67 Additional parties.

After the effective date hereof, any handler may become a party to this agreement if a counterpart is executed by him and delivered to the Secretary. This agreement shall take effect as to such new contracting party at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such new contracting party.***

§ 913.68 Order with marketing agreement.

Each signatory handler hereby requests the Secretary to issue, pursuant to the act, an order providing for regulating the handling of grapefruit in the same manner as is provided for in this agreement.***

Dated: October 18, 1965.

CLARENCE H. GIRARD,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 65-11325; Filed, Oct. 21, 1965; 8:46 a.m.]

[7 CFR Part 947]

IRISH POTATOES GROWN IN CALIFORNIA AND OREGON

Proposed Expenses and Rate of Assessment

Consideration is being given to the approval of proposed expenses and a proposed rate of assessment as hereinafter set forth which were recommended by the Oregon-California Potato Committee, established pursuant to Marketing Agreement No. 114, as amended, and Order No. 947, as amended (7 CFR Part 947).

This marketing order program regulates the handling of Irish potatoes grown in Modoc and Siskiyou Counties in California and in all Counties in Oregon, except Malheur County, and is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

All persons who desire to submit written data, views, or arguments in connection with these proposals may file the same in quadruplicate with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C., 20250, not later than the 15th day after publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)). The proposals are as follows:

§ 947.218 Expenses and rate of assessment.

(a) The reasonable expenses that are likely to be incurred during the fiscal period beginning July 1, 1965, and ending June 30, 1966, by the Oregon-California Potato Committee for its maintenance and functioning, and for such

purposes as the Secretary determines to be appropriate, will amount to $22,340.00.

(b) The rate of assessment to be paid by each handler in accordance with the Marketing Agreement and this part shall be three-tenths of one cent ($0.003) per hundredweight of potatoes handled by him as the first handler thereof during said fiscal period.

(c) Terms used in this section have the same meaning as when used in the said marketing agreement and this part.

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

Dated: October 18, 1965.

PAUL A. NICHOLSON,
Deputy Director,
Fruit and Vegetable Division.

[F.R. Doc. 65–11326; Filed, Oct. 21, 1965; 8:46 a.m.]

[7 CFR Part 989]

RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

Expenses of Raisin Administrative Committee and Rate of Assessment for 1965–66 Crop Year

Notice is hereby given of a proposal regarding expenses of the Raisin Administrative Committee for the 1965–66 crop year and rate of assessment for that crop year, pursuant to §§ 989.79 and 989.80 of the marketing agreement, as amended, and Order No. 989, as amended (7 CFR Part 989), regulating the handling of raisins produced from grapes grown in California. The amended marketing agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

The Raisin Administrative Committee has unanimously recommended for the crop year beginning September 1, 1965 (1965–66 crop year), a budget of expenses in the total amount of $107,840 and an assessment rate of 80 cents per ton of assessable raisins. Expenses in that amount and the assessment rate are specified in the proposal hereinafter set forth.

Consideration will be given to any written data, views, or arguments pertaining to the proposal which are received by the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C., 20250, not later than the eighth day after publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice should be in quadruplicate and will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

The proposal follows:

§ 989.316 Expenses of the Raisin Administrative Committee and rate of assessment for the 1965–66 crop year.

(a) *Expenses.* Expenses (other than those specified in § 989.82) in the amount of $107,840 are reasonable and likely to be incurred by the Raisin Administrative Committee during the crop year beginning September 1, 1965, for the maintenance and functioning of the Committee and the Raisin Advisory Board and for such purposes as the Secretary may, in accordance with § 989.79, determine to be appropriate.

(b) *Rate of assessment.* The rate of assessment for that crop year which each handler is required, pursuant to § 989.80, to pay to the Raisin Administrative Committee as his pro rata share of the expenses is hereby fixed at 80 cents per ton applicable to each of the following:

(1) Free tonnage raisins acquired by the handler during the crop year, exclusive of such quantity thereof as represents the assessable portions of other handlers' raisins pursuant to subparagraph (3) of this paragraph;

(2) Reserve tonnage raisins sold to the handler by the Committee pursuant to § 989.67 during the crop year; and

(3) Standard raisins (which he does not acquire) recovered by the handler by the reconditioning of off-grade raisins but only to the extent of the aggregate quantity of the free tonnage portions of these standard raisins that are acquired by other handlers during the crop year.

Dated: October 18, 1965.

PAUL A. NICHOLSON,
Deputy Director,
Fruit and Vegetable Division.

[F.R. Doc. 65–11327; Filed, Oct. 21, 1965; 8:47 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Parts 3, 15, 16, 17, 18, 45, 121, 125]

VITAMIN D

Extension of Time for Filing Comments on Proposal Regarding Status as Special Dietary Food, Drug, Food Additive, and as Optional Ingredient in Standardized Foods

In the matter of amending Title 21, Chapter I, with reference to vitamin D intake:

A notice of proposed rulemaking in the above-identified matter was published in the FEDERAL REGISTER of August 28, 1965 (30 F.R. 11140), and granted a period of 60 days for filing comments. The Commissioner of Food and Drugs has received a request for an extension of this time. Good reasons therefor appearing, the time for filing comments in this matter is extended to January 1, 1966.

This action is taken pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 403(j), 409(d), 502(f), 503(b)(4), 701(a), (e); 52 Stat. 1046, 1048, 1051, 1052, 1055; 70 Stat. 919; 72 Stat. 1787; 21 U.S.C. 341, 343(j), 348(d), 352(f), 353(b)(4), 371(a), (e)) and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.90).

Dated: October 15, 1965.

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

[F.R. Doc. 65–11341; Filed, Oct. 21, 1965; 8:48 a.m.]

Public Health Service

[42 CFR Part 73]

SHIPMENT OF WHOLE BLOOD (HUMAN) PRIOR TO DETERMINATION OF TEST RESULTS

Notice of Proposed Rule Making

Notice is hereby given of proposed rule making relating to the shipment of Whole Blood (Human) before results of certain tests are ascertained, in situations where time is of importance for health purposes.

Notice is also given that it is proposed to make any amendments that are adopted effective 30 days after publication in the FEDERAL REGISTER.

Inquiries may be addressed, and data, views and arguments may be presented by interested parties, in writing, in triplicate, to the Surgeon General, Public Health Service, Washington 25, D.C. All relevant materials received not later than 30 days after publication of this notice in the FEDERAL REGISTER will be considered.

1. Amend § 73.303(a) to read as follows:

§ 73.303 Testing the blood.

* * * * *

(a) *Serological test for syphilis.* Whole Blood (Human) shall be negative to a serological test for syphilis.

* * * * *

2. Amend § 73.304 by deleting the present paragraph (f) and inserting a new paragraph (f) to read as follows:

§ 73.304 General requirements.

* * * * *

(f) *Release prior to determination of test results.* Notwithstanding the provisions of § 73.70, blood may be released by the licensee on order from a physician, hospital or other medical facility, before results of all tests prescribed in § 73.303 have been determined where such release is essential to assure availability when needed for transfusion of such blood provided (1) the blood is shipped directly to such physician or medical facility (2) the records of the licensee contain a full explanation of the need for such release and (3) the label on each container of such blood bears the information required by § 73.305(b).

3. Amend § 73.305 to read as follows:

§ 73.305 Labeling.

(a) *Anticoagulant and test results.* In addition to the items required in §§ 73.50 to 73.55 inclusive, the following, except as prescribed in paragraph (b),

shall appear on the label of each container:

(1) *Anticoagulant.* Quantity and kind of anticoagulant used and the volume of blood corresponding with the formula prescribed and approved under § 73.302 (d).

(2) *Serological test.* The serological test for syphilis used and the result.

(3) *Blood group and type.* Designation of blood group and Rh factors:

(i) The blood group and Rh factors shall be designated conspicuously.

(ii) If a color scheme for differentiating the ABO blood groups is used, the color used to designate each blood group on the container shall be:

Blood group A—yellow.
Blood group B—pink.
Blood group O—blue.
Blood group AB—white.

(4) *Additional information for labels of group O bloods.* Each group O blood shall be labeled with a statement indicating whether or not isoagglutinin titers or other tests to exclude so-called "dangerous" group O bloods were performed, and indicating the classification based on such tests.

(b) *Release prior to determination of test results.* The label on each container of blood that is released pursuant to the provisions of § 73.304(f) shall bear the following information and instructions, as applicable, in lieu of the information specified in subparagraphs (2), (3), and (4) of paragraph (a):

EMERGENCY SHIPMENT FOR USE ONLY BY
(name of physician, hospital or other medical facility)

CAUTION

Before Transfusion

1. Perform serological test for syphilis.
2. Perform ABO and Rh tests.
3. Perform crossmatch.
4. Do not use until test results received from (name of licensee).

(Sec. 215, 58 Stat. 690, as amended, 42 U.S.C. 216; interpret or apply sec. 351, 58 Stat. 702, 42 U.S.C. 262)

Dated: October 6, 1965.

[SEAL] WILLIAM H. STEWART, M.D.,
Surgeon General.

Approved: October 14, 1965.

WILBUR J. COHEN,
Acting Secretary.

[F.R. Doc. 65-11342; Filed, Oct. 21, 1965; 8:48 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 71]

[Airspace Docket No. 65-CE-114]

CONTROL ZONE, TRANSITION AREA AND CONTROL AREA EXTENSION

Proposed Alteration, Designation and Revocation

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations which would alter controlled airspace in the Camp Douglas, Wis., terminal area.

The following airspace is presently designated in the vicinity of Camp Douglas:

1. The Camp Douglas control zone is designated as that airspace within a 5-mile radius of Volk Field, Camp Douglas, Wis. (latitude 43°56'25" N., 90°15'20" W.), and within 2 miles either side of the Volk Field VORTAC 093° radial extending from the 5-mile radius zone to 12 miles E of the VORTAC. This control zone shall be effective during the specific dates and times established in advance by a Notice to Airmen, and continuously published in the Airman's Guide.

2. The Camp Douglas control area extension is designated as that airspace within a 30-mile radius of Volk Field, Camp Douglas, Wis. (latitude 43°56'25" N., longitude 90°15'20" W.) N of latitude 43°39'00" N., excluding the portions which coincide with R-6901 and R-6904. This area shall be designated a control area extension during the specific dates and times established in advance by NOTAM, and continuously published in the Airman's Guide.

The Federal Aviation Agency, having completed a comprehensive review of the terminal airspace structural requirements in the Camp Douglas, Wis., terminal area, proposes the following airspace actions:

1. Alter the Camp Douglas, Wis., control zone by redesignating it as that airspace within a 5-mile radius of Volk Field, Camp Douglas, Wis. (latitude 43°-56'25" N., longitude 90°15'20" W.), and within 2 miles each side of the Volk Field VORTAC 092° radial extending from the 5-mile radius zone to 12 miles E of the VORTAC. This control zone shall be effective during the times established by a Notice to Airmen and continuously published in the Airman's Information Manual.

2. Designate a transition area at Camp Douglas, Wis., to comprise that airspace extending upward from 700 feet above the surface, within a 10-mile radius of Volk Field, Camp Douglas, Wis. (latitude 43°56'25" N., longitude 90°15'20" W.), and within 2 miles each side of the Volk Field VORTAC 092° radial extending from the 10-mile radius to 12 miles E of the VORTAC; and that airspace extending upward from 1,200 feet above the surface N of V82 and V170, within a 30-mile radius of Volk Field, excluding the portions which coincide with R-6901 and R-6904 or overlie the Madison, Wis., transition area.

3. Revoke the Camp Douglas, Wis., control area extension in its entirety.

The proposed control zone, when effective, will provide protection for aircraft executing prescribed departure and approach procedures at Volk Field, Camp Douglas, Wis., during the hours of operation of the weather reporting service to be provided by military based weather personnel. The normal hours for the taking of these observations, and the dissemination of this information, are dependent upon military operational requirements. Normally 30 days notice will be given prior to any change of these hours by a Notice to Airmen and continuously published in the Airman's Information Manual.

The proposed 700-foot floor transition area will provide protection for departing aircraft during climb from 700 to 1,200 feet above the surface. When the proposed control zone is not in effect, it will provide protection for arriving aircraft during descent to 700 feet above the surface. The proposed 1,200-foot floor transition area will provide controlled airspace protection for aircraft while in those portions of the instrument approach and missed approach procedures executed at and above 1,500 feet above the surface, for holding patterns, and for radar vectoring of arriving and departing aircraft.

The floor of the airway that traverses the transition area proposed herein would automatically coincide with the floor of the transition area.

Certain minor revisions to the prescribed instrument approach procedures would be effected in conjunction with the actions proposed herein, but operational complexity would not be increased nor would aircraft performance or present landing minimums be adversely affected.

Specific details of the changes procedures that would be required may be examined by contacting the Chief, Airspace Branch, Air Traffic Division, Central Region, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, ATTN: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110. All communications received within 45 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. 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 public Docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

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

Issued at Kansas City, Mo., on October 11, 1965.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 65-11310; Filed, Oct. 21, 1965; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Part 240]

[Release 34-7723]

INSIDER TRADING

Exemption of Certain Acquisitions

Notice is hereby given that the Securities and Exchange Commission has under consideration the adoption of an amendment to Rule 16b-3 under the Securities Exchange Act of 1934 (17 CFR 240.16b-3). The amendment would exclude from the phrase "exercise of an option, warrant or right," contained in the parenthetical clause of the first paragraph of the rule, certain acts, which might otherwise be deemed to fall within such phrase, which are incident to the operation of a supplemental compensation plan which permits the recipient of an award under such a plan to elect to defer the payment of such award until after the termination of his employment and to elect to receive any such deferred payment in stock rather than in cash.

Rule 16b-3 was adopted pursuant to section 16(b) of the Act, which was enacted for the purpose of preventing the unfair use of information in short-term trading by persons beneficially owning more than 10 percent of a class of equity security registered pursuant to section 12 of the Act and by officers and directors of the issuer of such a security. Section 16(b) provides that profits realized by such persons from the purchase and sale, or sale and purchase, of any equity security of the issuer, whether or not registered, within a period of less than 6 months, inure to and are recoverable by or on behalf of the company. Rule 16b-3 presently provides an exemption from section 16(b) for shares of stock (other than stock acquired upon the exercise of an option, warrant, or right) acquired by an officer or director pursuant to a stock bonus, profit sharing, retirement, incentive, thrift, savings or similar plan meeting conditions specified in the rule. The rule also exempts the acquisition of a "qualified" or a "restricted" stock option pursuant to a qualified or a restricted stock option plan, or a stock option pursuant to an "employee stock purchase plan" as defined in the rule.

The proposed amendment would have the effect of exempting from the operation of section 16(b) certain events which occur in connection with a supplemental compensation plan under which the award is ordinarily made in cash but where the recipient of the award may elect to defer payment of such award until after the termination of his employment and may also elect to receive such deferred payment in stock in the amounts equivalent to the cash award.

Nothing in the proposed amendment would alter the existing conditions of the rule regarding the type of plan to which the exemption is available. Thus, any plan covered by the rule must comply with the shareholder approval conditions set forth in paragraph (a) of the rule, and must otherwise be administered in accordance with the terms of paragraphs (b) and (c) of the rule, with respect to the selection of persons participating in such plan and the amounts involved therein, in order to be eligible for the exemption.

The proposed amendment, which would be adopted pursuant to sections 16(b) and 23(a), would add a new subparagraph (3) to paragraph (d) of § 240.16b-3 which would read as follows:

§ 240.16b-3 Exemption from section 16(b) of acquisitions of shares of stock and stock options under certain stock bonus, stock option or similar plans.

* * * * *

(d) * * *

(3) The term "exercise of an option, warrant or right" contained in the parenthetical clause of the introductory paragraph of this section shall not include (i) the making, prior to the award, of any election to receive under any plan an award of compensation in the form of contingent credits for stock payable after termination of employment, (ii) the subsequent contingent crediting of such stock, (iii) the making of any election as to time of delivery, after termination of employment, of such stock, provided such election is made at least six months prior to any such delivery, (iv) the fulfillment of any condition to the absolute right to receive such stock, or (v) the acceptance of certificates for shares of such stock.

(Secs. 16 and 23; 48 Stat. 896 and 901, as amended; 15 U.S.C. 78p and 78w)

All interested persons are invited to submit their views and comments on the proposed amendment, in writing, to the Securities and Exchange Commission, Washington, D.C., 20549, on or before November 12, 1965. Unless the person submitting any such comments or suggestions requests in writing that they be held confidential, they will be public records, available for public inspection.

By the Commission, October 13, 1965.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 65-11317; Filed, Oct. 21, 1965; 8:46 a.m.]

SMALL BUSINESS ADMINISTRATION

[13 CFR Part 107]

SMALL BUSINESS INVESTMENT COMPANIES

Equipment Leasing Concerns

Notice is hereby given that pursuant to authority contained in section 308 of the Small Business Investment Act of 1958, Public Law 85-699, 72 Stat. 694, as amended, it is proposed to amend, as set forth below, Part 107 of Subchapter B, Chapter I, of Title 13 of the Code of Federal Regulations, as revised in 29 F.R. 16946-16961, and amended in 30 F.R. 534, 1187, 2652, 2653, 2654, 3635, 3856, 7597, 7651, 8775, 8900, and 11960, by amending § 107.751 and adding a new § 107.1023. Prior to final adoption of such amendment, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in triplicate, to the Investment Division, Small Business Administration, Washington 25, D.C., within a period of thirty (30) days of the date of this notice in the FEDERAL REGISTER.

Information. The proposed amendment would authorize Licensees, within the limitation of the Special Discretionary Portfolio permitted under § 107.751 (b), to finance "equipment leasing concerns" which are unable to meet the requirements of § 107.715 (a) and (f). New § 107.1023 describes in some detail the type of leasing concerns referred to.

Section 107.1023 also points out that small business concerns which perform rental operations ("rental service concerns") within the requirements of § 107.715 (a) and (f) are eligible for regular SBIC financing, without regard to the limitation of the Special Discretionary Portfolio under § 107.751(b). Such a concern customarily maintains an inventory of equipment or other personal property which it continually rents and re-rents to different parties; its services are not substantially restricted to a single client concern; it provides its customers with equipment maintenance and repair facilities; rental is for a relatively short period, substantially less than the anticipated useful life of the equipment; and it ordinarily repossesses the property at the end of the term, with no provision for the client concern acquiring title.

On the other hand, "equipment leasing concerns" (as distinguished from "rental service concerns") commonly perform a relending or financing function, and are often unable to meet the requirements of both § 107.715 (a) and (f). Section 107.1023 points out that characteristic activities on their part include the acquisition of special equipment or other personal property for the lessee; execution of a relatively long-term lease, with lessee furnishing maintenance and repair; provision for lessee to obtain title at the end of the term; and/or the fact that useful life of the property would ordinarily be exhausted over the period of the lease. "Equipment leasing concerns" of this type could not be financed by a Licensee except within the limitation of the Special Discretionary Portfolio permitted under proposed new § 107.751(b)(5).

It is proposed to amend the Regulations Governing Small Business Investment Companies as follows:

1. By adding a new subparagraph (5) to § 107.751(b), which would read as follows:

§ 107.751 Special Discretionary Portfolio.

* * * * *

(b) *Investments permitted.* Notwithstanding otherwise applicable provisions of this Part 107 (which are hereinafter more specifically identified in subparagraphs of this paragraph), except restrictive provisions required under the Act, a Licensee may make the following types of investments up to the maximum authorized by paragraph (a) of this section:

* * * * *

(5) *Equipment leasing concerns.* Notwithstanding the provisions of § 107.715 (a) and (f), debt or equity financing of a small business concern which leases equipment or other personal property to others.

* * * * *

2. By adding a new § 107.1023, which would read as follows:

§ 107.1023 Equipment leasing concerns and rental service concerns (interpreting §§ 107.715 (a) and (f) and 107.751(b)(5)).

(a) *Equipment leasing concerns.* "Equipment leasing concerns", which are unable to meet the requirements of § 107.715 (a) and (f), characteristically engage in the following transactions: Acquisition of special types of equipment or other personal property for a particular lessee; execution by the parties of a relatively long-term lease, with the lessee furnishing maintenance and repair; provision for the lessee to obtain title at the end of the term; and/or the fact that useful life of the equipment or other leased chattel would ordinarily be exhausted over the period of the lease.

(b) *Rental service concerns.* "Rental service concerns" customarily maintain an inventory of equipment or other personal property continually rented and rerented to different parties; their services are not substantially restricted to a single client concern; they possess physical facilities (or provide by contract) for maintenance and repair; rental is for a relatively short-term period, substantially less than the anticipated useful life of the equipment; and they ordinarily repossess the property at the conclusion of the term, with no provision for the client concern acquiring title, or at least none permitting acquisition at merely a nominal price.

(c) *SBIC financing permitted.* Licensees may finance "equipment leasing concerns", referred to in paragraph (a) of this section, only within the limitation of the Special Discretionary Portfolio permitted under § 107.751(b)(5). On the other hand, Licensees may invest in "rental service concerns" which meet the requirements of § 107.715 (a) and (f), without regard to the limitation of the Special Discretionary Portfolio prescribed under § 107.751.

Dated: October 14, 1965.

Ross D. Davis,
Executive Administrator.

[F.R. Doc. 65-11345; Filed, Oct. 21, 1965; 8:48 a.m.]

[13 CFR Part 121]

SMALL BUSINESS SIZE STANDARDS

Definition of Small Business Nonmanufacturer for Purpose of Government Procurements and Subcontracting

Notice is hereby given that the Small Business Administration proposes to amend the Small Business Size Standards Regulation (Revision 5), as amended, by establishing a new definition of a small business nonmanufacturer in the petroleum refining industry.

The present definition of a small business nonmanufacturer for the purpose of Government procurements reserved for or involving the preferential treatment of a small business states that a nonmanufacturer shall furnish in the performance of the contract the products of a small business manufacturer or producer which products are manufactured or produced in the United States, provided, however, if the goods to be furnished are woolen, worsted, knitwear, duck, and webbing, dealers and converters shall furnish such products which have been manufactured or produced by a small weaver (small knitter for knitwear) and, if finishing is required, by a small finisher. If the procurement is for thread, dealers and converters shall furnish such products which have been finished by a small finisher. (Finishing of thread is defined as all "dyeing, bleaching, glazing, mildew proofing, coating, waxing and other applications required by the pertinent specification, but excluding mercerizing, spinning, throwing, or twisting operations.")

It has come to the attention of the SBA that in many instances small petroleum refiners cannot bid competitively because the distance from the small refinery to the point of delivery is so great that transportation cost makes the small refiners' bids noncompetitive. Further, many small refiners cannot bid on a product they manufacture because at a given time they may have a low inventory of the product being purchased. Therefore, it is proposed that the definition of a small business nonmanufacturer be amended so as to permit a refiner whose number of employees does not exceed 1,000 persons and whose refinery or refineries does not have more than 30,000 barrels-per-day crude-oil capacity from owned or leased facilities, to furnish in the performance of a contract, refined products obtained from a second refiner not qualifying as a small business, provided such products are obtained pursuant to a bona fide exchange agreement between the bidder and the second refiner in effect on the date of the bid and, provided further, that the agreement requires exchanges in a stated ratio, on a refined product for an identical refined product basis, and precludes any monetary settlement and, provided further, that the products exchanged for the products offered and delivered in the performance of the contract are manufactured by the bidder. The utilization of exchange agreements, such as the one described above, has been a common trade practice among concerns in the petroleum refining industry for many years.

Interested persons may file with the Small Business Administration, within thirty (30) days after publication in the Federal Register, written statements of facts, opinions, or arguments concerning the proposed definition.

All correspondence shall be addressed to Office of Economic Analysis, Small Business Administration, Washington, D.C., 20416.

It is proposed to change the definition of a small business nonmanufacturer for the purpose of bidding on Government procurements for refined petroleum products as follows: Deleting the note in § 121.3-8(c) in its entirety and substituting the following note in lieu thereof:

§ 121.3-8 Definition of small business for Government procurement.

* * * * *

(c) *Nonmanufacturing.* [Reserved]

Note: On April 5, 1963, there was published in the Federal Register (28 F.R. 3358) a proposed new definition of a small business nonmanufacturer. Interested persons were requested to file written comments. The comments filed suggested the need for further study of the proposal. Until such time as a new definition of a small business nonmanufacturer is adopted, the following definition shall be applicable:

Any concern which submits a bid or offer in its own name, other than on a construction or service contract, but which proposes to furnish a product not manufactured by said bidder or offeror, is deemed to be a small business concern when:

(1) Its number of employees does not exceed 500 persons, and

(2) In the case of Government procurement reserved for or involving the preferential treatment of small businesses, such nonmanufacturer shall furnish in the performance of the contract the products of a small business manufacturer or producer which products are manufactured or produced in the United States: *Provided, however,* If the goods to be furnished are wool, worsted, knitwear, duck, webbing, and thread (spinning and finishing), nonmanufacturers (dealers and converters) shall furnish such products which have been manufactured or produced by a small weaver (small knitter for knitwear) and, if finishing is required, by a small finisher: *Provided, further, however,* That if the product to be furnished is a refined petroleum product, other than a lubricant or miscellaneous petroleum product, a small petroleum refining concern (Standard Industrial Classification Industry No. 2911) may furnish the product of a refinery not qualified as small business if such product is obtained pursuant to a bona fide exchange agreement, in effect on the date of the bid or offer, between the bidder or offeror and the refiner of the product to be delivered: *Provided,* That the exchange agreement requires exchanges in a stated ratio, on a refined product for an identical refined product basis, and precludes any monetary settlement: *And provided further,* That the products exchanged for the products offered and to be delivered to the Government are manufactured by the bidder or offeror.

* * * * *

Dated: October 15, 1965.

Ross D. Davis,
Executive Administrator.

[F.R. Doc. 65-11347; Filed, Oct. 21, 1965; 8:48 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Coast Guard

[CGFR 65-28]

EQUIPMENT, INSTALLATIONS, OR MATERIALS

Approval and Termination of Approval Notice

1. Various items of lifesaving, firefighting, and miscellaneous equipment, installations, and materials used on merchant vessels subject to Coast Guard inspection or on certain motorboats and other pleasure craft are required by law and various regulations in 46 CFR Chapter I to be of types approved by the Commandant, U.S. Coast Guard. The procedures governing the granting of approvals, and the cancellation, termination or withdrawal of approvals are set forth in 46 CFR 2.75-1 to 2.75-50, inclusive. For certain types of equipment, installations, and materials, specifications have been prescribed by the Commandant and are published in 46 CFR Parts 160 to 164, inclusive (Subchapter Q—Specifications), and detailed procedures for obtaining approvals are also described therein.

2. The Commandant's approval of a specific item is intended to provide a control over its quality. Therefore, such approval applies only to the item constructed or installed in accordance with the applicable requirements and the details described in the specific approval. If a specific item when manufactured does not comply with the details in the approval, then such item is not considered to have the Commandant's approval, and the certificate of approval issued to the manufacturer does not apply to such modified item. For example, if an item is manufactured with changes in design or material not previously approved, the approval does not apply to such modified item.

3. After a manufacturer has submitted satisfactory evidence that a particular item complies with the applicable laws and regulations, a Certificate of Approval (Form CGHQ-10030) will be issued to the manufacturer certifying that the item specified complies with the applicable laws and regulations and approval is given, which will be in effect for a period of 5 years from the date given unless sooner canceled or suspended by proper authority.

4. The purpose of this document is to notify all concerned that certain approvals were granted or terminated, as described in this document during the period from January 18, 1965 to May 11, 1965 (List Nos. 8-65, 9-65, 10-65, 11-65, 12-65, and 13-65). These actions were taken in accordance with procedures set forth in 46 CFR 2.75-1 to 2.75-50, inclusive.

5. The delegations of authority for the Coast Guard's actions with respect to approvals may be found in section 632, of Title 14, U.S. Code, and in Treasury Department Orders 120 dated July 31, 1950 (15 F.R. 6521), 167-14 dated November 26, 1954 (19 F.R. 8026), 167-15 dated January 3, 1955 (20 F.R. 840), 167-20 dated June 18, 1956 (21 F.R. 4894), CGFR 56-28 dated July 24, 1956 (21 F.R. 5659), or 167-38 dated October 26, 1959 (24 F.R. 8857), and the statutory authority may be found in R.S. 4405, as amended, 4462, as amended, 4488, as amended, 4491, as amended, secs. 1, 2, 49 Stat. 1544, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 346, as amended, sec. 3, 70 Stat. 152 (46 U.S.C. 375, 416, 481, 489, 367, 526p, 1333, 390b), sec. 4(e), 67 Stat. 462 (43 U.S.C. 1333(e)), or sec. 3(c), 68 Stat. 675 (50 U.S.C. 198), and implementing regulations in 46 CFR Chapter I or 33 CFR Chapter I.

6. In Part I of this document are listed the approvals granted which shall be in effect for a period of 5 years from the dates granted, unless sooner canceled or suspended by proper authority.

7. In Part II of this document are listed the approvals which have been terminated. Notwithstanding this termination of approvals of the items of equipment as listed in Part II such equipment may be used so long as such equipment is in good and serviceable condition.

PART I—APPROVALS OF EQUIPMENT, INSTALLATIONS, OR MATERIALS

LIFE PRESERVERS, KAPOK, ADULT AND CHILD (JACKET TYPE) MODELS 3 AND 5

Approval No. 160.002/76/0, Model 3, adult kapok life preserver, U.S.C.G. Specification Subpart 160.002, manufactured by Burlington Mills, Inc., Burlington, Wis., and Post Office Box 360, Cadiz, Ky., effective April 2, 1965. (It supersedes Approval 160.002/76/0 dated Mar. 6, 1964, to show change in address of manufacturer.)

Approval No. 160.002/77/0, Model 5, child kapok life preserver, U.S.C.G. Specification Subpart 160.002, manufactured by Burlington Mills, Inc., Burlington, Wis., and Post Office Box 360, Cadiz, Ky., effective April 2, 1965. (It supersedes Approval No. 160.002/77/0 dated Mar. 6, 1964, to show change in address of manufacturer.)

Approval No. 160.002/90/0, Model 3, adult kapok life preserver, U.S.C.G. Specification Subpart 160.002, manufactured by Swan Products Company, Inc., 130-30 180th Street, Springfield Gardens 34, N.Y., effective March 10, 1965. (It is an extension of Approval No. 160.002/90/0 dated Mar. 16, 1960, and change of address of manufacturer.)

Approval No. 160.002/91/0, Model 5, child kapok life preserver, U.S.C.G. Specification Subpart 160.002, manufactured by Swan Products Company, Inc., 130-30 180th Street, Springfield Gardens 34, N.Y., effective March 10, 1965. (It is an extension of Approval No. 160.002/91/0 dated Mar. 16, 1960, and change of address of manufacturer.)

Approval No. 160.002/104/0, Model 3, adult kapok life preserver, U.S.C.G. Specification Subpart 160.002, manufactured by Trigg Manufacturing Corp., Post Office Box 360, Cadiz, Ky., effective April 2, 1965.

Approval No. 160.002/105/0, Model 5, child kapok life preserver, U.S.C.G. Specification Subpart 160.002, manufactured by Trigg Manufacturing Corp., Post Office Box 360, Cadiz, Ky., effective April 2, 1965.

LIFE PRESERVERS, CORK (JACKET TYPE) MODELS 32 AND 36

Approval No. 160.003/9/0, Model 32, adult cork life preserver, U.S.C.G. Specification Subpart 160.003, manufactured by Style-Crafters, Inc., Box 8277, Station A, Greenville, S.C., effective April 1, 1965. (It is an extension of Approval No. 160.003/9/0 dated Apr. 1, 1960.)

Approval No. 160.003/10/0, Model 36, child cork life preserver, U.S.C.G. Specification Subpart 160.003, manufactured by Style-Crafters, Inc., Box 8277, Station A, Greenville, S.C., effective April 1, 1965. (It is an extension of Approval No. 160.003/10/0 dated Apr. 1, 1960.)

Approval No. 160.003/11/0, Model 32, adult cork life preserver, U.S.C.G. Specification Subpart 160.003, manufactured by Billy Boy Products, Inc., Quincy, Mich., effective April 1, 1965. (It is an extension of Approval No. 160.003/11/0 dated Apr. 1, 1960.)

Approval No. 160.003/12/0, Model 36, child cork life preserver U.S.C.G. Specification Subpart 160.003, manufactured by Billy Boy Products, Inc., Quincy Mich., effective April 1, 1965. (It is an extension of Approval No. 160.003/12/0 dated Apr. 1, 1960.)

BUOYANT APPARATUS

Approval No. 160.010/57/1, 3.75' x 3.0' x 0.79' box float type buoyant apparatus, fibrous glass reinforced plastic (F.R.P.) shell with unicellular polyurethane plastic core, 12-person capacity, dwg. No. 21960A dated February 1, 1965, and Specification No. 6160A dated February 1, 1965, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y., 11201, effective April 6, 1965. (It supersedes Approval No. 160.010/57/0 dated Nov. 10, 1960.)

DAVITS

Approval No. 160.032/163/0, mechanical davit, straight boom sheath screw, Type C-7-0, approved for a maximum working load of 13,000 pounds per set (6,500 pounds per arm), using 2-part falls only, identified by general arrangement dwg. No. G-500 dated July 1959,

and revised October 1, 1959, manufactured by C. C. Galbraith & Son, Inc., 99 Park Place, New York 7, N.Y., effective March 16, 1965. (It is an extension of Approval No. 160.032/163/0 dated Mar. 16, 1960.)

MECHANICAL DISENGAGING APPARATUS, LIFEBOAT

Approval No. 160.033/4/3, Rottmer type, size C releasing gear, approved for maximum working load of 18,300 pounds per set (9,150 pounds per hook), identified by general arrangement dwg. No. 1498-5 dated January 8, 1951, and revised March 29, 1965, manufactured by C. C. Galbraith & Son, Inc., Maple Place and Manchester Avenue, Post Office Box 185, Keyport, N.J., 07735, effective March 30, 1965. (It supersedes Approval No. 160.033/4/2 dated Mar. 25, 1963.)

Approval No. 160.033/23/2, Mills Type size "A" releasing gear, approved for a maximum working load of 12,000 pounds per set (6,000 pounds per hook), identified by general arrangement dwg. No. 1862-A dated May 25, 1953, revised July 29, 1953, manufactured by Welin Davit and Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., effective March 12, 1965. (For lifeboats fitted on all vessels operating on waters other than ocean, coastwise and Great Lakes, or for vessels 3,000 gross tons and under operating in ocean, coastwise and Great Lakes Service.) It is an extension of Approval No. 160.033/23/2 dated Mar. 16, 1960.)

Approval No. 160.033/39/3, Rottmer Type S-1 releasing gear, approved for a maximum working load of 21,300 pounds per set (10,650 pounds per hook), identified by hoist gear assembly dwg. No. M-115-1, Rev. B dated November 30, 1959, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J., 07727, effective May 4, 1965. (It is an extension of Approval No. 160.033/39/3 dated June 21, 1960.)

Approval No. 160.033/52/0, Type B-1, Rottmer type releasing gear, approved for maximum working load of 14,000 pounds per set (7,000 pounds per hook), identified by assembly dwg. No. M-125-13, Rev. D dated April 14, 1965, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J., 07727, effective April 22, 1965. (It supersedes Approval No. 160.033/52/0 dated Jan. 30, 1962.)

LIFEBOATS

Approval No. 160.035/17/4, 22.0' x 7.5' x 3.17' steel, oar-propelled lifeboat, 31-person capacity, identified by general arrangement dwg. No. G-2231 dated January 1957, and revised March 26, 1965, manufactured by C. C. Galbraith & Son, Inc., Maple Place and Manchester Avenue, Post Office Box 185, Keyport, N.J., 07735, effective March 30, 1965. (It supersedes Approval No. 160.035/17/3 dated Nov. 1, 1962.)

Approval No. 160.035/229/0, 28.0' x 9.0' x 3.96' steel, oar-propelled lifeboat, 59-person capacity, identified by construction and arrangement dwg. No. 28-1B dated July 7, 1948, and revised December 3, 1954, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J., 07727, effective April 1, 1965. (It is an extension of Approval No. 160.035/229/0 dated Apr. 1, 1960.)

Approval No. 160.035/230/3, 22.0' x 7.5' x 3.17' aluminum, oar-propelled lifeboat, 31-person capacity, identified by construction and arrangement dwg. No. 22-2D dated July 29, 1948, and revised September 14, 1959, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J., effective March 12, 1965. (It is an extension of Approval No. 160.035/230/3 dated Mar. 16, 1960, and change of address of manufacturer.)

Approval No. 160.035/262/1, 26.0' x 8.33' x 3.54' steel, oar-propelled lifeboat, 46-person capacity, identified by construction and arrangement dwg. No. 26-6 dated February 3, 1949, and revised March 2, 1955, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J., 07727, effective May 7, 1965. (It is an extension of Approval No. 160.035/262/1 dated May 7, 1960.)

Approval No. 160.035/343/2, 26.0' x 7.88' x 3.54' aluminum, oar-propelled lifeboat, 42-person capacity, identified by construction and arrangement dwg. No. 26-11 dated September 26, 1955, and revised March 26, 1965, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J., 07727, effective April 15, 1965. (Approved for 48-person capacity for replacement of emergency lifeboats, Approval No. 160.035/343/0 for the following vessels: SS *Constitution*, SS *Independence*, SS *Monterey*, and SS *Mariposa*). (It supersedes Approval No. 160.035/343/1 dated Apr. 12, 1962.)

Approval No. 160.035/397/3, 24.0' x 8.0' x 3.5' fibrous glass reinforced plastic (FRP), motor-propelled lifeboat without radio cabin (Class B), 37-person capacity, identified by general arrangement dwg. No. P-24-1B, Rev. C dated August 12, 1959 (gasoline), or general arrangement dwg. No. P-24-1D, Rev. H dated September 21, 1964, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J., 07727, effective March 5, 1965. (It supersedes Approval No. 160.035/397/2 dated Apr. 30, 1964.)

Approval No. 160.035/401/1, 26.0' x 9.0' x 3.83' steel, hand-propelled lifeboat, 53-person capacity, identified by construction and arrangement dwg. No. G-2653-H dated April 1957, revised February 11, 1965, manufactured by C. C. Galbraith & Son, Inc., Maple Place and Manchester Avenue, Post Office Box 185, Keyport, N.J., 07735, effective February 12, 1965. (It supersedes Approval No. 160.035/401/0 dated Aug. 16, 1961.)

Approval No. 160.035/442/0, 26.0' x 7.88' x 3.54' aluminum, motor-propelled (Diesel 6-knot) lifeboat, without radio cabin (Class B), 40-person capacity, identified by construction and arrangement dwg. No. 26-11C, Rev. C dated February 10, 1965, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J., 07727, effective April 22, 1965. (Boats' serial Nos. 1599 and 1600 approved for 41-person capacity, for the following vessels: AGOR-9 and AGOR-10.)

BUOYANT VESTS, KAPOK OR FIBROUS GLASS, ADULT AND CHILD

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

Approval No. 160.047/303/0, Type I, Model AK-1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Iowa Fibre Products, Inc., 2425 Dean Avenue, Des Moines, Iowa, 50317, effective May 3, 1965. (It reinstates Approval No. 160.047/303/0 dated Mar. 16, 1960.)

Approval No. 160.047/304/0, Type I, Model CKM-1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Iowa Fibre Products, Inc., 2425 Dean Avenue, Des Moines, Iowa, 50317, effective May 3, 1965. (It reinstates Approval No. 160.047/304/0 which expired Mar. 16, 1965.)

Approval No. 160.047/305/0, Type I, Model CKS-1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Iowa Fibre Products, Inc., 2425 Dean Avenue, Des Moines, Iowa, 50317, effective May 3, 1965. (It reinstates Approval No. 160.047/305/0 dated Mar. 16, 1960.)

Approval No. 160.047/306/0, Type I, Model AK-1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Iowa Fibre Products, Inc., 2425 Dean Avenue, Des Moines 17, Iowa, for Hawkeye Sporting Goods Co., Box 613, Des Moines, Iowa, effective March 10, 1965. (It is an extension of Approval No. 160.047/306/0 dated Mar. 16, 1960.)

Approval No. 160.047/307/0, Type I, Model CKM-1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Iowa Fibre Products, Inc., 2425 Dean Avenue, Des Moines 17, Iowa, for Hawkeye Sporting Goods Co., Box 613, Des Moines, Iowa, effective March 10, 1965. (It is an extension of Approval No. 160.047/307/0 dated Mar. 16, 1960.)

Approval No. 160.047/308/0, Type I, Model CKS-1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Iowa Fibre Products, Inc., 2425 Dean Avenue, Des Moines 17, Iowa, for Hawkeye Sporting Goods Co., Box 613, Des Moines, Iowa, effective March 10, 1965. (It is an extension of Approval No. 160.047/308/0 dated Mar. 16, 1960.)

Approval No. 160.047/324/0, Type I, Model AK-1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y., 11201, effective May 10, 1965. (It is an extension of Approval No. 160.047/324/0 dated June 21, 1960.)

Approval No. 160.047/325/0, Type I, Model CKM-1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Atlantic-Pacific Man-

ufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y., 11201, effective May 10, 1965. (It is an extension of Approval No. 160.047/325/0 dated June 21, 1960.)

Approval No. 160.047/326/0, Type I, Model CKS–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y., 11201, effective May 10, 1965. (It is an extension of Approval No. 160.047/326/0 dated June 21, 1960.)

Approval No. 160.047/330/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond 12, Va., and 12th and Graham Streets, Emporia, Kans., effective May 10, 1965. (It is an extension of Approval No. 160.047/330/0 dated June 21, 1960.)

Approval No. 160.047/331/0, Type I, Model CKM–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond 12, Va., and 12th and Graham Streets, Emporia, Kans., effective May 10, 1965. (It is an extension of Approval No. 160.047/331/0 dated June 21, 1960.)

Approval No. 160.047/332/0, Type I, Model CKS–1 child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond 12, Va., and 12th and Graham Streets, Emporia, Kans., effective May 10, 1965. (It is an extension of Approval No. 160.047/332/0 dated June 21, 1960.)

Approval No. 160.047/333/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond 12, Va., and 12th and Graham Streets, Emporia, Kans., for Montgomery Ward & Co., Inc., 619 West Chicago Avenue, Chicago 7, Ill., effective May 10, 1965. (It is an extension of Approval No. 160.047/333/0 dated June 21, 1960.)

Approval No. 160.047/334/0, Type I, Model CKM–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Stearns Manufacturing Co., Inc., Third and Decatur Streets, Richmond 12, Va., and 12th and Graham Streets, Emporia, Kans., for Montgomery Ward & Co., Inc., 619 West Chicago Avenue, Chicago 7, Ill., effective May 10, 1965. (It is an extension of Approval No. 160.047/334/0 dated June 21, 1960.)

Approval No. 160.047/335/0, Type I, Model CKS–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond 12, Va., and 12th and Graham Streets, Emporia, Kans., for Montgomery Ward & Co., Inc., 619 West Chicago Avenue, Chicago 7, Ill., effective May 10, 1965. (It is an extension of Approval No. 160.047/335/0 dated June 21, 1960.)

Approval No. 160.047/351/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Stearns Manufacturing Co., Division Street at 30th St. Cloud, Minn., effective May 10, 1965. (It is an extension of Approval No. 160.047/351/0 dated June 21, 1960.)

Approval No. 160.047/352/0, Type I, Model CKM–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Stearns Manufacturing Co., Division Street at 30th, St. Cloud, Minn., effective May 10, 1965. (It is an extension of Approval No. 160.047/352/0 dated June 21, 1960.)

Approval No. 160.047/353/0, Type I, Model CKS–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Stearns Manufacturing Co., Division Street at 30th, St. Cloud, Minn., effective May 10, 1965. (It is an extension of Approval No. 160.047/353/0 dated June 21, 1960.)

Approval No. 160.047/372/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Canvas Specialty Manufacturing Co., 7344 East Bandini Boulevard, Los Angeles, Calif, 90022, effective May 10, 1965. (It is an extension of Approval No. 160.047/372/0 dated June 21, 1960.)

Approval No. 160.047/373/0, Type I, Model CKM–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, Manufactured by Canvas Specialty Manufacturing Co., 7344 East Bandini Boulevard, Los Angeles, Calif, 90022, effective May 10, 1965. (It is an extension of Approval No. 160.047/373/0 dated June 21, 1960.)

Approval No. 160.047/374/0, Type I, Model CKS–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Canvas Specialty Manufacturing Co., 7344 East Bandini Boulevard, Los Angeles, Calif., 90022, effective May 10, 1965. (It is an extension of Approval No. 160.047/374/0 dated June 21, 1960.)

Approval No. 160.047/411/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Robey Manufacturing Co., Newaygo, Mich, 49337, effective May 10, 1965. (It is an extension of Approval No. 160.047/411/0 dated June 21, 1960.)

Approval No. 160.047/412/0, Type I, Model CKM–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Robey Manufacturing Co., Newaygo, Mich, 49337, effective May 10, 1965. (It is an extension of Approval No. 160.047/412/0 dated June 21, 1960.)

Approval No. 160.047/413/0, Type I, Model CKS–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Robey Manufacturing Co., Newaygo, Mich., 49337, effective May 10, 1965. (It is an extension of Approval No. 160.047/413/0 dated June 21, 1960.)

Approval No. 160.047/417/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by International Cushion Co., 1110 NE. Eighth Avenue, Fort Lauderdale, Fla., 33311, effective May 10, 1965. (It is an extension of Approval No. 160.047/417/0 dated June 21, 1960.)

Approval No. 160.047/418/0, Type I, Model CKM–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by International Cushion Co., 1110 NE. Eighth Avenue, Fort Lauderdale, Fla., 33311, effective May 10, 1965. (It is an extension of Approval No. 160.047/418/0 dated June 21, 1960.)

Approval No. 160.047/419/0, Type I, Model CKS–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by International Cushion Co., 1110 NE Eighth Avenue, Fort Lauderdale, Fla., 33311, effective May 10, 1965. (It is an extension of Approval No. 160.047/419/0 dated June 21, 1960.)

Approval No. 160.047/429/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Noble Products Co., Post Office Box 329, Caldwell, Ohio, 43724, effective May 4, 1965. (It is an extension of Approval No. 160.047/429/0 dated June 21, 1960.)

Approval No. 160.047/430/0, Type I, Model CKM–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Noble Products Co., Post Office Box 329, Caldwell, Ohio, 43724, effective May 4, 1965. (It is an extension of Approval No. 160.047/430/0 dated June 21, 1960.)

Approval No. 160.047/431/0, Type I, Model CKS–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Noble Products Co., Post Office Box 329, Caldwell, Ohio, 43724, effective May 4, 1965. (It is an extension of Approval No. 160.047/431/0 dated June 21, 1960.)

Approval No. 160.047/583/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Boyce Manufacturing Co., Acworth, Ga., 30101, effective March 12, 1965.

Approval No. 160.047/584/0, Type I, Model CKM–1, child medium kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Boyce Manufacturing Co., Acworth, Ga., 30101, effective March 12, 1965.

Approval No. 160.047/585/0, Type I, Model CKS–1, child small kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Boyce Manufacturing Co., Acworth, Ga., 30101, effective March 12, 1965.

Approval No. 160.047/589/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Clipper Craft, Inc., 8586 East Boon Road, Cadillac, Mich., 49601, effective April 23, 1965.

Approval No. 160.047/590/0, Type I, Model CKM–1, child medium kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Clipper

Craft, Inc., 8586 East Boon Road, Cadillac, Mich., 49601, effective April 23, 1965.

Approval No. 160.047/591/0, Type I, Model CKS–1, child small kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Clipper Craft, Inc., 8586 East Boon Road, Cadillac, Mich., 49601, effective April 23, 1965.

Approval No. 160.047/726/0, Type I, Model AK–1, adult kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Elvin Salow Co., 273–285 Congress Street, Boston, Mass., 02210, for Wallace Manufacturing Co., 273–285 Congress Street, Boston, Mass., 02210, effective April 30, 1965.

Approval No. 160.047/727/0, Type I, Model CKM–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Elvin Salow Co., 273–285 Congress Street, Boston, Mass., 02210, for Wallace Manufacturing Co., 273–285 Congress Street, Boston, Mass., 02210, effective April 30, 1965.

Approval No. 160.047/728/0, Type I, Model CKS–1, child kapok buoyant vest, U.S.C.G. Specification Subpart 160.047, manufactured by Elvin Salow Co., 273–285 Congress Street, Boston, Mass., 02210, for Wallace Manufacturing Co., 273–285 Congress Street, Boston, Mass., 02210, effective April 30, 1965.

BUOYANT CUSHIONS, KAPOK OR FIBROUS GLASS

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

Approval No. 160.048/1/0, group approval for rectangular and trapezoidal kapok buoyant cushions, U.S.C.G. Specification Subpart 160.048, sizes and weights of kapok filling to be as per Table 160.048–4(c)(1)(i), manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 1, N.Y., effective April 1, 1965. (It is an extension of Approval No. 160.048/1/0 dated Apr. 1, 1960.)

Approval No. 160.048/171/0, group approval for rectangular and trapezoidal kapok buoyant cushions, U.S.C.G Specification Subpart 160.048, sizes and weights of kapok filling to be as per Table 160.048–4(c)(1)(i), manufactured by Canvas Specialty Manufacturing Co., 7344 East Bandini Boulevard, Los Angeles 22, Calif., effective March 10, 1965. (It is an extension of Approval No. 160.048/171/0 dated Mar. 16, 1960.)

Approval No. 160.048/239/0, group approval for rectangular and trapezoidal kapok buoyant cushions, U.S.C.G. Specification Subpart 160.048, sizes and weights of kapok filling to be as per Table 160.048–4(c)(1)(i), manufactured by Boyce Manufacturing Co., Acworth, Ga., 30101, effective March 12, 1965.

Approval No. 160.048/240/0, group approval for rectangular and trapezoidal kapok buoyant cushions, U.S.C.G. Specification Subpart 160.048, sizes and weights of kapok filling to be as per Table 160.048–4(c)(1)(i), manufactured by Clipper Craft, Inc., 8586 East Boon Road, Cadillac, Mich., 49601, effective April 23, 1965.

BUOYANT CUSHIONS, UNICELLULAR PLASTIC FOAM

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

Approval No. 160.049/1/0, group approval for rectangular and trapezoidal unicellular plastic foam buoyant cushions, U.S.C.G. Specification Subpart 160.049, sizes to be as per Table 160.049–4(c)(1), manufactured by Stearns Manufacturing Co., Division Street at 13th, St. Cloud, Minn., effective April 1, 1965. (It is an extension of Approval No. 160.049/1/0 dated June 21, 1960.)

BUOYS, LIFE, RING, UNICELLULAR PLASTIC

Approval No. 160.050/17/2, 30-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and dwg. 12988 (Rev. 5), dated February 23, 1965, 2 sheets, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 1, N.Y., effective March 15, 1965. (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn.). (It supersedes Approval No. 160.050/17/1 dated Dec. 10, 1963, to show change in construction.)

Approval No. 160.050/18/2, 24-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and dwg. 12988 (Rev. 5), dated February 23, 1965, 2 sheets, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 1, N.Y., effective March 15, 1965. (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn.). (It supersedes Approval No. 160.050/18/1 dated Dec. 10, 1963, to show change in construction.)

Approval No. 160.050/19/2, 20-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and dwg. No. 12988 (Rev. 5), dated February 23, 1965, 2 sheets, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 1, N.Y., effective March 15, 1965. (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn.). (It supersedes Approval No. 160.050/19/1 dated Dec. 10, 1963, to show change in construction.)

Approval No. 160.050/30/1, 30-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and dwg. 12874 dated March 6, 1959 (Rev. 3), dated February 23, 1965, 2 sheets, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 1, N.Y., effective March 15, 1965. (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn.). (It supersedes Approval No. 160.050/30/0 dated Aug. 22, 1961, to show change in construction.)

Approval No. 160.050/31/1, 24-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and dwg. 12874 dated March 6, 1959 (Rev. 3), dated February 23, 1965, 2 sheets, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 1, N.Y., effective March 15, 1965. (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn.). (It supersedes Approval No. 160.050/31/0 dated Aug. 22, 1961, to show change in construction.)

Approval No. 160.050/32/1, 20-inch unicellular plastic ring life buoy, U.S.C.G. Specification Subpart 160.050 and dwg. 12874 dated March 6, 1959 (Rev. 3), dated February 23, 1965, 2 sheets, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 1, N.Y., effective March 15, 1965. (Buoy bodies are made by B. F. Goodrich Co., Sponge Products Division, Shelton, Conn.). (It supersedes Approval No. 160.050/32/0 dated Aug. 22, 1961, to show change in construction.)

INFLATABLE LIFERAFTS

Approval No. 160.051/16/1, inflatable liferaft, 10-person capacity, identified by general arrangement dwg. SPC–MM–10002 (Rev. 4), dated September 18, 1964, and Master Record Index S.P.C.M.M./10 (Rev. 6), dated March 5, 1965, manufactured by Switlik Parachute Co., Inc., 1325 East State Street, Trenton, N.J., 08609, effective April 26, 1965. (Satisfies requirements for inflatable liferaft of 1960 International Convention for Safety of Life at Sea). (It supersedes Approval No. 160.051/16/0 dated Feb. 18, 1964, to show change in equipment.)

Approval No. 160.051/18/1, inflatable liferaft, 15-person capacity, identified by general arrangement dwg. SPC–MM–15002 (Rev. 3), dated September 18, 1964, and Master Record Index S.P.C.M.M./15 (Rev. 6), dated March 6, 1965, manufactured by Switlik Parachute Co., Inc., 1325 East State Street, Trenton, N.J., 08609, effective April 26, 1965. (Satisfies requirements for inflatable liferaft of 1960 International Convention for Safety of Life at Sea). (It supersedes Approval No. 160.051/18/0, dated Mar. 10, 1964, to show change in equipment.)

Approval No. 160.051/19/1, inflatable liferaft, 20-person capacity, identified by general arrangement dwg. SPC–MM–20002 (Rev. 3), dated September 18, 1964, and Master Record Index S.P.C.M.M./20 (Rev. 6), dated March 5, 1965, manufactured by Switlik Parachute Co., Inc., 1325 East State Street, Trenton, N.J., 08609, effective April 26, 1965. (Satisfies requirements for inflatable liferaft of 1960 International Convention for Safety of Life at Sea). (It supersedes Approval No. 160.051/19/0, dated Feb. 19, 1964, to show change in equipment.)

Approval No. 160.051/30/0, inflatable liferaft, 10-person capacity, identified by general arrangement dwg. PE–E–1043, revision C dated January 29, 1962, and Specifications, revision G dated May 19, 1964, manufactured by United States Rubber Co., Consumer & Industrial Products Division, Providence, R.I., 02901, effective April 8, 1965. (Satisfies requirements for inflatable liferaft of 1960 International Convention for Safety of Life at Sea).

Approval No. 160.051/31/0, inflatable liferaft, 6-person capacity, identified by general arrangement dwg. PE–E–1060,

revision C dated September 8, 1961; and Specifications, revision G dated May 19, 1964, manufactured by United States Rubber Co., Consumer & Industrial Products Division, Providence, R.I., 02901, effective April 8, 1965. (Satisfies requirements for inflatable liferaft of 1960 International Convention for Safety of Life at Sea).

BUOYANT VESTS, UNICELLULAR PLASTIC FOAM, ADULT AND CHILD

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

Approval No. 160.052/87/0, Type II, Model JPB–3, child size, medium unicellular plastic foam buoyant vest, assembly dwg. No. 39H642, dated September 8, 1959, manufactured by Gentex Corp., Carbondale, Pa., effective March 10, 1965. (It is an extension of Approval No. 160.052/87/0 dated Mar. 16, 1960.)

Approval No. 160.052/174/0, Type II, Model No. LV, adult unicellular plastic foam buoyant vest, dwg. Nos. 1 and 2 dated July 1, 1962, revision 1 dated September 24, 1962, and Bill of Materials dated October 5, 1962, manufactured by Brunswick Corp., Brunswick Sports Division, Eminence, Ky., effective March 23, 1965. (It supersedes Approval No. 160.052/174/0 dated Oct. 12, 1962, to show correction.)

Approval No. 160.052/175/0, Type II, Model No. LVCM, child medium unicellular plastic foam buoyant vest, dwg. Nos. 1 and 3 dated July 1, 1962, revision 1 dated September 24, 1962, and Bill of Materials dated October 5, 1962, manufactured by Brunswick Corp., Brunswick Sports Division, Eminence, Ky., effective March 23, 1965. (It supersedes Approval No. 160.052/175/0 dated Oct. 12, 1962, to show correction.)

Approval No. 160.052/176/0, Type II, Model No. LVCS, child small unicellular plastic foam buoyant vest, dwg. Nos. 1 and 4 dated July 1, 1962, revision 2 dated February 16, 1965, and Bill of Materials dated October 5, 1962, manufactured by Brunswick Corp., Brunswick Sports Division, Eminence, Ky., effective March 23, 1965. (It supersedes Approval No. 160.052/176/0 dated Oct. 12, 1962, to show correction.)

Approval No. 160.052/225/1, Type II, Model AD, adult vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 25, revision 2 dated March 29, 1965, and Bill of Materials dated December 10, 1963, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, Va., 23212, effective May 11, 1965. (It supersedes Approval No. 160.052/225/1 dated Dec. 12, 1963, to show optional construction.)

Approval No. 160.052/226/1, Type II, Model MD, child medium vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 24, revision 2 dated March 29, 1965, and Bill of Materials dated December 10, 1963, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, Va., 23212, effective May 11, 1965. (It supersedes Approval No. 160.052/226/1 dated Dec. 12, 1963, to show optional construction.)

Approval No. 160.052/227/1, Type II, Model SD, child small vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 23 (Rev. 2), dated March 29, 1965, and Bill of Materials dated December 10, 1963, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, Va., 23212, effective May 11, 1965. (It supersedes Approval No. 160.052/227/1 dated Dec. 12, 1963, to show optional construction.)

Approval No. 160.052/228/1, Type II, Model AD, adult vinyl-dipped unicellular plastic foam buoyant vest, Crawford dwg. No. 25 (Rev. 2), dated March 29, 1965, and Bill of Materials dated December 10, 1963, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, Va., 23212, for Montgomery Ward & Co., Inc., 619 West Chicago Avenue, Chicago, Ill., effective May 11, 1965. (It supersedes Approval No. 160.052/228/1 dated Dec. 12, 1963, to show optional construction.)

Approval No. 160.052/229/1, Type II, Model MD, child medium vinyl-dipped unicellular plastic foam buoyant vest, Crawford dwg. No. 24 (Rev. 2), dated March 29, 1965, and Bill of Materials dated December 10, 1963, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, Va., 23212, for Montgomery Ward & Co., Inc., 619 West Chicago Avenue, Chicago, Ill., effective May 11, 1965. (It supersedes Approval No. 160.052/229/1 dated Dec. 12, 1963, to show optional construction.)

Approval No. 160.052/230/1, Type II, Model SD, child small, vinyl-dipped unicellular plastic foam buoyant vest, Crawford dwg. No. 23 (Rev. 2), dated March 29, 1965, and Bill of Materials dated December 10, 1963, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, Va., 23212, for Montgomery Ward & Co., Inc., 619 West Chicago Avenue, Chicago, Ill., effective May 11, 1965. (It supersedes Approval No. 160.052/230/1 dated Dec. 12, 1963, to show optional construction.)

Approval No. 160.052/289/0, Type II, Model 245, adult cloth-covered unicellular plastic foam buoyant vest, dwg. Nos. B–280–1 dated October 13, 1964; B–280–2 dated October 8, 1964; and B–280–3 dated October 9, 1964; manufactured by the American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La., 70117 and Fairfield, Calif., effective April 12, 1965.

Approval No. 160.052/290/0, Type II, Model 246–M, child medium cloth-covered unicellular plastic foam buoyant vest, dwg. Nos. B–281–1 and B–281–2 dated October 14, 1964; and B–281–3 dated October 15, 1964, manufactured by the American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La., 70117 and Fairfield, Calif., effective April 12, 1965.

Approval No. 160.052/291/0, Type II, Model 246–S, child small cloth-covered unicellular plastic foam buoyant vest, dwg. Nos. B–281–1 and B–281–2 dated October 14, 1964; and B–281–4 dated October 15, 1964, manufactured by the American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La., 70117 and Fairfield, Calif., effective April 12, 1965.

Approval No. 160.052/313/0, Type II, Model LVA–300, adult, vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 5581–D (Rev. 1), dated December 22, 1964, manufactured by Carlon Rubber Products Co., One New Haven Avenue, Derby, Conn., 06418, effective April 23, 1965.

Approval No. 160.052/314/0, Type II, Model LVCM–200, child medium, vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 5622–B (Rev. 1), dated December 22, 1964, manufactured by Carlon Rubber Products Co., One New Haven Avenue, Derby, Conn., 06418, effective April 23, 1965.

Approval No. 160.052/315/0, Type II, Model LVCS–100, child small, vinyl-dipped unicellular plastic foam buoyant vest, dwg. No. 5623–B (Rev. 1), dated December 22, 1964, manufactured by Carlon Rubber Products Co., One New Haven Avenue, Derby, Conn., 06418, effective April 23, 1965.

WORK VESTS, UNICELLULAR PLASTIC FOAM

Approval No. 160.053/1/0, unicellular plastic foam work vest as per Military Specification MIL–L–17653A and U.S.C.G. Specification Subpart 160.053, manufactured by Burlington Mills, Inc., Burlington, Wis., effective March 12, 1965. (It is an extension of Approval No. 160.053/1/0 dated Mar. 16, 1960.)

Approval No. 160.053/3/0, unicellular plastic foam work vest as per Military Specification MIL–L–17653A and U.S.C.G. Specification Subpart 160.053, manufactured by Style-Crafters, Inc., Post Office Box 8277, Station A, Greenville, S.C., effective March 12, 1965. (It is an extension of Approval No. 160.053/3/0 dated Mar. 16, 1960.)

Approval No. 160.053/4/1, Style Nos. 228 and 229, unicellular plastic foam, cloth-covered work vest, dwg. Nos. 282–1, 282–2, and 282–3 dated February 11, 1965, and Bill of Materials (sheets 1 to 4) dated February 11, 1965, manufactured by the American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La., 70117 and Fairfield, Calif., effective March 12, 1965. (It supersedes Approval No. 160.053/4/1 dated Mar. 18, 1963.)

Approval No. 160.053/7/0, unicellular plastic foam work vest as per Military Specification MIL–17653A and U.S.C.G. Specification Subpart 160.053, Manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 1, N.Y., effective March 10, 1965. (It is an extension of Approval No. 160.053/7/0 dated Mar. 16, 1960.)

Approval No. 160.053/15/1, Model 77, vinyl-dipped unicellular plastic foam work vest, dwg. No. 6 (Rev. 1), and materials specification dated March 1, 1965, manufactured by Jones & Yandell Division, American Tent Co., Post Office Box 270, Canton, Miss., effective March 30, 1965. (It supersedes Approval No. 160.053/15/0 dated July 23, 1963, to show change in construction.)

Approval No. 160.053/16/1, Model 100, vinyl-dipped unicellular plastic foam work vest, Jones & Yandell dwg. No. 6, (Rev. 1), and materials specification dated March 1, 1965, manufactured by Jones & Yandell Division, American Tent Co., Post Office Box 270, Canton, Miss., for Seamac Corp., 1505 Pere Marquette Building, New Orleans, La., 70112, effective March 30, 1965. (It supersedes Approval No. 160.053/16/0 dated Sept. 12, 1963, to show change in construction.)

KITS, FIRST-AID, FOR INFLATABLE LIFERAFTS

Approval No. 160.054/1/0, Model No. 729 first aid kit for inflatable liferafts, dwg. revised November 27, 1959, manufactured by Medical Supply Co., 1027 West State Street, Rockford, Ill., effective March 10, 1965. (It is an extension of Approval No. 160.054/1/0 dated Mar. 16, 1960.)

LIFE PRESERVERS, UNICELLULAR PLASTIC FOAM, ADULT AND CHILD

Approval No. 160.055/16/0, Type II, Model 210, adult cloth-covered unicellular plastic foam life preserver, dwg. Nos. B-276-1, Rev. 1; B-276-2, Rev. 1; and B-276-3, Rev. 1 dated March 29, 1965, manufactured by the American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La., 70117 and Fairfield, Calif., effective April 12, 1965.

Approval No. 160.055/17/0, Type II, Model 211, child cloth-covered unicellular plastic foam life preserver, dwg. Nos. B-277-1, Rev. 1; B-277-2, Rev. 1; and B-277-3, Rev. 1 dated March 13, 1965, manufactured by the American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La., 70117 and Fairfield, Calif., effective April 12, 1965.

Approval No. 160.055/19/0, Type II, Model 8104, child cloth-covered unicellular plastic foam life preserver, dwg. No. 21971, sheet 2 (Rev. 2), dated April 20, 1965, and sheet 3 (Rev. 1), dated April 6, 1965, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y., 11201, effective April 23, 1965.

Approval No. 160.055/20/1, Type II, Model DFA, adult vinyl-dipped unicellular plastic foam life preserver, dwg. No. 21966 (sheet 1) (Rev. 2), dated March 11, 1965, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y., 11201, effective March 19, 1965. (It supersedes Approval No. 160.055/20/0 dated Jan. 29, 1965, to show change in construction.)

Approval No. 160.055/21/0, Type II, Model DFC, child vinyl-dipped unicellular plastic foam life preserver, dwg. No. 21966 (sheet 2) (Rev. 2), dated March 11, 1965, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y., 11201, effective March 19, 1965. (It supersedes Approval No. 160.055/21/0 dated Jan. 29, 1965, to show change in construction.)

DESALTER KITS

Approval No. 160.058/1/0, Desalter kits, sea water, U.S.C.G. Specification 160.058, manufactured by Ionac Chemical Co., Birmingham, N.J., 08011, effective May 5, 1965.

BOUYANT VESTS, UNICELLULAR POLYETHYLENE FOAM, ADULT AND CHILD

Approval No. 160.060/10/0, Model 247, adult cloth-covered polyethylene foam buoyant vest, dwg. Nos. B-280-1 dated October 13, 1964; B-280-3 dated October 9, 1964; and B-280-4 dated February 1, 1965, manufactured by the American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La., 70117 and Fairfield, Calif., effective April 20, 1965.

Approval No. 160.060/11/0, Type II, Model 248-M, child medium cloth-covered polyethylene foam buoyant vest, dwg. Nos. B-281-1 dated October 14, 1964; B-281-3 dated October 15, 1964; and B-281-5 dated February 1, 1965, manufactured by the American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La., 70117, and Fairfield, Calif., effective April 20, 1965.

Approval No. 160.060/12/0, Type II, Model 248-S, child small cloth-covered polyethylene foam buoyant vest, dwg. Nos. B-281-1 dated October 14, 1964; B-281-4 dated October 15, 1964; and B-281-5 dated February 1, 1965, manufactured by the American Pad & Textile Co., 6230 Bienvenue Street, New Orleans, La., 70117 and Fairfield, Calif., effective April 20, 1965.

TELEPHONE SYSTEMS, SOUND-POWERED

Approval No. 161.005/15/1, sound-powered telephone station, selective ringing, common talking, 19 stations maximum, bulkhead mounting, waterproof, with attached 3" or 4" hand generator bell, dwg. No. 5, Alt. 3, Type A, Model W.T., manufactured by Hose-McCann Telephone Co., Inc., 25th Street and Third Avenue, Brooklyn 32, N.Y., effective May 10, 1965. (It is an extension of Approval No. 161.005/15/1 dated May 10, 1960.)

Approval No. 161.005/16/1, sound-powered telephone stations, selective ringing, common talking, 19 stations maximum, bulkhead mounting, waterproof, with separately mounted 6" or 8" hand generator bell, dwg. No. 6, Alt. 3, Type A, Model W.T., manufactured by Hose-McCann Telephone Co., Inc., 25th Street and Third Avenue, Brooklyn 32, N.Y., effective May 10, 1965. (It is an extension of Approval No. 161.005/16/1 dated May 10, 1960.)

Approval No. 161.005/17/1, sound-powered telephone station, selective ringing, common talking, 19 stations maximum, pedestal mounting, waterproof, with attached 6" or 8" hand generator bell, dwg. No. 8, Alt. 3, Type A, Model W.T.P., manufactured by Hose-McCann Telephone Co., Inc., 25th Street and Third Avenue, Brooklyn 32, N.Y., effective May 10, 1965. (It is an extension of Approval No. 161.005/17/1 dated May 10, 1960.)

Approval No. 161.005/19/1, sound-powered telephone station, selective ringing, common talking, 19 stations maximum, pedestal mounting, waterproof, with attached 6" or 8" hand generator bell, dwg. No. 12, Alt. 3, Type A, Model W.T.P.-1, manufactured by Hose-McCann Telephone Co., Inc., 25th Street and Third Avenue, Brooklyn 32, N.Y., effective May 10, 1965. (It is an extension of Approval No. 161.005/19/1 dated May 10, 1960.)

SAFETY VALVES (STEAM HEATING BOILERS)

Approval No. 162.012/20/0, Model ODP safety valve for steam heating boilers and unfired steam generators, dwg. No. B-2264-S, dated April 31, 1950, approved for a maximum pressure of 30 p.s.i. in the following sizes and relieving capacities:

Size (inches)	Capacity (pound/hr.) at 30 p.s.i.
¾	230
1	343
1¼	673
1½	954
2	1230

manufactured by J. E. Lonergan Co., Second and Race Streets, Philadelphia 6, Pa., effective April 1, 1965. (It is an extension of Approval No. 162.012/20/0 dated Apr. 1, 1960.)

FLAME ARRESTERS, BACKFIRE (FOR CARBURETORS)

Approval No 162.015/40/0, Model No. CW 132092-R-110694 backfire flame arrester for carburetors, dwg. Nos. R-15259 and R-110694 dated July 1, 1959, manufactured by Curtiss-Wright Corp., Research Division, Quehanna, Pa., effective March 16, 1965. (It is an extension of Approval No. 162.015/40/0 dated Mar. 16, 1960.)

Approval No. 162.015/95/0, Kiekhaefer backfire flame arrester assemblies 38508A2 and 38509A1, for use on dual carburetor Mercruiser Marine "60":

Major components	Manufacturer	Part No.
Flame arrester plate	Kiekhaefer	38568.
Flame arrester element	Zenith	C177-11 (52 to 56 elements required).
Adapter	Kiekhaefer	38509.

manufactured by Kiekhaefer Corp., Fond du Lac, Wis., effective April 12, 1965. (It supersedes Approval No. 162.015/95/0 dated Jan. 22, 1965, to show supplemental data.)

Approval No. 162.015/96/0, Onan 145B354 backfire flame arrester assembly:

Major Components	Part No.
Flame Arrester Tube Assembly	123A893
Resonator	140B830
Adapter	140C815
Flame Arrester Disc Assembly	140B802

manufactured by Onan, Division of Studebaker Industries, Inc., 2515 University Avenue, SE., Minneapolis, Minn., 55414, effective April 12, 1965. (It supersedes Approval No. 162.015/96/0 dated Feb. 18, 1965, to show supplemental data.)

FLAME ARRESTERS FOR TANK VESSELS

Approval No. 162.016/34/0, 8" size Types 868B and E868B, aluminum body, aluminum or stainless steel arrester elements, dwg. 868B dated December 17,

1952, and dwg. E868B dated April 14, 1947, manufactured by the Protectoseal Co., 1920 South Western Avenue, Chicago, Ill., 60608, effective April 27, 1965.

APPLIANCES, LIQUEFIED PETROLEUM GAS CONSUMING

Approval No. 162.020/28/2, Magic Chef Model No. GC–10 range for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 11–22–5.901 and Supplement Serial No. 13, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/28/2 dated May 7, 1960.)

Approval No. 162.020/29/2, Magic Chef Model No. GC–11 range for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 11–22–5.901 and Supplement Serial No. 13, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/29/2 dated May 7, 1960.)

Approval No. 162.020/30/2, Magic Chef Model No. GC–16 range for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 11–22–5.901 and Supplement Serial No. 13, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/30/2 dated May 7, 1960.)

Approval No. 162.020/42/2, Magic Chef Model No. GC–12 range for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 11–22–9.901 and Supplement Serial No. 7, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/42/2 dated May 7, 1960.)

Approval No. 162.020/43/2, Magic Chef Model No. GC–14 range for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 11–22–5.901 and Supplement Serial No. 13, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/43/2 dated May 7, 1960.)

Approval No. 162.020/44/2, Magic Chef Model No. GC–15 range for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 11–22–9.901 and Supplement Serial No. 7, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/44/2 dated May 7, 1960.)

Approval No. 162.020/46/1, Magic Chef Model No. GC–17 roast oven for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 11–22–28.901 and Supplement Serial No. 3, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/46/1 dated May 7, 1960.)

Approval No. 162.020/91/0, Magic Chef Model GR28 range for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 1–689–3.801, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/91/0 dated May 7, 1960.)

Approval No. 162.020/92/0, Magic Chef Model No. GC–29A deep fat fryer for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 13–(18–1.0 and –1.1) .001, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/92/0 dated May 7, 1960.)

Approval No. 162.020/93/0, Magic Chef Model No. GC–29–AS deep fat fryer for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 13–(18–1.0 and –1.1) .001, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/93/0 dated May 7, 1960.)

Approval No. 162.020/94/0, Magic Chef Model No. GC–26 range for liquefied petroleum gas service, approved by the American Gas Association, Inc., under Certificate No. 11–22–5.901 and Supplement Serial Nos. 12 and 13, manufactured by Magic Chef, Inc., 4931 Daggett Avenue, St. Louis 10, Mo., effective May 3, 1965. (It is an extension of Approval No. 162.020/94/0 dated May 7, 1960.)

Approval No. 162.020/115/0, Model No. C–281H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/115/0 dated Mar. 16, 1960.)

Approval No. 162.020/116/0, Model No. C–282H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/116/0 dated Mar. 16, 1960.)

Approval No. 162.020/117/0, Model No. C–283H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/117/0 dated Mar. 16, 1960.)

Approval No. 162.020/118/0, Model No. C–284H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –30 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/118/0 dated Mar. 16, 1960.)

Approval No. 162.020/119/0, Model No. C–285H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/119/0 dated Mar. 16, 1960.)

Approval No. 162.020/120/0, Model No. C–286H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/120/0 dated Mar. 16, 1960.)

Approval No. 162.020/121/0 Model No. C–291H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/1210 dated Mar. 16, 1960.)

Approval No. 162.020/122/0, Model No. C–292H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/123/0 dated Mar. 16, 1960.)

Approval No. 162.020/123/0, Model No. C–293H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/123/0 dated Mar. 16, 1960.)

Approval No. 162.020/124/0, Model No. C–294H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/124/0 dated Mar. 16, 1960.)

Approval No. 162.020/125/0, Model No. C–295H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11–(80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/125/0 dated Mar. 16, 1960.)

Approval No. 162.020/126/0, Model No. C–296H range for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 11– (80–1.0, –3.0 and –1.1) .001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt

Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/126/0 dated Mar. 16, 1960.)

Approval No. 162.020/127/0, Model No. B280-14H deep fat fryer for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 13-(13-1.1 and -3.1).001-AX dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/127/0 dated Mar. 16, 1960.)

Approval No. 162.020/128/0, Model No. B-40-14H deep fat fryer for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 13-(13-1.1 and -3.1).001-AX dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/128/0 dated Mar. 16, 1960.)

Approval No. 162.020/129/0, Model No. B-50-14-H deep fat fryer for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 13-(13-1.1 and -3.1).001-AX dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/129/0 dated Mar. 16, 1960.)

Approval No. 162.020/130/0, Model Nos. A-280-2H and A280-2GGH baking and roasting oven for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 15-27-1.001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/130/0 dated Mar. 16, 1960.)

Approval No. 162.020/131/0, Model No. A290-2H baking and roasting oven for liquefied petroleum gas service approved by the American Gas Association, Inc., under Certificate No. 15-27-1.001 dated January 1, 1959, manufactured by Welbilt Corp., Garland Division, Welbilt Square, Maspeth, N.Y., effective March 16, 1965. (It is an extension of Approval No. 162.020/131/0 dated Mar. 16, 1960.)

NOZZLES, FIRE HOSE, COMBINATION SOLID STREAM AND WATER SPRAY (1½" AND 2½")

Approval No. 162.027/2/0, Rockwood 1½" SG70 combination solid stream and water spray fire hose nozzle, 1½" Type TCG high velocity head, and either 10'-90° Type CGC, 10'-90° CGG, 4'-60° Type CGC, or 4'-60° Type CGG applicator with Type T-11 low-velocity head; dwg. Nos. S-4787 dated February 9, 1955; S-4352 (Rev. B) dated June 21, 1965; S-6742 dated October 23, 1959; S-6748 dated October 23, 1959; S-6740 dated October 23, 1959; S-6744 dated October 23, 1959; and S-6738 dated October 19, 1959, manufactured by Rockwood Sprinkler Co., 38 Harlow Street, Worcester, Mass., effective March 16, 1965. (Applicators were formerly Type CG; low velocity head was formerly Type T-11A; due to orifice sizes, no special self-cleaning strainer is required.) (It is an extension of Approval No. 162.027/2/1 dated Mar. 16, 1960.)

Approval No. 162.027/3/1, Rockwood 2½" SG70 combination solid stream and water spray fire hose nozzle, 2½" Type TCG high-velocity head, and 12'-90° Type CGC or Type CGI applicator with Type T-10 low-velocity head; dwg. Nos. S-4992 dated September 8, 1955; S-4993 dated September 8, 1955; S-6741 dated October 23, 1959; S-6743 dated October 20, 1959; and S-6733 dated October 16, 1959, manufactured by Rockwood Sprinkler Co., 38 Harlow Street, Worcester, Mass., effective March 16, 1965. (Applicators were formerly Type CG; low-velocity head was formerly Type T-10A.) (It is an extension of Approval No. 162.027/3/1 dated Mar. 16, 1960.)

DECK COVERINGS

Approval No. 164.006/44/0, "Schundler's Coralux Underlayment," perlite aggregate oxychloride cement deck covering identical to that described in National Bureau of Standards Test Report No. TG10210-1946:FP3307 dated December 28, 1954, approved for use without other insulating material as meeting Class A-60 requirements in a 1-inch thickness, manufactured by F. E. Schundler & Co., 504 Railroad Street, Joliet, Ill., effective April 1, 1965. (It is an extension of Approval No. 164.006/44/0 dated June 21, 1960.)

INCOMBUSTIBLE MATERIALS

Approval No. 164.009/32/0, "Thermoflex Felt RF 400," mineral wool insulation type incombustible material identical to that described in National Bureau of Standards Test Report No. TG10210-1944:FP3305 dated December 13, 1954, approved in a 4-pound per cubic foot density, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y., 10016, effective April 1, 1965. (It is an extension of Approval No. 164.009/32/0 dated Apr. 1, 1960.)

Approval No. 164.009/33/0, "Linabestos," asbestos-cement board type incombustible material identical to that described in National Bureau of Standards Test Report No. TG10210-1945:FP3306 dated December 20, 1954, manufactured by Keasbey & Mattison Co., Ambler, Pa., effective April 1, 1965. (It is an extension of Approval No. 164.009/33/0 dated Apr. 1, 1960.)

Approval No. 164.009/72/1, "Microlite" fibrous glass insulation type incombustible material identical to that described in National Bureau of Standards Test Report Nos. TG10210-1972:FP3358 dated March 3, 1956; TG10210-2091:FR3614 dated May 1, 1962; and TG10210-2118:FR3649 dated March 31, 1965, approved in densities of 0.6 through 2 pounds per cubic foot, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y., 10016, Plant: Parkersburg, W. Va., effective April 12, 1965. (It supersedes Approval Nos. 164.009/35/0 dated Mar. 1, 1962, and 164.009/72/0 dated June 20, 1962, to show change in densities.)

Approval No. 164.009/81/1, "Aeroflex," fibrous glass type incombustible material identical to that described in National Bureau of Standards Test Report No. TG10210-2117:FR3648 dated February 23, 1965, and TG10210-2119:FR3650 dated May 4, 1965, approved densities of 1½ through 2 pounds per cubic foot, manufactured by Owens-Corning Fiberglas Corp., Toledo 1, Ohio, Plant: Newark, Ohio, effective May 11, 1965. (It supersedes Approval No. 164.009/81/0 dated Mar. 3, 1965, to show change in material density.)

PART II—TERMINATIONS OF APPROVAL OF EQUIPMENT INSTALLATIONS, OR MATERIALS

LIFEBOATS

The Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J., 07727, no longer manufactures a particular lifeboat and therefore Approval No. 160.035/326/0 has expired and is terminated, effective April 1, 1965.

The Lane Lifeboat & Davit Corp., 8920 26th Avenue, Brooklyn 4, N.Y., no longer manufactures a particular lifeboat and therefore Approval No. 160.035/388/0 has expired and is terminated, effective March 16, 1960.

BUOYANT VESTS, KAPOK OR FIBROUS GLASS, ADULT AND CHILD

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

The Howard Zink Corp., 5550 Paramount Boulevard, Long Beach 5, Calif., no longer manufactures certain buoyant vests and therefore Approval Nos. 160.-047/435/0, 160.047/436/0, and 160.047/437/0 are terminated, effective March 16, 1965.

BUOYANT CUSHIONS, KAPOK OR FIBROUS GLASS

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

The Siegmund Werner, Inc., 225 Belleville Avenue, Bloomfield, N.J., no longer manufactures a particular kapok buoyant cushion and therefore Approval No. 160.048/75/1 has expired and is terminated, effective March 1, 1960.

The Howard Zink Corp., 5550 Paramount Boulevard, Long Beach 5, Calif., no longer manufactures a particular kapok buoyant cushion and therefore Approval No. 160.048/113/0 is terminated, effective January 18, 1965.

The Grand Novelty Hassock Co., Inc., 273-81 State Street, Brooklyn 2, N.Y., no longer manufactures a particular kapok buoyant cushion and therefore Approval No. 160.048/174/0 has expired and is terminated, effective March 16, 1965.

BUOYANT VESTS, UNICELLULAR PLASTIC FOAM

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

The Mercury Boat Co., Highway 126, Piru, Calif., no longer manufactures a particular unicellular plastic foam buoyant cushion and therefore Approval No.

160.049/11/0 is terminated, effective March 16, 1965.

BUOYANT VESTS, UNICELLULAR PLASTIC FOAM, ADULT AND CHILD

NOTE: Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.

The Badgley Manufacturing Co., 2637 NE. Union Avenue, Portland 12, Oreg., no longer manufactures certain unicellular plastic foam buoyant vests and therefore Approval Nos. 160.052/61/0, 160.052/62/0, and 160.052/63/0 have expired and are terminated, effective March 16, 1965.

The Burlington Mills, Inc., Burlington, Wis., no longer manufactures certain unicellular plastic foam buoyant vests and therefore Approval Nos. 160.052/89/0, 160.052/90/0, and 160.052/91/0 have expired and are terminated, effective March 16, 1965.

The Liberty Cork Co., Inc., 123 Whitehead Avenue, South River, N.J., no longer manufactures certain unicellular plastic foam buoyant vests and therefore Approval Nos. 160.052/92/0, 160.052/93/0, and 160.052/94/0 have expired and are terminated, effective March 16, 1965.

STRUCTURAL INSULATIONS

The Acoustics, Inc., Commercial Trust Building, Philadelphia 2, Pa., no longer manufactures a particular plaster type structural insulation and therefore Approval No. 164.007/4/0 is terminated, because the manufacturer is no longer in business, effective March 16, 1965.

BULKHEAD PANELS

The Seaporcel Metals, Inc., 28–20 Borden Avenue, Long Island City 1, N.Y., no longer manufactures a particular hollow steel, insulation filled bulkhead panel and therefore Approval No. 164.008/7/0 is terminated, effective, because the manufacturer is no longer in business, effective March 16, 1965.

The Martin-Parry Marine Division, Ward Industries Corp., 415 Madison Avenue, New York 17, N.Y., no longer manufactures certain bulkhead panels and therefore Approval Nos. 164.008/19/0, 164.008/22/0, 164.008/26/0, and 164.008/31/0 are terminated, because the manufacturer is no longer in business, effective March 16, 1965.

Dated: October 14, 1965.

[SEAL] E. J. ROLAND,
Admiral, U.S. Coast Guard,
Commandant.

[F.R. Doc. 65-11329; Filed, Oct. 21, 1965; 8:47 a.m.]

[CGFR 65-42]

FOREIGN VESSELS CARRYING BULK LIQUID DANGEROUS CARGOES INVOLVING POTENTIAL UNUSUAL RISKS

Plan Review, Inspections, Control and Movement in United States Waters

The U.S. Coast Guard has certain responsibilities under laws and regulations governing the transportation of dangerous cargoes. It has been determined that certain bulk liquid dangerous cargoes present or involve potential unusual risks to life and property in United States ports. The implementing regulations governing transportation of dangerous cargoes are in various portions of 46 CFR Chapter I. Depending upon specific conditions, general or specific requirements may govern the transportation of various dangerous commodities, either in package or bulk form. These requirements have been prescribed pursuant to the provisions of law in Sections 2 and 632 of Title 14, U.S. Code, and Section 170 or 391a of Title 46, U.S. Code, or other applicable laws governing merchant vessels as referenced with the regulations. The regulations governing the control or movement of vessels are in 33 CFR Parts 6, and 121 to 126, inclusive, and have been prescribed pursuant to the provisions in section 191 of Title 50, U.S. Code, and Executive Order 10173, as amended. These requirements apply to both U.S. flag vessels and foreign vessels.

This Notice summarizes requirements for foreign vessels only and is similar to the Navigation and Vessel Inspection Circular on this subject. The provisions of 46 CFR 2.01–13 and other referenced regulations state in general terms that foreign vessels involving (1) novel features of design or construction upon which the International Convention for the Safety of Life at Sea, 1960, is silent, or (2) potential unusual operating risks, are subject to U.S. Coast Guard inspections to the extent necessary to safeguard life and property in United States ports. These inspections are performed by or through the Officers in Charge, Marine Inspection, in Marine Inspection Offices located in the major United States ports. Additionally, the control and movement of foreign vessels while in United States waters are subject to the jurisdiction of the U.S. Coast Guard Captain of the Port in accordance with 33 CFR Parts 6, and 121 to 126, inclusive.

All persons engaged in the acceptance, handling, storage, or transportation of dangerous articles or substances and combustible liquids on board foreign vessels are required to advise the owners, masters, or agents of such vessels of the conditions applicable to transporting specific dangerous commodities subject to laws administered by the Coast Guard. This general summarization of laws or regulations, or the Navigation and Vessel Inspection Circular on this subject, is in response to requests for clarification of applicable requirements governing foreign vessels, and is intended to assist the owners, masters, or agents of such vessels which desire to enter the U.S. ports for the purpose of loading or discharging certain bulk liquid dangerous cargoes. Compliance with the requirements described herein or the applicable Navigation and Vessel Inspection Circular will expedite the performance of required Coast Guard inspections. Additionally, the control and movement of such vessels in United States ports may be authorized and permitted with a minimum of difficulty and delay.

The submittal of plans of a foreign vessel for review prior to the initial arrival of such vessel in a U.S. port is desired and recommended. When this is done the inspections, control and movement of such a vessel may be expedited upon arrival at a U.S. port. When such submittal of plans is not made, the vessel may be detained until determinations are completed with respect to establishing the conditions governing the transportation of a bulk liquid dangerous cargo determined to involve potential unusual risks.

A "potential unusual risk" is deemed to exist if (A) the design of the vessel, (B) the cargoes carried, (C) the method of handling the cargo, or (D) any unconventional shipboard systems (e.g., proplusion, navigation, etc.) are such that, in the event of an accident or casualty, relatively rare or difficult conditions would arise and cause serious risks to life and property in United States ports.

The "design" of a vessel is not considered restricted to construction details, but is considered to include the overall concept of the carriage of the cargo. For example, a vessel designed for the low temperature carriage of cargoes creates an unusual risk because the uncontrolled release of cargo, via brittle fracture of the surrounding structure, can be hazardous. Also, a vessel of conventional design could pose a hazard when carrying a product having characteristics which were not originally considered when the vessel was built. Additionally, a new or unusual handling technique for a common product could create a hazard.

The types or dangerous cargoes which are considered to involve "potential unusual risk" when transported in bulk quantities on board vessels include:

(a) Commodities which are highly reactive or unstable;

(b) Commodities having severe or unusual fire hazards;

(c) Commodities having toxic properties;

(d) Commodities requiring refrigeration for their safe containment; or

(e) Commodities which can cause brittle fracture of normal ship structural materials by reason of their being carried at low temperatures or because of their low boiling point at atmospheric pressure (unless uncontrolled release of the cargo is not a major hazard).

The commodities which have been determined as meeting these criteria include the following:

Acetaldehyde.
Acetone Cyanohydrin.
Acetonitrile.
Acrylonitrile.
Allyl Alcohol.
Allyl Chloride.
Ammonia, Anhydrous.
Aniline.
Butadiene.
Carbolic Oil.
Carbon Disulfide.
Chlorine.
Chlorohydrins, Crude.
Crotonaldehyde.
1, 2 Dichloropropane.
Dichloropropene.
Epichlorohydrin.

Ethylene.
Ethyl Ether.
Ethylene Oxide.
Hydrochloric Acid.
Methane.
Methyl Acrylate.
Methyl Bromide.
Methyl Chloride.
Methyl Methacrylate (Monomer).
Nonyl Phenol.
Oleum.
Phenol.
Phosphorous, Elemental.
Propane.
Propylene.
Propylene Oxide.
Sulfuric Acid.
Sulfuric Acid, Spent.
Tetraethyl Lead.
Tetraethyl Lead Mixtures.
Vinyl Acetate.
Vinyl Chloride.
Vinylidene Chloride.

These determinations about specific bulk liquid dangerous cargoes considered to involve "potential unusual risks" when transported in vessels are not "all-inclusive" and this list will be revised from time to time as evaluations are made about new commodities when proposed for transportation in bulk quantities and after the various hazards presented have been determined.

In addition to determining that certain bulk liquid dangerous cargoes do involve "potential unusual risks", it has been determined that certain other bulk liquid dangerous cargoes normally do not involve such "potential unusual risks" when transported in vessels complying with current requirements and utilizing conventional transportation methods and procedures governing such cargoes. The following list of commodities has been evaluated and it has been determined that vessels engaged in conventional transportation of such commodities are not considered a type of operation which involves "potential unusual risks" to life and property in U.S. ports:

Acetic Anhydride.
Acetone.
Ammonia, aqua.
Amyl Acetate, iso-.
Amyl Alcohol, n-.
Asphalt (typical).
Benzene.
Butadiene, inhibited.
Butane, commercial.
Butyl, Acetate, n-.
Butyl Acetate, Sec-.
Butyl Alcohol, n-.
Butyl Alcohol, sec.
Butyl Alcohol, tert.
Butyl Alcohol, iso.
Butyraldehyde, n-.
Camphor Oil (light).
Carbon Tetrachloride.
Casinghead (Natural) Gasoline.
Caustic Potash Solution.
Caustic Soda Solution.
Chlorobenzene.
Coal Tar Oil.
Cresols (Mixed Isomers).
Crude Oil (Petroleum).
Cyclohexane.
Cymene; p-.
Decyl Alcohol; n-.
Dicyclopentadiene.
Diesel Fuel Oil—Grade DF-4 (Arctic).
Diesel Fuel Oil—Grade DF-1 (Winter).
Diesel Fuel Oil—Grade DF-2 (Regular).
Diesel Fuel Oil—Grade DF-4.
Diesel Fuel Oil (Marine).
Diethanolamine.
Diethylbenzene.
Diethylenetriamine.
Diethylene Glycol.
Di-Isobutylene.
Dimethylamine.
Dipentene.
Dipropylene Glycol.
Edible Oils.
Ethyl Acetate.
Ethyl Acrylate.
Ethyl Alcohol.
Ethyl Benzene.
Ethyl Chloride.
2-Ethyl Hexanol.
Ethylene Cyanohydrin.
Ethylene Diamine.
Ethylene Dichloride.
Ethylene Glycol.
Ethylene Glycol Monobutyl Ether.
Ethylene Glycol Monoethyl Ether.
Ethylene Glycol Monoethyl Ether Acetate.
Formaldehyde Solution.
Fuel Oil—Burner (Navy Special).
Fuel Oil—Grade F.S. No. 1.
Fuel Oil—Grade F.S. No. 2.
Fuel Oil—Grade F.S. No. 4.
Fuel Oil—Grade F.S. No. 5.
Fuel Oil—Grade F.S. No. 6.
Furfural.
Gasoline, Commercial.
Glycerine.
Heptane; n-.
Hexane; n-.
Hexylene Glycol.
Isodecaldehyde.
Isobutyl Acetate.
Isobutyraldehyde.
Isooctylaldehyde.
Isoprene.
Isoproply Alcohol.
Isopropyl Acetate.
Isooctanol.
Jet Fuel, JP-3.
Jet Fuel, JP-4.
Jet Fuel, JP-5.
Kerosene.
Lubricating Oils.
Methyl Alcohol.
Methyl Amyl Alcohol.
Methyl Ethyl Ketone.
Methyl Isobutyl Ketone.
Mineral Spirits—No. 10.
Monochlorodifluoromethane.
Monoethanolamine.
Monoisopropanolamine.
Morpholine.
Naphthalene, Molten.
Nitrous Oxide.
Pentane; n-.
Petroleum Ether.
Phosphoric Acid.
Propionic Acid.
Propyl Acetate, n-.
Propiy Alcohol, n-.
Propylene Glycol.
Range Oil.
Styrene Monomer.
Sulfur, Molten.
Tetrahydronapthalene.
Tetrapropiyene.
Toluene.
Tridecanol.
Triethanolamine.
Triethyl Benzene.
Triethylene Glycol.
Triethylenetetramine.
Tripropylene.
Turpentine.
Valeraldehyde.
Vegetable Oils.
Xylene.
o-Xylene.
p-Xylene.

Bulk liquid dangerous cargoes not appearing in either list require individual determinations by the Commandant, U.S. Coast Guard, before transportation on board vessels is undertaken. The listing of any cargo in this document in no way affects the requirements found in the Dangerous Cargo Regulations in 46 CFR Part 146 or 147 for the transportation of such a commodity in packages, etc.

As a condition prior to actually inspecting a vessel, the U.S. Coast Guard, under 46 CFR 2.01–13, requires the owner or agent of a foreign vessel to submit plans of the foreign vessel prior to entry into U.S. ports while carrying a bulk liquid dangerous cargo which has been determined to create a "potential unusual risk" to United States life and property by virtue of the vessel's design or operation or the cargo carried. The following are examples of the type of features in which the Coast Guard is interested from the point of view of safety of life and property in U.S. ports:

(1) Design and arrangement of cargo tanks and cargo piping and vent systems.

(2) Testing of materials to insure suitability for the temperatures and pressures involved.

(3) Qualification of welders and welding procedures.

(4) Nondestructive testing of cargo tanks and piping.

(5) Arrangement and adequacy of installed fire extinguishing systems and equipment.

(6) Safety devices and related systems which check the cargo and the surrounding spaces to give warning of leaks or other derangements which could result in a casualty.

(7) Compatibility of one cargo with another and with the structural materials involved.

ACTIONS REQUIRED BY FOREIGN VESSELS

a. Owners, masters, or agents of foreign vessels desiring to enter U.S. ports with those cargoes considered and listed herein as coming within the determinations of "potential unusual risks," as discussed above, shall submit to the Commandant (MMT), U.S. Coast Guard, Washington, D.C., 20226, plans and specifications for the cargo handling and containment facilities, the arrangement of the vessel, and the hull structure in way of the cargo tanks. Plans showing details of accommodation, navigation and propulsion spaces will not normally be required unless the design or concept is unconventional and creates unusual operating risks. For example, where it is proposed to use cargo boil-off as propulsion fuel, all details of the fuel system and spaces involved shall be submitted.

b. The Coast Guard does not conduct inspections in foreign building yards. In lieu thereof, for vessels under construction, inspection and witnessing by a recognized classification society of requirements made by the Coast Guard during plan review will be accepted. When these requirements made during plan review entail the submission of reports of inspection or test, they shall be certi-

fied by the classification society. The owner shall make the necessary arrangements with the classification society for the inspections and submission of the reports.

c. Upon receipt of a preliminary Letter of Compliance issued by the Commandant, the vessel may enter U.S. waters to initially load or off-load the specified cargoes. The owner shall notify the Commandant of the date and place of the vessel's initial arrival at least one week in advance. This notice is in addition to the requirements of 33 CFR 124.10 for advance notice of vessel's time of arrival.

d. Vessels already in service may be issued Letters of Compliance after adequate structural information and data have been submitted for Coast Guard review and the conditions are evaluated as satisfactory for the purposes of the specific cargo handling in the U.S. port. Plans and specifications shall be submitted to the Commandant (MMT), U.S. Coast Guard, Washington, D.C., 20226, in accordance with paragraph a. Existing reports of inspections and tests made and certified by a recognized classification society may be submitted in lieu of the special reports required in paragraph b for vessels under construction. All material must be submitted sufficiently prior to notification of the Commandant of vessel arrival date and place to permit Coast Guard review (normally 30 days).

ACTIONS BY THE COAST GUARD

I. Plans and specifications will be reviewed using the same criteria used to evaluate the safety of a similar design for a U.S. flag vessel. For vessels already in service inspection and test results will be reviewed for sufficiency as well as quality. Normally, when foreign equipment and material standards provide the same degree of safety as comparable U.S. standards, they will be accepted in lieu of requiring approved items of equipment and materials from manufacturers.

II. For vessels of new construction a preliminiary Letter of Compliance will be issued by the Commandant to the shipyard for delivery to the vessel after plans, specifications, and inspection and test reports have been found satisfactory and evidence has been received that the vessel will be accepted by a recognized classification society. Upon arrival at the first port of entry in the United States, a representative of the cognizant Captain of the Port and of the Officer in Charge, Marine Inspection, with a representative from the Commandant (MMT), will board and inspect the vessel. Inspection will consist of a physical inspection of the arrangement, cargo tanks and piping and such items as the marine inspector considers necessary to determine to the extent possible that the arrangement, etc., is in accordance with the plans that have been approved. Condition of vessel, location and adequacy of fire extinguishing system, safety devices and other similar equipment will be checked. A report of this inspection shall be submitted to the Commandant (M) by the Officer in Charge, Marine Inspection.

III. If the vessel is considered satisfactory as regards those areas of interest, a Letter of Compliance will be prepared by the Commandant (M) and addressed to the owner for delivery to the vessel, with copies for the cognizant Officer in Charge, Marine Inspection, and Captain of the Port. The letter will indicate that the special cargo carrying and handling features of the vessel have been evaluated and found satisfactory for the cargoes specified. For subsequent vessel arrivals, the Captain of the Port, in conjunction with the Officer in Charge, Marine Inspection, will make such inspections as considered necessary to insure that the vessel has been maintained in a safe condition.

(R.S. 4405, as amended, 4417a, as amended, 4462, as amended, 4472, as amended, sec. 3, 68 Stat.; 46 U.S.C. 375, 391a, 416, 170, 50 U.S.C. 198. Treasury Department Orders 120, July 31, 1950, 15 F.R. 6521; 167-14, Nov. 26, 1954, 19 F.R. 8026)

Dated: October 11, 1965.

[SEAL] E. J. ROLAND,
Admiral, U.S. Coast Guard,
Commandant.

[F.R. Doc. 65-11330; Filed, Oct. 21, 1965; 8:47 a.m.]

Comptroller of the Currency

INSURED BANKS

Joint Call for Report of Condition

CROSS REFERENCE: For a document relating to a joint call for report of condition of insured banks, see F.R. Doc. 65-11348, Federal Deposit Insurance Corporation, *infra*.

DEPARTMENT OF DEFENSE

Office of the Secretary

[Directive 5141.1]

ASSISTANT SECRETARY OF DEFENSE (SYSTEMS ANALYSIS)

Delegation of Authority

The Deputy Secretary of Defense approved the following on September 17, 1965:

I. *General.* Pursuant to the authority vested in the Secretary of Defense under the provisions of Title 10, United States Code, one of the authorized positions of Assistant Secretary of Defense is hereby designated the Assistant Secretary of Defense (Systems Analysis) with the responsibilities, functions, and authorities as prescribed herein.

II. *Responsibilities.* The responsibilities of the Assistant Secretary of Defense (Systems Analysis) are:

1. To review, for the Secretary of Defense, quantitative requirements, including forces, weapon systems, equipment, personnel, and nuclear weapons.

2. To assist the Secretary in the initiation, monitoring, guiding, and reviewing of requirements studies and cost-effectiveness studies.

3. To encourage the use of the best analytical methods throughout the Department of Defense.

4. To conduct or participate in special studies as directed by the Secretary of Defense.

III. *Functions.* Under the direction, authority and control of the Secretary of Defense, the Assistant Secretary of Defense (Systems Analysis) shall perform the following functions:

1. Develop measures of cost and effectiveness in order to make quickly and accurately analyses of a variety of alternative programs of force structure, weapons systems, and other military capabilities projected over a period of several years.

2. Assemble, consolidate, summarize, and present data in various forms so as to show the total implications of alternative programs in terms of relative costs, feasibility and effectiveness and the problems of choice involved.

3. Analyze and review quantitative requirements in the following functional fields:

a. Force Structures.

b. Total Manpower.

c. Weapons Systems and Major End Items of Materiel; e.g., bombs, torpedos, ships, vehicles, ammunition.

d. Nuclear Weapons.

e. Transportation, including mobility and deployment.

f. Information and communication systems closely related with the above requirements.

4. Analyze and review quantitative military requirements of allied and other foreign countries.

5. Assist the Secretary of Defense in initiating, monitoring, guiding, reviewing and summarizing requirements studies.

6. Participate in review of Consolidated Programs for command, control, communication, and intelligence functional activities.

7. Develop planning guidance and effectiveness criteria to be used in the determination and compilation of requirements by DoD components for materiel, weapons, transportation and information and communications systems for command and control and intelligence.

8. Review overall force guidance and associated plans.

9. Analyze impact upon civilian economy of DoD utilization of resources in above functional areas.

10. Provide special support to the Secretary of Defense for DoD' participation in those non-defense governmental programs assigned by the Secretary of Defense and in which DoD has strong interest, to include e.g., the Supersonic Transport Program, maritime subsidies, oil imports, and like programs but to exclude such programs as Civil Works which are assigned by Congress to specific DoD components.

11. Perform such other functions as the Secretary of Defense may assign.

IV. *Relationships.* A. In the performance of his functions, the Assistant Sec-

retary of Defense (Systems Analysis) shall:

1. Coordinate actions, as appropriate, with DoD components having collateral or related functions in the field of his assigned responsibility.

2. Maintain active liaison for the exchange of information and advice with DoD components, as appropriate.

3. Make full use of established facilities in the Office of the Secretary of Defense and other DoD components rather than unnecessarily duplicating such facilities.

B. The heads of all DoD components and their staffs shall cooperate fully with the Assistant Secretary of Defense (Systems Analysis) and his staff in a continuous effort to achieve efficient administration of the Department of Defense and to carry out effectively, the direction, authority, and control of the Secretary of Defense.

V. *Authorities.* A. The Assistant Secretary of Defense (Systems Analysis) in the course of exercising full staff functions, is hereby delegated authority to:

1. Issue instructions and one-time directive-type memoranda, in writing, appropriate to carrying out policies approved by the Secretary of Defense for his assigned responsibilities in accordance with DoD Directive 5025.1. Instructions to the military departments will be issued through the Secretaries of those departments or their designees.

2. Obtain such information, advice, and assistance from DoD components as he deems necessary.

3. Communicate directly with heads of DoD components including the Secretaries of the military departments, the Joint Chiefs of Staff and the Directors of the Defense Agencies.

4. Establish arrangements for DoD participation in those non-defense governmental programs for which he has been assigned primary staff cognizance.

5. Communicate directly with all governmental agencies participating with DoD in those non-defense governmental programs for which he has been assigned primary staff cognizance.

B. Other authorities and functions heretofore specifically delegated by the Secretary of Defense to various OSD elements which are hereby specifically delegated to the Assistant Secretary of Defense (Systems Analysis), will be referenced in an enclosure to this directive.

MAURICE W. ROCHE,
Director, Correspondence and Directives Division, OASD (Administration).

[F.R. Doc. 65-11304; Filed, Oct. 21, 1965; 8:45 a.m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

[Dept. Order 134-9]

SPECIAL ASSISTANT FOR EQUAL OPPORTUNITY

Functions

SECTION 1. *Purpose.* The purpose of this order is to prescribe the functions of the Special Assistant for Equal Opportunity in the Office of the Assistant Secretary for Administration.

SEC. 2. *General.* .01 The Special Assistant for Equal Opportunity is the principal staff service officer to oversee and coordinate the activities of all departmental programs concerning equal opportunity including those associated with (a) Title VI of the Civil Rights Act of 1964, and Executive Order 11247; (b) the Department's internal employment policy and its contracts compliance program under Executive Order 11246; and (c) other such statutes as may be enacted or Executive Orders issued hereafter.

.02 The Special Assistant for Equal Opportunity shall, in the performance of his functions, be subject to such policies and directives as may be prescribed by the Assistant Secretary for Administration and the Deputy Assistant Secretary for Administration.

SEC. 3. *Functions.* .01 The Special Assistant for Equal Opportunity shall:

a. Provide advice and assistance to primary organization units in establishing and maintaining their equal opportunity programs;

b. Review and appraise policies and practices throughout the Department relating to equal opportunity and on the basis of such study, develop and recommend the adoption of new or revised programs and policies to ensure that the Department's activities in this area are consistent with the spirit and requirements of law and Executive Order;

c. Develop orders, policy statements, regulations, and other directives designed to amplify and stress the policy of equal opportunity throughout the Department and follow up with individual bureau and office heads to assure their proper implementation;

d. Provide staff assistance to the Deputy Assistant Secretary for Administration in his role as the Department's Employment Policy Officer, the Department's Contract Compliance Officer, the Department's Coordinator of Title VI activities, and as representative to various interdepartmental groups concerned with equal opportunity programs;

e. Gather and synthesize materials for reports, review legislation and make recommendations for its implementation in the Department, and undertake other major assignments to carry out his advisory responsibilities;

f. Maintain technical surveillance over, and provide guidance to the primary organization units in the implementation of the Department's equal opportunity responsibilities, policies and regulations, including, but not limited to, the conduct of compliance reviews, complaint investigations, and other matters related to negotiation, conciliation and enforcement;

g. Review regulations, rules, directives, and interpretations having general applicability prior to their issuance by the primary organization units. On legal matters this review shall be undertaken in conjunction with the Office of the General Counsel;

h. Serve as Deputy Employment Policy Officer and Deputy Contracts Compliance Officer for the Office of the Secretary; and

i. Represent, as designated, the Department in meetings and conferences with other governmental agencies, and private groups with respect to the equal opportunity policies and programs of the Department and its primary organization units.

Effective date. October 12, 1965.

DAVID R. BALDWIN,
Assistant Secretary for Administration.

[F.R. Doc. 65-11305; Filed, Oct. 21, 1965; 8:45 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 15684; Order E-22779]

CHICAGO HELICOPTER AIRWAYS, INC.

Order To Show Cause

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of October 1965.

Petition of Chicago Helicopter Airways, Inc., Docket 15684, for issuance of an Order to Show Cause amending its certificate of public convenience and necessity and area exemption order.

Under its certificate of public convenience and necessity for Route 96, Chicago Helicopter Airways, Inc. (CHA) is authorized to engage in air transportation with respect to persons, property and mail as follows:

1. Between the terminal point Midway Airport and the terminal point O'Hare Field; and

2. Between the coterminal points Midway Airport and O'Hare Field and a terminal point located in or near the business district of Chicago, commonly known as the Loop, or located on or near the Lake Shore adjacent to the Loop.

An area exemption authority permits the carrier to engage in air transportation of persons, property or mail with rotary-wing aircraft, between any points within a 60-mile radius of O'Hare Field, except that the northern periphery of the 60-mile radius shall not extend beyond Racine, Wis.

Under our Orders E-20258 and E-20259[1] the above authorities continue in effect, with subsidy eligibility, through December 11, 1966.

On November 12, 1964, CHA filed a petition with the Board for an Order to Show Cause why the temporary certificate and exemption authority now held by the carrier should not be made permanent or of indefinite duration. CHA requested that the certificate incorporate provisions which would terminate CHA's eligibility for subsidy at the end of fiscal 1970 and, in the interim, impose a ceiling on such subsidy for fiscal years 1965 to 1970 inclusive. In support of its petition, the carrier, on January 15,

[1] Chicago Helicopter Airways, Inc. Renewal Case, Docket 14008 et al., E-20258 and E-20259, Dec. 12, 1963.

1965, submitted economic data intended to show how the carrier could achieve economic self-sufficiency under the proposed subsidy ceiling, and to provide reasons why the public convenience and necessity require that its operating authorities should be made of indefinite duration as part of the program for elimination of its dependence on subsidy.

In Show Cause Order E–21800, adopted on February 16, 1965, the Board found that a review of the facts and circumstances related to CHA's operations would not permit, at this time, a conclusion that any renewal of the carrier's certificate, with subsidy eligibility, was warranted beyond its present expiration date, because many of the carrier's assumptions—particularly as they applied to the growth in Midway traffic—were too conjectural to insure a reliable forecast of what may transpire between 1966 and 1970. Accordingly, that Show Cause Order excluded any renewal issue for CHA and was limited to the issue of whether CHA's existing certificate and exemption authority should be amended to impose, for the remainder of their term, the subsidy ceilings set forth in CHA's petition. Subsequently, after the proceeding was scheduled for a full evidentiary hearing due to the filing of objections to the Show Cause Order, the Board decided the proceeding should consider all pertinent matters, and thus Order E–22139 expanded the issues to include the question of whether CHA's certificate and exemption authority should be renewed on a permanent or temporary basis, and also the question of whether CHA's existing authority to carry mail should be terminated.

Procedural steps in the case have been deferred at the request of CHA, pending action by the Congress on the subsidy appropriation for helicopter carriers. The Congress has now acted, and has appropriated subsidy for CHA not to exceed $385,000 for the period from July 1 through December 31, 1965, after which no subsidy has been provided.[2]

In view of the foregoing Congressional action, the Board, by Order E–22675, adopted September 20, 1965, has established a subsidy rate of $385,000 for CHA for the period July 1, 1965, through December 31, 1965, and a rate containing no subsidy for the period January 1, 1966, forward.

On August 19, 1965, CHA filed a motion for dismissal of this proceeding in Docket 15684, giving as grounds for the dismissal, the following: that the 5-year subsidy elimination program envisaged by its petition initiating this proceeding has now been superseded by the foregoing action of the Congress terminating helicopter subsidy only several months hence; that since it appears that Congress will not appropriate helicopter subsidy for the period after December 31, 1965, CHA is willing to relinquish its eligibility for subsidy effective January 1, 1966, if the Board at the same time will dismiss this present proceeding in Docket 15684 which is almost a year premature insofar as the renewal of the rest of CHA's operating authority is concerned; that the dismissal of the present proceeding is consistent with the additional year granted to CHA in December of 1963 in its last renewal case in Docket 14008 et al., in which the Board granted CHA a 3-year renewal ending December 11, 1966, instead of the 2-year renewal recommended by the Examiner, and the principal circumstance for the granting of the additional year has come to pass, namely, the continued uncertainty as to the future role of Midway Airport in Chicago; that renewal issues were included in the present proceeding only because they were related to CHA's own petition proposing a subsidy reduction program which has not materialized, and there is now no reason to continue processing CHA's petition in Docket 15684, it being more in the public interest to conduct a renewal proceeding at a later date, when more information will be available on which to predicate a renewal decision.

The Bureau of Economic Regulation has filed an answer in support of CHA's motion and the Department of Commerce does not object to the grant of CHA's motion on the basis stated therein.

Upon consideration of all of the foregoing, we tentatively find and conclude that the proceeding in Docket 15684 should be dismissed and that CHA's certificate of public convenience and necessity for its Route 96 and its temporary area exemption authority shall be permitted to continue in effect through December 11, 1966, unless renewed by an appropriate order of the Board following evidentiary hearing on a newly filed application. We further tentatively find and conclude that CHA's existing authorities shall be amended to impose a ceiling on subsidy of $385,000 from July 1 through December 31, 1965, and that, thereafter, CHA's authority to engage in transportation of mail will be limited to the carriage of mail on a nonsubsidy basis, i.e., on a service mail rate to be paid entirely by the Postmaster General, and CHA shall not be entitled to any subsidy under Section 406 of the Act, with respect to any operations conducted pursuant to its authorities.

Accordingly, it is ordered, That:

1. All interested persons are hereby directed to show cause why the Board should not issue an order making final the tentative findings and conclusions made herein and (a) issue to Chicago Helicopter Airways, Inc., an amended certificate of public convenience and necessity for its Route 96 in the manner and form contained in Appendix A, attached,[3] and (b) amend the exemption authority now held by Chicago Helicopter Airways, Inc., so as to provide that operations performed pursuant thereto shall be included as a part of the total operations to be governed by the subsidy limitations as herein set forth;

2. Upon issuance of an order making final the tentative findings and conclusions reached herein, an order will be issued dismissing the proceeding in Docket 15684;

3. Any interested persons having objections to the tentative findings and conclusions reached herein shall, within 15 days from the service date of this order, file such written objections with the Board;

4. Since specific provision is made herein for the filing of objections to the tentative findings and conclusions, filing of petitions for reconsideration will be cumulative and will not be entertained; and

5. A copy of this order shall be served on Chicago Helicopter Airways, Inc; Mayor of the City of Chicago, Ill.; Mayor of Gary, Ind.; the village of Winnetka, Ill.; the Assistant Postmaster General for Transportation, Post Office Department; Secretary of Commerce; the Department of Defense; Governor of the State of Illinois and the Department of Aeronautics, State of Illinois.

This order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON, *Secretary.*

[F.R. Doc. 65–11343; Filed, Oct. 21, 1965; 8:48 a.m.]

[Docket No. 16578; Order E–22783]

NORTH CENTRAL AIRLINES, INC.

Order of Investigation and Suspension Regarding Proposed One-Way Propeller First-Class Fares

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of October 1965.

North Central Airlines, Inc. (North Central) filed tariff revisions,[1] marked to become effective October 31, 1965, proposing (1) to increase local one-way first-class fares between two points and Battle Creek, and between nine points and Kalamazoo by amounts of 50 cents or one dollar to provide common fares for these two cities; (2) to reduce local one-way first-class fares by amounts of one or two dollars between six pairs of points; and (3) to establish new one-way first-class fares between six pairs of noncompetitive points to be less than the combination of other fares.

In justification of its proposal, North Central asserts that it is necessary to change certain Kalamazoo and Battle Creek fares to provide a common fare level to both cities because (1) such cities are located 17 miles apart and currently have a common fare to and from the major traffic generating points of Chicago and Detroit, and (2) passengers frequently enplane at one city and deplane at the other because of the close proximity, the availability of ground transportation, and frequency of flights.

No complaints have been filed against the proposed tariff.

We believe that the proposed fare decreases and the new fares should be permitted to become effective since they do

[2] Public Law 89–128, Aug. 16, 1965.

[3] Appendix A filed as part of original document.

[1] Revisions to Airline Tariff Publishers, Inc., agent, C.A.B. No. 44, bearing a posting date of Sept. 15, 1965.

not appear unreasonable. However, to effect the desired common rating the carrier has proposed fare increases, in all instances which are the higher of the existing fares between either Battle Creek or Kalamazoo and the 11 points concerned. Since the carrier has failed to submit sufficient economic justification for filing fare increases rather than fare decreases to effect the common rating of the two cities, in view of the favorable earnings position, the Board finds that the proposed fare increases are unwarranted.

Upon consideration of all relevant facts, the Board finds that North Central's proposed increased fares to Battle Creek and Kalamazoo may be unjust or unreasonable, unjustly discriminatory, unduly preferential, or unduly prejudicial, and should be suspended and investigated, and that the proposed fare decreases and the new fares should be permitted to become effective.

Accordingly, pursuant to the Federal Aviation Act of 1958 and particularly sections 204(a), 403, 404, and 1002 thereof:

It is ordered, That:

1. An investigation is instituted to determine whether the fares and provisions described in Appendix A hereto[2] and rules, regulations, or practices affecting such fares and provisions are, or will be, unjust or unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful, and if found to be unlawful, to determine and prescribe the lawful fares and provisions, and rules, regulations, and practices affecting such fares and provisions;

2. Pending hearing and decision by the Board, the fares and provisions described in Appendix A hereto[2] are suspended and their use deferred to and including January 28, 1966, unless otherwise ordered by the Board, and that no changes be made therein during the period of suspension except by order or special permission of the Board;

3. This investigation be assigned for hearing before an examiner of the Board at a time and place hereafter to be designated; and

4. A copy of this order be filed with the tariff and shall be served upon North Central Airlines, Inc., which is made a party to the investigation ordered herein.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.[3]

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 65-11344; Filed, Oct. 21, 1965; 8:48 a.m.]

[2] Appendix A filed as part of original document.

[3] Dissenting statement of Members Gillilland and Adams filed as part of original document.

FEDERAL DEPOSIT INSURANCE CORPORATION

INSURED BANKS

Joint Call for Report of Condition

Pursuant to the provisions of section 7(a)(3) of the Federal Deposit Insurance Act each insured bank is required to make a Report of Condition as of the close of business October 13, 1965, to the appropriate agency designated herein, within 10 days after notice that such report shall be made: *Provided*, That if such reporting date is a nonbusiness day for any bank, the preceding business day shall be its reporting date.

Each national bank and each bank in the District of Columbia shall make its original Report of Condition on Office of the Comptroller Form, Call No. 455,[1] and shall send the same to the Comptroller of the Currency, and shall send a signed and attested copy thereof to the Federal Deposit Insurance Corporation. Each insured State bank which is a member of the Federal Reserve System, except a bank in the District of Columbia, shall make its original Report of Condition on Federal Reserve Form 105—Call 177,[1] and shall send the same to the Federal Reserve Bank of the District wherein the bank is located, and shall send a signed and attested copy thereof to the Federal Deposit Insurance Corporation. Each insured State bank not a member of the Federal Reserve System, except a bank in the District of Columbia and a mutual savings bank, shall make its original Report of Condition on FDIC Form 64—Call No. 73,[1] and shall send the same to the Federal Deposit Insurance Corporation.

The original Report of Condition required to be furnished hereunder to the Comptroller of the Currency and the copy thereof required to be furnished to the Federal Deposit Insurance Corporation shall be prepared in accordance with "Instructions for preparation of Reports of Condition by National Banking Associations," dated January 1961, and any amendments thereto.[1] The original Report of Condition required to be furnished hereunder to the Federal Reserve Bank of the District wherein the bank is located and the copy thereof required to be furnished to the Federal Deposit Insurance Corporation shall be prepared in accordance with "Instructions for the preparation of Reports of Condition by State Member Banks of the Federal Reserve System," dated February 1961.[1] The original Report of Condition required to be furnished hereunder to the Federal Deposit Insurance Corporation shall be prepared in accordance with "Instructions for the preparation of Report of Condition on Form 64, by insured State banks not members of the Federal Reserve System," dated January 1961.[1]

[1] Filed as part of original document.

Each insured mutual savings bank not a member of the Federal Reserve System shall make its original Report of Condition on FDIC Form 64 (Savings),[1] prepared in accordance with "Instructions for the preparation of Report of Condition on Form 64 (Savings) and Report of Income and Dividends on Form 73 (Savings) by Mutual Savings Banks," dated December 1962,[1] and shall send the same to the Federal Deposit Insurance Corporation.

FEDERAL DEPOSIT INSURANCE CORPORATION,
[SEAL] K. A. RANDALL,
Chairman,

JAMES J. SAXON,
Comptroller of the Currency.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
WILLIAM MCC. MARTIN, JR.,
Chairman.

[F.R. Doc. 65-11348; Filed, Oct. 21, 1965; 8:48 a.m.]

FEDERAL POWER COMMISSION

[Docket No. CP66-92]

EL PASO NATURAL GAS CO.

Notice of Application

OCTOBER 14, 1965.

Take notice that on October 4, 1965, El Paso Natural Gas Co. (Applicant), Post Office Box 1492, El Paso, Tex., 79999, filed in Docket No. CP66-92 a "budget-type" application pursuant to section 7(c) of the Natural Gas Act, as implemented by § 157.7(c) of the regulations under the Act, for a certificate of public convenience and necessity authorizing the construction, during the calendar year 1966, and operation of certain natural gas facilities, all as more fully set forth in the application on file with the Commission and open to public inspection.

The application states that the proposed facilities are to be utilized for the sale and delivery of natural gas to Applicant's existing, authorized Southern Division distributor customers for resale and general distribution to residential, nonresidential, and irrigation consumers situated in existing market areas in the States of Texas, New Mexico, and Arizona and San Juan County, Utah. The rates which would apply to the proposed sales and deliveries are those contained in Applicant's FPC Gas Tariff, Original Volume No. 1.

The application states that the maximum facilities for which authorization is requested consist of 30 taps at an aggregate cost not to exceed $12,000; 25 measuring and regulating stations at an aggregate cost not to exceed $175,000; and 3 lateral or loop pipelines, not to exceed a maximum diameter of 8⅝ inches O.D. and a maximum length of 12 miles, at an aggregate cost not to exceed $113,000.

Total estimated cost of Applicant's proposed construction is not to exceed $300,000 and would be financed with working funds.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (§ 157.10) on or before November 8, 1965.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-11311; Filed, Oct. 21, 1965; 8:45 a.m.]

[Docket No. CP66-93]

EL PASO NATURAL GAS CO.

Notice of Application

OCTOBER 14, 1965.

Take notice that on October 4, 1965, El Paso Natural Gas Co. (Applicant), Post Office Box 1492, El Paso, Tex., 79999, filed in Docket No. CP66-93 a "budget-type" application pursuant to section 7(c) of the Natural Gas Act, as implemented by § 157.7(c) of the regulations under the Act, for a certificate of public convenience and necessity authorizing the construction, during the calendar year 1966, and operation of certain natural gas facilities, the sale and delivery of natural gas by means thereof and the sale and delivery of natural gas by means of facilities to be constructed, during the calendar year 1966, and operated by Pacific Gas Transmission Co. (PGT), all as more fully set forth in the application on file with the Commission and open to public inspection.

The application states that the proposed facilities are to be utilized for the sale and delivery of natural gas to Applicant's existing, authorized Northwest Division distributor customers for resale and general distribution to consumers situated in existing market areas in the States of Colorado, Utah, Idaho, Oregon, and Washington. The rates which would apply to the proposed sales and deliveries are those contained in Applicant's FPC Gas Tariff, Original Volume No. 3. To implement the foregoing sales and deliveries, Applicant states that it would utilize supplies of natural gas attached directly to its Northwest Division System or transported for the account of Applicant by PGT.

Applicant states that in consideration of the forthcoming divestiture of Applicant's Northwest Division facilities to Northwest Pipeline Corp. (Northwest),[1] as ordered by the U.S. Supreme Court, the budget type authorization sought is intended to encompass and be applicable to only those facilities and activities of Applicant's Northwest Division System. Upon divestiture of such system to Northwest, such authorization is also intended by Applicant to be applicable, upon appropriate order of the Commission, to Northwest. Applicant has filed concurrently herewith, in Docket No. CP66-92, an application for similar budget type authorization for its Southern Division System.

The application states that the maximum facilities for which authorization is requested consist of 20 taps at an aggregate cost not to exceed $9,000; 20 measuring and regulating stations at an aggregate cost not to exceed $140,000; and 3 lateral or loop pipelines, not to exceed a maximum diameter of 8⅝ inches O.D. and a maximum length of 12 miles, at an aggregate cost not to exceed $151,000.

The total estimated cost of Applicant's proposed construction is not to exceed $300,000, and would be financed with working funds.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (§ 157.10) on or before November 8, 1965.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-11312; Filed, Oct. 21, 1965; 8:45 a.m.]

[1] See Notice of Applications, Consolidation of Proceedings and Requirement to File Testimony, 30 F.R. 11003, Aug. 25, 1965, regarding the application of Applicant in Docket No. CP66-27 and the applications of Northwest in Docket Nos. CP66-28, CP66-29 and CP66-30, relating to the divestiture by Applicant of its Northwest Division System.

[Docket No. CP66-94]

LOUISIANA GAS SERVICE CO. AND TENNESSEE GAS TRANSMISSION CO.

Notice of Application

OCTOBER 14, 1965.

Take notice that on October 4, 1965, Louisiana Gas Service Co. (Applicant), Post Office Box 433, Harvey, La., filed in Docket No. CP66-94 an application pursuant to section 7(a) of the Natural Gas Act for an order of the Commission directing Tennessee Gas Transmission Co. (Respondent) to establish physical connection of its transportation facilities with the facilities proposed to be constructed by Applicant and to sell and deliver to Applicant volumes of natural gas for resale and distribution in the unincorporated community of Transylvania, East Carroll Parish, La., all as more fully set forth in the application on file with the Commission and open to public inspection.

The application states that residents in and adjacent to the community of Transylvania have requested natural gas service. Applicant states that a survey of the area indicates that the proposed distribution system, consisting of 3.6 miles of 3-inch and 2-inch mains to render gas service to 64 residential prospects, 1 school and 1 cotton gin, will be well within the prescribed limits of Applicant's extension policy for unincorporated areas.

The maximum daily requirement for the first 3 years is estimated by applicant to be 100 Mcf per day and the annual requirements as follows:

	First year	Second year	Third year
Residential	5,568	5,829	6,177
School	1,200	1,200	1,200
Cotton gin	2,500	2,500	2,500
Total	9,268	9,569	9,877

Total estimated cost of Applicant's proposed distribution system is $41,640, and would be financed by funds available through a bank credit agreement.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before November 8, 1965.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-11313; Filed, Oct. 21, 1965; 8:45 a.m.]

[Docket No. E-7112]

MISSISSIPPI POWER CO.

Notice of Further Continuance of Prehearing Conference

OCTOBER 15, 1965.

Upon consideration of the request filed October 13, 1965, by counsel for Coast Electric Power Association, Dixie Electric Power Association, East Mississippi Electric Power Association, Pearl River Valley

Electric Power Association, Singing River Electric Power Association, and Southern Pine Electric Power Association, intervenors in the above-designated matter, for a further postponement of the prehearing conference;

Notice is hereby given that the prehearing conference is further postponed from November 3, 1965, to November 9, 1965.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-11314; Filed, Oct. 21, 1965; 8:46 a.m.]

[Docket No. CP66-96]

NATURAL GAS PIPELINE COMPANY OF AMERICA

Notice of Application

OCTOBER 14, 1965.

Take notice that on October 7, 1965, Natural Gas Pipeline Co. of America (Applicant), 122 South Michigan Avenue, Chicago, Ill., 60603, filed in Docket No. CP66-96 a "budget-type" application pursuant to section 7(c) of the Natural Gas Act, as implemented by § 157.7(b) of the Regulations under the Act, for a certificate of public convenience and necessity authorizing the construction, during the calendar year 1966, and operation of meter stations, lateral pipelines, and taps on Applicant's existing natural gas transmission system to enable Applicant to take into its certificated main pipeline system natural gas which will be purchased from producers thereof, all as more fully set for in the application on file with the Commission and open to public inspection.

Applicant states that the purpose of the instant application is to augment its ability to act with reasonable dispatch in contracting for and connecting to its pipeline system new supplies of natural gas in various areas located in the vicinity of its system.

The application states that Applicant does not propose any change in the design or operation of its pipeline system, or in the sales and service rendered thereby, or in the rates now charged by it, by reason of the proposed facilities and no such changes would result from such proposed facilities.

Total estimated cost of Applicant's proposed construction is not to exceed $2,000,000, with no single project to exceed a cost of $500,000, and would be financed with funds on hand.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (157.10) on or before November 8, 1965.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-11315; Filed, Oct. 21, 1965; 8:46 a.m.]

[Project No. 619]

PACIFIC GAS AND ELECTRIC CO.

Notice of Application for Amendment of License for Constructed Project

OCTOBER 15, 1965.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a–825r) by Pacific Gas and Electric Co. (correspondence to: S. L. Sibley, President, Pacific Gas and Electric Co., 245 Market Street, San Francisco, Calif., 94106) for amendment of its license for constructed Project No. 619 located on Bucks Creek, Milk Ranch Creek, Grizzley Creek, and North Fork of Feather River in the vicinity of Quincy, Plumas County, Calif., and affecting lands of the United States within the Plumas National Forest.

The application seeks about a 7¼-year extension of the license period to a full 50-year period ending April 13, 1976. The original license for the project was issued on April 14, 1926, for a period ending December 31, 1968. The project was constructed between the issuance date of the license and October 1928.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10). The last day upon which protests or petitions may be filed is November 26, 1965. The application is on file with the Commission for public inspection.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-11316; Filed, Oct. 21, 1965; 8:46 a.m.]

FEDERAL RESERVE SYSTEM

INSURED BANKS

Joint Call for Report of Condition

CROSS REFERENCE: For a document relating to a joint call for report of condition of insured banks, see F.R. Doc. 65-11348, Federal Deposit Insurance Corporation, *supra*.

GENERAL SERVICES ADMINISTRATION

[Temporary reg. No. 1]

EQUAL EMPLOYMENT OPPORTUNITY

Standard Government Contract Forms

OCTOBER 19, 1965.

1. *Purpose.* This regulation amends the provisions of standard Government contract forms concerning equal employment opportunity, as required by Executive Order No. 11246, dated September 24, 1965 (30 F.R. 12319).

2. *Background.* a. Executive Order No. 11246 prescribes Government policies and procedures applicable to equal employment opportunity. The order supersedes Executive Order No. 10925, as amended, and other prior executive orders pertaining to equal employment opportunity.

b. Part II of Executive Order No. 11246 deals with nondiscrimination in employment by Government contractors and subcontractors and provides that the Secretary of Labor shall be responsible for the administration of the Part. The Part also prescribes a revised clause for use in Government contracts and subcontracts and continues the bidder and prospective contractor and subcontractor representation requirement regarding participation in previous contracts subject to an Equal Opportunity clause and submission of required compliance reports.

c. Section 404 of the order provides that the General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of the order and the rules and regulations of the Secretary of Labor. Accordingly, the Equal Opportunity clause and representation which are prescribed by the FPR in the text of the regulations and in certain standard forms are revised as specified in paragraph 3 of this regulation. The revision has been worked out with the Department of Labor.

3. *Amendment of standard forms and clauses.* a. The Equal Opportunity clause prescribed in § 1–12.803–2 of the Federal Procurement Regulations is revised to substitute the clause prescribed in Part II of Executive Order No. 11246, dated September 24, 1965 (30 F.R. 12319, September 28, 1965). The parenthetical preamble and the footnote to the present clause are retained unchanged, except that the preamble and the footnote are revised to refer to the Secretary of Labor in place of the President's Committee on Equal Employment Opportunity.

b. Standard Form 32, June 1964 edition, Supply Contract General Provisions (41 CFR 1–16.101(b) and 1–16.901–32), Standard Form 23–A, June 1964 edition, Construction Contract General Provisions (41 CFR 1–16.401(g) and 1–16.901–23A), and Standard Form 2–A, February 1965 edition, General Provisions and Instructions, U.S. Govern-

ment Lease for Real Property (41 CFR 1-16.602-2 and 1-16.901-2A), are revised to delete the present Equal Opportunity clause prescribed as Clauses 18, 21, and 9, respectively, and to substitute therefor the clause set forth in Part II of Executive Order No. 11246, dated September 24, 1965 (30 F.R. 12319, September 28, 1965). The parenthetical preamble and the footnote to the present clause are retained unchanged, except that the preamble and footnote are revised to refer to the Secretary of Labor in place of the President's Committee on Equal Employment Opportunity. These changes will be reflected in the next formal revision of the standard forms.

c. The Equal Opportunity representation set forth in FPR § 1-12.805-4(e) and on Standard Forms 33 and 21 is revised to read as follows: "The bidder (or offeror) represents that he ( ) has, ( ) has not, participated in a previous contract or subcontract subject to the Equal Opportunity clause herein, the clause originally contained in section 301 of Executive Order No. 10925, or the clause contained in section 201 of Executive Order No. 11114; that he ( ) has, ( ) has not, filed all required compliance reports; and that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained prior to subcontract awards. (The above representation need not be submitted in connection with contracts or subcontracts which are exempt from the clause.)"

4. *Agency implementation.* Pending reprinting of standard forms and related amendments to the FPR, agencies shall give effect to the amendments prescribed in paragraph 3 above, by inserting substantially the following language in invitations, solicitations, and other appropriate contract documents:

EQUAL OPPORTUNITY

(a) Clause --, regarding "Equal Opportunity," in the attached (insert reference to applicable standard form or other General Provisions being used), is amended by deleting references to the President's Committee on Equal Employment Opportunity, Executive Order No. 10925 of March 6, 1961, as amended, and section 303 of Executive Order No. 10925 of March 6, 1961, as amended; and substituting therefor the Secretary of Labor, Executive Order No. 11246 of September 24, 1965, and section 204 of Executive Order No. 11246 of September 24, 1965, respectively.

(b) In accordance with regulations of the Secretary of Labor, the rules, regulations, orders, instructions, designations, and other directives referred to in section 403(b) of Executive Order No. 11246, remain in effect and, where applicable, shall be observed in the performance of this contract until revoked or superseded by appropriate authority.

(c) The Equal Opportunity representation in the attached (insert reference to applicable standard forms or other forms being used) is amended to insert, after the reference to "Executive Order 10925" the following: "or the clause contained in section 201 of Executive Order No. 11114".

5. *Effective date.* This regulation is effective on October 24, 1965, with respect to invitations for bids and requests for proposals or similar documents first initiated on or after that date.

6. *Expiration date.* Unless revised or canceled earlier by a formal FPR amendment, this regulation expires April 24, 1966.

LAWSON B. KNOTT, Jr.,
Administrator of General Services.

[F.R. Doc. 65-11374; Filed, Oct. 21, 1965; 8:48 a.m.]

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

REGIONAL DIRECTOR OF URBAN RENEWAL, REGION I (NEW YORK)

Redelegation of Authority With Respect to Open-Space Land and Urban Beautification and Improvement

The Regional Director of Urban Renewal, Region I (New York), Housing and Home Finance Agency, is hereby authorized within the Region to exercise the authority delegated to the Regional Administrator under the Housing and Home Finance Administrator's delegation of authority effective August 10, 1965 (30 F.R. 11156, August 28, 1965), with respect to open-space land and urban beautification and improvement authorized under Title VII of the Housing Act of 1961, as amended by Title IX of the Housing and Urban Development Act of 1965 (42 U.S.C. 1500).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation)

This redelegation supersedes the redelegation effective April 28, 1964 (29 F.R. 5650, April 28, 1964).

Effective as of the 10th day of August 1965.

[SEAL] LESTER EISNER, Jr.,
Regional Administrator,
Region I.

[F.R. Doc. 65-11333; Filed, Oct. 21, 1965; 8:47 a.m.]

REGIONAL DIRECTOR OF URBAN RENEWAL, REGION II (PHILADELPHIA)

Redelegation of Authority With Respect to Open-Space Land and Urban Beautification and Improvement

The Regional Director of Urban Renewal, Region II (Philadelphia), Housing and Home Finance Agency, is hereby authorized within the Region to exercise the authority delegated to the Regional Administrator under the Housing and Home Finance Administrator's delegation of authority effective August 10, 1965 (30 F.R. 11156, August 28, 1965), with respect to open-space land and urban beautification and improvement authorized under Title VII of the Housing Act of 1961, as amended by Title IX of the Housing and Urban Development Act of 1965 (42 U.S.C. 1500).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation)

This redelegation supersedes the redelegation effective April 28, 1964 (29 F.R. 5650, April 28, 1964).

Effective as of the 10th day of August 1965.

[SEAL] WARREN P. PHELAN,
Regional Administrator,
Region II.

[F.R. Doc. 65-11334; Filed, Oct. 21, 1965; 8:47 a.m.]

REGIONAL DIRECTOR OF URBAN RENEWAL, REGION III (ATLANTA)

Redelegation of Authority With Respect to Open-Space Land and Urban Beautification and Improvement

The Regional Director of Urban Renewal, Region III (Atlanta), Housing and Home Finance Agency, is hereby authorized within the Region to exercise the authority delegated to the Regional Administrator under the Housing and Home Finance Administrator's delegation of authority effective August 10, 1965 (30 F.R. 11156, August 28, 1965), with respect to open-space land and urban beautification and improvement authorized under Title VII of the Housing Act of 1961, as amended by Title IX of the Housing and Urban Development Act of 1965 (42 U.S.C. 1500).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation)

This redelegation supersedes the redelegation effective April 28, 1964 (29 F.R. 5650, April 28, 1964).

Effective as of the 10th day of August 1965.

[SEAL] EDWARD H. BAXTER,
Regional Administrator,
Region III.

[F.R. Doc. 65-11335; Filed, Oct. 21, 1965; 8:47 a.m.]

REGIONAL DIRECTOR OF URBAN RENEWAL, REGION IV (CHICAGO)

Redelegation of Authority With Respect to Open-Space Land and Urban Beautification and Improvement

The Regional Director of Urban Renewal, Region IV (Chicago), Housing and Home Finance Agency, is hereby authorized within the Region to exercise the authority delegated to the Regional Administrator under the Housing and Home Finance Administrator's delegation of authority effective August 10, 1965 (30 F.R. 11156, August 28, 1965), with respect to open-space land and urban beautification and improvement authorized under Title VII of the Housing Act of 1961, as amended by Title IX of the

Housing and Urban Development Act of 1965 (42 U.S.C. 1500).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation)

This redelegation supersedes the redelegation effective April 28, 1964 (29 F.R. 5650, April 28, 1964).

Effective as of the 10th day of August 1965.

[SEAL] JOHN P. MCCOLLUM,
Regional Administrator,
Region IV.

[F.R. Doc. 65-11336; Filed, Oct. 21, 1965; 8:47 a.m.]

REGIONAL DIRECTOR OF URBAN RENEWAL, REGION V (FORT WORTH)

Redelegation of Authority With Respect to Open-Space Land and Urban Beautification and Improvement

The Regional Director of Urban Renewal, Region V (Fort Worth), Housing and Home Finance Agency, is hereby authorized within the Region to exercise the authority delegated to the Regional Administrator under the Housing and Home Finance Administrator's delegation of authority effective August 10, 1965 (30 F.R. 11156, August 28, 1965), with respect to open-space land and urban beautification and improvement authorized under Title VII of the Housing Act of 1961, as amended by Title IX of the Housing and Urban Development Act of 1965 (42 U.S.C. 1500).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation)

This redelegation supersedes the redelegation effective April 28, 1964 (29 F.R. 5650, April 28, 1964).

Effective as of the 10th day of August 1965.

[SEAL] W. W. COLLINS,
Regional Administrator,
Region V.

[F.R. Doc. 65-11337; Filed, Oct. 21, 1965; 8:47 a.m.]

REGIONAL DIRECTOR OF URBAN RENEWAL, REGION VI (SAN FRANCISCO)

Redelegation of Authority With Respect to Open-Space Land and Urban Beautification and Improvement

The Regional Director of Urban Renewal, Region VI (San Francisco), Housing and Home Finance Agency, is hereby authorized within the Region to exercise the authority delegated to the Regional Administrator under the Housing and Home Finance Administrator's delegation of authority effective August 10, 1965 (30 F.R. 11156, August 28, 1965), with respect to open-space land and urban beautification and improvement authorized under Title VII of the Housing Act of 1961, as amended by Title IX of the Housing and Urban Development Act of 1965 (42 U.S.C. 1500).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation)

This redelegation supersedes the redelegation effective April 28, 1964 (29 F.R. 5650, April 28, 1964).

Effective as of the 10th day of August 1965.

[SEAL] ROBERT B. PITTS,
Regional Administrator,
Region VI.

[F.R. Doc. 65-11338; Filed, Oct. 21, 1965; 8:47 a.m.]

REGIONAL DIRECTOR OF URBAN RENEWAL, REGION VII (SAN JUAN, PUERTO RICO)

Redelegation of Authority With Respect to Open-Space Land and Urban Beautification and Improvement

The Regional Director of Urban Renewal, Region VII (San Juan, Puerto Rico), Housing and Home Finance Agency, is hereby authorized within the Region to exercise the authority delegated to the Regional Administrator under the Housing and Home Finance Administrator's delegation of authority effective August 10, 1965 (30 F.R. 11156, August 28, 1965), with respect to open-space land and urban beautification and improvement authorized under Title VII of the Housing Act of 1961, as amended by Title IX of the Housing and Urban Development Act of 1965 (42 U.S.C. 1500).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation)

This redelegation supersedes the redelegation effective April 28, 1964 (29 F.R. 5650, April 28, 1964).

Effective as of the 10th day of August 1965.

[SEAL] JOSE E. FEBRES SILVA,
Regional Administrator,
Region VII.

[F.R. Doc. 65-11339; Filed, Oct. 21, 1965; 8:47 a.m.]

REGIONAL DIRECTOR OF URBAN RENEWAL, REGIONAL REHABILITATION LOAN OFFICER, AND AREA REHABILITATION LOAN SPECIALISTS, HHFA REGION VII (SAN JUAN, PUERTO RICO)

Redelegation of Authority With Respect to Rehabilitation Loans

The Regional Director of Urban Renewal, the Regional Rehabilitation Loan Officer, and each Area Rehabilitation Loan Specialist, Region VII (San Juan, P.R.), Housing and Home Finance Agency, is hereby authorized within the Region to exercise the authority delegated to the Regional Administrator by the Housing and Home Finance Administrator's delegation of authority effective July 17, 1965 (30 F.R. 9024, July 17, 1965), with respect to rehabilitation loans authorized under section 312 of the Housing Act of 1964 (42 U.S.C. 1452b).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation)

Effective as of the 22d day of October 1965.

[SEAL] JOSE E. FEBRES SILVA,
Regional Administrator,
Region VII.

[F.R. Doc. 65-11340; Filed, Oct. 21, 1965; 8:48 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[812-233]

GM SHARES, INC.

Notice of Application for Order of Exemption

OCTOBER 18, 1965.

Notice is hereby given that an application has been filed pursuant to section 6(c) of the Investment Company Act of 1940 ("Act") by GM Shares, Inc. ("Applicant"), 3044 West Grand Boulevard, Detroit, Mich., a registered open-end, nondiversified management investment company, incorporated in 1938 under the laws of the State of Delaware. Applicant seeks an order of the Commission exempting it from all provisions of the Act except section 8(a) and to a limited extent sections 17(a) through 17(e) subject to the conditions hereinafter set forth. All interested persons are referred to the application on file with the Commission for a complete statement of applicant's representations contained therein which are summarized below.

Applicant was formed pursuant to an agreement of consolidation between two corporations which General Motors Corp. ("General Motors") had created to effectuate plans (no longer existent) to enable its executives to become substantial stockholders in General Motors. Applicant's sole asset, exclusive of government securities and cash, is and has been General Motors common stock. It does not intend to invest in the stock of any other issuer. Subsequent to its organization, applicant's only acquisitions of General Motors common stock were in connection with the reclassifications and splits of General Motors common stock and its exercise of rights in 1955 upon issuance of additional shares of General Motors. Applicant's only dispositions of General Motors common stock have been pursuant to the requirements of its charter upon redemption of its stock and pursuant to a continuing offer made to its common stockholders (described below).

Applicant has not, nor does it intend to invest, reinvest, or trade in securities issued by, or dominate, control, or other-

wise affect the policies and management of, companies engaged in business in interstate commerce. It does not, nor does it intend to borrow money; underwrite the securities of other issuers; purchase and sell real estate, commodities or commodity contracts; or make loans to other persons, nor has it ever engaged in any of the foregoing activities.

As of December 31, 1964, applicant had outstanding 660,760 shares of Class A stock, 107,562 shares of Class B stock and 6,404 shares of common stock. Since its organization, applicant has issued no stock of any class in addition to the amounts originally issued except the shares issued in connection with the 1955 General Motors subscription offer. Applicant's stock is not listed nor sold on any stock exchange nor elsewhere and it does not intend to make application to have its stock so listed. Each outstanding share of stock has a par value of $1 per share and each is entitled to one vote. Under the charter of applicant, separate asset and surplus accounts were established and are maintained for each class of capital stock. Each share of Class A and Class B stock is convertible, at the request of the owner upon 90 days' written notice, into six shares of General Motors common stock plus its pro-rata share of surplus in the separate surplus account maintained for each such class. The common stockholders of applicant are entitled to the remaining assets, which, as of December 31, 1964, include the equivalent of approximately 5.366 shares of General Motors common stock, plus surplus of $2.79 (as of December 31, 1964) for each share of applicant's common stock.

In 1946, applicant offered to acquire from its common shareholders a limited number of shares of its common stock in exchange for their pro-rata share of the underlying assets. The offer has been continued each year by resolution of the Board of Directors and through notice of such continuance given to applicant's stockholders by letter. As of December 31, 1964, the offer was to acquire up to a maximum of 50,000 shares, of which 44,377 had been acquired.

Applicant's directors and officers are, and always have been, directors, officers or employees of General Motors. None has received compensation from applicant. Its directors are elected annually pursuant to proxies.

Applicant's stockholders are present or former General Motors executives who were participants in the original plans, or their transferees consisting primarily of estates, charitable institutions, and family members. Applicant's stock, as of December 31, 1964, was held by 605 persons.

The sole income of applicant (except for interest received on holdings of Government securities) is from dividends upon General Motors common stock. Its expenses other than income taxes have not exceeded $7,500 in any one of the past 5 years.

All persons having access to securities or funds of applicant are employees of General Motors and are covered by a blanket fidelity bond which provides coverage totalling $2,000,000 maintained by General Motors in which GM Shares, Inc. is included as one of the named insured.

Applicant seeks exemption from the provisions of sections 17(a) through 17(e) of the Act, which relate to transactions of certain affiliated persons and underwriters, only to the extent that such sections may be applicable to the redemption of GM Shares, Inc. Class A and Class B stock pursuant to applicant's charter and to the purchase by the applicant of its outstanding common stock pursuant to existing resolutions, or any renewals thereof, of its Board of Directors.

Applicant seeks the exemption, subject to the following conditions:

a. Applicant will continue to solicit proxies in connection with matters to be brought before the shareholders of the applicant at the annual or any special meeting thereof and, in connection with such solicitation, applicant will furnish to its shareholders substantially the same information as is required by the Commission's rules with respect to solicitation of proxies promulgated under the Securities Exchange Act of 1934 and the Investment Company Act of 1940.

b. Applicant will continue to furnish to its shareholders and to file with the Commission an annual report to shareholders which includes certified financial statements and contains information of the nature and scope appearing in applicant's past annual reports to shareholders.

c. Applicant will continue to file, pursuant to section 15(d) of the Securities Exchange Act of 1934, an annual report on Form 10–K and will include therein information with respect to each person who directly or indirectly owns, controls or holds with power to vote, 5 percent or more of the outstanding voting securities of applicant.

d. Applicant intends to continue its purposes, methods of operation and rights of its security holders as they have existed in the past or are summarized in the application, and will notify the Commission at least 10 days prior to any proposed significant change therein.

Notice is further given, that any interested person may, not later than November 10, 1965 at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request shall be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon applicant at the address stated above. Proof of such service (by affidavit or in case of an attorney-at-law by certificate) shall be filed contemporaneously with the request. At any time after such date, as provided by Rule 0–5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 65-11340; Filed, Oct. 21, 1965; 8:46 a.m.]

[File No. 70-4312]

MICHIGAN WISCONSIN PIPE LINE CO. ET AL.

Notice of Proposed Transactions Related to Merger of Subsidiary Companies

OCTOBER 18, 1965.

Notice is hereby given that American Natural Gas Co. ("American Natural"), 30 Rockefeller Plaza, Suite 4950, New York, N.Y., 10020, a registered holding company, and its two natural gas pipe line subsidiary companies, Michigan Wisconsin Pipe Line Co. ("Michigan Wisconsin") and American Louisiana Pipe Line Co ("American Louisiana"), have filed a joint application-declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6(a), 7, 9(a), 10, 12(c), and 12(f) of the Act and Rules 42 and 43 promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the joint application-declaration, on file at the office of the Commission, for a statement of the transactions therein proposed which are summarized below.

The American Natural holding-company system consists, primarily, of two gas utility companies, Michigan Consolidated Gas Co. ("Michigan Consolidated") and Milwaukee Gas Light Co. ("Milwaukee Gas"), and the two pipeline companies, Michigan Wisconsin and American Louisiana, which supply the aforesaid utility companies with natural gas. American Louisiana and Michigan Wisconsin have entered into an agreement, subject to all necessary regulatory approvals, under which it is proposed that American Louisiana will, shortly after (but as of the opening of business on) January 1, 1966, be merged into Michigan Wisconsin by means of a statutory merger under the applicable provisions of the general corporation law of the State of Delaware. All of the presently outstanding shares of common stock of American Louisiana and of Michigan Wisconsin are owned by American Natural.

Michigan Wisconsin owns and operates a natural gas pipeline system serving utility customers in Michigan, Wisconsin, Iowa, Illinois, and Missouri. Its two principal customers are Michigan

Consolidated and Milwaukee Gas. The pipeline extends from gas producing areas in Texas and Oklahoma to its principal markets in Michigan and Wisconsin. In addition to gas purchased in the Southwest, Michigan Wisconsin obtains gas supplies from the Louisiana Gulf Coast through its interconnection with American Louisiana in Michigan, from the Anadarko Basin in Texas and Oklahoma through its interconnection with Northern Natural Gas Co., at Janesville, Wis., and from Western Canada through its interconnection with Midwestern Gas Transmission Co. at Marshfield, Wis. Michigan Wisconsin's net plant as of June 30, 1965, was recorded at $193,737,481. Its first mortgage bonds totaled $118,780,000 at that date.

American Louisiana owns and operates a natural gas pipeline system serving utility customers in Michigan, Indiana, and Tennessee. Its two principal customers are Michigan Consolidated and Michigan Wisconsin. The American Louisiana pipeline extends from the Louisiana gulf coast producing areas to the vicinity of Detroit, Mich., and includes a tie-line interconnecting its system with that of Michigan Wisconsin. American Louisiana's net plant as of June 30, 1965, was recorded at $146,799,697. Its first mortgage bonds at that date totaled $70,410,000.

The merger agreement provides that: (1) Michigan Wisconsin will acquire all of American Louisiana's properties and assets; (2) Michigan Wisconsin will assume and become liable for all of American Louisiana's liabilities, including the first mortgage bonds of American Louisiana which, after a sinking fund payment on October 15, 1965, will be outstanding in the principal amount of $68,000,000 at the time of the merger; (3) each share of American Louisiana's common stock, par value $100 per share, issued and outstanding at the time of the merger (205,000 shares in the aggregate) will be converted into one share of common stock, par value $100 per share, of Michigan Wisconsin; (4) Michigan Wisconsin's certificate of incorporation will be amended to increase the total number of its authorized shares of common stock to 785,000 to allow for the 205,000 additional shares needed for the conversion of the American Louisiana common stock; and (5) on the effective date of the merger, the retained earnings (earned surplus) of American Louisiana will be added to those of Michigan Wisconsin. Except as stated, Michigan Wisconsin's certificate of incorporation will remain in full force and effect after the merger. Its bylaws will be unchanged, except that the number of directors will be increased from 10 to 11.

It is further proposed that, shortly after the merger is consummated, the then outstanding $68,000,000 principal amount of bonds of American Louisiana will be exchanged for an equivalent principal amount of first mortgage bonds of Michigan Wisconsin, to be issued under the latter's mortgage and deed of trust dated as of September 1, 1948, between First National City Bank and Christopher C. Arvani, successor trustees, as heretofore supplemented and as to be further supplemented by a sixteenth supplemental indenture to be dated January 1, 1966. This exchange of bonds will be effected under an agreement entered into with the Metropolitan Life Insurance Co. and the Mutual Life Insurance Co. of New York, the holders of all the issued and outstanding bonds of American Louisiana. The interest rate, maturity date, redemption prices, and sinking fund schedule of the Michigan Wisconsin bonds so to be issued will be the same as those pertaining to the American Louisiana bonds surrendered in exchange.

The joint application-declaration states that future pipeline expansions can be financed more economically on a merged basis than if the two companies maintain their separate corporate identities. It is estimated that some $100,000,000 of permanent financing will be required over the next 3 years for current and prospective expansions of the American Louisiana pipeline system and that, during the same period, expansion on the Michigan Wisconsin pipeline system will require approximately $15,000,000 of new financing. It is stated that a merged system would permit a better and more economical utilization of the total cash resources of the two companies and would benefit from the ability to raise capital in larger amounts at less frequent intervals. It is further stated that a merger would result in a more balanced gas supply and would provide additional flexibility in the acquisition of new gas supplies and expansion of facilities; and that customers of both companies would be able to rely upon all of the sources of supply available to the merged system.

Fees and expenses incident to the proposed merger are estimated at $272,000, including mortgage recording fees and taxes of $122,000; fees of counsel for applicants-declarants of $35,500; fees of counsel for American Louisiana's bondholders of $10,000; fees of independent engineers, $40,000; and fees of financial advisors, $15,000.

The filing states that the Federal Power Commission has jurisdiction over the issuance of a certificate of public convenience and necessity to Michigan Wisconsin to acquire by merger and to operate the facilities of American Louisiana; that the Michigan Public Service Commission may be deemed to have jurisdiction over the issuance by Michigan Wisconsin of the securities here involved; and that no other regulatory body, other than this Commission, has jurisdiction over the matters proposed.

Notice is further given that any interested person may, not later than November 12, 1965, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said joint application-declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request should be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon the applicants-declarants at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed contemporaneously with the request. At any time after said date, the joint application-declaration, as filed or as it may be amended, may be granted and permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 65-11319; Filed, Oct. 21, 1965; 8:46 a.m.]

[File No. 1-3393]

VTR, INC.

Order Suspending Trading

OCTOBER 18, 1965.

The common stock, $1 par value, of VTR, Inc., being listed and registered on the American Stock Exchange, pursuant to provisions of the Securities Exchange Act of 1934; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such Exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to sections 15(c)(5) and 19(a)(4) of the Securities Exchange Act of 1934, that trading in such securities on the American Stock Exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period October 19, 1965 to October 28, 1965, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 65-11320; Filed, Oct. 21, 1965; 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

OCTOBER 19, 1965.

Protests to the granting of an application must be prepared in accordance with § 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. 40073—*Joint motor-rail rates—Southern Motor Carriers.* Filed by Southern Motor Carriers Rate Conference, agent (No. 122), for interested carriers. Rates on various commodities moving on class and commodity rates over joint routes of applicant rail and motor carriers, between points in southern territory, on the one hand, and points in middlewest territory, on the other.

Grounds for relief—Motor-truck competition.

Tariff—Supplement 26 to Southern Motor Carriers Rate Conference, agent, tariff MF-ICC 1312.

FSA No. 40074—*Gravel to Bloomington, Ill.* Filed by Illinois Freight Association, agent (No. 297), for and on behalf of Norfolk and Western Railway Co. Rates on gravel, in carloads, from Lafayette, Ind., to Bloomington, Ill.

Grounds for relief—Motor-truck competition.

Tariff—Supplement 28 to Norfolk and Western Railway Co. tariff ICC 6442 (NKP Series).

FSA No. 40075—*Fresh meats and packinghouse products to Southern Territory points.* Filed by Western Trunk Line Committee, agent (No. A-2428), for interested rail carriers. Rates on fresh meats and packinghouse products, in carloads, from Dodge City and Garden City, Kans., also York, Nebr., to points in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia, also Helena, Ark.

Grounds for relief—Market competition.

Tariff—Supplement 25 to Western Trunk Line Committee, agent, tariff ICC A-4518.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 65-11331; Filed, Oct. 21, 1965; 8:47 a.m.]

[Notice 70]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

OCTOBER 19, 1965.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules in Ex Parte No. MC 67 (49 CFR Part 240), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protest must be specific as the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined, at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the Field Office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 531 (Sub-No. 199 TA), filed October 14, 1965. Applicant: YOUNGER BROTHERS, INC., 4904 Griggs Road, Post Office Box 14287, Houston, Tex., 77021. Applicant's representative: Wray E. Hughes (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wine*, in bulk, in tank vehicles, from Yonkers, N.Y., to Minneapolis, Minn., for 150 days. Supporting shipper: Ed. Phillips & Sons Co. (Mr. W. F. Herrick, traffic manager), 2345 Kennedy Street NE., Minneapolis, Minn., 55413. Send protests to: John C. Redus, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Post Office Box 61212, Houston, Tex., 77061.

No. MC 2202 (Sub-No. 283 TA), filed October 14, 1965. Applicant: ROADWAY EXPRESS, INC., 1077 Gorge Boulevard, Post Office Box 471, Akron, Ohio, 44309. Applicant's representative: Paul M. Daniell, 1600 First Federal Building, Atlanta, Ga., 30303. Authority sought to operate as a *common carrier*, by motor vehicle, over regular and irregular routes, transporting: *General commodities* (except those of unusual value, class A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring the use of special equipment), (a) between Columbus, Ga., on the one hand, and, on the other, the plantsites of the Georgia Kraft Co., doing business as Alabama Kraft Co.; Mead Corp.; and, Inland Container Corp.; located at or near Cottonton, Ala., now known as Mahrt, Ala., and (b) serving the plantsites of Georgia Kraft Co., doing business as Alabama Kraft Co., Mead Corp., and Inland Container Corp. at or near Cottonton, Ala., now known as Mahrt, Ala., as off-route points in connection with the carriers' otherwise authorized operations, for 150 days. Supporting shippers: The Mead Corp., Talbott Tower, Dayton, Ohio; the Rust Engineering Co., 2316 Fourth Avenue North, Birmingham, Ala.; and, Inland Container Corp., Indianapolis, Ind. Send protests to: G. J. Baccei, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 435 Federal Building, Cleveland, Ohio, 44114.

No. MC 52869 (Sub-No. 84 TA), filed October 15, 1965. Applicant: NORTHERN TANK LINE, Post Office Box 990, Miles City, Mont., 59301. Applicant's representative: Francis E. Keller (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquefied petroleum gas*, in bulk, in pressurized vehicles, from Cody and Elk Basin, Wyo., to points in Montana, for 180 days. Supporting shipper: Tuloma Gas Products Co., Post Office Box 591, Tulsa, Okla. Send protests to: Paul J. Labane, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 318 U.S. Post Office Building, Billings, Mont., 59101.

No. MC 107002 (Sub-No. 268 TA), filed October 14, 1965. Applicant: HEARIN-MILLER TRANSPORTERS, INC., Post Office Box 1123, Highway 80 West, Jackson, Miss. Applicant's representative: D. D. Kennedy (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ice cream coating*, in bulk, in tank vehicles, from New Orleans, La., to Wilson, N.C., for 180 days. Supporting shipper: Charles Dennery, Inc., Post Office Box 10094, New Orleans, La., 70121. Send protests to: Floyd A. Johnson, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 320 U.S. Post Office Building, Jackson, Miss., 39201.

No. MC 115279 (Sub-No. 4 TA), filed October 14, 1965. Applicant: CLICK MESSENGER SERVICE, INC., Building 150, Newark Airport, Newark, N.J. Applicant's representative: Bert Collins, 140 Cedar Street, New York, N.Y., 10006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Commodities* used or useful in the offices of a truck manufacturer, in shipments weighing less than 100 pounds, in a station wagon, between shipper's office in Bridgewater, N.J., and Allentown, Pa., and (2) *commodities* used or useful in the operations of a direct mail marketer, in shipments weighing less than 100 pounds, between Newark, N.J., and Westbury, N.Y., for 180 days. Supporting shippers: Mack Trucks, Inc., Allentown, Pa., 18105, Attention: R. R. Plosica, executive offices; and Grey & Chapman, Inc., 777 Third Avenue, New York, N.Y., 10017, Attention: Dion P. Hallahan, operations manager. Send protests to: Robert S. H. Vance, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 1060 Broad Street, Newark, N.J., 07102.

No. MC 115668 (Sub-No. 8 TA), filed October 14, 1965. Applicant: WYLIS B. HERRICK, doing business as W. B. HERRICK, Rural Route No. 2, Kendallville, Ind. Applicant's representative: William L. Carney, 105 East Jennings Avenue, South Bend, Ind. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Cookies and cakes*, from the plantsite of Continental Baking Co. at or near River Forest, Ill., to North Judson and Rensselaer, Ind., and *returned or stale bakery goods and returned cartons*, on return, for 150 days. Supporting shipper: Lyle B. Emerson, traffic manager, Continental Baking Co., Rye, N.Y. Send protests to: John G. Edmunds, District Supervisor, Bureau of Operations and Compliance, Interstate

Commerce Commission, 308 Federal Building, Fort Wayne, Ind., 46802.

No. MC 123075 (Sub-No. 14 TA), filed October 15, 1965. Applicant: HARVEY D. SHUPE, HOWARD YOST, AND CHARLES MYLANDER, a partnership, doing business as SHUPE & YOST, 2721 Eighth Avenue, Greeley, Colo. Applicant's representative: Michael T. Corcoran, 1360 Locust Street, Denver, Colo., 80220. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Animal and poultry feed*, and *animal and poultry feed ingredients and supplements*, from Ault, Colo., to points in South Dakota, Nebraska, and Kansas located on and west of U.S. Highway 83 from the North Dakota-South Dakota State line to Vivian, S. Dak., thence over U.S. Highway 16 to Presho, S. Dak., and over U.S. Highway 183 to the Kansas-Oklahoma State line, and to points in Wyoming, for 180 days. Supporting shipper: Consumers Cooperative Association, Post Office Box 7305, Kansas City, Mo., 64116. Send protests to: Luther H. Oldham, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 2022 Federal Building, Denver, Colo., 80202.

No. MC 123887 (Sub-No. 1 TA), filed October 15, 1965. Applicant: L. J. NAVY TRUCKING CO., a corporation, 202 Eighth Avenue West, Charleston, W. Va., 25701. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, between Huntington, W. Va., and points in West Virginia. NOTE: Applicant intends to combine this authority if granted, with the authority contained in its common carrier certificate issued April 19, 1965, in Docket No. MC 123887, at the common service point of Huntington, W. Va., in order to provide service from Peoria, Ill., Fort Wayne, Ind., St. Louis, Mo., Detroit, Mich., Louisville and Newport, Ky., Cincinnati, Cleveland, and Columbus, Ohio, and Milwaukee, Wis., to points in West Virginia, for 180 days. Supporting shippers: Aracoma Beverage Co., Post Office Box 42, Logan, W. Va.; Capitol Beverage Co., 1125 Main Street, Charleston, W. Va.; Black Diamond Distributing Co., Box 1386, Beckley, W. Va.; Elkhorn Valley Grocery Co., Keystone, W. Va.; Southern West Virginia Wholesale Grocery Co., Keystone, W. Va.; Norfolk Coca-Cola Bottling Co., Inc.; and T/A Tri-County Distributing Co., Post Office Box 1518, Bluefield, W. Va. Send protests to: H. R. White, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 3202 Federal Office Building, 500 Quarrier Street, Charleston, W. Va., 25301.

No. MC 124047 (Sub-No. 37 TA), filed October 14, 1965. Applicant: SCHWERMAN TRUCKING CO. OF OHIO, 611 South 28th Street, Milwaukee, Wis., 53246. Applicant's representative: James R. Ziperski (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Anhydrous ammonia*, in bulk, in tank vehicles, from Lima, Ohio, to Huntington, W. Va., for 150 days. Supporting shipper: Solar Nitrogen Chemicals, Inc., Midland Building, Cleveland 15, Ohio (L. W. Peterson, Motor Carrier Coordinator). Send protests to: W. F. Sibbald, Jr., District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 108 West Wells Street, Room 511, Milwaukee, Wis., 53203.

No. MC 127586 (Sub-No. 1 TA) (Correction), filed October 6, 1965, published FEDERAL REGISTER, issue of October 13, 1965, and republished this issue. Applicant: MASON HENRY DOLLAR AND JAMES PAUL ELLIOTT, a partnership, doing business as DOLLAR AND ELLIOTT TRUCKING COMPANY, West Jefferson, N.C., 28694. Applicant's representative: Wade E. Vannoy, Jr. (same address as above). NOTE: The purpose of this republication is to add applicant's trade name: DOLLAR AND ELLIOTT TRUCKING COMPANY, inadvertently omitted from the application when originally filed.

No. MC 127586 (Sub-No. 2 TA), (Correction), filed October 6, 1965, published FEDERAL REGISTER, issue of October 13, 1965, and republished this issue. Applicant: MASON HENRY DOLLAR AND JAMES PAUL ELLIOTT, a partnership, doing business as DOLLAR AND ELLIOTT TRUCKING COMPANY, West Jefferson, N.C., 28694. Applicant's representative: Wade E. Vannoy, Jr. (same address as above). NOTE: The purpose of this republication is to add applicant's trade name: DOLLAR AND ELLIOTT TRUCKING COMPANY, inadvertently omitted from the application when originally filed.

No. MC 127640 TA, filed October 14, 1965. Applicant: WALTER LOTTMAN, 116 Franklin Avenue, Union, Mo. Applicant's representative: Harold B. Bamburg, 407 North Eighth Street, St. Louis, Mo., 63101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Milk, cream, butter, ice cream mix, buttermilk powder and other dairy products*, between St. Louis, Mo., and points in Illinois, for 180 days. Supporting shipper: Aro-Dressel Foods Corp., Niedringhaus and Benton Streets, Granite City, Ill., and 4112 Papin Street, St. Louis, Mo. Send protests to: J. P. Werthmann, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 3248-B, 1520 Market Street, St. Louis, Mo., 63103.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary*.

[F.R. Doc. 65-11332; Filed, Oct. 21, 1965; 8:47 a.m.]

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FEDERAL REGISTER

VOLUME 30 • NUMBER 205

Friday, October 22, 1965 • Washington, D.C.

PART II

Small Business Administration

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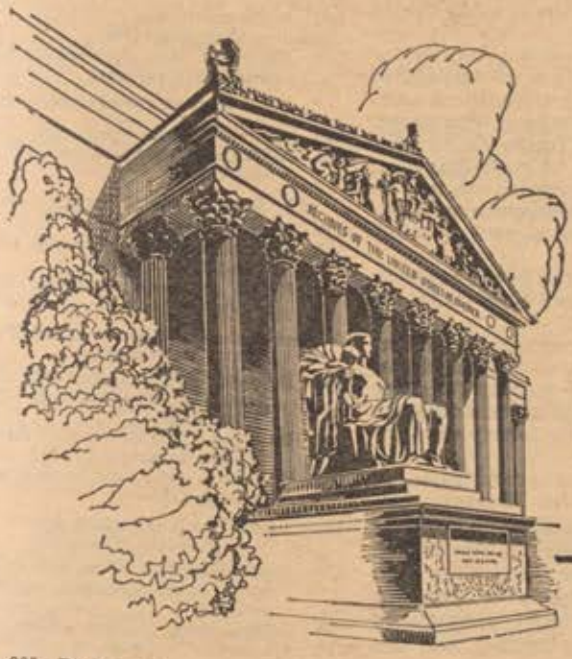
Small Business Investment Companies Proposed System of Account Classifications



SMALL BUSINESS ADMINISTRATION

[13 CFR Part 111]

SYSTEM OF ACCOUNT CLASSIFICATIONS FOR SMALL BUSINESS INVESTMENT COMPANIES

Notice of Proposed Rule Making

Notice is hereby given that pursuant to authority contained in section 308 of the Small Business Investment Act of 1958, Public Law 85–699, 72 Stat. 694, as amended, it is proposed to revise, as set forth below, Part 111 of Subchapter B, Chapter I of the Code of Federal Regulations, as set forth in 27 F.R. 8693–8713, and revised in 30 F.R. 4016–4040. Prior to final adoption of such revision, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in triplicate, to the Investment Division, Small Business Administration, Washington, D.C., 20416, within a period of thirty (30) days of the date of this notice in the FEDERAL REGISTER.

Information. The revision under consideration comprehends the following principal changes in the System of Account Classifications for Small Business Investment Companies:

1. The number of principal accounts has been reduced from 172 to 115.

2. Specialized accounts receivable accounts for compensation on participations sold and for commitment fees on deferred participations and financing commitments have been eliminated, with the general accounts receivable account being utilized for these additional purposes.

3. Provision has been made for carrying loans to, and debt securities purchased from, small business concerns at the unpaid principal balance thereof, including unearned discount, fees, and other charges, but excluding participations sold. This has eliminated the accounts for uncollected discount, fees, and other charges and for participations of other lenders and investors. These changes have removed much of the complexity from the SBIC accounting system.

4. Two "capital stock of SBC's" accounts have been substituted for the three accounts previously used, and stock acquisitions are to be recorded without inclusion of amounts of participations sold.

5. A new account has been established for warrants, options, and other stock rights having a purchase cost or for which a cost has otherwise been determined.

6. The account for amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities has been eliminated in favor of carrying such receivables in the appropriate classified accounts—notes receivable and accounts receivable.

7. Notes payable to SBA representing guaranteed loans purchased by SBA will no longer be carried in a specialized account but will be included in the general account for notes payable to SBA. Similarly, two accounts for debentures payable to other than SBA have been eliminated.

8. Only one accounts payable account has been retained.

9. The category of accrued expenses payable has been reduced to four accounts.

10. The account for stock dividends payable on the SBIC's capital stock has been eliminated.

11. Two accounts have been eliminated from the category of deposit liabilities.

12. The category of other liabilities has been expanded to "other liabilities and deferred credits," two accounts therein have been eliminated, and an "other deferred credits" account has been added. The separate accounts for unearned discount, fees, and other charges on loans, and debt securities have been combined into one account.

13. The category of valuation reserves, which did comprise ten principal accounts and two subaccounts, now embraces ten principal accounts, and no subaccounts.

14. The separate accounts for retained earnings from net income and for retained earnings from net realized gain on investments have been eliminated in favor of one retained earnings account. Retention of the separate profit and loss summary and realized gain and loss summary accounts, however, facilitates the classification of earnings for the individual year.

15. The eight accounts in the category of interest income have been consolidated into four accounts.

16. The category of compensation income has been changed to "fee income," the compensation income account has been absorbed into the "other income" account, and certain fee income accounts have been retitled and amended to conform more closely with the current regulations.

17. The categories and accounts for amortization of premium on debentures payable and gain on debentures purchased and retired have been eliminated.

18. The account for recoveries on asset losses charged to loss accounts has been eliminated. Such recoveries are now to be credited to the appropriate gain accounts in the category of gain on securities and other assets.

19. The eight accounts in the category of interest expense have been combined into two accounts.

20. The account for compensation expense on participations purchased has been absorbed into the account for other expenses, and the fiscal agent and stock record expense accounts have been combined.

21. In line with the presentation of expenses on the current Financial Report, SBA Form 468 (3–65), the accounts for provisions for losses on receivables, investments, and other assets have been moved out of the category of operating expenses. Also, the eight accounts of this type have been combined into one account.

22. Other combinations and eliminations of operating expense accounts have been made, and the accounts for amortization of discount on debentures payable and loss on debentures purchased and retired have been eliminated.

23. The number of accounts for income taxes has been reduced from four to two.

It is proposed to adopt Part 111 (Revision 2) as set forth below.

Dated: October 18, 1965.

ROSS D. DAVIS,
Executive Administrator.

PART 111—SYSTEM OF ACCOUNT CLASSIFICATIONS FOR SMALL BUSINESS INVESTMENT COMPANIES

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240 Corporate premises owned.
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255 Amounts due from directors, officers, and employees.
256 Organization costs.
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Liability Accounts

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320 Notes payable—other.

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340 Accounts payable.

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350 Accrued interest payable.
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374 Unapplied receipts.
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382 Unearned discount, fees, and other charges on loans and debt securities.
383 Other deferred credits.
386 Other liabilities.

Capital Stock and Surplus Accounts

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405–409 ---------- (Type and class) unissued capital stock.
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420 Paid-in surplus.
425 Retained earnings.
427 Appropriated retained earnings.
429 Profit and loss summary.
430 Realized gain and loss summary.

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50—*Commitment Income*

500 Commitment income.

51–52—*Interest Income*

504 Interest on invested idle funds.
512 Interest on loans.
516 Interest on debt securities.
520 Interest income—other.

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532 Management consulting service fees.
534 Investigation and service fees charged other lenders.
536 Application and appraisal fees.

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540 Dividends on capital stock of SBCs.
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570 Gain on U.S. Government securities.
572 Gain on debt securities (section 304).
576 Gain on capital stock of SBCs.
577 Gain on warrants, options, and other stock rights acquired from SBCs.
578 Gain on assets acquired in liquidation of loans and debt securities.
579 Gain on other assets.

58—*Miscellaneous Income*

582 Income from assets acquired in liquidation of loans and debt securities.
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600 Commitment expense.

61–62—*Interest Expense*

610 Interest on obligations payable to SBA.
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642 Stock record and other financial expenses.

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650–679 Operating expenses.
651 Appraisal, investigation, and financial service costs.
652 Auditing and examination costs.
653 Communications.
654 Cost of space occupied.
655 Depreciation of corporate premises owned, furniture, and equipment.
657 Directors' and stockholders' meetings costs.
660 Investment adviser costs.
661 Legal services.
662 Miscellaneous services and supplies.
663 Salaries.
664 Taxes, excluding income taxes.
665 Travel.
670 Employee benefits expense.
672 Organization expense.
679 Miscellaneous operating expenses.

68—*Estimated Losses on Receivables, Investments, and Other Assets*

680 Estimated losses on receivables, investments, and other assets.

70—*Loss on Securities and Other Assets*

700 Loss on U.S. Government securities.
702 Loss on debt securities (section 304).
706 Loss on capital stock of SBCs.
707 Loss on warrants, options, and other stock rights acquired from SBCs.
708 Loss on assets acquired in liquidation of loans and debt securities.
709 Loss on other assets.

71—*Miscellaneous Expenses*

710 Expense on assets acquired in liquidation of loans and debt securities.
715 Other expenses.

72—*Income Taxes*

720 Income taxes—net income.
722 Income taxes—net realized gain on investments.

Memorandum Records

Nominal Assets

NA–10 Stock purchase warrants or options on stock of SBC's.

Contingent Liabilities

CL–16 Commitments outstanding.
CL–17 Other contingent liabilities.

Options on Company's Stock

OCS–1 Options on company's stock.

GENERAL INSTRUCTIONS

1. This system of account classifications for small business investment companies is adaptable to manual or machine accounting procedures employing the double-entry method, and is otherwise designed to meet the specific needs of companies licensed in accordance with the provisions of the Small Business Investment Act of 1958, as amended.

2. Account classifications in use by companies licensed prior to issuance of this revised system shall be converted to the classifications set forth herein as soon as practicable but not later than sixty days after their adoption and publication in the FEDERAL REGISTER. A small business investment company which considers that it needs one or more additional accounts may submit a detailed description of the proposed account(s) to SBA for consideration, and, upon receipt of written approval thereof, may incorporate such additional accounts into its accounting system.

3. Subdivisions of any account in this system of account classifications may be kept in the general ledger without the prior approval of SBA, provided that such subaccounts do not impair the integrity of the accounts set forth in the

prescribed system. The titles of all such subaccounts shall refer by number and title to the accounts of which they are subdivisions, and a description of such subaccounts shall be furnished to SBA promptly upon their establishment. Use of a decimal system is required for extending the account numbers to identify such subaccounts.

4. This account classifications system provides for two-digit number designations for major categories under which accounts are listed, and three-digit number designations for individual general ledger accounts. The first two digits of an individual account number refer to the major category under which the account is classified and the third digit identifies the specific account. Digits from zero through nine are used to identify specific accounts. For example, the first deposit bank account established will be designated "100" and the second "101." It will be noted that some categories encompass individual accounts in sufficient number to require assignment of more than one two-digit number to identify the category. For example, "Cash on Hand and in Banks" has been assigned category numbers "10," "11," and "12."

5. Books of account shall be maintained on an accrual basis and, at the end of each month, all transactions and accruals applicable to the month, as nearly as may be ascertained, shall be entered in the books.

6. It is very important that complete and accurate records of all nominal assets and contingent liabilities be maintained. This is especially true with respect to outstanding commitments (1) to finance small business concerns through loans to them or the acquisition of their equity securities, and (2) to make funds available to other lenders through deferred participations. A section providing for the maintenance of appropriate memorandum records is included herein, covering nominal assets, contingent liabilities, and options on the capital stock of the small business investment company.

7. Each small business investment company shall keep its books of account, and all other books, records, and memoranda which support in any way the entries in its books of account, in such manner as to be able readily to furnish full information on any item included in any account. The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, capital stock records, reports, correspondence, and memoranda which may be useful in developing the history of, or facts regarding, any transaction.

8. Nothing contained in this system of account classifications can or is intended to authorize or approve any operation or action by a Licensee, or any other, not authorized or approved by the Small Business Investment Act of 1958, as amended.

ASSET ACCOUNTS

100–102 Deposits in _____ bank.

These accounts will represent funds on demand deposit in banks which are members of the Federal Deposit Insurance Corporation.

Debit: (a) With amount of funds deposited.

Credit: (a) With amount of funds withdrawn, and charges made by bank for such items as dishonored checks, transfer of funds by wire, collection, exchange, etc.

110–112 Deposits in imprest account in _____ bank.

These accounts will represent funds on demand deposit in imprest bank accounts to be drawn upon for the payment of operating expenses and to be reimbursed periodically through deposit therein of a check requiring dual signatures and drawn on the company's general funds bank account.

Debt: (a) With amount of funds deposited.

Credit: (a) With amount of funds withdrawn.

115–117 Time deposits in _____ bank.

These accounts will represent funds on time deposit in banks which are members of the Federal Deposit Insurance Corporation.

Debit: (a) With amount of funds deposited.

Credit: (a) With amount of funds withdrawn.

118 Cash items in process of collection.

This account will represent the amount of cash items placed with banks for collection.

Debit: (a) With amount of such items placed with banks for collection.

Credit:

(a) With amount of items collected.

(b) With amount of uncollected items returned or withdrawn.

120 Petty cash fund.

This account will represent the imprest petty cash fund maintained for the purpose of making small disbursements.

Debit:

(a) With amount placed in the fund when established.

(b) With amount of increase in the fund.

Credit: (a) With amount of decrease in the fund.

NOTE: The petty cash fund may be reimbursed and expenditures recorded as often as circumstances require, but must be reimbursed at the close of the company's fiscal year. Checks to replenish the fund will be drawn on a general fund bank account and include "petty cash" as a payee. Debits totaling the amount of this replenishment should be made concurrently to the appropriate accounts.

130 United States Government obligations, direct and fully guaranteed.

This account will represent the cost of temporary investments made from general cash funds in direct obligations of the United States Government and obligations guaranteed as to principal and interest by the United States Government. When United States Savings Bonds redeemable at par value on maturity are purchased at less than face value, the increase in redemption value may be periodically charged to this account with concurrent credit to account No. 504—Interest on invested idle funds.

Debit:

(a) With cost of such securities acquired.

(b) With increase in redemption value of United States Savings Bonds.

Credit:

(a) With redemption value of United States Savings Bonds redeemed.

(b) With cost of such securities sold or disposed of otherwise.

NOTE: Increase in value over cost of United States Treasury bills, which are issued at a discount and are noninterest bearing, will not be reflected in this account but will be debited at the end of each month to account No. 160—Accrued interest receivable, with concurrent credit to account No. 504—Interest on invested idle funds.

(See accounts Nos. 570 and 700)

131 Insured savings accounts.

This account will include the balances in subaccounts Nos. 131.1, 131.2, etc.

131.1 Insured savings in _____.

This account will represent funds invested in an insured savings account in an institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

Debit:

(a) With amount of funds invested.

(b) With amount of dividends received on such invested funds.

Credit: (a) With amount of funds withdrawn.

140 Notes receivable.

This account will represent the unpaid balance of miscellaneous notes receivable, including notes representing amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.

Debit: (a) With amount of such miscellaneous notes received.

Credit:

(a) With amount collected on principal of such miscellaneous notes.

(b) With unpaid principal balance written off or disposed of otherwise.

NOTE: Recording as income of amounts entered in this account should be discontinued with respect to any small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. The amounts in question should be credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when the debtor small business concern has not earned the amount of the receivable, or the fair value of its debt or equity instruments held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible notes and accounts

receivable should be made in an amount equivalent to the receivable entered in this account, or, as an alternative, the receivable recorded as an asset should be concurrently credited as deferred income to account No. 383 as above indicated.

(See account No. 151.)

150 Accounts receivable.

This account will represent the amount due on open account for advisory, consulting, appraisal, and miscellaneous services rendered; declared dividends receivable on capital stock of small business concerns; amounts receivable representing sharings in the income of small business concerns; amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities; amounts representing "participating" companies' portions of accrued principal and interest receivable from financed small business concerns; and miscellaneous current receivables.

The account also will include the amount of accrued compensation receivable for services rendered to "participating" companies and the amount of accrued commitment fees receivable for making funds available on a deferred basis to small business concerns and to "initiating" companies in connection with the latter's financing of small business concerns.

Debit: (a) With amount due the company.

Credit:

(a) With amount collected.

(b) With amount written off or disposed of otherwise.

NOTE: Recording as income of amounts entered in this account should be discontinued with respect to any small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. The amounts in question should be credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when the debtor small business concern has not earned the amount of the receivable, or the fair value of its debt or equity instruments held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible notes and accounts receivable should be made in an amount equivalent to the receivable entered in this account, or as an alternative, the receivable recorded as an asset should be concurrently credited as deferred income to account No. 383 as above indicated.

(See account No. 151)

151 Allowance for uncollectible notes and accounts receivable.

This account will represent the valuation reserve provided for estimated losses on notes and accounts receivable and should be maintained in an amount not less than a conservative estimate of probable losses on notes and accounts receivable. The valuation reserve will be adjusted upward as conditions make advisable, and may be adjusted downward if circumstances justify or occasion demands, in order to reflect the true value of the company's notes and accounts receivable.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of notes and accounts receivable written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries on notes and accounts receivable written off.

NOTE: When a note receivable or an account receivable is recorded with respect to any debtor small business concern which has not earned the amount thereof, or the fair value of whose debt or equity instruments held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible notes and accounts receivable reflected in this account should be made in an amount equivalent to the recorded receivable, or, as an alternative, the amount of the receivable recorded as an asset should be concurrently credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting.

(See accounts Nos. 140, 150, and 680)

160 Accrued interest receivable.

This account will represent the amount of interest accrued on loans to and debt securities of small business concerns, United States Government obligations direct and fully guaranteed, notes receivable, sales contracts, and other interest-bearing amounts due from debtors, including funds placed in escrow pending the closing of financing.

Debit:

(a) With amount of accrued interest purchased, at date interest-bearing obligations are acquired.

(b) At the end of each month, with amount of interest accrued on all items covered by this account on that date.

(c) With amount of interest accrued during the month on such items disposed of during the month.

Credit:

(a) With amount of interest payments received.

(b) With amount of accrued interest transferred to assets acquired in liquidation of loans and debt securities.

(c) Upon disposition of interest-bearing obligations, with amount of accrued interest thereon included in this account.

(d) With amount of accrued interest written off or disposed of otherwise.

NOTE 1: At the option of the company, interest payments received in cash from debtors prior to the interest maturity date may be credited to account No. 374—Unapplied receipts, until the maturity date.

NOTE 2: Accrual of interest receivable should be discontinued with respect to any loan or debt security financing a small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. Any interest payments received from such a debtor should not be treated as interest income, but should be either credited as payments on principal of the debt or credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when interest receivable is accrued under circumstances in which the financed small business concern has not earned the amount thereof, or the fair value of the loan or debt security as determined in good faith by the board of directors is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable should be made in an amount equivalent to the accrual of interest receivable, or, as an alternative, the interest income should be deferred in account No. 383 as above indicated.

(See account No. 161)

161 Allowance for uncollectible interest receivable.

This account will represent the valuation reserve provided for estimated losses of accrued interest receivable, and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve should be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses of accrued interest receivable.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of accrued interest receivable written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries of accrued interest receivable written off.

NOTE: When interest receivable is accrued under circumstances in which the financed small business concern has not earned the amount thereof, or the fair value of the loan or debt security as determined in good faith by the Board of Directors is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable reflected in this account should be made in an amount equivalent to the accrual of interest receivable, or, as an alternative, the interest income should be deferred in account No. 383—Other deferred credits, pending determination of the appropriate accounting.

(See accounts Nos. 160 and 680)

170 Loans (Section 305).

This account will represent the unpaid principal balance of loans made to small business concerns pursuant to section 305 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With face amount of direct loans.

(b) With portion retained by company of loans in which participations are sold to others.

(c) With amount of participations in loans of others.

(d) With unpaid principal of loans represented by renewal notes accepted or notes taken in substitution for those held.

(e) With reversal of prior credits when checks received representing repayments are dishonored, etc.

Credit:

(a) With amount collected on face amount of direct loans.

(b) With company's share of amount collected on principal of loans in which participations are sold to others.

(c) With amount by which participations in loans of others are reduced by repayments transmitted by the "initiating" company.

(d) With unpaid principal of loans represented by notes renewed or for which other notes have been substituted.

(e) With amount transferred to assets acquired in liquidation of loans and debt securities.

(f) With unpaid principal of loans written off or disposed of otherwise.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: It is assumed that in all loan participation arrangements the "initiating" company will service the loans.

NOTE 3: It is recommended that individual loan ledger cards or sheets be maintained for all loans. Such ledger cards or sheets should contain the detailed information needed for account No. 382—Unearned discount, fees, and other charges on loans and debt securities, and for activities pertaining to participations purchased or sold.

(See accounts Nos. 171 and 310)

171 Allowance for uncollectible loans (section 305).

This account will represent the valuation reserve provided for estimated losses on loans (section 305) and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted upward as conditions make advisable, and may be adjusted downward if circumstances justify or occasion demands, in order to reflect the true value of the company's loans to small business concerns.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of such loans written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries on such loans written off.

(See accounts Nos. 170 and 680)

179 Funds in escrow pending closing of financing.

This account will represent the amount of funds placed in escrow pending the closing of financing for small business concerns.

Debit: (a) With amount of funds placed in escrow.

Credit: (a) With amount of funds withdrawn from escrow.

180 Debt securities, convertible, and with stock purchase warrants or options (section 304).

This account will represent the unpaid principal balance of small business concerns' debt securities, convertible, and with attached stock purchase warrants or options, acquired by the company pursuant to section 304 of the Small Business Investment Act of 1958, as amended. If the stock purchase warrants, options, or other stock rights have a separate purchase cost, or if a separate cost has otherwise been determined for them, the warrants, options, or other stock rights will be reflected at such cost in account No. 196.

Debit:

(a) With face amount of debt securities, convertible, and with stock purchase warrants or options, acquired.

(b) With portion retained by company of debt securities, convertible, and with stock purchase warrants or options, in which participations are sold to others.

(c) With amount of participations in purchases by others of debt securities, convertible, and with stock purchase warrants or options.

(d) With reversal of prior credits when checks received representing repayments are dishonored, etc.

Credit:

(a) With amount collected on face amount of debt securities, convertible, and with stock purchase warrants or options.

(b) With company's share of amount collected on principal of debt securities, convertible, and with stock purchase warrants or options, in which participations are sold to others.

(c) With amount by which participations in purchases by others of debt securities convertible, and with stock purchase warrants or options, are reduced by repayments transmitted by the "initiating" company.

(d) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, or portions thereof, converted into capital stock.

(e) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, which have been divested of stock rights through (1) the expiration of the conversion privilege, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options.

(f) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, transferred to assets acquired in liquidation of loans and debt securities.

(g) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, written off or disposed of otherwise.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: It is assumed that in all arrangements for participation in the purchase of debt securities, convertible, and with stock purchase warrants or options, the "initiating" company will service the financing.

NOTE 3: It is recommended that individual ledger cards or sheets be maintained for all debt securities, convertible, and with stock purchase warrants or options. Such ledger cards or sheets should contain the detailed information needed for account No. 382—Unearned discount, fees, and other charges on loans and debt securities, and for activities pertaining to participations purchased or sold.

(See accounts Nos. 184, 185, 312, and memorandum record No. NA–10)

184 Debt securities divested of stock rights (section 304).

This account will represent the unpaid principal balance of small business concerns' debt securities which have been divested of stock rights through (1) the expiration of the conversion privilege of convertible debt securities, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options of debt securities, or (3) the detachment of detachable stock purchase warrants or options, obtained in connection with the acquisition of debt securities pursuant to section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With unpaid principal of debt securities divested of stock rights through (1) the expiration of the conversion privilege, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options.

(b) With company's retained portion of debt securities participated in by others which have been subsequently divested of stock rights.

(c) With amount of participations in purchases by others of debt securities which have been subsequently divested of stock rights.

(d) With reversal of prior credits when checks received representing repayments are dishonored, etc.

Credit:

(a) With amount collected on face amount of debt securities divested of stock rights.

(b) With company's share of amount collected on principal of debt securities participated in by others which have been subsequently divested of stock rights.

(c) With full amount by which participations in purchases by others of debt securities which have been subsequently divested of stock rights are reduced by repayments transmitted by the "initiating" company.

(d) With unpaid principal of debt securities divested of stock rights transferred to assets acquired in liquidation of loans and debt securities.

(e) With unpaid principal of debt securities divested of stock rights written off or disposed of otherwise.

NOTE: It is recommended that individual ledger cards or sheets be maintained for all debt securities which have been divested of stock rights. Such ledger cards or sheets should contain the detailed information needed for account No. 382—Unearned discount, fees, and other charges on loans and debt securities, and for activities pertaining to participations purchased or sold.

(See accounts Nos. 180, 185, and 314)

185 **Allowance for losses on debt securities (section 304).**

This account will represent the valuation reserve provided for estimated losses on debt securities, convertible, and with stock purchase warrants or options, and debt securities divested of stock rights (all such securities section 304) and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses on debt securities of small business concerns.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for debt securities which are written off, sold, or disposed of otherwise (contra credit for any portion representing an excess over losses actually incurred will be made to account No. 680).

(c) With amount of write-down of such debt securities, not to exceed the amount of reserve established therefor in this account.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE: When debt securities of small business concerns are sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received, this account will be debited for the amount of the reserve which has been established therein for such debt securities, and the appropriate investment account will be credited for the related cost value carried therein. If there is no loss, or it is less than the amount reserved for loss on the debt securities disposed of, the excess portion of the amount reserved will be credited to account No. 680. If a gain over cost is realized, such gain will be credited to account No. 572. If a loss in relation to cost is sustained which is in excess of the amount reserved therefor, that portion above the amount of the reserve provided will be debited to account No. 702.

(See accounts Nos. 180 and 184)

190 **Capital stock of SBC's, convertible, and with stock purchase warrants or options.**

This account will represent the value at cost of small business concerns' capital stock, convertible, and with attached stock purchase warrents or options, acquired by the company pursuant to Section 304 of the Small Business Investment Act of 1958, as amended. If the stock purchase warrants, options, or other stock rights have a separate purchase cost, or if a separate cost has otherwise been determined for them, the warrants, options, or other stock rights will be reflected at such cost in account No. 196.

Debit:

(a) With cost of such capital stock of SBCs, convertible, and with stock purchase warrants or options, acquired.

(b) With portion retained by company of the capital stock of SBCs, convertible, and with stock purchase warrants or options, in which participations are sold to others.

(c) With amount of participations in acquisitions by others of capital stock of SBCs' convertible, and with stock purchase warrants or options.

Credit:

(a) With cost of such capital stock of SBCs, convertible, and with stock purchase warrants or options, which has been divested of stock purchase rights through (1) the expiration of the conversion privilege, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options.

(b) With cost of such capital stock of SBCs, convertible, and with stock purchase warrants or options, converted to another class of capital stock.

(c) With cost of such capital stock of SBCs, convertible, and with stock purchase warrants or options, written off or disposed of otherwise.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: It is assumed that in all arrangements for participation in the acquisition of capital stock of SBC's, convertible, and with stock purchase warrants or options, the "initiating" company will service the financing.

NOTE 3: It is recommended that individual ledger cards or sheets be maintained for all capital stock of SBC's, convertible, and with stock purchase warrants or options.

(See accounts Nos. 192, 193, and memorandum record No. NA–10)

192 **Capital stock of SBC's—other.**

This account will represent the value at cost of small business concerns' capital stock acquired by the company without conversion privileges or stock purchase warrants or options, or existing on the books as the result of (1) the expiration of the conversion privilege of convertible capital stock of SBC's, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options, obtained in connection with the acquisition of capital stock of small business concerns pursuant to Section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With cost of such capital stock of SBC's—other acquired through (1) purchase, (2) conversion of convertible debt securities or convertible capital stock of SBC's, or (3) exercise of rights conveyed by stock purchase warrants or options issued by small business concerns in connection with their debt securities or capital stock acquired by the company.

(b) With cost of such capital stock of SBC's—other resulting from (1) the expiration of the conversion privilege of convertible capital stock of SBC's, (2) the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options, obtained in connection with the acquisition of capital stock of small business concerns.

(c) With portion retained by company of the capital stock of SBC's—other in which participations are sold to others.

(d) With amount of participations in capital stock of SBC's—other acquired by or subsequently existing on the books of others without conversion privileges or stock purchase warrants or options.

Credit: (a) With cost of such capital stock of SBC's—other written off or disposed of otherwise.

NOTE 1: It is recommended that individual ledger cards or sheets be maintained for all capital stock of SBC's—other acquired or subsequently existing without conversion privileges or stock purchase warrants or options.

NOTE 2: In acquisitions of capital stock through exercise of rights conveyed by stock purchase warrants or options issued by small business concerns in connection with their debt securities or capital stock previously acquired by the company, the amount of the expenditure made by the company in the current acquisition of the capital stock will be considered the cost of the stock in those instances when the stock purchase rights surrendered have only a nominal value; otherwise, the cost of the stock will comprise the current expenditure plus the cost of the warrants or options surrendered.

NOTE 3: In conversions of convertible debt securities of small business concerns into capital stock, or in conversions of convertible capital stock of SBC's into another class of capital stock, the value at cost of the particular convertible security should be considered the cost of the capital stock received in the conversion.

(See accounts Nos. 190, 193, and 196)

193 **Allowance for losses on capital stock of SBC's.**

This account will represent the valuation reserve provided for estimated losses on capital stock of SBC's, convertible, and with stock purchase warrants or options, and capital stock of SBC's—other, and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses on capital stock of SBC's.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for capital stock which is written off, sold, or disposed of otherwise (contra credit for any portion representing an excess over losses actually incurred will be made to account No. 680).

(c) With amount of write-down of such capital stock, not to exceed the amount of reserve established therefor in this account.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE: When capital stock of SBC's is sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received, this account will be debited for the amount of the reserve established therein for such capital stock, and the appropriate investment account will be credited for the related cost value carried therein. If there is no loss, or it is less than the amount reserved for loss on capital stock disposed of, the excess portion of the amount reserved will be credited to account No. 680. If a gain over cost is realized, such gain will be credited to account No. 576. If a loss in relation to cost is sustained which is in excess of the amount reserved therefor, that portion above the amount of the reserve provided will be debited to account No. 706.

(See accounts Nos. 190 and 192)

196 Warrants, options, and other stock rights acquired from SBC's.

This account will represent the value at purchase price or at cost as otherwise determined of warrants, options, and other stock rights acquired by the company from small business concerns pursuant to section 304 of the Small Business Investment Act of 1958, as amended. The account will include conversion rights for which a separate cost has been determined.

Detachable stock purchase warrants or options on stock of SBC's for which no consideration is given distinct from that surrendered for the debt securities or capital stock which they accompany, or for which no separate cost has been determined, will be reflected in memorandum record No. NA-10, if retained after the financing instruments which they accompanied have been disposed of. (Reference should be made to Treasury regulations concerning the treatment of options acquired by lenders or investors in connection with investments.)

Debit:

(a) With cost of such warrants, options, or other stock rights acquired.

(b) With portion retained by company of the warrants, options, and other stock rights in which participations are sold to others.

(c) With amount of participations in acquisitions by others of warrants, options, or other stock rights.

Credit:

(a) With cost of such warrants, options, or other stock rights surrendered in exercising the stock rights.

(b) With cost of such warrants, options, or other stock rights written off or disposed of otherwise.

(c) With cost of such warrants, options, or other stock rights for which the exercise period has expired.

NOTE 1: It is recommended that individual ledger cards or sheets be maintained for all warrants, options, or other stock rights acquired from SBC's.

NOTE 2: The cost of warrants, options, and other stock rights acquired from SBC's for a separate consideration will be charged to this account, with a credit to cash. If warrants, options, or other stock rights are acquired from SBC's without a separate consideration and a cost thereof is otherwise determined, such cost will be established in this account. (The determined cost of warrants, options, and other stock rights acquired with debt securities without a separate consideration therefor shall be arrived at giving full consideration to the grade of the debt security.) The payment for the debt security or capital stock certificate which accompanied the stock rights will be allocated between the obligation or stock and the stock rights. Cash will be credited for the determined cost of the stock rights. Cash also will be credited for the amount of the debt security or stock received less the amount withheld from disbursement in relation to the debt security or stock received, which is equivalent to the determined cost of the stock rights plus (in the case of a debt security) any other withholding from net funds advanced. In the purchase of a debt security the deduction equal to the determined cost of the stock rights, plus any other withholding from net funds advanced, will be treated as unearned discount on the debt security and credited to account No. 382—Unearned discount, fees, and other charges on loans and debt securities. In the case of a purchase of capital stock, the deduction equal to the determined cost of the stock rights will serve to reduce the cost of the stock to be recorded in account No. 190—Capital stock of SBC's, convertible, and with stock purchase warrants or options.

(See accounts Nos. 192, 197, 577, and 707.)

197 Allowance for losses on warrants, options, and other stock rights acquired from SBC's.

This account will represent the valuation reserve provided for estimated losses on warrants, options, and other stock rights acquired from SBC's, and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses on warrants, options, and other stock rights acquired from SBC's.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for warrants, options, and other stock rights acquired from SBC's which are written off, sold, or disposed of otherwise (contra credit for any portion representing an excess over losses actually incurred will be made to account No. 680).

(c) With amount of write-down of such warrants, options, and other stock rights acquired from SBC's, not to exceed the amount of reserve established therefore in this account.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE: When warrants, options, and other stock rights acquired from SBC's are sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received, this account will be debited for the amount of the reserve established therein for such warrants, options, and other stock rights acquired from SBC's, and the appropriate investment account will be credited for the related cost value carried therein. If there is no loss, or if it is less than the amount reserved for loss on the stock rights disposed of, the excess portion of the amount reserved will be credited to account No. 680. If a gain over cost is realized, such gain will be credited to account No. 577. If a loss in relation to cost is sustained which is in excess of the amount reserved therefor, that portion above the amount of the reserve provided will be debited to account No. 707.

(See account No. 196)

200 Assets acquired in liquidation of loans and debt securities.

This account will represent the company's investment in assets acquired by foreclosure, or otherwise, in liquidation of loans (section 305) and debt securities (section 304). Judgments, sheriffs' certificates (including property acquired subject to redemption), etc., will be reflected in this account.

The investment in property at the date of acquisition by the company should be determined by the Board of Directors on the most suitable of the following bases, but not to exceed the total amount of the related loan or debt security involved: (1) Bid-in price of the property; (2) agreed consideration for the property; (3) fair appraised value of the property. Any remaining indebtedness will be written off unless the company expects further liquidation of the debt from other sources. Insofar as practicable, investment values will be determined for each individual asset, or unit, at the time such assets are recorded in this account, and when an asset is sold only an amount equal to the investment in such asset will be credited to this account.

The company's investment in real property acquired in liquidation of loans and debt securities should be recorded at gross value as determined by the Board of Directors. The amount of any existing mortgage on such property acquired by the company will be reflected in account No. 318.

The balance of the latter account will not be treated as a liability on the balance sheet but will be deducted from the asset account.

The company's investment in judgments should be recorded at the face amount of the judgment. When the company acquires the underlying security to the related loan or debt security outright or subject to redemption, the investment in the property should be determined in accordance with the bases set forth in the second paragraph.

Debit:

(a) With amount of the company's investment in the property at the time of acquisition.

(b) With amount of the company's investment in the property at the date of judgment, sheriff's certificate, etc.

(c) With amount of participation in assets acquired by others in liquidation of loans and debt securities.

Credit:

(a) With proceeds of partial sale of property.

(b) With amount of the company's investment at date of sale, or other disposition of property.

(c) With amount written off.

NOTE 1: Collateral notes receivable acquired in the liquidation of loans and debt securities will be reflected in this account; but notes receivable that are subsequently accepted in connection with the disposition of assets acquired in the liquidation of loans and debt securities will be included in account No. 140—Notes receivable.

NOTE 2: It is recommended that subsidiary records be maintained in sufficient detail to disclose for report and tax purposes all transactions affecting assets acquired in liquidation of loans and debt securities.

(See accounts Nos. 170, 180, 184, 201, and 203)

201 Allowance for losses on assets acquired in liquidation of loans and debt securities.

This account will represent the valuation reserve provided for estimated losses on assets acquired in liquidation of loans (section 305) and debt securities (section 304), and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses on assets acquired in liquidation of loans and debt securities.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for assets acquired in liquidation of loans and debt securities which are written off, sold, or disposed of otherwise (contra credit for any portion representing an excess over losses actually incurred will be made to account No. 680).

(c) With amount of write-down of such assets acquired in liquidation of loans and debt securities, not to exceed the amount of reserve established therefor in this account.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE: When assets acquired in liquidation of loans and debt securities are sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received, this account will be debited for the amount of the reserve established therein for such assets acquired in liquidation of loans and debt securities, and account No. 200 will be credited for the related cost value carried therein. If there is no loss, or it is less than the amount reserved for loss on the acquired assets disposed of, the excess portion of the amount reserved will be credited to account No. 680. If a gain over recorded investment in the assets acquired in liquidation is realized, such gain will be credited to account No. 578. If a loss in relation to recorded investment value is sustained which is in excess of the amount reserved therefor, that portion above the amount of the reserve provided will be debited to account No. 708.

(See account No. 200)

203 Accumulated depreciation on assets acquired in liquidation of loans and debt securities.

This account will represent the valuation reserve provided for depreciation of depreciable property acquired by foreclosure, or otherwise, in liquidation of loans (section 305) and debt securities (section 304). This account should be maintained in an amount not less than a conservative estimate of the expired service life of such property while owned by the company.

Debit: (a) With amount of depreciation accumulated, when such an asset is sold or disposed of otherwise.

Credit: (a) At the end of each month, with the monthly amount necessary to depreciate the cost of such assets over the estimated service life.

(See accounts Nos. 200 and 710)

220 Prepaid expenses and deferred charges.

This account will represent the unexpired or unconsumed portion of expenses expressly applicable to future periods for which no specific accounts have been provided. Such expenses should be amortized over the appropriate period.

Debit: (a) With amount of prepaid or deferred expenses.

Credit: (a) At the end of each month, with the proportional amount of such expenses applicable to the current month.

NOTE: Subsidiary records should be maintained to identify the items reflected in this account and to facilitate their monthly amortization.

230 Furniture and equipment.

This account will represent the cost of furniture, fixtures and equipment, including automobiles, owned by the company. The cost of freight, drayage, cartage, express, etc., in connection with the purchase of such items of furniture and equipment, will be included in this account.

Debit: (a) With cost of such assets purchased.

Credit: (a) With cost of such assets at the time of sale or other disposition.

NOTE: An inventory record should be maintained for all such assets and each item should be tagged or numbered to facilitate ready identification.

(See account No. 231)

231 Accumulated depreciation on furniture and equipment.

This account will represent the valuation reserve provided for depreciation of furniture, fixtures, and equipment, including automobiles, owned by the company. This account should be maintained in an amount not less than a conservative estimate of the expired service life of such assets while owned by the company.

Debit: (a) With amount of depreciation accumulated, when such an asset is sold or disposed of otherwise.

Credit: (a) At the end of each month, with the monthly amount necessary to depreciate the cost of such assets over the estimated service life.

(See accounts Nos. 230 and 655)

240 Corporate premises owned.

This account will represent the actual cost of acquisition of the land and building used as the company's office quarters. The account also will include the actual cost of any improvements, such as street, sidewalk and other benefits, applicable to the land, and any improvements applicable to the building.

Debit:

(a) With actual cost of acquisition of the land and building.

(b) With actual cost of any improvement to the land and/or building.

Credit: (a) With the acquisition cost of the land and/or building, plus the cost of improvements made thereto, when the land and/or building is sold or disposed of otherwise.

(See account No. 241)

241 Accumulated depreciation on corporate premises owned.

This account will represent the valuation reserve provided for depreciation of the building and other depreciable improvements of corporate premises owned and used as the company's office quarters. This account should be maintained in an amount not less than a conservative estimate of the expired service life of such building and improvements while owned by the company.

Debit: (a) With amount of depreciation accumulated, when such an asset is sold or disposed of otherwise.

Credit: (a) At the end of each month, with the monthly amount necessary to depreciate the cost of such assets over the estimated service life.

(See accounts Nos. 240 and 655)

242 Leasehold improvements.

This account will represent the actual cost of improvements to leased property used as the company's office quarters. The amount of this account will be amortized through account No. 654—Cost of space occupied, over the life of the lease or the life of the improvements, whichever is the shorter.

Debit: (a) With actual cost of improvements to leasehold.

Credit: (a) At the end of each month, with the monthly amount necessary to amortize the cost of leasehold improvements.

250–252 Capital stock subscriptions receivable _____.
(Type and class)

These accounts will represent the total unpaid balances of capital stock subscriptions receivable from subscribers of the company's authorized capital stock. A separate subscriptions receivable account should be provided for each type and class of capital stock.

Debit: (a) With amount of such capital stock subscriptions received.

Credit: (a) With amount collected on such capital stock subscriptions.

(b) With amount of such capital stock subscriptions cancelled or disposed of otherwise.

(See accounts Nos. 410–412)

255 Amounts due from directors, officers, and employees.

This account will represent the unpaid balance of amounts advanced to directors, officers, and employees.

Debit: (a) With amount of such advances made.

Credit:

(a) With amount collected on such advances.

(b) With amount transferred to appropriate expense classification upon proper authorization.

(c) With amount written off or disposed of otherwise.

(See account No. 709)

256 Organization costs.

This account will represent the amount of legal fees, promotional expense, stock certificate costs, incorporation fees, taxes, and other related costs incurred in organizing the company.

Debit: (a) With amount of such costs incurred.

Credit: (a) At the end of each month, with the monthly amount necessary to amortize the organization costs in accordance with Treasury regulations.

(See account No. 672)

257 Other assets.

This account will represent the amount of assets of the company not specifically provided for in other accounts, including recoverable amounts advanced for the protection and preservation of the company's investments (such as the payment of taxes on mortgaged property), but not including short-term loans or debt securities issued to protect the company's interests in previously issued long-term loans or equity securities.

Debit: (a) With amount of the company's investment in such assets.

Credit: (a) With amount of such assets sold or disposed of otherwise.

(See account No. 709)

LIABILITY AND VALUATION RESERVE ACCOUNTS

300 Notes payable to SBA.

This account will represent the unpaid principal balance of notes payable (1) for funds borrowed and received directly from the Small Business Administration and (2) for funds borrowed from others through guaranteed loans which subsequently have been purchased by the Small Business Administration.

Debit: (a) With amount of principal payments made on such notes.

Credit:

(a) With amount of funds borrowed.

(b) With unpaid principal balance of guaranteed loans purchased by SBA (contra debit will be made to account No. 315).

302 Debentures payable, subordinated, issued to SBA.

This account will represent the unpaid principal balance of funds received by the company under its subordinated debentures payable issue to the Small Business Administration for funds borrowed pursuant to section 302(a) of the Small Business Investment Act of 1958, as amended.

Debit: (a) With amount of principal payments made on such debentures.

Credit: (a) With amount of funds received under such debentures.

NOTE: The subordinated debentures purchased by the Small Business Administration under section 302(a) of the Small Business Investment Act of 1958, as amended, shall be deemed a part of the capital and surplus of the company for purposes of sections 302 (a), 303(b), and 306 of the Act.

310 Loans sold with recourse.

This account will represent the unpaid principal balance of loans outstanding to small business concerns which have been sold to individuals, banks, insurance companies, or other financial institutions with recourse upon the company in the event of default.

Debit:

(a) With amount collected on principal of such loans as reported to the company by the purchaser.

(b) With unpaid principal balance of such loans repurchased.

Credit: (a) With unpaid principal balance of such loans sold.

NOTE: This account is contra to account No. 170—Loans (section 305). For balance sheet purposes account No. 310 will be deducted from account No. 170.

312 Debt securities, convertible, and with stock purchase warrants or options sold with recourse.

This account will represent the unpaid principal balance of unmatured debt securities, convertible, and with stock purchase warrants or options, issued by small business concerns to the company, which are sold to individuals, banks, insurance companies, or other financial institutions with recourse upon the company in the event of default.

Debit:

(a) With unpaid principal balance of such debt securities, convertible, and with stock purchase warrants or options paid on maturity as reported to the company by the purchaser.

(b) With unpaid principal balance of such debt securities, convertible, and with stock purchase warrants or options repurchased.

Credit: (a) With unpaid principal balance of debt securities, convertible, and with stock purchase warrants or options sold with recourse.

NOTE: This account is contra to account No. 180—Debt securities, convertible, and with stock purchase warrants or options (section 304). For balance sheet purposes account No. 312 will be deducted from account No. 180.

314 Debt securities divested of stock rights sold with recourse.

This account will represent the unpaid principal balance of small business concerns' unmatured debt securities divested of stock rights which are sold to individuals, banks, insurance companies, or other financial institutions with recourse upon the company in the event of default.

Debit:

(a) With unpaid principal balance of such debt securities divested of stock rights paid on maturity as reported to the company by the purchaser.

(b) With unpaid principal balance of such debt securities divested of stock rights repurchased.

Credit: (a) With unpaid principal balance of such debt securities divested of stock rights sold and recourse.

NOTE: This account is contra to account No. 184—Debt securities divested of stock rights (section 304). For balance sheet purposes account No. 314 will be deducted from account No. 184.

315 Notes payable to other than SBA—guaranteed by SBA.

This account will represent the unpaid principal balance of notes payable for funds borrowed from other than the Small Business Administration and guaranteed by the Small Business Administration.

Debit:

(a) With amount of principal payments made on such notes.

(b) With unpaid principal balance of guaranteed loans purchased by SBA (contra credit will be made to account No. 300).

Credit: (a) With amount of funds borrowed.

316 Notes payable to other than SBA—not guaranteed by SBA.

This account will represent the unpaid principal balance of notes payable for funds borrowed from other than the Small Business Administration and not guaranteed by the Small Business Administration.

Debit: (a) With amount of principal payments made on such notes.

Credit: (a) With amount of funds borrowed.

317 Mortgages payable for funds borrowed.

This account will represent the unpaid principal balance of mortgages payable for funds borrowed on corporate premises or other real estate owned by the company. Purchase money mortgages, conditional sales contracts, or similar documentary evidence of indebtedness given by the company in the acquisition of real property will be included in this account.

Debit: (a) With amount of principal payments made on such indebtedness.

Credit: (a) With amount of funds borrowed.

318 Mortgages payable on assets acquired in liquidation of loans and debt securities.

This account will represent the unpaid principal balance of existing mortgages payable on assets acquired by the company in liquidation of loans and debt securities. The balance of this account will not be treated as a liability on the balance sheet but as an offset to the asset account.

Debit: (a) With amount of principal payments made on such indebtedness.

Credit: (a) With amount of such indebtedness.

320 Notes payable—other.

This account will represent the unpaid principal balance of notes payable in evidence of amounts owed by the company other than for funds borrowed. Notes payable, conditional sales contracts, and liens for the acquisition of furniture, fixtures, equipment, and automobiles will be included in this account.

Debit: (a) With amount of principal payments made on such notes.

Credit: (a) With amount of unpaid principal of such notes executed.

340 Accounts payable.

This account will represent amounts payable on open account, including amounts representing "participating" companies' portions of accrued principal and interest receivable from financed small business concerns. The account also will include accrued compensation payable for services rendered to the company on its participations in financing transactions, and accrued commitment fees payable for having funds made available on a deferred basis by "participating" companies in connection with the financing of, or commitments to finance, small business.

Debit: (a) With amount of such indebtedness paid, or disposed of otherwise.

Credit: (a) With amount of such indebtedness incurred.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern, or in connection with an "initiating" small business investment company's acquisition of loans or equity securities from other such companies.

(See accounts Nos. 150, 600, and 642)

350 Accrued interest payable.

This account will represent the amount of liability for interest accrued on the company's notes, mortgages and debentures payable, and on loans (section 305) and debt securities (section 304) of small business concerns sold with recourse upon the company in the event of default. The account also will include accrued interest payable on other interest-bearing obligations of the company.

Debit: (a) With amount of such interest paid or disposed of otherwise.

Credit:

(a) At the end of each month, with amount of interest accrued on all interest-bearing obligations covered by this account on that date.

(b) With amount of interest accrued during the month on such obligations paid in full or disposed of otherwise during the month.

351 Accrued taxes on payroll.

This account will represent the balance of accrued taxes on payroll, such as the company's portion of social security taxes, which have not been remitted to the appropriate collectors of such taxes.

Debit: (a) With amount of such taxes paid.

Credit: (a) With amount of such taxes accrued during the month.

(See account No. 664)

354 Estimated income taxes accrued.

This account will represent the balance of estimated income taxes accrued which have not been remitted to the appropriate collectors of such taxes.

Debit: (a) With amount of such taxes paid.

Credit: (a) With amount of such taxes accrued during the month.

(See accounts Nos. 720 and 722)

358 Other accrued expenses.

This account will represent the amount of the company's liability as of the end of the month for accrued expenses, such as salaries, not provided for in other accounts.

Debit: (a) With amount of such expenses paid or disposed of otherwise.

Credit: (a) With amount of such expenses accrued during the month.

NOTE: Increases or decreases in the liability for accrued expenses, through accruals or adjustments, will be offset by increases or decreases, respectively, in the appropriate expense accounts.

360–364 Dividends payable on _____ capital stock.

(Type and class)

These accounts will represent the company's liability for dividends declared by the company's Board of Directors on the respective types and classes of capital stock issued and outstanding. A separate account should be used to reflect the dividends payable for each type and class of capital stock outstanding.

Debit: (a) With amount of such dividends paid.

Credit: (a) With amount of such dividends declared payable by the company's Board of Directors.

370 Employee taxes withheld.

This account will represent the amount of income and social security taxes withheld from employees' salaries which have not been remitted to the appropriate collectors of such taxes.

Debit: (a) With amount of such taxes remitted.

Credit: (a) With amount of such taxes withheld.

374 Unapplied receipts.

This account will represent the amount of funds received by the company which have not been applied to loans (section 305), debt securities (section 304), interest receivable, etc. This account will be used only in instances when the funds received cannot be applied promptly.

Debit: (a) With amount of such funds applied or disposed of otherwise.

Credit: (a) With amount of funds received which cannot be applied promptly.

378 Miscellaneous trust receipts.

This account will represent the liability of the company for funds withheld or received in trust, for which no specific account is provided, including earnest money deposits, and funds withheld from employees' salaries for the purchase of United States Savings Bonds, payment of group life insurance premiums, payment of pension fund contributions, etc.

Debit: (a) With amount of such funds disbursed or disposed of otherwise.

Credit: (a) With amount of such funds withheld or received.

382 Unearned discount, fees, and other charges on loans and debt securities.

This account will represent the amount of unearned discount, fees, and other charges included in the face amount of loans made to small business concerns pursuant to section 305 of the Small Business Investment Act of 1958, as amended, and in the face amount of small business concerns' debt securities acquired pursuant to section 304 of the Act, and which is withheld from disbursements to such small business concerns.

Debit:

(a) With amount of unearned discount, fees, and other charges included in the face amount of loans and debt securities, but withheld from disbursements to debtor small business concerns, which becomes earned through collection or passage of time.

(b) With amount earned of that portion of unearned discount, fees, and other charges included in the face amount of loans and debt securities, but withheld from disbursements to debtor small business concerns, which is retained by the company in connection with loans and the purchase of debt securities participated in by other investors (the amount to be recorded becomes earned through collection or passage of time).

(c) With amount earned of that portion of unearned discount, fees, and other charges included in the face amount of loans and debt securities, but withheld from disbursements to debtor small business concerns, which is assigned to the company in connection with with its participations in loans and the purchase of debt securities by other investors (the amount to be recorded becomes earned through collection or passage of time).

(d) With amount of unearned discount, fees, and other charges included in the face amount of loans and debt securities, but withheld from disbursements to debtor small business concerns, which is rebated to borrowers upon early repayment of loans and debt securities, or is closed into the asset accounts upon liquidation of loans and debt securities at less than full amount.

Credit:

(a) With amount of unearned discount (including that equivalent to the determined cost of warrants, options, and other stock rights, as explained in Note 2 of account No. 196), fees, and other charges included in the face amount of loans and debt securities but withheld from disbursements to debtor small business concerns.

(b) With portion retained by the company of total amount of unearned discount, fees, and other charges included in the face amount of loans and debt securities, but withheld from disbursements to debtor small business concerns, in connection with loans and the purchase of debt securities participated in by other investors.

(c) With portion assigned to the company of total amount of unearned discount, fees, and other charges included in the face amount of loans and debt securities, but withheld from disbursements to debtor small business concerns, in connection with its participations in loans and the purchase of debt securities by other investors.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture bond, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: Unearned discount in this account will be transferred, as appropriate, to account No. 512—Interest on loans, and to account No. 516—Interest on debt securities, as it becomes earned, and unearned fees and other charges will be transferred to account No. 536—Application and appraisal fees, under similar circumstances.

NOTE 3: Any fees and other charges considered earned immediately upon closing of financing through loans and debt securities will be recorded in the appropriate income accounts at once without first being entered in this account.

NOTE 4: Appropriate subsidiary records should be maintained for all unearned amounts included in this account to permit identification of such amounts with the particular loans and debt securities to which they relate.

383 Other deferred credits.

This account will represent the amount of deferred credits of the company not specifically provided for in other accounts.

Debit: (a) With amount of such deferred credits transferred to income or gain, or disposed of otherwise.

Credit: (a) With amount of such deferred credits established.

NOTE 1: Accrual of interest receivable should be discontinued with respect to any loan or debt security financing a small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. Any interest payments received from such a debtor should not be treated as interest income, but should be either credited as payments on principal of the debt or credited as deferred income in this account, pending determination of the appropriate accounting. In less serious situations, when interest receivable is accrued under circumstances in which the financed small business concern has not earned the amount thereof, or the fair value of the loan or debt security as determined in good faith by the Board of Directors is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable should be made in an amount equivalent to the accrual of interest receivable, or, as an alternative, the interest income should be deferred in this account as above indicated.

NOTE 2: This account may be used, at the option of the company, to defer gain arising from sales of assets on an installment-payment basis. Deferred gain in this account will be transferred to appropriate gain accounts as it is realized.

386 Other liabilities.

This account will represent the amount of liabilities of the company not specifically provided for in other accounts.

Debit: (a) With amount of such liabilities paid or disposed of otherwise.

Credit: (a) With amount of such liabilities incurred.

CAPITAL STOCK AND SURPLUS ACCOUNTS

400–404 _____ (Type and class) capital stock authorized.

These accounts will represent the total par or stated value of the capital stock authorized, as provided for in the company's charter. A separate account should be provided for each type and class of capital stock authorized.

Debit: (a) With amount of reductions of such capital stock authorized.

Credit:

(a) With original amount of such capital stock authorized.

(b) With additional amounts of such capital stock authorized.

(See accounts Nos. 405–409)

405–409 _____ (Type and class) unissued capital stock.

These accounts will represent the total par or stated value of unissued capital stock of the company. A separate account should be provided for each type and class of unissued capital stock.

Debit:

(a) With original amount of such unissued capital stock, as provided for in the company's charter.

(b) With additional amounts of such unissued capital stock authorized.

(c) With par or stated value of capital stock retired.

Credit:

(a) With amount of such capital stock issued (contra debit will be made to accounts Nos. 410–412).

(b) With amount of reductions of capital stock authorized.

(See accounts Nos. 400–404)

410–412 _____ (Type and class) capital stock subscribed.

These accounts will represent the total amount at the subscription price of the company's capital stock subscribed. A separate account should be provided for each type and class of capital stock subscribed. These accounts will reflect the company's responsibility to issue shares of its stock to subscribers who have made final payment of their capital stock subscriptions.

Debit:

(a) With amount at the subscription price of such subscribed capital stock issued (contra credits will be made to accounts Nos. 405–409 and, as appropriate, No. 420).

(b) With amount at the subscription price of such subscribed capital stock cancelled or disposed of otherwise.

Credit: (a) With amount at the subscription price of such capital stock subscribed.

(See accounts Nos. 250–252)

415–419 Treasury stock _____ (Type and class)

These accounts will represent the total amount of the company's issued capital stock which has been reacquired through purchase or donation and has not been retired. A separate account should be provided for each type and class of such capital stock held by the company.

Debit:

(a) With cost of such capital stock acquired through purchase.

(b) With amount of fair market value or par value of such capital stock acquired through donation (contra credit will be made to account No. 420).

Credit:

(a) With cost of such capital stock acquired through purchase, when sold or disposed of otherwise.

(b) With amount of fair market value or par value of such capital stock acquired through donation, when sold or disposed of otherwise.

NOTE: Appropriate subsidiary records should be maintained as deemed necessary.

420 Paid-in surplus.

This account will represent the amount of surplus arising from (1) sales initially of the company's capital stock at a price in excess of par value (including amounts transferred from capital stock subscribed at a price above par, when shares are issued); (2) donations to the company of its issued capital stock carried as treasury stock at fair market value or par value; (3) retirements of capital stock purchased at less than the par value thereof; (4) sales of treasury stock in excess of its carrying value on the books of the company; (5) donations or gifts to the company of assets carried at not in excess of fair market value; and (6) other capital equity transactions with stockholders.

Debit:

(a) With amount of loss on treasury stock sold which was acquired through purchase, but not to exceed the total of credits residing in this account relating to previous gains on treasury stock sold or retirement of capital stock at amounts less than the amounts previously paid in with respect thereto (any amount of loss in excess of the total of such credits will be charged to retained earnings, account No. 425).

(b) With amount received by the company below fair market value, or par value, whichever applicable, for treasury stock sold which was acquired through donation.

(c) With amount paid by the company in excess of par value, but not to

exceed the premium received initially, for shares of capital stock retired (any amount paid in excess of par plus initial premium received will be charged to retained earnings, account No. 425).

Credit:

(a) With amount paid in (including stock dividends from retained earnings), or transferred from capital stock subscribed, representing the excess (after deduction of underwriters' fees and commissions) over par value of the company's capital stock, when shares are issued.

(b) With amount of fair market value or par value of the company's capital stock acquired through donation.

(c) With amount of discount below par value of the company's capital stock acquired through purchase, when such stock is retired.

(d) With amount received by the company in excess of cost, or in excess of fair market value or par value, whichever applicable, for treasury stock sold.

(e) With amount not to exceed fair market value of donations or gifts of assets to the company.

425 Retained earnings.

This account will represent the accumulated balance of the company's undistributed net income since incorporation.

Debit:

(a) At the end of the fiscal year, with any debit balance reflected in the profit and loss summary account, No. 429, and/or the realized gain and loss summary account, No. 430.

(b) With amount of dividends, other than stock dividends, declared payable out of retained earnings by the company's Board of Directors.

(c) With amount of stock dividends, at a per share value not less than the average paid-in capital per share existing at the time that the dividend is declared (par or stated value of capital stock issued plus paid-in surplus divided by the number of shares of capital stock issued), which are declared by the company's Board of Directors and paid out of retained earnings.

(d) With appropriate amount of loss on treasury stock sold which was acquired through purchase, representing the excess of such loss over the total of credits residing in paid-in surplus, account No. 420, relating to previous gains on treasury stock sold or retirement of capital stock at amounts less than the amounts previously paid in with respect thereto.

(e) With appropriate amount paid by the company in excess of par plus initial premium received on the type and class of shares of capital stock retired.

(f) With amounts transferred to appropriated retained earnings upon approval by the Board of Directors.

Credit:

(a) At the end of the fiscal year, with the credit balance of the profit and loss summary account, No. 429, and the realized gain and loss summary account, No. 430.

(b) With amounts returned from appropriated retained earnings.

(See account No. 427)

427 Appropriated retained earnings.

This account will represent the amount of retained earnings restricted from dividend distribution and thus earmarked for some future purpose.

Debit: (a) With amounts returned to the retained earnings account after purpose has been served.

Credit: (a) With amounts transferred from retained earnings upon approval by the Board of Directors.

(See account No. 425)

429 Profit and loss summary.

This account will be used as a clearing account through which all income and expense accounts on the books of the company will be closed.

Debit:

(a) At the end of the fiscal year, with the debit balances of all expense and income accounts.

(b) At the end of the fiscal year, with the credit balance of the account (transfer to retained earnings).

Credit:

(a) At the end of the fiscal year, with the credit balances of all income and expense accounts.

(b) At the end of the fiscal year, with the debit balance of the account (transfer to retained earnings).

(See account No. 425)

430 Realized gain and loss summary.

This account will be used as a clearing account through which all accounts for realized gains and losses on investments on the books of the company will be closed.

Debit:

(a) At the end of the fiscal year, with the balances of all accounts for losses on investments.

(b) At the end of the fiscal year, with the credit balance of the account (transfer to retained earnings).

Credit:

(a) At the end of the fiscal year, with the balances of all accounts for gains on investments.

(b) At the end of the fiscal year, with the debit balance of the account (transfer to retained earnings).

(See account No. 425)

INCOME ACCOUNTS

500 Commitment income.

This account will represent the amount of income earned during the month on commitments to small business concerns for loans (section 305) and equity securities (section 304). This account, on the books of the "participating" company, will include the amount of commitment income during the month on deferred participations.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit: (a) With amount of income earned during the month on commitments and deferred participations.

NOTE 1: A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern, or in connection with an "initiating" small business investment company's acquisition of loans or equity securities from other such companies.

NOTE 2: Recording as income in this account of accrued commitment fees receivable should be discontinued with respect to any small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. The amounts in question should be credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when the small business concern has not earned the amount of accured commitment fees, or the fair value of its debt or equity instruments held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible notes and accounts receivable should be made in an amount equivalent to the accrued commitment fees taken into income in this account, or, as an alternative, the commitment income should be deferred in account No. 383 as above indicated.

(See account No. 151)

504 Interest on invested idle funds.

This account will represent the amount of interest earned during the month on (1) time deposits in banks which are members of the Federal Deposit Insurance Corporation, (2) United States Government obligations direct and fully guaranteed, owned by the company, and (3) funds of the company in insured savings accounts in institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the month on invested idle funds existing on that date.

(b) With amount of interest earned during the month on invested idle funds withdrawn during the month.

512 Interest on loans.

This account will represent the amount of interest earned during the month on loans (section 305) to small business concerns.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the month on loans outstanding to small business concerns on that date.

(b) With amount of interest earned during the month on loans to small business concerns paid in full during the month.

NOTE: Accrual of interest receivable should be discontinued with respect to any loan to a small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. Any interest payments received from such a debtor should not be credited to this account as interest income, but should be either credited as pay-

ments on principal of the debt or credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when interest receivable is accrued under circumstances in which the financed small business concern has not earned the amount thereof, or the fair value of the loan as determined in good faith by the board of directors is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable should be made in an amount equivalent to the accrued interest receivable taken into income in this account, or, as an alternative, the interest income should be deferred in account No. 383 as above indicated.

(See accounts Nos. 160, 161, 170, and 382)

516 Interest on debt securities.

This account will represent the amount of interest earned during the month on debt securities of small business concerns owned by the company pursuant to section 304 of the Small Business Investment Act of 1958, as amended.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the period on such debt securities owned on that date.

(b) With amount of interest earned during the month on such debt securities paid in full or converted to capital stock during the month.

NOTE: Accrual of interest receivable should be discontinued with respect to any debt security of a small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. Any interest payments received from such a debtor should not be credited to this account as interest income, but should be either credited as payments on principal of the debt or credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when interest receivable is accrued under circumstances in which the financed small business concern has not earned the amount thereof, or the fair value of the debt security as determined in good faith by the board of directors is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable should be made in an amount equivalent to the accrued interest receivable taken into income in this account, or as an alternative, the interest income should be deferred in account No. 383 as above indicated.

(See accounts Nos. 160, 161, 180, 184, and 382)

520 Interest income—other.

This account will represent the amount of interest earned during the month on miscellaneous notes receivable, funds in escrow pending closing of financing, and interest-bearing receivables not otherwise classified.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) At the end of each month, with amount of interest earned during the period on such receivables on that date.

(b) With amount of interest earned during the month on such receivables paid in full during the month.

(See accounts Nos. 140, 160, and 179)

532 Management consulting service fees.

This account will represent the amount of fees charged during the month for management consulting services rendered to small business concerns and other small business investment companies pursuant to section 308(b) of the Small Business Investment Act of 1958, as amended.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit: (a) With amount of such fees charged.

NOTE: Recording as income in this account of accrued management consulting service fees receivable should be discontinued with respect to any small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. The amounts in question should be credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when the small business concern has not earned the amount of accrued management consulting service fees, or the fair value of its debt or equity instruments held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible notes and accounts receivable should be made in an amount equivalent to the accrued management consulting service fees taken into income in this account, or, as an alternative, the management consulting service income should be deferred in account No. 383 as above indicated.

(See accounts Nos. 140, 150 and 151)

534 Investigation and service fees charged other lenders.

This account will represent the amount of fees charged during the month for investigation and services rendered to banks or other lenders or investors, pursuant to section 308(a) of the Small Business Investment Act of 1958, as amended. The account will exclude compensation for financial services rendered in connection with participations sold (see account No. 584).

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit: (a) With amount of such fees charged.

(See accounts Nos. 140 and 150)

536 Application and appraisal fees.

This account will represent the amount of fees charged during the month for application, appraisal, investigation, and related services rendered to small business concerns.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit: (a) With amount of such fees charged.

(See account No. 382 and "Note" of accounts Nos. 140, 150, and 532)

540 Dividends on capital stock of SBC's.

This account will represent the amount of income from dividends on capital stock of small business concerns.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit: (a) With amount of income from such dividends.

(See "Note" of accounts Nos. 140, 150, and 532)

541 Sharings in income of SBC's.

This account will represent the amount of sharings or participations in the income of small business concerns from which the company has acquired debt securities (section 304).

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit: (a) With amount of such sharings.

(See "Note" of accounts Nos. 140, 150, and 532)

570 Gain on U.S. Government securities.

This account will represent the amount of gain on the sale or other disposition of United States Government obligations, direct and fully guaranteed, carried in account No. 130.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit: (a) With amount of gain on such securities sold or disposed of otherwise.

NOTE: Increase in value over cost of United States Treasury bills, which are issued at a discount and are noninterest bearing, will not be reflected in this account but will be credited at the end of each month to account No. 504—Interest on invested idle funds, with concurrent debit to account No. 160—Accrued interest receivable.

572 Gain on debt securities (section 304).

This account will represent the amount of gain on the sale or other disposition of debt securities (section 304) of small business concerns carried in accounts Nos. 180 and 184, and will include recoveries on debt security losses previously charged to the loss account.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit:

(a) With amount of gain on such debt securities sold or disposed of otherwise.

(b) With amount collected on portions of debt securities previously charged to the loss account.

(See accounts Nos. 382 and 702)

576 Gain on capital stock of SBC's.

This account will represent the amount of gain on the sale or other disposition of capital stock of small business concerns carried in accounts Nos. 190 and 192, and will include recoveries on capital stock losses previously charged to the loss account.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit:

(a) With amount of gain on such capital stock sold or disposed of otherwise.

(b) With amount realized on capital stock of SBC's previously charged to the loss account.

(See accounts Nos. 383 and 706)

577 Gain on warrants, options, and other stock rights acquired from SBC's.

This account will represent the amount of gain on the sale or other disposition of warrants, options, and other stock rights acquired from SBC's, and will include recoveries on stock rights losses previously charged to the loss account.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit:

(a) With amount of gain on such warrants, options, and other stock rights acquired from SBC's sold or disposed of otherwise.

(b) With amount realized on warrants, options, and other stock rights previously charged to the loss account.

(See accounts Nos. 196, 383, 707, and memorandum record No. NA-10)

578 Gain on assets acquired in liquidation of loans and debt securities.

This account will represent the amount of gain on the sale or other disposition of assets acquired in liquidation of loans (section 305) and debt securities (section 304) of small business concerns carried in account No. 200, and will include recoveries on losses on assets acquired in liquidation previously charged to the loss account.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

Credit:

(a) With amount of gain on such assets acquired in liquidation of loans and debt securities sold or disposed of otherwise.

(b) With amount realized on assets acquired in liquidation of loans and debt securities previously charged to the loss account.

(See accounts Nos. 383 and 708)

579 Gain on other assets.

This account will represent the amount of gain on the sale or other disposition of assets not specifically provided for in other accounts, and will include recoveries on losses on other assets previously charged to the loss account.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of gain on such assets sold or disposed of otherwise.

(b) With amount realized on other assets previously charged to the loss account.

(See accounts Nos. 383 and 709)

582 Income from assets acquired in liquidation of loans and debt securities.

This account will represent the amount of income earned during the month on assets acquired in liquidation of loans (section 305) and debt securities (section 304), including the operation of properties, carried in account No. 200.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit: (a) With amount of such income earned during the month.

NOTE: In instances when a liquidating agent is employed to supervise the disposition of the assets, appropriate subsidiary accounts should be maintained by the agent. Cash collected from the sale of assets by the liquidating agent should be remitted immediately to the company. The company should maintain a local depository bank account, in which all receipts of the agent are deposited when direct remittances to the company are not feasible. Deposit balances in this account should be subject to withdrawal by check only by the company and should be reflected on the company's records in the same manner as other bank accounts.

Any advances to a liquidating agent for expenses incident to the operation of or in the disposition of assets acquired in the liquidation of loans and debt securities should be charged to account No. 220—Prepaid expenses and deferred charges.

584 Other income.

This account will represent the income earned during the month not specifically provided for in other accounts, including compensation for financial services rendered in connection with participations sold.

Debit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit: (a) With amount of such income earned during the month.

EXPENSE ACCOUNTS

600 Commitment expense.

This account will represent the amount of commitment expense during the month on commitments from the Small Business Administration and on commitments from lending institutions other than the Small Business Administration.

On the books of the "initiating" company, this account also will include the amount of commitment expense during the month on deferred participations.

Debit: (a) With amount of expense incurred during the month on commitments and deferred participations.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

NOTE: A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern, or in connection with an "initiating" small business investment company's acquisition of loans or equity securities from other such companies.

(See account No. 340)

610 Interest on obligations payable to SBA.

This account will represent the amount of interest expense accrued during the month on obligations payable to the Small Business Administration for funds borrowed.

Debit: (a) With amount of such interest accrued during the month.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 300, 302, and 350)

622 Interest on obligations payable to other than SBA.

This account will represent the amount of interest expense accrued during the month on obligations payable to other than the Small Business Administration for funds borrowed.

Debit: (a) With amount of such interest accrued during the month.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 315, 316, and 350)

642 Stock record and other financial expenses.

This account will represent the amount of charges to the company by the transfer agent and the registrar for services rendered in connection with the issuance and transfer of the company's capital stock, and will include other financial expenses not provided for elsewhere.

Debit: (a) With amount of such expenses incurred during the month.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

650–679 Operating expenses.

The accounts under this caption will represent the amounts of operating expenses incurred.

Debit appropriate account: (a) With amount of operating expenses incurred during the month.

Credit appropriate account: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

651 Appraisal, investigation, and financial service costs.

This account will represent the amount of charges made by outside firms and individuals for appraisal, investigation, and financial services rendered to the company.

652 Auditing and examination costs.

This account will represent the amount of charges for auditing, examination, and bookkeeping services rendered by accountants not on the company's payroll, and charges for services rendered by SBA examiners.

653 Communications.

This account will represent telephone, telegraph, and postage expense.

654 Cost of space occupied.

This account will represent the cost of space occupied such as rent, alterations, amortization of leasehold improvements, light, heat, power, janitor service, maintenance and repair expense

on buildings, furniture, and equipment (other than automobiles), etc.

655 Depreciation of corporate premises owned, furniture, and equipment.

This account will represent the amount of provision applicable to the fiscal year for depreciation of the building and other depreciable improvements of corporate premises owned and used as the company's office quarters. The account also will include the amount of provision applicable to the fiscal year for depreciation of furniture and equipment (other than automobiles) owned by the company.

657 Directors' and stockholders' meetings costs.

This account will represent directors' fees, and travel expense for attendance at directors' and stockholders' meetings. The account also will include the cost of holding stockholders' meetings, such as rental of the meeting hall and related expenses.

660 Investment adviser costs.

This account will represent the amount of charges made by outside firms and individuals for furnishing consultation and advice to the company with respect to the desirability of investing in, purchasing, or selling loans, debt securities, and capital stock of small business concerns and other property.

661 Legal services.

This account will represent the cost of legal services rendered to the company.

662 Miscellaneous services and supplies.

This account will represent the amount of charges made to the company for custodial or safekeeping services in connection with its portfolio securities, bank service charges, exchange on checks, protest fees, and other miscellaneous service charges, and the cost of office supplies such as stationery, accounting forms, blank books, pencils, binders, etc.

663 Salaries.

This account will include the balances in subaccounts Nos. 663.1 and 663.2.

663.1 Salaries of officers.

This account will represent the salary cost of all officers of the company, including directors' salaries, if any, but not directors' fees for attendance at meetings.

663.2 Salaries of employees.

This account will represent the salary cost of all employees other than officers, including salaries of any temporary or part-time employees engaged for specific assignments.

664 Taxes, excluding income taxes.

This account will represent the cost of all taxes, including those on corporate premises owned, motor vehicle, and personal property, social security taxes (company's portion), and other taxes charged to the company, exclusive of income taxes.

665 Travel.

This account will represent all travel expense, including transportation charges, automobile maintenance, operating expense, and depreciation expense, meals, lodging, telephone, telegraph, and other company costs incurred by officers and employees while in a travel status.

670 Employee benefits expense.

This account will represent the cost assumed by the company in contributing to funds providing for employee retirement benefits and other types of employee benefits, except group life insurance. The portion, if any, of the cost of employee benefits withheld from salaries or received from employees will be reflected in account No. 378.

672 Organization expense.

This account will represent the amount of legal fees, promotional expense, stock certificate costs, incorporation fees, taxes, and other related costs incurred in organizing the company, which are charged to expense (this account) as incurred or are transferred to this account periodically through the amortization of organization costs established as an asset in account No. 256.

679 Miscellaneous operating expenses.

This account will represent the amount of operating expenses not specifically provided for in other accounts. There will be included the cost of advertising and promoting the company's services, and the cost of maintaining appropriate insurance, such as fire, theft, employee group life insurance, fidelity bonds, and automobile insurance. The portion, if any, of employee group life insurance premiums withheld from salaries or received from employees will be reflected in account No. 378.

680 Estimated losses on receivables, investments, and other assets.

This account will represent the amount of estimated losses applicable to the fiscal year on notes and accounts receivable; interest receivable; loans (section 305); debt securities (section 304); capital stock of small business concerns; warrants, options, and other stock rights acquired from SBC's; and assets acquired in liquidation of loans and debt securities.

Debit: (a) With amount of such estimated losses incurred during the month.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

700 Loss on U.S. Government securities.

This account will represent the amount of loss on the sale or other disposition of United States Government obligations, direct and fully guaranteed, carried in account No. 130.

Debit: (a) With amount of loss on such securities sold or disposed of otherwise.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

702 Loss on debt securities (section 304).

This account will represent the amount of loss in excess of that provided for in account No. 185 on the write-down or sale or other disposition of debt securities (section 304) of small business concerns carried in accounts Nos. 180 and 184.

Debit: (a) With amount of loss in excess of that provided for in account No. 185 on such debt securities written down or sold or disposed of otherwise.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

(See account No. 572)

706 Loss on capital stock of SBC's.

This account will represent the amount of loss in excess of that provided for in account No. 193 on the write-down or sale or other disposition of capital stock of small business concerns carried in accounts Nos. 190 and 192.

Debit: (a) With amount of loss in excess of that provided for in account No. 193 on such capital stock written down or sold or disposed of otherwise.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

(See account No. 576)

707 Loss on warrants, options, and other stock rights acquired from SBC's.

This account will represent the amount of loss in excess of that provided for in account No. 197 on the write-down or sale or other disposition of warrants, options, and other stock rights acquired from SBC's.

Debit: (a) With amount of loss in excess of that provided for in account No. 197 on such warrants, options, and other stock rights written down or sold or disposed of otherwise.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

(See accounts Nos. 196, 577, and memorandum record No. NA-10)

708 Loss on assets acquired in liquidation of loans and debt securities.

This account will represent the amount of loss in excess of that provided for in account No. 201 on the write-down or sale or other disposition of assets acquired in liquidation of loans (section 305) and debt securities (section 304) of small business concerns carried in account No. 200.

Debit: (a) With amount of loss in excess of that provided for in account No. 201 on such assets written down or sold or disposed of otherwise.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

(See account No. 578)

709 Loss on other assets.

This account will represent the amount of loss on the sale or other disposition of

assets not specifically provided for in other accounts.

Debit: (a) With amount of loss on such assets sold or disposed of otherwise.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 579)

710 Expense on assets acquired in liquidation of loans and debt securities.

This account will represent the amount of expense incurred during the month on assets acquired in liquidation of loans (section 305) and debt securities (section 304), including the operation and depreciation of properties, carried in account No. 200. The account also will include the amount of interest expense accrued during the month on mortgages payable on assets acquired in liquidation of loans and debt securities.

Debit: (a) With amount of such expense incurred during the month.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

NOTE: In instances when a liquidating agent is employed to supervise the disposition of the assets, appropriate subsidiary accounts should be maintained by the agent. Cash collected from the sale of assets by the liquidating agent should be remitted immediately to the company. The company should maintain a local depository bank account, in which all receipts of the agent are deposited when direct remittances to the company are not feasible. Deposit balances in this account should be subject to withdrawal by check only by the company and should be reflected on the company's records in the same manner as other bank accounts. Any advances to a liquidating agent for expenses incident to the operation of or in the disposition of assets acquired in the liquidation of loans and debt securities should be charged to account No. 220—Prepaid expenses and deferred charges.

715 Other expenses.

This account will represent the amount of nonoperating expenses not specifically provided for in other accounts, including, on the books of the "participating" company, the amount of compensation expense during the month for financial services received from "initiating" companies in connection with participations purchased.

Debit: (a) With amount of such expenses incurred during the month.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 340)

720 Income taxes—net income.

This account will represent the amount of income taxes applicable to net income for the current fiscal year.

Debit: (a) With amount of such taxes accrued during the month.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 354)

722 Income taxes—net realized gain on investments.

This account will represent the amount of income taxes applicable to net realized gain on investments for the current fiscal year.

Debit: (a) With amount of such taxes accrued during the month.

Credit: (a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary).

(See account No. 354)

MEMORANDUM RECORDS

Nominal Assets

NA–10 Stock purchase warrants or options on stock of SBC's.

This record will show the company's ownership of detachable stock purchase warrants or options on stock of SBC's, retained after the accompanying financing instruments have been disposed of, for which no consideration was given distinct from that surrendered for such financing instruments and for which no separate cost has otherwise been determined.

Each such detachable stock purchase warrant or option certificate should be entered in this record, upon detachment, at a nominal value of one dollar ($1.00). Upon sale of such a detached stock purchase warrant or option, upon exercise or expiration of rights conveyed by such a detached stock purchase warrant or option, or upon the determination of a cost to be recorded for such a detached stock purchase warrant or option, the entry establishing such certificate in the memorandum records is to be discharged through an equivalent credit.

Debit: (a) With nominal value of such detachable stock purchase warrants or options upon their detachment from capital stock certificates or debt securities.

Credit:

(a) With nominal value of such detached stock purchase warrants or options upon exercise or expiration of rights conveyed by such warrant or option certificates.

(b) With nominal value of such detached stock purchase warrants or options sold or disposed of otherwise.

(c) With nominal value of such detached stock purchase warrants or options for which a separate cost has been established.

(See accounts Nos. 180, 190, and 196)

Contingent Liabilities

CL–16 Commitments outstanding.

This record will show the amount of financing commitments made and outstanding to small business concerns, including commitments for loans and for the acquisition of small business concerns' capital stock and debt securities. This record also will show the amount of deferred participations. A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern, or in connection with an "initiating" small business investment company's acquisition of loans or equity securities from other such companies. When funds are advanced against commitments, appropriate entry will be made in this record.

CL–17 Other contingent liabilities.

This record will show the amount of miscellaneous contingent obligations not otherwise classified.

Options on Company's Stock

OCS–1 Options on company's stock.

This record will show details of outstanding options on the company's capital stock granted in lieu of salary or in payment for services actually rendered to the company. The following data will be included:

1. Identification of person or entity holding options.
2. Number of shares optioned.
3. Type and class of stock called for by options.
4. Dates of grant and of expiration of options.
5. Price or prices at which options exercisable, with dates they apply.
6. Fair market value, per share, of stock called for at date each option was granted.
7. Price of each option as percent of fair market value of optioned stock at date option was granted.
8. Provisions for termination of options in case of death or retirement of optionees, or other circumstances.
9. Details of authorization, shares reserved for, issuance, exercise, lapse, and forfeiture of options provided for under the company's stock option plan.

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