

FEDERAL REGISTER

VOLUME 34

• NUMBER 248

Tuesday, December 30, 1969

• Washington, D.C.

Pages 20295-20374

Agencies in this issue—

The President
Atomic Energy Commission
Business and Defense Services
Administration
Comptroller of the Currency
Consumer and Marketing Service
Customs Bureau
Federal Communications Commission
Federal Deposit Insurance Corporation
Federal Maritime Commission
Federal Power Commission
Federal Reserve System
Federal Trade Commission
Fiscal Service
Food and Drug Administration
Geological Survey
Housing and Urban Development
Department
Interior Department
Internal Revenue Service
Interstate Commerce Commission
Maritime Administration
Securities and Exchange Commission

Detailed list of Contents appears inside.



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3	1938	9	14	1949	22	25	1960	49
4	1939	14	15	1950	26	26	1961	46
5	1940	15	16	1951	43	27	1962	50
6	1941	20	17	1952	35	28	1963	49
7	1942	35	18	1953	32	29	1964	57
8	1943	52	19	1954	39	30	1965	58
9	1944	42	20	1955	36	31	1966	61
10	1945	43	21	1956	38	32	1967	64
11	1946	42	22	1957	38	33	1968	62

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Contents

THE PRESIDENT

PROCLAMATION

Proclamation interrupting reductions on certain chemicals..... 20299

EXECUTIVE AGENCIES

AGRICULTURE DEPARTMENT

See Consumer and Marketing Service.

ATOMIC ENERGY COMMISSION

Notices

Commonwealth Edison Co.; issuance of provisional operating license..... 20368

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

Notices

Cornell University et al.; duty-free entry of scientific articles..... 20357

COMMERCE DEPARTMENT

See Business and Defense Services Administration; Maritime Administration.

COMPTROLLER OF THE CURRENCY

Rules and Regulations

Investment securities regulation... 20303

CONSUMER AND MARKETING SERVICE

Rules and Regulations

Lemons grown in California and Arizona; handling limitations... 20333

Proposed Rule Making

Milk in Georgia and Mississippi marketing areas; handling... 20349
Onion import regulation..... 20349

CUSTOMS BUREAU

Rules and Regulations

Liability for duties; entry of imported merchandise..... 20334

FEDERAL COMMUNICATIONS COMMISSION

Notices

Common carrier services information; domestic public radio services applications accepted for filing..... 20360

Town and Country Broadcasters, Inc.; designation of application for hearing..... 20362

FEDERAL DEPOSIT INSURANCE CORPORATION

Rules and Regulations

Published and unpublished records and information..... 20332
Securities of insured nonmember State banks..... 20318

FEDERAL MARITIME COMMISSION

Notices

Issuance of certificates:
Greater Detroit Chamber of Commerce..... 20363
West Line, Inc..... 20363

FEDERAL POWER COMMISSION

Notices

Hearings, etc.:
Amerada Petroleum Corp..... 20363
Gulf Oil Corp., et al..... 20365

FEDERAL RESERVE SYSTEM

Rules and Regulations

Securities of member State banks; financial statements, proxy solicitations, and other reports... 20304

Notices

Citizens Bancorporation; order approving action to become a bank holding company..... 20368
Mid-Ohio Banc-Shares, Inc.; notice of application for approval of acquisition of shares of banks..... 20369

FEDERAL TRADE COMMISSION

Rules and Regulations

Administrative opinions and rulings:
Approval for merger of privately owned tufting machinery and equipment manufacturers... 20333
Request for reconsideration of advisory opinion pertaining to wholesaler-manufacturer relationship; freight saving as cost justification... 20333
Retailer price reporting plan... 20334
Use of term "Peat Moss-Pifine and Sedge"..... 20334

FISCAL SERVICE

Notices

Termination of authority to qualify as surety on Federal bonds:
Birmingham Fire Insurance Company of Pennsylvania... 20356
Western Pacific Insurance Co... 20356

FOOD AND DRUG ADMINISTRATION

Notices

Petitions regarding food additives:
Gland-O-Lac Co..... 20359
Shell Chemical Co..... 20359

GEOLOGICAL SURVEY

Notices

Coal land classification orders:
Alaska..... 20357
Colorado..... 20357

HEALTH, EDUCATION, AND WELFARE DEPARTMENT

See Food and Drug Administration.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

Notices

Assistant Secretary for Metropolitan Development et al.; order of succession to act as Secretary of Housing and Urban Development..... 20360

INTERIOR DEPARTMENT

See also Geological Survey.

Rules and Regulations

Contract clauses (2 documents)... 20347

INTERNAL REVENUE SERVICE

Rules and Regulations

Labeling and advertising of distilled spirits..... 20335

Notices

Granting of relief:
Clayton, Clarence..... 20356
Zigmont, William Richard..... 20356

INTERSTATE COMMERCE COMMISSION

Notices

Fourth section applications for relief..... 20371
Motor carrier transfer proceedings..... 20371

MARITIME ADMINISTRATION

Notices

National Shawmut Bank of Boston; notice of approval as trustee..... 20359

SECURITIES AND EXCHANGE COMMISSION

Notices

Hearings, etc.:
Millstone Point Co., and Northeast Utilities..... 20369
Oceanographic Ventures, Inc... 20370

TREASURY DEPARTMENT

See Comptroller of the Currency; Customs Bureau; Fiscal Service; Internal Revenue Service.

List of CFR Parts Affected

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, 1969, and specifies how they are affected.

3 CFR	12 CFR	16 CFR
PROCLAMATION:	1-----20303	15 (4 documents)-----20333, 20334
3950-----20299	206-----20304	19 CFR
7 CFR	309-----20332	8-----20334
910-----20333	335-----20318	27 CFR
PROPOSED RULES:		5-----20335
980-----20349		41 CFR
1007-----20349		14-7 (2 documents)-----20347
1103-----20349		

Presidential Documents

Title 3—THE PRESIDENT

Proclamation 3950

PROCLAMATION INTERRUPTING DUTY REDUCTIONS ON CERTAIN CHEMICALS

By the President of the United States of America

A Proclamation

1. WHEREAS, pursuant to Title II of the Trade Expansion Act of 1962 (19 U.S.C. 1821 to 1888), the President on June 30, 1967, entered into, and by Proclamation No. 3822 of December 16, 1967 (82 Stat. 1455) proclaimed, the Geneva (1967) Protocol to the General Agreement on Tariffs and Trade (hereinafter referred to as the "Geneva (1967) Protocol", 19 UST (pt. 1), p. 18) which is annexed to the Final Act Authenticating the Results of the 1964-67 Trade Conference held under the auspices of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade (*id.*, p. 5) and which contains a schedule of United States concessions designated as Schedule XX (19 UST (pt. 2), p. 1227);

2. WHEREAS general note 3(f) to Schedule XX to the Geneva (1967) Protocol (other than the footnote thereto) provides as follows:

"(f) If, upon expiration of a period of two years commencing on the effective date of the concession provided for in each of the following items in part I of this schedule, the European Economic Community and the United Kingdom will not continue beyond the second stage all the concessions in chapters 28 through 39 of their respective schedules annexed to the agreement to which this schedule is annexed, the President shall so proclaim, and the rates of duty previously proclaimed for the second stage of the concessions provided for in the following items shall remain in effect unless or until the President proclaims that the European Economic Community and the United Kingdom have agreed to proceed with the further reductions for all the chemical concessions provided for in chapters 28 through 39 of their schedules:

415.27	420.82	425.88	437.55	470.85	493.21
416.10	420.86	426.10	437.58	472.24	493.47
416.30	421.04	426.14	437.69	472.30	495.05
417.32	421.08	426.28	437.84	473.28	495.15
417.50	421.16	426.36	439.30	473.46	519.37
418.24	421.18	426.42	445.20	473.48	632.04
418.60	421.44	427.72	450.20	473.60	723.05
418.62	421.46	428.52	452.24	473.66	723.15
418.76	421.54	429.26	452.48	474.20	755.10
419.00	422.72	429.34	452.80	474.22	755.40
419.22	422.76	429.42	461.20	474.26	755.45
420.14	422.90	437.22	466.15	474.60	771.20
420.18	425.84	437.30	470.15	493.20	771.40
					790.37"

3. WHEREAS the Schedules of the European Economic Community and the United Kingdom annexed to the Geneva (1967) Protocol provide that the continuation of certain concessions set forth in Chapters 28 through 39 of such Schedules shall be conditional upon the elimination by the United States of the American selling price system of valuation as the basis for determining the dutiable value of certain chemicals (Sched. XL, general notes, par. 7; Sched. XIX, sec. A, pt. I, par. 6, 19 UST (pt. 3), pp. 2956, 3266, 19 UST (pt. 1), p. 788, as provided for in Part II of the Agreement Relating Principally to Chemicals Supplementary to the Geneva (1967) Protocol (H. Doc. 184, 90th Cong., 1st sess., p. 3613));

4. WHEREAS the American selling price system of valuation will not have been so eliminated at the close of December 31, 1969; and

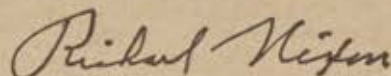
5. WHEREAS I have been informed that, at the close of December 31, 1969 (which will be the expiration of the period of two years commencing on January 1, 1968, the effective date of the concessions provided for in each item in Part I of Schedule XX to the Geneva (1967) Protocol listed in general note 3(f) set forth in the second recital of this proclamation), the European Economic Community and the United Kingdom will not continue beyond the second stage all the concessions in Chapters 28 through 39 of their respective Schedules annexed to the Geneva (1967) Protocol;

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes, including but not limited to Section 201 of the Trade Expansion Act of 1962, and in accordance with general note 3(f) to Schedule XX to the Geneva (1967) Protocol and the note implementing it at the end of Annex III to the Proclamation of December 16, 1967, do proclaim that:

(1) upon the expiration of December 31, 1969, the European Economic Community and the United Kingdom will not continue beyond the second stage all the concessions in Chapters 28 through 39 of their respective Schedules to the Geneva (1967) Protocol, and, as a result thereof,

(2) the rate of duty set forth opposite the number of each item of the Tariff Schedules of the United States listed in the Annex to this proclamation (which is the second stage of the concession provided for in Schedule XX and the rate in the 1969 column in Annex III to the proclamation of December 16, 1967) shall, on and after January 1, 1970, continue in effect in column numbered 1 of each such item unless and until the President proclaims that the European Economic Community and the United Kingdom have agreed to proceed with the future reductions for all the chemical concessions provided for in Chapters 28 through 39 of their Schedules.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of December in the year of our Lord nineteen hundred and sixty-nine, and of the Independence of the United States of America the one hundred and ninety-fourth.



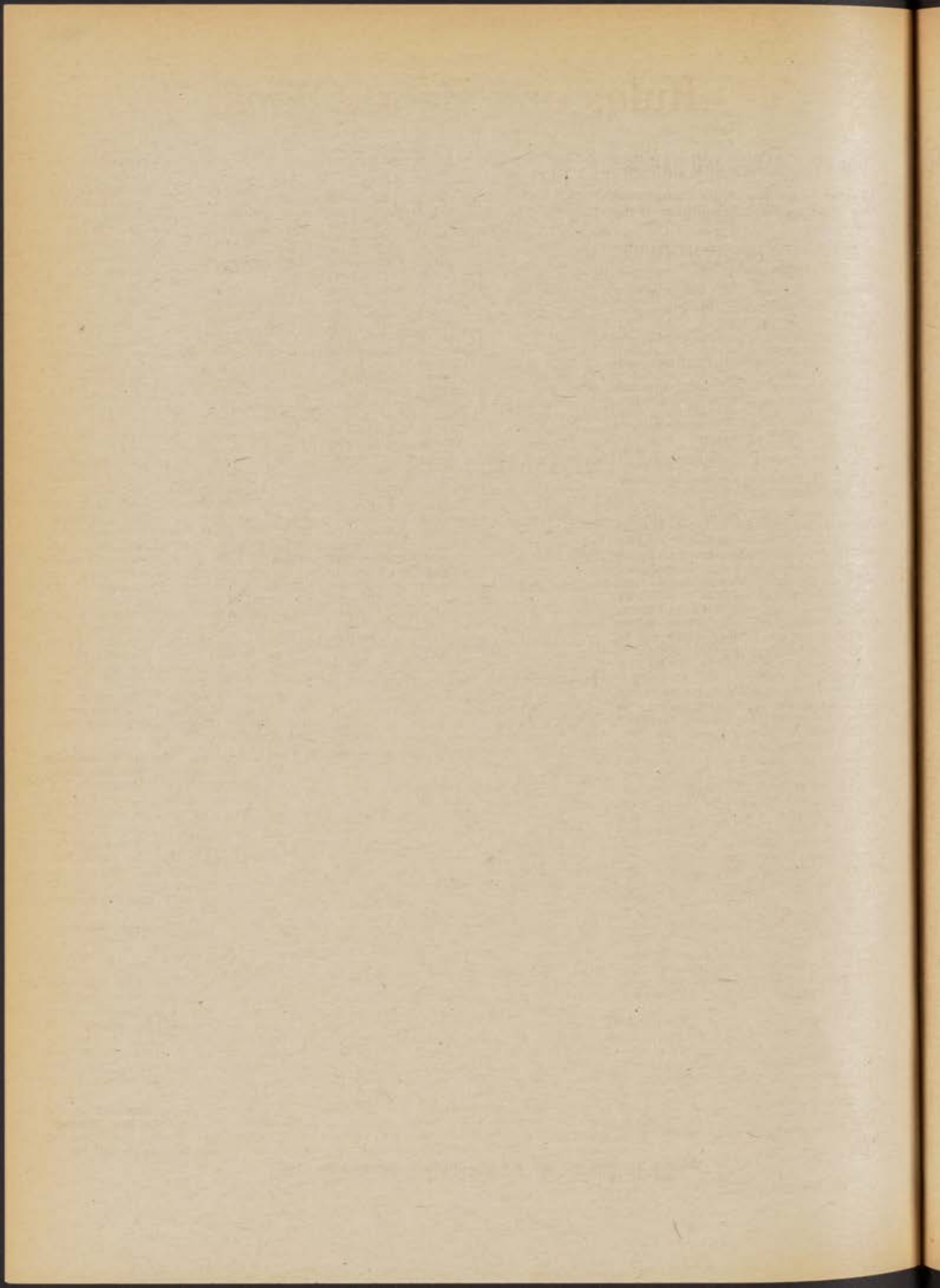
THE WHITE HOUSE,
Washington, D.C.

ANNEX

ITEMS IN THE TARIFF SCHEDULES OF THE UNITED STATES AND THE COLUMN 1 RATES
OF DUTY THEREFOR

<i>Item</i>	<i>Duty</i>	<i>Item</i>	<i>Duty</i>
415.27	8¢ per lb.	437.58	2% ad val.
416.10	0.4¢ per lb.	437.69	4¢ per lb.
416.30	0.8¢ per lb.	437.84	2% ad val.
417.32	0.5¢ per lb.	439.30	1.5% ad val.
417.50	0.3¢ per lb.	445.20	6¢ per lb.
418.24	0.2¢ per lb.	450.20	6% ad val.
418.60	1.2¢ per lb.	452.24	3.5% ad val.
418.62	1.2¢ per lb.	452.48	3% ad val.
418.76	1.3¢ per lb. on copper content	452.80	3% ad val.
419.00	1.2¢ per lb.	461.20	4% ad val.
419.22	0.25¢ per lb.	466.15	0.8¢ per lb. + 5% ad val.
420.14	1.8¢ per lb.	470.15	4% ad val.
420.18	0.15¢ per lb.	470.85	4% ad val.
420.82	8¢ per lb.	472.24	5% ad val.
420.86	0.2¢ per lb.	472.30	0.4¢ per lb.
421.04	0.45¢ per lb.	473.28	2.7¢ per lb.
421.08	0.2¢ per lb.	473.46	0.45¢ per lb.
421.16	0.4¢ per lb.	473.48	0.8¢ per lb.
421.18	0.2¢ per lb.	473.60	0.8¢ per lb.
421.44	40¢ per ton	473.66	24¢ per lb.
421.46	80¢ per ton	474.20	2% ad val.
421.54	0.15¢ per lb.	474.22	4% ad val.
422.72	0.5¢ per lb.	474.26	2% ad val.
422.76	0.24¢ per lb.	474.60	0.2¢ per lb.
422.90	5% ad val.	493.20	0.4¢ per lb.
425.84	5% ad val.	493.21	2.4¢ per lb.
425.88	9¢ per lb.	493.47	0.4¢ per lb.
426.10	0.2¢ per lb.	495.05	6% ad val.
426.14	3.2¢ per lb.	495.15	4% ad val.
426.28	1.35¢ per lb. on copper content	519.37	0.4¢ per lb.
426.36	1¢ per lb.	632.04	2¢ per lb.
426.42	1.2¢ per lb.	723.05	5% ad val.
427.72	2.4¢ per lb.	723.15	5% ad val.
428.52	2.8¢ per lb.	755.10	1¢ per 1000 matches
429.26	6¢ per lb.	755.40	0.14¢ each
429.34	4.5% ad val.	755.45	0.24¢ each + 0.06¢ each for each 0.5 gram of explosive over 1.5 grams per cap
429.42	6% ad val.		
437.22	2% ad val.	771.20	6¢ per lb.
437.30	2% ad val.	771.40	4% ad val.
437.55	6% ad val.	790.37	6% ad val.

[F.R. Doc. 69-15439; Filed, Dec. 24, 1969; 1:24 p.m.]



Rules and Regulations

Title 12—BANKS AND BANKING

Chapter I—Bureau of the Comptroller of the Currency, Department of the Treasury

PART 1—INVESTMENT SECURITIES REGULATION

Securities Eligible for Underwriting and Unlimited Holding

- Sec.
1241 Ventura County Airport Authority (California).
1242 Riverside County Law Library (California).
1243 Commonwealth of Pennsylvania Tax Anticipation Notes (General Fund).
1244 Orange County-Westminster Civic Center Authority Courthouse Revenue Bonds (California).
1245 City of Long Beach-Los Angeles County Civic Center Authority.

§ 1.241 Ventura County Airport Authority (California).

(a) *Request.* The Comptroller of the Currency has been requested to rule on the eligibility of the \$385,000 Ventura County Airport Authority Revenue Bonds for purchase, dealing in, underwriting and unlimited holding by national banks under paragraph Seventh of 12 U.S.C. 24.

(b) *Opinion.* (1) The Ventura County Airport Authority is a public entity created under the laws of California by an agreement between the City of Oxnard and the County of Ventura. Under this agreement the Authority is authorized to acquire sites for and to acquire, construct and lease public terminal buildings for airport purposes and related facilities, and to issue bonds to finance such projects. The Authority is issuing these bonds to finance the construction of a new airport terminal building and related facilities for the existing Ventura County Airport at Oxnard. The site for the terminal project, located within the City and owned in part by the City and in part by the County, will be leased to the Authority and the completed facilities will be leased to and operated by the County.

(2) The County has unconditionally promised in the lease rental agreement to pay annual rentals to the Authority in an amount sufficient to meet annual interest and principal payments on these bonds as well as other necessary expenses. The County which possesses general powers of taxation has thus committed its faith and credit in support of the bonds.

(c) *Ruling.* It is our conclusion that the \$385,000 Ventura County Airport Authority Revenue Bonds are general obligations of a State or a political subdivision thereof under paragraph Seventh of 12 U.S.C. 24 and accordingly are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. (Acting Comptroller's letter dated Oct. 17, 1969.)

§ 1.242 Riverside County Law Library (California).

(a) *Request.* The Comptroller of the Currency has been requested to rule on the eligibility of the \$1,490,000 Riverside County Law Library Authority, County Law Library Facilities Revenue Bonds for purchase, dealing in, underwriting and unlimited holding by national banks under paragraph Seventh of 12 U.S.C. 24.

(b) *Opinion.* (1) The Riverside County Law Library Authority is a public entity created under the laws of California by an agreement between the County of Riverside and the Board of Law Library Trustees of Riverside County to lease from the County and to finance, construct and furnish a building consisting of law library and office facilities to be leased to the County. The Authority is issuing these bonds for that purpose. The County will sublease a part of the building to the Library Trustees. The remainder will be used for County legal offices.

(2) The County has unconditionally promised in the least rental agreement to pay annual rentals to the Authority in an amount sufficient to meet annual interest and principal payments on these bonds as well as other necessary expenses. The County which possesses general powers of taxation has thus committed its faith and credit in support of the bonds.

(c) *Ruling.* It is our conclusion that the \$1,490,000 Riverside County Law Library Authority, County Law Library Facilities Revenue Bonds are general obligations of a State or a political subdivision thereof under paragraph Seventh of 12 U.S.C. 24 and accordingly are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. (Acting Comptroller's letter dated Oct. 17, 1969.)

§ 1.243 Commonwealth of Pennsylvania Tax Anticipation Notes (General Fund).

(a) *Request.* The Comptroller of the Currency has been requested to rule on the eligibility of the \$200 million Commonwealth of Pennsylvania Tax Anticipation Notes, Second Series of 1969 (General Fund), for purchase, dealing in, underwriting and unlimited holding by national banks under paragraph Seventh of 12 U.S.C. 24.

(b) *Opinion.* (1) The Constitution of the Commonwealth of Pennsylvania authorizes the Governor, State Treasurer, and Auditor General, acting jointly, to incur debt on behalf of the Commonwealth by the issuance of tax anticipation notes having a maturity within the fiscal year of issue and payable exclusively from revenues received in the same fiscal year. The statutes of the Commonwealth authorize these officers to borrow on the credit of current revenues levied, assessed, collectible, and accruing during any current period in amounts up to one-

fifth of the contemplated receipts from such revenues.

(2) These notes, in accordance with the statute, are secured by and payable from current revenues levied and assessed for revenue purposes of every kind or character accruing to the General Fund during the fiscal period ending June 30, 1970. The statutes also provide that so much of such revenues as shall be necessary for the payment of the principal and interest of these notes is specifically appropriated therefor.

(3) Apparently in recognition that revenues are not always received as contemplated, the Constitution provides further, however, that if sufficient funds are not appropriated for the timely payment of the interest upon and principal of all Commonwealth debt, the State Treasurer shall set apart from the first appropriate (General Fund) revenues thereafter received a sum sufficient to pay such interest and principal and shall so apply the money so set apart. The Constitution also provides that the State Treasurer may be required to set aside and apply such revenues at the suit of any holder of Commonwealth obligations. Thus, these notes issued on the credit of current revenues are supported by the full faith and credit of the Commonwealth.

(c) *Ruling.* It is our conclusion that the \$200 million Commonwealth of Pennsylvania Tax Anticipation Notes, Second Series of 1969 (General Fund), are general obligations of a State under paragraph Seventh of 12 U.S.C. 24 and are eligible for purchase, dealing in, underwriting, and unlimited holding by national banks. (Comptroller's letter dated Nov. 5, 1969.)

§ 1.244 Orange County-Westminster Civic Center Authority Courthouse Revenue Bonds (California).

(a) *Request.* The Comptroller of the Currency has been requested to rule on the eligibility of the \$1,700,000 Orange County-Westminster Civic Center Authority Courthouse Revenue Bonds, Second Issue, for purchase, dealing in, underwriting, and unlimited holding by national banks under paragraph Seventh of 12 U.S.C. 24.

(b) *Opinion.* (1) The Orange County-Westminster Civic Center Authority is a public entity created under the laws of California by an agreement between the City of Westminster and the County of Orange. Under this agreement, the Authority is authorized to acquire, construct and lease public buildings, and to issue bonds to finance such projects. The Authority is issuing these bonds for the purpose of financing the construction of a County courthouse addition which will be leased to the County.

(2) The County, as required by its agreement with the City, has unconditionally promised in the lease rental agreement to pay annual rentals to the

Authority in an amount sufficient to meet annual interest and principal payments on these bonds, as well as other necessary expenses. The County, which possesses general powers of taxation, has thus committed its faith and credit in support of the bonds.

(c) *Ruling.* It is our conclusion that the \$1,700,000 Orange County-Westminster Civic Center Authority Courthouse Revenue Bonds, Second Issue, are general obligations of a State or a political subdivision thereof under paragraph Seventh of 12 U.S.C. 24 and accordingly are eligible for purchase, dealing in, underwriting, and unlimited holding by national banks. (Acting Comptroller's letter dated Nov. 28, 1969.)

§ 1.245 City of Long Beach-Los Angeles County Civic Center Authority.

(a) *Request.* The Comptroller of the Currency has been requested to rule on the eligibility of the \$3,390,000 City of Long Beach-Los Angeles County Civic Center Authority, Long Beach County Building Addition, Revenue Bonds for purchase, dealing in, underwriting, and unlimited holding by national banks under paragraph Seventh of 12 U.S.C. 24.

(b) *Opinion.* (1) The City of Long Beach-Los Angeles County Civic Center Authority is a public entity created under the laws of California by an agreement between the City of Long Beach and the County of Los Angeles. Under this agreement, the Authority is authorized to acquire, construct and lease public buildings, and to issue bonds to finance such projects. The Authority is issuing these bonds for the purpose of financing the construction of a County Building addition which will be leased to the County.

(2) The County, as required by its agreement with the City, has unconditionally promised in the lease rental agreement to pay annual rentals to the Authority in an amount sufficient to meet annual interest and principal payments on these bonds, as well as other necessary expenses. The County, which possesses general powers of taxation, has thus committed its faith and credit in support of the bonds.

(c) *Ruling.* It is our conclusion that the \$3,390,000 City of Long Beach-Los Angeles County Civic Center Authority, Long Beach County Building Addition, Revenue Bonds are general obligations of a State or a political subdivision thereof under paragraph Seventh of 12 U.S.C. 24 and accordingly are eligible for purchase, dealing in, underwriting, and unlimited holding by national banks. (Acting Comptroller's letter dated Dec. 5, 1969.)

Dated: December 22, 1969.

[SEAL] WILLIAM B. CAMP,
Comptroller of the Currency.

[F.R. Doc. 69-15376; Filed, Dec. 29, 1969;
8:46 a.m.]

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. F]

PART 206—SECURITIES OF MEMBER STATE BANKS

Financial Statements, Proxy Solicitations, and Other Reports

1. On November 15, 1969, notice of proposed rule making concerning amendments to Part 206 (Regulation F) was published in the *FEDERAL REGISTER* (34 F.R. 18313). Such notice indicated that consideration was also being given to amendments to § 206.42, Form for annual report of bank (Form F-2); § 206.44, Form for quarterly report of bank (Form F-4); § 206.51, Form for proxy statement; statement where management does not solicit proxies (Form F-5); and § 206.71, Forms for financial statements (Forms F-9 A, B, C, and D). After consideration of all comments presented by interested persons, the amendments to the part and the forms, as so proposed and as set forth hereinafter, are hereby adopted, effective December 31, 1969, subject to the following changes:

(a) The last sentence of § 206.4(e) is amended by substituting "30 days" for "15 days".

(b) The last sentence of § 206.5(a) is amended by substituting the words "an information statement" for "a statement where management does not solicit proxies".

(c) The first sentence of § 206.5(c) (1) is amended to delete the phrase "on a consistent basis".

(d) Note (c) to § 206.5(c) (1) is amended to read as follows: "(c) Comparative statements of changes in capital accounts for each fiscal year similar in form to Form F-9C."

(e) The last sentence of § 206.5(d) (1) is amended to refer to subparagraph "(4)" rather than to subparagraph "(3)".

(f) The last sentence of § 206.5(d) (3) is amended by deleting the word "Instruction" before such sentence and beginning such sentence with the word "This". Such sentence will be part of the preceding paragraph.

(g) The second sentence of § 206.5(f) (9) is amended by substituting the word "subparagraphs" for "subparagraph".

(h) Additional amendments are adopted to Forms F-2, "Annual Report"; F-5, "Proxy Statement; Statement Where Management Does Not Solicit Proxies"; and Form F-9, "Financial Statements". These amendments are of a technical and clarifying nature except that Items 4 and 5 of Form F-2 are amended to make such items consistent with changes in comparable provisions of Form F-5 that were previously announced.

2. The effective date of the amendments was deferred for less than the 30-day period specified in section 553(d), title 5, United States Code, because the Board found that it is necessary for the protection of investors that the amendments, particularly those relating to financial statement reporting, be appli-

cable to information to be reported by member State banks as of December 31, 1969.

By order of the Board of Governors,
December 18, 1969.

[SEAL] ROBERT P. FORRESTAL,
Assistant Secretary.

REGULATION

§ 206.2 Definitions.

(a) The term "significant subsidiary" means a subsidiary meeting either of the following conditions:

(1) The investments in the subsidiary by its parent plus the parent's proportion of the investments in such subsidiary by the parent's other subsidiaries, if any, exceed 5 percent of the equity capital accounts of the bank. "Investments" refers to the amount carried on the books of the parent and other subsidiaries or the amount equivalent to the parent's proportionate share in the equity capital accounts of the subsidiary, whichever is greater.

§ 206.3 Inspection and publication of information filed under the Act.

(b) *Inspection.* Except as provided in paragraph (c) of this section, all information filed regarding a security registered with the Board will be available for inspection at the Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, D.C. In addition, copies of the registration statement and reports required by § 206.4 (exclusive of exhibits), the statements required by § 206.5(a), and the annual reports to security holders required by § 206.5(c), will be available for inspection at the New York, Chicago, and San Francisco Federal Reserve Banks and at the Reserve Bank of the district in which the bank filing the statements or reports is located.

§ 206.4 Registration statements and reports.

(c) *Requirement of annual reports.* Every registrant bank shall file an annual report for each fiscal year after the last full fiscal year for which financial statements were filed with the registration statement. The report, which shall conform to the requirements of Form F-2, shall be filed within 90 days after the close of the fiscal year or within 30 days of the mailing of the bank's annual report to stockholders, whichever occurs first.

(h) *Quarterly reports.* Every registrant bank shall file a quarterly report in conformity with the requirements of Form F-4 for each fiscal quarter ending after the close of the latest fiscal year for which financial statements were filed in a registration statement, except that no report need be filed for the fiscal quarter which coincides with the end of the fiscal year of the bank. Such reports shall be filed not later than 30 days after the end of such quarterly

period, except that the report for any period ending prior to the date on which a class of securities of the bank first becomes effectively registered may be filed not later than 30 days after the effective date of such registration.

(q) *Number of copies; signatures; binding.* (1) Except where otherwise provided in a particular form, eight copies of each registration statement and report (including financial statements) and four copies of each exhibit and each other document filed as a part thereof, shall be filed with the Board. At least one complete copy of each statement shall be filed with each exchange, if any, on which the securities covered thereby are being registered. At least one copy of each report shall be filed with each exchange, if any, on which the bank has securities registered.

§ 206.5 Proxies, proxy statements, and statements where management does not solicit proxies.

(a) *Requirement of statement.* No solicitation of a proxy with respect to a security of a bank registered pursuant to section 12 of the Act shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information required by Form F-5. If the management of any bank having such a security outstanding fails to solicit proxies from the holders of any such security in such a manner as to require the furnishing of such proxy statement, such bank shall transmit to all holders of record of such security a statement containing the information required by Form F-5. The "information statement" required by the preceding sentence shall be transmitted (i) at least 20 calendar days prior to any annual or other meeting of the holders of such security at which such holders are entitled to vote, or (ii) in the case of corporate action taken with the written authorization or consent of security holders, at least 20 days prior to the earliest date on which the corporate action may be taken. A proxy statement or an information statement required by this paragraph is hereinafter sometimes referred to as a "Statement".

(c) *Annual report to security holders to accompany statements.* (1) Any statement furnished on behalf of the management of the bank that relates to an annual meeting of security holders at which directors are to be elected shall be accompanied or preceded by an annual report to such security holders containing such financial statements for the last 2 fiscal years as will, in the opinion of the management, adequately reflect the financial position of the bank at the end of each such year and the results of its operations for each such year. The financial statements included in the annual report may omit details or summarize information if such statements, considered as a whole in the light of other information contained in the report and in the light of

the financial statements of the bank filed or to be filed with the Board, will not by such procedure omit any material information necessary to a fair presentation or to make the financial statements not misleading under the circumstances. Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management. This paragraph (c) shall not apply, however, to solicitations made on behalf of management before the financial statements are available if solicitation is being made at the time in opposition to the management and if the management's Statement includes an undertaking in bold-faced type to furnish such annual report to all persons being solicited at least 20 days before the date of the meeting.

NOTES: 1. To reflect adequately the financial position and results of operations of a bank in its annual report to security holders, the financial presentation shall include, but not necessarily be limited, to the following:

- (a) Comparative statements of condition at the end of each of the last 2 fiscal years.
- (b) Comparative statements of income in a form providing for the determination of "net income" for each fiscal year and per share earnings data.
- (c) Comparative statements of changes in capital accounts for each fiscal year similar in form to Form F-9C.
- (d) A comparative reconciliation of the "Allowance for Possible Loan Losses" account similar in form to schedule VII, Form F-9D.
- (e) Supplemental notes to financial statements to the extent necessary to furnish a fair financial presentation.

2. The financial statements should be prepared on a consolidated basis to the extent required by § 206.7(d). Any differences from the principles of consolidation or other accounting principles or practices, or methods of applying accounting principles or practices, applicable to the financial statements of the bank filed or to be filed with the Board, which have a material effect on the financial position or results of operations of the bank, shall be noted and the effect thereof reconciled or explained in the annual report to security holders.

3. When financial statements included in the annual report (Form F-2) filed, or proposed to be filed, with the Board are accompanied by an opinion of an independent public accountant, the financial statements in the annual report to security holders should also be accompanied by an opinion of such independent public accountant.

4. The requirement for sending an annual report to each person being solicited will be satisfied with respect to persons having the same address by sending at least one report to a holder of record at that address provided (i) that management has reasonable cause to believe that the record holder to whom the report is sent is the "beneficial owner" (see definition in § 206.2(f)) of securities registered in the name of such person in other capacities or in the name of other persons at such address, or (ii) the security holders at such address consent thereto in writing. Nothing herein shall be deemed to relieve any person so consenting of any obligation to obtain or send such annual report to any other person.

(2) Eight copies of each annual report sent to security holders pursuant to this paragraph (c) shall be sent to the Board not later than (i) the date on which such report is first sent or given to security holders or (ii) the date on which pre-

liminary copies of the management statement are filed with the Board pursuant to paragraph (f), whichever date is later. Such annual report is not deemed to be "soliciting material" or to be "filed" with the Board or otherwise subject to this § 206.5 or the liabilities of section 18 of the Act, except to the extent that the bank specifically requests that it be treated as a part of the proxy soliciting material or incorporates it in the proxy statement by reference.

(d) *Requirements as to proxy.* (1) The form of proxy (i) shall indicate in bold-face type whether or not the proxy is solicited on behalf of the management of the bank, (ii) shall provide a specifically designated blank space for dating the proxy, and (iii) shall identify clearly and impartially each matter or group of related matters that management intended to be acted upon, whether proposed by the management or by security holders. No reference need be made, however, to proposals as to which discretionary authority is conferred pursuant to subparagraph (4) of this paragraph.

(d) Requirements as to proxy.

(3) A form of proxy which provides both for the election of directors and for action on other specified matters shall be prepared so as clearly to provide, by a box or otherwise, means by which the security holder may withhold authority to vote for the election of directors. Any such form of proxy which is executed by the security holder in such manner as not to withhold authority to vote for the election of directors shall be deemed to grant such authority, provided the form of proxy so states in bold-face type. This paragraph (3) does not apply (i) in the case of a merger, consolidation or other plan if the election of directors is an integral part of the plan and is not to be separately voted upon or (ii) if the only matters to be acted upon are the election of directors and the election, selection, or approval of other persons such as clerks or auditors.

(4) A proxy may confer discretionary authority to vote with respect to any of the following matters:

(i) Matters that the persons making the solicitation do not know, within a reasonable time before the solicitation, are to be presented at the meeting, if a specific statement to that effect is made in the proxy statement or form of proxy;

(ii) Approval of the minutes of the prior meeting if such approval does not amount to ratification of the action taken at that meeting;

(iii) The election of any person to any office for which a bona fide nominee is named in the proxy statement and such nominee is unable to serve or for good cause refuses to serve;

(iv) Any proposal omitted from the proxy statement and form of proxy pursuant to § 206.5(k);

(v) Matters incident to the conduct of the meeting.

(5) No proxy shall confer authority (i) to vote for the election of any person to any office for which a bona fide

nominee is not named in the proxy statement, or (ii) to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders. A person shall not be deemed to be a bona fide nominee and he shall not be named as such unless he has consented to being named in the proxy statement and to serve if elected.

(6) The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the shares represented by the proxy will be voted and that where the person solicited specifies by means of a ballot provided pursuant to subparagraph (2) of this paragraph, a choice with respect to any matters to be acted upon, the shares will be voted in accordance with the specifications so made.

(f) *Material required to be filed.* (1) Three preliminary copies of each statement, form of proxy, and other items of soliciting material to be furnished to security holders concurrently therewith, shall be filed with the Board by management or any other person making a solicitation subject to this § 206.5 at least 10 calendar days (or 15 calendar days in the case of other than routine meetings, as defined below) prior to the date such item is first sent or given to any security holders, or such shorter period prior to that date as may be authorized. For the purposes of this subparagraph (1), a routine meeting means a meeting with respect to which no one is soliciting proxies subject to this § 206.5 other than on behalf of management and at which management intends to present no matters other than the election of directors, election of inspectors of election, and other recurring matters. In the absence of actual knowledge to the contrary, management may assume that no other such solicitation of the bank's security holders is being made. In cases of annual meetings, one additional preliminary copy of the Statement, the form of proxy, and any other soliciting material, marked to show changes from the material sent or given to security holders with respect to the preceding annual meeting, shall be filed with the Board.

(2) Three preliminary copies of any additional soliciting material, relating to the same meeting or subject matter, furnished to security holders subsequent to the proxy statement shall be filed with the Board at least 2 days (exclusive of Saturdays, Sundays, and holidays) prior to the date copies of such material are first sent or given to security holders, or such shorter period prior to such date as may be authorized upon a showing of good cause therefor.

(3) Eight copies of each Statement, form of proxy, and other items of soliciting material, in the form in which such material is furnished to security holders, shall be filed with, or mailed for filing to, the Board not later than the date such material is first sent or given to any security holders. Three copies of such ma-

terial shall at the same time be filed with, or mailed for filing to, each exchange upon which any security of the bank is listed.

(4) If the solicitation is to be made in whole or in part by personal solicitation, three copies of all written instructions or other material that discusses or reviews, or comments upon the merits of, any matter to be acted upon, and is furnished to the individuals making the actual solicitation for their use directly or indirectly in connection with the solicitation, shall be filed with the Board by the person on whose behalf the solicitation is made at least 5 days prior to the date copies of such material are first sent or given to such individuals, or such shorter period prior to that date as may be authorized upon a showing of good cause therefor.

(9) The date that proxy material is "filed" with the Board for purposes of subparagraphs (1), (2), and (4) of this paragraph is the date of receipt of the material by the Board, not the date of mailing to the Board. In computing the advance filing period for preliminary copies of proxy soliciting material referred to in such subparagraphs, the filing date of the preliminary material is to be counted as the first day of the period and definitive material should not be planned to be mailed or distributed to security holders until after the expiration of such period. Where additional time is required for final printing after receipt of comments, the preliminary proxy material should be filed as early as possible prior to the intended mailing date.

(10) Where preliminary copies of material are filed with the Board pursuant to this subsection, the printing of definitive copies for distribution to security holders should be deferred until the comments of the Board's staff have been received and considered.

(h) *False or misleading statements.*

(1) No solicitation or communication subject to this section shall be made by means of any Statement, form of proxy, notice of meeting, or other communication, written or oral, containing any statement that, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or that omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter that has become false or misleading. Depending upon particular circumstances, the following may be misleading within the meaning of this paragraph: predictions as to specific future market values, earnings, or dividends; material that directly or indirectly impugns character, integrity, or personal reputation, or directly or indirectly makes charges concerning improper, illegal, or immoral conduct or associations; without factual foundation; failure so to identify a statement, form of proxy, and other soliciting material as clearly

to distinguish it from the soliciting material of any other person or persons soliciting for the same meeting or subject matter; claims made prior to a meeting regarding the results of a solicitation.

(2) The fact that a proxy statement, form of proxy, or other soliciting material has been filed with or reviewed by the Board or its staff shall not be deemed a finding by the Board that such material is accurate or complete or not false or misleading, or that the Board has passed upon the merits of or approved any statement therein or any matter to be acted upon by security holders. No representation contrary to the foregoing shall be made.

(c) *Solicitation prior to furnishing required proxy statement.* (1) Notwithstanding the provisions of § 206.5(a), a solicitation (other than one subject to § 206.5(i)) may be made prior to furnishing security holders a written proxy statement containing the information specified in Form F-5 with respect to such solicitation if:

(i) The solicitation is made in opposition to a prior solicitation or an invitation for tenders or other publicized activity, which if successful, could reasonably have the effect of defeating the action proposed to be taken at the meeting;

(ii) No form of proxy is furnished to security holders prior to the time the written proxy statement required by § 206.5(a) is furnished to security holders: *Provided, however,* That this subparagraph (ii) shall not apply where a proxy statement then meeting the requirements of Form F-5 has been furnished to security holders by or on behalf of the person making the solicitation;

(iii) The identity of the person or persons by or on whose behalf the solicitation is made and a description of their interests direct or indirect, by security holdings or otherwise, are set forth in each communication sent or given to security holders in connection with the solicitation, and

(iv) A written proxy statement meeting the requirements of this section is sent or given to security holders at the earliest practicable date.

(2) Three copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the written proxy statement required by § 206.5(a) shall be filed with the Board in preliminary form at least 5 business days prior to the date definitive copies of such material are first sent or given to security holders, or such shorter period as may be authorized.

§ 206.7 Form and content of financial statements.

(c) *Provisions of general application.*

(9) General notes to balance sheets. If present with respect to the person for which the statement is filed, the following shall be set forth in the balance sheet or in referenced notes thereto:

(10) General notes to statements of income. If present with respect to the person for which the statement is filed, the following shall be set forth in the statement of income or in referenced notes thereto:

(f) Schedules to be filed. . . .

(2) The following schedule shall be filed with each statement of income filed pursuant to this part: Schedule VII—Allowance for Possible Loan Losses.

[F.R. Doc. 69-13622; Filed, Nov. 14, 1969; 8:48 a.m.]

§ 206.42 Form for annual report of bank (Form F-2).

FORM F-2—ANNUAL REPORT

(Pursuant to section 13 of the Securities Exchange Act of 1934)

For the fiscal year ended -----

(Exact name of bank as specified in charter)

(Address of principal office)

GENERAL INSTRUCTIONS

A. Preparation of report. This form is not to be used as a blank form to be filled in but only as a guide in the preparation of an annual report. The report shall contain the numbers and captions of all items required to be answered, but the text of such items may be omitted if the answers with respect thereto are prepared in the manner specified in section 206.4(s) of this part. Particular attention should be given to the definitions in section 206.2 and the general requirements in section 206.4 of this part. Except as otherwise stated, the information required shall be given as of the end of the bank's fiscal year, or as of the latest practicable date subsequent thereto.

B. Reports by banks filing proxy statements and statements where management does not solicit proxies. Items 4 through 6 shall not be restated or answered by any bank that, since the close of its fiscal year, has filed with the Board, with respect to an election of directors, a proxy statement or statement where management does not solicit proxies pursuant to section 206.5(a) of this part. The incorporation of such statement by reference in answer to such items is not required. Any financial statements contained in such statement or in an annual report to security holders furnished to the Board pursuant to section 206.5(c) of this part may be incorporated by reference if such financial statements substantially meet the requirements of this form.

C. Reports by banks not filing proxy statements or statements where management does not solicit proxies. Information contained in an annual report to security holders furnished to the Board pursuant to Instruction D below, by any bank not subject to Instruction B, may be incorporated by reference in answer or partial answer to any item of this form. In addition, any financial statements contained in any such annual report may be incorporated by reference if such financial statements substantially meet the requirements of this form.

D. Annual reports to stockholders. Every bank that files an annual report on this form shall furnish to the Board for its information eight copies of any annual report to security holders covering such registrant bank's latest fiscal year, unless copies thereof are furnished to the Board pursuant to section 206.5 of this part. Such report shall be mailed to the Board not later than

the date on which it is first sent or given to security holders, but shall not be deemed to be "filed" with the Board or otherwise subject to the liabilities of section 18 of the Act, except to the extent that the bank specifically requests that it be treated as a part of its annual report on this form or incorporates it herein by reference. If no annual report is submitted to security holders for the bank's latest fiscal year, the Board shall be so advised.

INFORMATION REQUIRED IN REPORT

Item 1. Securities registered. As to each class of securities of the bank that is registered pursuant to section 12 of the Act, state the title of such class, the name of the exchange, if any, on which registered, and the number of holders of record of such class.

Item 2. Parents and subsidiaries of the bank. Furnish a list or diagram showing the relationship of the bank to all parents and subsidiaries, and as to each person named indicate the percentage of voting securities owned, or other basis of control, by its immediate parent.

Instructions. 1. This item need not be answered if there has been no change in the list or diagram as last previously reported.

2. The list or diagram shall include the bank and shall be so prepared as to show clearly the relationship of each person named to the bank and to the other persons named. If any person is controlled by means of the direct ownership of its securities by two or more persons, so indicate by appropriate cross reference.

3. Designate by appropriate symbols (a) subsidiaries for which separate financial statements are filed; (b) subsidiaries included in the respective consolidated financial statements; and (c) other subsidiaries, indicating briefly why statements of such subsidiaries are not filed.

4. Indicate the name of the country in which each foreign subsidiary was organized.

5. The names of particular subsidiaries may be omitted if the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

6. A person, approximately 50 percent of whose voting securities are owned, directly or indirectly, by the bank, and approximately 50 percent of whose voting securities are owned, directly or indirectly, by another person, shall be considered a subsidiary for the purpose of this item.

Item 3. Changes in business. Describe briefly any material changes during the fiscal year, not previously reported, in the business of the bank and its subsidiaries.

Item 4. Principal holders of voting securities. If, to the knowledge of the bank, any person individually, or together with his associates, owns of record or beneficially more than 10 percent of the outstanding voting securities of the bank, name each such person, state the approximate amount of such securities owned of record but not owned beneficially, the approximate amount owned beneficially and the percentage of outstanding voting securities represented by the amount so owned in each such manner.

Instruction. To the extent that the information required by this item is given in answer to Item 2, a reference to such item will suffice.

Item 5. Directors of bank. Furnish the following information, in tabular form to the extent practicable, with respect to each director of the bank:

(a) Name each such director, state the date on which his present term of office will expire and list all other positions and offices with the bank presently held by him.

(b) State his present principal occupation or employment and give the name and principal business of any corporation or other organization in which such employment is

carried on. If not previously reported, furnish similar information as to all of his principal occupations or employments during the last 5 years.

(c) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the bank, or any of its parents or subsidiaries, "beneficially owned" (as defined in section 206.2 (ff)) directly or indirectly by him. If he is not the beneficial owner of any such securities, make a statement to that effect.

Item 6. Remuneration of director and officers and related matters. Set forth the same information as to remuneration of officers and directors and their transactions with management and others as is required to be furnished by Item 7 of Form F-5.

Item 7. Financial statements and exhibits. List below all financial statements and exhibits filed as a part of the annual report:

(a) Financial statements.

(b) Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Name of bank)

By _____
(Name and title of signing officer)

Date _____

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

These instructions specify the balance sheets and statements of income required to be filed as a part of annual reports on this form. Section 206.7 of this part governs the verification, form, and content of the balance sheets and statements of income required, including the basis of consolidation, and prescribes the statement of changes in capital accounts and the schedules to be filed in support thereof.

1. Financial statements of the bank. (a) There shall be filed for the bank, in comparative columnar form, verified balance sheets as of the close of the last 2 fiscal years and verified statements of income for such fiscal years.

(b) Notwithstanding paragraph (a), the individual financial statements of the bank may be omitted if consolidated statements of the bank and one or more of its subsidiaries are filed.

2. Consolidated statements. There shall be filed for the bank and its majority-owned (i) bank premises subsidiaries, (ii) subsidiaries operating under the provisions of section 25 or section 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations"), and (iii) significant subsidiaries, in comparative columnar form, verified consolidated balance sheets as of the close of the last 2 fiscal years of the bank and verified consolidated statements of income for such fiscal years.

3. Separate statements of unconsolidated subsidiaries and other persons. There shall be filed such other verified financial statements with respect to unconsolidated subsidiaries and other persons as are material to a proper understanding of the financial position and results of operations of the total enterprise.

4. Filing of other statements in certain cases. The Board may, upon the request of the bank and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution thereof of appropriate statements of comparable character. The Board may also require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate

presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

INSTRUCTIONS AS TO EXHIBITS

Subject to provisions regarding incorporation by reference, the following exhibits shall be filed as part of the report:

§ 206.44 Form for quarterly report of bank (Form F-4)

FORM F-4—QUARTERLY REPORT OF

(Name of bank)

(City and State)

Item	3 months ending		Fiscal year to date (months ending)	
	19 (current year)	19 (prior year)	19 (current year)	19 (prior year)
1. Operating income:				
(a) Interest and fees on loans				
(b) Interest and dividends on securities				
(c) Other operating income				
(d) Total operating income				
2. Operating expenses:				
(a) Salaries and other compensation				
(b) Interest expense				
(c) Other operating expenses				
(d) Total operating expenses				
3. Income before income taxes and securities gains (losses)				
4. Applicable income taxes				
5. Income before securities gains (losses)				
6. Net security gains (losses), less related tax effect				
7. Net income				

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this quarterly report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date

By (Name of bank)
(Name and title of signing officer)

(a) *Use of Form F-4.* Form F-4 is a guide for use in preparation of the quarterly report to be filed with the Board.

(b) *Persons for whom the information is to be given.* The required information is to be given as to the registrant bank or, if the bank files consolidated financial statements with the annual reports filed with the Board, it shall cover the bank and its consolidated subsidiaries. If the information is given as to the bank and its consolidated subsidiaries, it need not be given separately for the bank.

(c) *Presentation of information.* The form calls only for the items of information specified. It is not necessary to furnish a formal statement of income. The information is not required to be verified (see section 206.7(b) of this part). The report may carry a notation to that effect and any other qualification considered necessary or appropriate. Amounts may be stated in thousands of dollars if a notation to that effect is made.

(d) *Incorporation by reference to published statements.* If the bank makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a financial statement containing the information required by this form, such information may be incorporated by reference to such published statement if copies thereof are filed as an exhibit to this report.

(e) *Extraordinary items.* If present with respect to any interim period reported herein, extraordinary items less applicable income tax effect shall be appropriately segregated and included in the determination of net income. (See Form F-9B, Statement of Income.)

§ 206.51 Form for proxy statement; statement where management does not solicit proxies (Form F-5).

FORM F-5—PROXY STATEMENT; STATEMENT WHERE MANAGEMENT DOES NOT SOLICIT PROXIES

GENERAL INSTRUCTIONS

Each statement required under section 206.5(a) of this part shall, to the extent applicable, include the information called for

1. Copies of all amendments or modifications, not previously filed, to all exhibits previously filed (or copies of such exhibits as amended or modified).

2. Copies of all documents of the character required to be filed as an exhibit to an original form for registration of securities of a bank which have been executed or otherwise put into effect during the fiscal year and not previously filed.

he intends to oppose any action intended to be taken by the management and indicate the action which he intends to oppose.

(2) If the solicitation is made otherwise than by the management of the bank, so state and give the names of the persons by whom and the persons on whose behalf it is made.

(3) If the solicitation is to be made otherwise than by the use of the mails, describe the methods to be employed. If the solicitation is to be made by specially engaged employees or paid solicitors, state (i) the material features of any contract or arrangement for such solicitation and identify the parties, and (ii) the cost or anticipated cost thereof.

(4) State the names of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly.

(b) Solicitations subject to section 206.5(1).

(1) State by whom the solicitation is made and describe the methods employed and to be employed.

(2) If regular employees of the bank or any other participants in a solicitation have been or are to be employed to solicit security holders, describe the class or classes of employees to be so employed, and the manner and nature of their employment for such purpose.

(3) If specially engaged employees, representatives, or other persons have been or are to be employed to solicit security holders, state (i) the material features of any contract or arrangement for such solicitation and identify the parties, (ii) the cost or anticipated cost thereof, and (iii) the approximate number of such employees or employees of any other person (naming such other person) who will solicit security holders.

(4) State the total amount estimated to be spent and the total expenditures to date for, in furtherance of, or in connection with, the solicitation of security holders.

(5) State by whom the cost of the solicitation will be borne. If such cost is to be borne initially by any person other than the bank, state whether reimbursement will be sought from the bank, and, if so, whether the question of such reimbursement will be submitted to a vote of security holders.

Instruction. With respect to solicitations subject to section 206.5(1), costs and expenditures within the meaning of this Item 3 shall include fees for attorneys, accountants, public relations, or financial advisers, solicitors, advertising, printing, transportation, litigation, and other costs incidental to the solicitation, except that the bank may exclude the amounts of such costs represented by the amount normally expended for a solicitation for an election of directors in the absence of a contest, and costs represented by salaries and wages of regular employees and officers, provided a statement to that effect is included in the proxy statement.

Item 4. Interest of certain persons in matters to be acted upon. (a) Solicitations not subject to section 206.5(1). Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of each of the following persons in any matter to be acted upon, other than elections to office:

(1) If the solicitation is made on behalf of management, each person who has been a director or officer of the bank at any time since the beginning of the last fiscal year.

(2) If the solicitation is made otherwise than on behalf of management, each person on whose behalf the solicitation is made. Any person who would be a participant in a solicitation for purposes of section 206.5(1) as defined in subparagraph 2(i) (e), (d), (e), and (f) thereof shall be deemed a person on whose behalf the solicitation is made for purposes of this paragraph (a).

(3) Each nominee for election as a director of the bank.

(4) Each associate of the foregoing persons.

under each of the items below. In the preparation of the statement, particular attention should be given to the definitions in section 206.2 of this part.

This form is not to be used as a blank form to be filled in nor is it intended to prescribe a form for presentation of material in the statement. Its purpose is solely to prescribe the information required to be set forth in the statement; any additional information that management or the soliciting persons deem appropriate may be included.

INFORMATION REQUIRED IN STATEMENT

Item 1. Revocability of proxy. State whether the person giving the proxy has the power to revoke it. If the right of revocation before the proxy is exercised is limited or is subject to compliance with any formal procedure, briefly describe such limitation or procedure.

Item 2. Dissenters' rights of appraisal. Outline briefly the rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon and indicate any statutory procedure required to be followed by dissenting security holders in order to perfect such rights. Where such rights may be exercised only within a limited time after the date of the adoption of a proposal, the filing of a charter amendment or other similar act, state whether the person solicited will be notified of such date.

Instruction. Indicate whether a security holder's failure to vote against a proposal will constitute a waiver of his appraisal or similar rights and whether a vote against a proposal will be deemed to satisfy any notice requirements under State law with respect to appraisal rights. If the State law is unclear, state what position will be taken in regard to those matters.

Item 3. Persons making the solicitation. (a) Solicitations not subject to section 206.5(1).

(1) If the solicitation is made by the management of the bank, so state. Give the name of any director of the bank who has informed the management in writing that

Instruction. Except in the case of a solicitation subject to section 206.5 of this part made in opposition to another solicitation subject to section 206.5 of this part, this subitem (a) shall not apply to any interest arising from the ownership of securities of the bank where the security holder receives no extra or special benefit not shared on a pro rata basis by all other holders of the same class.

(b) Solicitations subject to section 206.5 (1).

(1) Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of each participant as defined in section 206.5(1)(2)(i), (b), (c), (d), and (e), in any matter to be acted upon at the meeting, and include with respect to each participant the information, or a fair and adequate summary thereof, required by Items 2(a), 2(d), 3, 4(b), and 4(c) of Form F-6.

(2) With respect to any person named in answer to Item 6(b), describe any substantial interest, direct or indirect, by security holdings or otherwise, that he has in any matter to be acted upon at the meeting, and furnish the information called for by Item 4(b) and (c) of Form F-6.

Item 5. Voting securities and principal holders thereof. (a) State, as to each class of voting securities of the bank entitled to be voted at the meeting, the number of shares outstanding and the number of votes to which each class is entitled.

(b) Give the date as of which the record of security holders entitled to vote at the meeting will be determined. If the right to vote is not limited to security holders of record on that date, indicate the conditions under which other security holders may be entitled to vote.

(c) If action is to be taken with respect to the election of directors and if the persons solicited have cumulative voting rights, make a statement that they have such rights and state briefly the conditions precedent to the exercise thereof.

(d) If to the knowledge of the persons on whose behalf the solicitation is made, any person, individually, or together with his associates, owns of record or beneficially more than 10 percent of the outstanding voting securities of the bank, name such person or persons, state the approximate amount of such securities owned of record but not owned beneficially, and the approximate amount owned beneficially, and the percentage of outstanding voting securities represented by the amount of securities so owned in each such manner.

(e) If to the knowledge of the persons on whose behalf the solicitation is made, a change in control of the bank has occurred since the beginning of its last fiscal year, state the name of the person or persons who acquired such control, the basis of such control, the date and a description of the transaction or transactions in which control was acquired, and the percentage of voting securities of the bank now owned by such person or persons.

(f) Describe any contractual arrangements, including any pledge of securities of the bank or any of its parents, known to the persons on whose behalf the solicitation is made, the operation of the terms of which may at a subsequent date result in a change in control of the bank.

Instruction. Paragraph (f) does not require a description of ordinary default provisions contained in the charter, trust indentures or other governing instruments relating to securities of the bank.

Item 6. Nominees and directors. (a) If action is to be taken with respect to the election of directors, furnish the following information, in tabular form to the extent practicable, with respect to each person nominated for election as a director and each other person whose term of office as a director will continue after the meeting:

(1) Name each such person, state when his term of office or the term of office for which he is a nominee will expire, and all other positions and offices with the bank presently held by him, and indicate which persons are nominees for election as directors at that meeting.

(2) State his present principal occupation or employment and give the name and principal business of any corporation or other organization in which such employment is carried on. Furnish similar information as to all of his principal occupations or employments during the last 5 years, unless he is now a director and was elected to his present term of office by a vote of security holders at a meeting with respect to which a proxy statement or statement where management does not solicit proxies was submitted to security holders pursuant to section 206.5(a) of this part.

(3) If he is or has previously been a director of the bank state the period or periods during which he has served as such.

(4) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the bank, or any of its parents or subsidiaries, "beneficially owned" (as defined in section 206.2(f)) directly or indirectly by him. If he disclaims beneficial ownership of any such securities, make a statement to that effect.

(b) If any nominee for election as a director is proposed to be elected pursuant to any arrangement or understanding between the nominee and any other person or persons, except the directors and officers of the bank acting solely in that capacity, name such other person or persons and described briefly such arrangement or understanding.

(c) If fewer nominees are named than the number fixed by or pursuant to the governing instruments, state (1) the reasons for this procedure, and (2) that the proxies cannot be voted for a greater number of persons than the number of nominees named.

Item 7. Remuneration and other transactions with management and others. Furnish the information called for by this item if action is to be taken with respect to (i) the election of directors, (ii) any bonus, profit sharing, or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the bank will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any options, warrants, or rights to purchase any securities, other than warrants or rights issued to security holders, as such, on a pro rata basis. However, if the solicitation is made on behalf of persons other than the management, the information required need be furnished only as to nominees for election as directors and as to their associates.

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the bank and its subsidiaries during the bank's latest fiscal year to the following persons for services in all capacities:

(1) Each director of the bank whose aggregate direct remuneration exceeded \$30,000, and each of the two highest paid officers of the bank whose aggregate direct remuneration exceeded that amount, naming each such director and officer.

(2) All directors and officers of the bank as a group, without naming them, but stating the number of persons included.

(A)	(B)	(C)
Name of individual or number of persons in group	Capacities in which remuneration was received	Aggregate direct remuneration

Instructions. 1. This item applies to any person who was a director or officer of the bank at any time during the period specified. However, information need not be given for any portion of the period during which such person was not a director or officer.

2. The information is to be given on an accrual basis, if practicable. The tables required by this paragraph and paragraph (b) may be combined if the bank so desires.

3. Do not include remuneration paid to a partnership in which any director or officer was a partner. But see paragraph (f) below.

(b) Furnish the following information, in substantially the tabular form indicated, as to all pension or retirement benefits proposed to be paid under any existing plan in the event of retirement at normal retirement date, directly or indirectly, by the bank or any of its subsidiaries to each director or officer named in answer to paragraph (a) (1):

(A)	(B)	(C)
Name of individual	Amount set aside or accrued during bank's last fiscal year	Estimated annual benefits upon retirement

Instructions. 1. Column (B) need not be answered with respect to payments computed on an actuarial basis under any plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

2. The information called for by column (C) may be given in a table showing the annual benefits payable upon retirement to persons in specified salary classifications.

3. In the case of any plan (other than those specified in Instruction 1) where the amount set aside each year depends upon the amount of earnings of the bank or its subsidiaries for such a year or a prior year (or where otherwise impracticable to state the estimated annual benefits upon retirement) there shall be set forth, in lieu of the information called for by column (C), the aggregate amount set aside or accrued to date, unless impracticable to do so, in which case the method of computing such benefits shall be stated. In addition, furnish a brief description of the material terms of the plan, including the method used in computing the bank's contribution, and the amount set aside or accrued during the bank's last fiscal year for all officers and directors as a group, indicating the number of persons in such group without naming them.

(c) Describe briefly all remuneration payments (other than payments reported under paragraph (a) or (b) of this item) proposed to be made in the future, directly or indirectly, by the bank or any of its subsidiaries pursuant to any existing plan or arrangement to (i) each director or officer named in answer to paragraph (a) (1), naming each such person, and (ii) all directors and officers of the bank as a group, without naming them.

Instruction. Information need not be included as to payments to be made for, or benefits to be received from, group life or accident insurance, group hospitalization, or similar group payments or benefits. If it is impracticable to state the amount of remuneration payments proposed to be made, the aggregate amount set aside or accrued to date in respect of such payments shall be stated, together with an explanation of the basis for future payments.

(d) Furnish the following information as to all options to purchase securities, from the bank or any of its subsidiaries, which were granted to or exercised by the following persons since the beginning of the bank's

last fiscal year and as to all options held by such persons as of the latest practicable date: (i) Each director or officer named in answer to paragraph (a)(1), naming each such person; and (ii) all directors and officers of the bank as a group, without naming them:

(1) As to options granted, state (i) the title and amount of securities called for; (ii) the prices, expiration dates, and other material provisions; and (iii) the market value of the securities called for on the granting date.

(2) As to options exercised, state (i) the title and amount of securities purchased; (ii) the aggregate purchase price; and (iii) the aggregate market value of the securities purchased on the date of purchase.

(3) As to all unexercised options held as of the latest practicable date, regardless of when such options were granted, state (i) the title and aggregate amount of securities called for; (ii) the range of option prices; and (iii) the per share market prices of the securities subject to option, as of the latest practicable date.

Instructions. 1. The extension, regranting, or material amendment of options shall be deemed the granting of options within the meaning of this paragraph.

2. This item need not be answered with respect to options granted, exercised, or outstanding, as may be specified therein, where the total market value (i) on the granting date of the securities called for by all options granted during the period specified, (ii) on the dates of purchase of all securities purchased through the exercise of options during the period specified, or (iii) as of the latest practicable date of the securities called for by all options held at such time, does not exceed \$10,000 for any officer or director named in answer to paragraph (a)(1), or \$30,000 for all officers and directors as a group.

3. The information for all directors and officers as a group regarding market value of the securities on the granting date of the options and on the purchase date may be given in the form of price ranges for each calendar quarter during which options were granted or exercised.

(e) If to the knowledge of management any indebtedness to the bank has arisen since the beginning of the bank's last fiscal year under section 16(b) of the Securities Exchange Act of 1934, as a result of transactions in the bank's stock (or other equity securities) by any director, officer, or security holder named in answer to Item 5(d), which indebtedness has not been discharged by payment, state the amount of any profit realized and whether suit will be brought or other steps taken to recover such profit. If, in the opinion of counsel, a question reasonably exists as to the recoverability of such profit, only facts necessary to describe the transactions, including the prices and number of shares involved, need be stated.

(f) Describe briefly, and where practicable state the approximate amount of, any material interest, direct or indirect, of any of the following persons in any material transactions since the beginning of the bank's last fiscal year, or in any material proposed transactions, to which the bank or any of its subsidiaries was or is to be a party:

(1) Any director or officer of the bank;

(2) Any nominee for election as a director;

(3) Any security holder named in answer to Item 5(d); or

(4) Any associate of any of the foregoing persons.

Instructions. 1. See Instruction 1 to paragraph (a). Include the name of each person whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be de-

scribed. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

2. As to any transaction involving the purchase or sale of assets by or to the bank or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within 2 years prior to the transaction.

3. The instruction to Item 4 shall apply to this item.

4. No information need be given under this paragraph as to any remuneration or other transaction reported in response to (a), (b), (c), (d), or (e) of this item.

5. No information need be given under this paragraph as to any transaction or any interest therein where:

(i) The rates of charges involved in the transaction are fixed by law or determined by competitive bids;

(ii) The interest of the specified person in the transaction is solely that of a director of another corporation which is a party to the transaction;

(iii) The specified person is subject to this Item 7(f) solely as a director of the bank (or associate of a director) and his interest in the transaction is solely that of a director, officer of, and/or owner of less than a 10 percent interest in, another person that is a party to the transaction.

(iv) The transaction consists of extensions of credit by the bank in the ordinary course of its business that (A) are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other than specified persons, (B) at no time exceed 10 percent of the equity capital accounts of the bank, or \$10 million, whichever is less, and (C) do not involve more than the normal risk of collectibility or present other unfavorable features. Notwithstanding the foregoing, if aggregate extensions of credit to the specified persons, as a group, exceeded 20 percent of the equity capital accounts of the bank at any time during the preceding year, (1) the aggregate amount of such extensions of credit shall be disclosed, and (2) a statement shall be included, to the extent applicable, that the bank has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal stockholders, and their associates, on the same terms, including interest rates and collateral on loans, as those prevailing at the same time for comparable transactions with others. For the purpose of determining "aggregate extensions of credit" in this instruction, transactions which are exempted from disclosure pursuant to other instructions to this Item may be excluded.

(v) The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or other similar services; or

(vi) The interest of the specified person, including all periodic installments in the case of any lease or other agreement providing for periodic installments, does not exceed \$30,000.

6. Information shall be furnished under this paragraph with respect to transactions not excluded above which involve remuneration, directly or indirectly, to any of the specified persons for services in any capacity unless the interest of such persons arises solely from the ownership, individually and in the aggregate, of less than a 10 percent interest in another person furnishing the services to the bank or its subsidiaries.

Item 8. Selection of auditors. If action is to be taken with respect to the selection or approval of auditors, or if it is proposed that particular auditors shall be recommended by any committee to select auditors for whom

votes are to be cast, name the auditors and describe briefly any direct financial interest or any material indirect financial interest in the bank or any of its parents or subsidiaries, or any connection during the past 3 years with the bank or any of its parents or subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer, or employee.

Item 9. Bonus, profit-sharing, and other remuneration plans. If action is to be taken with respect to any bonus, profit-sharing, or other remuneration plan, furnish the following information:

(a) Describe briefly the material features of the plan, identify each class of persons who will participate therein, indicate the approximate number of persons in each such class and state the basis of such participation.

(b) State separately the amounts which would have been distributable under the plan during the last fiscal year of the bank (1) to directors and officers, and (2) to employees, if the plan had been in effect.

(c) State the name and position with the bank of each person specified in Item 7(a) who will participate in the plan and the amount which each such person would have received under the plan for the last fiscal year of the bank if the plan had been in effect.

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 2 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan, and (iii) all employees, if employees may participate in the plan.

(e) If the plan to be acted upon can be amended otherwise than by a vote of stockholders to increase the cost thereof to the bank or to alter the allocation of the benefits as between the groups specified in (b), state the nature of the amendments which can be so made.

(f) If action is to be taken with respect to the amendment or modification of an existing plan, this item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

Instruction. If the plan is set forth in a formal plan, contract, or arrangement, three copies thereof shall be filed with the Board at the time preliminary copies of the Statement are filed pursuant to section 206.5(f).

Item 10. Pension and retirement plans. If action is to be taken with respect to any pension or retirement plan, furnish the following information:

(a) Describe briefly the material features of the plan, identify each class of persons who will be entitled to participate therein, indicate the approximate number of persons in each such class, and state the basis of such participation.

(b) State (1) the approximate total amount necessary to fund the plan with respect to past services, the period over which such amount is to be paid, and the estimated annual payments necessary to pay the total amount over such period, (2) the estimated annual payment to be made with respect to current services, and (3) the amount of such annual payments to be made for the benefit of (i) directors and officers, and (ii) employees.

(c) State (1) the name and position with the bank of each person specified in Item 7(a) who will be entitled to participate in

the plan, (2) the amount which would have been paid or set aside by the bank and its subsidiaries for the benefit of such person for the last fiscal year of the bank if the plan had been in effect, and (3) the amount of the annual benefits estimated to be payable to such person in the event of retirement at normal retirement date.

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 2 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan, and (iii) all employees, if employees may participate in the plan.

(e) If the plan to be acted upon can be amended otherwise than by a vote of stockholders to increase the cost thereof to the bank or alter the allocation of the benefits as between the groups specified in (b) (3), state the nature of the amendments which can be so made.

(f) If action is to be taken with respect to the amendment or modification of an existing plan, this item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

Instructions. 1. The information called for by paragraph (b) (3) or (c) (2) need not be given as to payments made on an actuarial basis pursuant to any group pension plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

2. The instruction to Item 9 shall apply to this item.

Item 11. Options, warrants, or rights. If action is to be taken with respect to the granting, extension or amendment of any options, warrants, or rights to purchase securities of the bank or any subsidiary, furnish the following information:

(a) State (i) the title and amount of securities called for or to be called for by such options, warrants, or rights; (ii) the prices, expiration dates, and other material conditions upon which the options, warrants, or rights may be exercised; and (iii) in the case of options, the Federal income tax consequences of the issuance and exercise of such options to the recipient and to the bank.

(b) State separately the amount of options, warrants, or rights received or to be received by the following persons, naming each such person: (i) Each director or officer named in answer to Item 7(a); (ii) each nominee for election as a director of the bank; (iii) each associate of such directors, officers, or nominees; and (iv) each other person who received or is to receive 5 percent or more of such options, warrants or rights. State also the total amount of such options, warrants, or rights received or to be received by all directors and officers of the bank as a group, without naming them.

(c) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit-sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 2 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may partici-

pate in the plan, and (iii) all employees, if employees may participate in the plan.

Instruction. 1. Paragraphs (b) and (c) do not apply to warrants or rights to be issued to security holders as such on a pro rata basis.

2. The instruction to Item 9 shall apply to paragraph (c) of this item.

3. Include in the answer to paragraph (c) as to each director or officer named in answer to Item 7(a) and as to all directors and officers as a group (i) the amount of securities acquired during the past 2 years through the exercise of options granted during the period or prior thereto, (ii) the amount of securities sold during such period of the same class as those acquired through the exercise of such options, and (iii) the amount of securities subject to all unexercised options held as of the latest practicable date.

Item 12. Authorization or issuance of securities otherwise than for exchange. If action is to be taken with respect to the authorization or issuance of any securities otherwise than in exchange for outstanding securities of the bank, furnish the following information:

(a) State the title and amount of securities to be authorized or issued.

(b) Furnish a description of the material provisions of the securities such as would be required in a registration statement filed pursuant to this part: If the terms of the securities cannot be stated or estimated with respect to any or all of the securities to be authorized, because no offering thereof is contemplated in the proximate future, and if no further authorization by security holders for the issuance thereof is to be obtained, it should be stated that the terms of the securities to be authorized, including dividend or interest rates, conversion prices, voting rights, redemption prices, maturity dates, and similar matters will be determined by the board of directors of the bank. If the securities are additional shares of common stock of a class outstanding, the description may be omitted.

(c) Describe briefly the transaction in which the securities are to be issued, including a statement as to (1) the nature and approximate amount of consideration received or to be received by the bank, and (2) the approximate amount devoted to each purpose so far as determinable, for which the net proceeds have been or are to be used. If it is impracticable to describe the transaction in which the securities are to be issued, indicate the purpose of the authorization of the securities, and state (i) whether further authorization for the issuance of the securities by a vote of security holders will be solicited prior to such issuance and (ii) whether present security holders will have preemptive rights to purchase such securities.

Item 13. Modification or exchange of securities. If action is to be taken with respect to the modification of any class of securities of the bank, or the issuance or authorization for issuance of securities of the bank in exchange for outstanding securities of the bank, furnish the following information:

(a) If outstanding securities are to be modified, state the title and amount thereof. If securities are to be issued in exchange for outstanding securities, state the title and amount of securities to be so issued, the title and amount of outstanding securities to be exchanged therefor, and the basis of the exchange.

(b) Describe any material differences between the outstanding securities and the modified or new securities with respect to any of the matters concerning which information would be required in the description of the securities in a registration statement filed pursuant to this part.

(c) State the reasons for the proposed modification or exchange and the general effect thereof upon the rights of existing security holders.

(d) Furnish a brief statement as to arrears in dividends or as to defaults in principal or interest with respect to the outstanding securities which are to be modified or exchanged and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(e) Outline briefly any other material features of the proposed modification or exchange.

(f) The instruction to Item 9 shall apply to this item.

Item 14. Mergers, consolidations, acquisitions, and similar matters. If action is to be taken with respect to any plan for (i) the merger or consolidation of the bank into or with any other person, or of any other person into or with the bank, (ii) the acquisition by the bank or any of its subsidiaries of securities of another bank, (iii) the acquisition by the bank of any other going business or of the assets thereof, (iv) the sale or other transfer of all or any substantial part of the assets of the bank, or (v) the voluntary liquidation or dissolution of the bank:

(a) Outline briefly the material features of the plan. State the reasons therefore and the general effect thereof upon the interests of existing security holders. If the plan is set forth in a written document, file three copies thereof with the Board when preliminary copies of the statement are filed pursuant to section 206.5(f).

(b) Furnish the following information as to the bank and each person (other than subsidiaries substantially all of the stock of which is owned by the bank) which is to be merged into the bank, or into or with which the bank is to be merged or consolidated, or the business or assets of which are to be acquired, or which is the issuer of securities to be acquired by the bank or any of its subsidiaries in exchange for all or a substantial part of its assets:

(1) A brief description of the business and property of each such person in substantially the manner required by Items 3 and 4 of Form F-1.

(2) A brief statement as to defaults in principal or interest with respect to any securities of the bank or of such person, and as to the effect of the plan thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(3) Such information with respect to the proposed management of the surviving bank as would be required by Items 6 and 7 of this Form F-5. Information concerning remuneration of management may be projected for the current year based on remuneration actually paid or accrued by each of the constituent persons during the last calendar year. If significantly different, proposed compensation arrangements should also be described.

(4) A tabular presentation of the existing and pro forma capitalization.

(5) In columnar form, for each of the last 3 fiscal years, a historical summary of earnings. Such summary is to be concluded by indicating per share amounts of income before securities gains (losses), net income, and dividends declared for each period reported (Extraordinary items, if any, should be appropriately reported and per share amounts of securities gains (losses) should be included.)

(6) In columnar form, for each of the last 3 fiscal years, a combined pro forma summary of earnings, as appropriate in the circumstances, similar in structure to the historical summary of earnings. If the

transaction establishes a new basis of accounting for assets of any of the persons included therein, the pro forma summary of earnings shall be furnished only for the most recent fiscal year and interim period and shall reflect appropriate pro forma adjustments resulting from such new basis of accounting.

(7) A tabular presentation of comparative per share data of the constituent banks or other persons pertaining to:

(A) (i) Income before securities gains (losses), (ii) net income, and (iii) dividends declared, for each of the last three fiscal years; and

(B) Book value per share, at the date of the Balance Sheets included in the statement.

The comparative per share data shall be presented on a historical and pro forma basis (except dividends which are to be furnished on historical basis only) and equated to a common basis in exchange transactions.

(8) To the extent material for the exercise of prudent judgment, the historical and pro forma earnings data specified in (5), (6), and (7) above for the latest available interim period of the current and prior fiscal years.

Instructions. 1. Historical statements of income in their entirety, as required by Item 15, may be furnished in lieu of the summary of earnings specified in paragraph (5). If summary earnings information is presented, show, as a minimum, operating revenues, operating expenses, income before income taxes and security gains (losses), applicable income taxes, income before securities gains (losses), securities gains (losses), and net income. The summary shall reflect retroactive adjustments of any material items affecting the comparability of the results.

2. In connection with any interim period or periods between the end of the last fiscal year and the balance sheet date, and any comparable prior period, a statement shall be made that all adjustments necessary to a fair statement of the results for such interim period or periods have been included, and results of the interim period for the current year are not necessarily indicative of results for the entire year. In addition, there shall be furnished in such cases, as supplemental information but not as a part of the proxy statement, a letter describing in detail the nature and amount of any adjustments, other than normal recurring accruals, entering into the determination of the results shown.

3. The information required by this Item 14(b) is required in a statement of the "acquiring" or "surviving" bank only where a "significant" merger or acquisition is to be voted upon. For purposes of this item, the term "significant" merger or acquisition shall mean a transaction where either (1) the net book value of assets to be acquired or the amount paid therefore exceeds 5 percent of the equity capital accounts of the acquiring bank, or (2) in an exchange transaction, the number of shares to be issued exceeds 5 percent of the outstanding shares of the acquiring bank, or (3) gross operating revenues for the last fiscal year of the person to be acquired exceeded 5 percent of the gross operating revenues for the last fiscal year of the acquiring bank. If less than a "significant" merger acquisition is to be voted upon, such information need only be included to the extent necessary for the exercise of prudent judgment with respect thereto.

(c) As to each class of securities of the bank, or of any person specified in paragraph (b), which is admitted to dealing on a national securities exchange or with respect to which a market otherwise exists, and which will be materially affected by the plan,

state the high and low sale prices (or, in the absence of trading in a particular period, the range of the bid and asked prices) for each quarterly period within 2 years. This information may be omitted if the plan involves merely the voluntary liquidation or dissolution of the bank.

Item 15. Financial statements. (a) If action is to be taken with respect to any matter specified in Items 12, 13, or 14 above, furnish verified financial statements of the bank and its subsidiaries such as would be required in a registration statement filed pursuant to this part. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. All schedules, except Schedule VII—"Allowance for Possible Loan Losses," may be omitted.

(b) If action is to be taken with respect to any matter specified in Item 14(b), furnish for each person specified therein, other than the bank, financial statements such as would be required in a registration statement filed pursuant to this part. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. However, the following may be omitted: (1) All schedules, except Schedule VII—"Allowance for Possible Loan Losses"; and (2) statements for a subsidiary, all of the stock of which is owned by the bank, that is included in the consolidated statement of the bank and its subsidiaries. Such statements shall be verified, if practicable.

(c) Notwithstanding paragraphs (a) and (b) above, any or all of such financial statements which are not material for the exercise of prudent judgment in regard to the matter to be acted upon may be omitted. Such financial statements are deemed material to the exercise of prudent judgment in the usual case involving the authorization or issuance of any material amount of senior securities, but are not deemed material in cases involving the authorization or issuance of common stock, otherwise than in an exchange, merger, consolidation, acquisition, or similar transaction.

(d) The statement may incorporate by reference any financial statements contained in an annual report sent to security holders pursuant to section 206.5(c) with respect to the same meeting as that to which the statement relates, provided such financial statements substantially meet the requirements of this item.

Item 16. Action with respect to reports. If action is to be taken with respect to any report of the bank or of its directors, officers, or committees or any minutes of a meeting of its security holders, furnish the following information:

(a) State whether or not such action is to constitute approval or disapproval of any of the matters referred to in such reports of minutes.

(b) Identify each of such matters which it is intended will be approved or disapproved, and furnish the information required by the appropriate item or items of this schedule with respect to each such matter.

Item 17. Matters not required to be submitted. If action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders, state the nature of such matter, the reasons for submitting it to a vote of security holders and what action is intended to be taken by the management in the event of a negative vote on the matter by the security holders.

Item 18. Amendment of charter, bylaws, or other documents. If action is to be taken

with respect to any amendment of the bank's charter, bylaws, or other documents as to which information is not required above, state briefly the reasons for and general effect of such amendment.

Item 19. Other proposed action. If action is to be taken with respect to any matter not specifically referred to above, describe briefly the substance of each such matter in substantially the same degree of detail as is required by Items 5 to 18, inclusive, above.

Item 20. Vote required for approval. As to each matter which is to be submitted to a vote of security holders, other than elections to office or the selection or approval of auditors, state the vote required for its approval.

§ 206.71 Forms for financial statements (Forms F-9 A, B, C, and D).

FORM F-9: FINANCIAL STATEMENTS

A. BALANCE SHEET (FORM F-9A)

B. STATEMENT OF INCOME (FORM F-9B)

C. STATEMENT OF CHANGES IN CAPITAL ACCOUNTS (FORM F-9C)

D. SCHEDULES (FORM F-9D)

GENERAL INSTRUCTIONS

1. **Preparation of forms.** The forms for financial statements are not to be used as blank forms to be filled in but only as guides in the preparation of financial statements. The requirements with respect to the filing of balance sheets and statements of income are contained in the instructions as to certain other forms required by this part. Particular attention should be given to the general requirements as to financial statements in section 206.7 of this part, including paragraphs (e) and (f) thereof, which prescribe when statements of changes in capital accounts and schedules will be filed. Although inapplicable items specified in the forms for financial statements should be omitted, the detailed instructions that relate to applicable items shall be followed.

2. **Accrual accounting.** Financial statements shall generally be prepared on the basis of accrual accounting whereby all revenues and all expenses shall be recognized during the period earned or incurred regardless of the time received or paid, with certain exceptions: (a) where the results would be only insignificantly different on a cash basis, or (b) where accrual is not feasible. Statements with respect to the first fiscal year that a bank reports on the accrual basis shall indicate clearly, by footnote or otherwise, the beginning-of-year adjustments that were necessary and their effect on prior financial statements filed under this part.

A. BALANCE SHEET

ASSETS

1. Cash and due from banks.....
2. Investment securities:
 - (a) U.S. Treasury securities.....
 - (b) Securities of other U.S. Government agencies and corporations.....
 - (c) Obligations of States and political subdivisions.....
 - (d) Other securities.....
3. Trading account securities.....
4. Federal funds sold and securities purchased under agreements to resell.....
5. Other loans.....
6. Bank premises and equipment.....
7. Other real estate owned.....
8. Investments in subsidiaries not consolidated.....
9. Customers' acceptance liability.....
10. Other assets.....
11. Total assets.....

LIABILITIES

12. Deposits:
 - (a) Demand deposits in domestic offices
 - (b) Savings deposits in domestic offices
 - (c) Time deposits in domestic offices
 - (d) Deposits in foreign offices
13. Federal funds purchased and securities sold under agreements to repurchase
14. Other liabilities for borrowed money
15. Bank's acceptances outstanding
16. Mortgages payable
17. Other liabilities
18. Total liabilities
19. Minority interests in consolidated subsidiaries

RESERVES

20. Allowance for possible loan losses.

CAPITAL ACCOUNTS

21. Capital notes and debentures
22. Equity capital:
 - (a) Capital stock:
 - Preferred stock
 - Common stock
 - (b) Surplus
 - (c) Undivided Profits
 - (d) Reserve for contingencies and other capital reserves
23. Total capital accounts
24. Total liabilities, reserves, and capital

ASSETS

1. Cash and due from banks. (a) State the total of (1) currency and coin (A) owned and held in the bank's vaults and (B) in transit to or from a Federal Reserve Bank; (2) the bank's total reserve balance with the Federal Reserve Bank as shown by the bank's books; (3) demand and time balances with other banks; and (4) cash items in process of collection.
 - (b) Reciprocal demand balances with banks in the United States, except those of private banks and American branches of foreign banks, shall be reported net.
 - (c) Do not include unavailable balances with closed or liquidating banks. Such balances should be reported in "other assets".
 - (d) Cash items in process of collection include: (1) checks in process of collection drawn on another bank, private bank, or any other banking institution that are payable immediately upon presentation (including checks with a Federal Reserve Bank in process of collection and checks on hand that will be presented for payment or forwarded for collection on the following business day; (2) Government checks and warrants drawn on the Treasurer of the United States that are in process of collection; and (3) such other items in process of collection, including redeemed U.S. savings bonds, payable immediately upon presentation in the United States, as are customarily cleared or collected by banks as cash items.
 - (e) Checks drawn on a bank other than the reporting bank that have been deposited in the reporting bank (or offices or branches of such bank) and have been forwarded for collection to other offices or branches of the reporting bank are cash items in the process of collection.
 - (f) Do not include commodity or bill-of-lading drafts payable upon arrival of goods against which drawn, whether or not deposit credit therefor has been given to a customer. If deposit credit has been given, such drafts

should be reported as "loans"; but if the drafts were received by the reporting bank on a collection basis they should not be included in the reporting bank's statement until such time as the funds have been actually collected.

(g) Unposted debits should preferably be deducted from the appropriate deposit liability caption. If such items are included hereunder, the amount shall be stated parenthetically.

2. Investment securities. (a) State separately book value of (1) U.S. Treasury securities; (2) securities of other U.S. Government agencies and corporations; (3) obligations of States and political subdivisions; and (4) other securities owned by the bank; include securities pledged, loaned, or sold under repurchase agreements and similar arrangements.

(b) Book value with respect to investment quality securities reported in paragraph (a) shall be cost adjusted for amortization of premium and, at the option of the bank, for accretion of discount. There shall be set forth in a note to financial statements (1) the basis of accounting for book value, and (2) if bond discount is systematically accrued and amounts to 5 percent or more of interest and dividends on investments, the total of accretion income and deferred income taxes applied thereto.

(c) Include in category (3) of paragraph (a) obligations, including warrants and tax anticipation notes, of the States of the United States and their political subdivisions, agencies, and instrumentalities; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign states.

(d) Do not include borrowed securities or securities purchased under resale agreements or similar arrangements.

3. Trading account securities. State the aggregate value at the balance sheet date, of securities of all types carried by the bank in a dealer trading account (or accounts) that are held principally for resale to customers. Indicate parenthetically, or otherwise in a note to financial statements, whether the inventory is valued at (1) cost, (2) lower of cost or market, or (3) market. If cost basis of valuation is used, furnish aggregate market value of the trading account inventory at the current fiscal year balance sheet date.

4. Federal funds sold and securities purchased under agreements to resell. (a) State the aggregate value of Federal funds sold and securities purchased under resale agreement or similar arrangements. All securities purchased under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buybacks, turnarounds, overnight transactions, delayed deliveries, etc., and (2) whether the transactions are with the same or different institutions if the purpose of the transactions is to resell identical or similar securities.

(b) Federal funds sold and purchases of securities under resale agreements should be reported gross and not netted against purchases of Federal funds and sales of securities under repurchase agreements.

5. Other Loans. (a) State the aggregate gross value of all loans including (1) acceptances of other banks and commercial paper purchased in the open market; (2) acceptances executed by or for the account of the reporting bank and subsequently acquired by it through purchase or discount; (3) customers' liability to the reporting bank on drafts paid under letters of credit for which the bank has not been reimbursed; and (4) "cotton overdrafts" or "advances," and commodity or bill-of-lading drafts payable upon

arrival of goods against which drawn, for which the reporting bank has given deposit credit to customers.

(b) Include (1) paper rediscounted with the Federal Reserve or other banks; and (2) paper pledged as collateral to secure bills payable, as marginal collateral to secure bills rediscounted, or for any other purpose.

(c) Do not include contracts of sale or other loans indirectly representing bank premises or other real estate; these should be included in "bank premises" or "other real estate".

(d) Do not deduct bona fide deposits accumulated by borrowers for the payment of loans.

6. Bank premises and equipment. (a) State the aggregate cost of (1) bank premises owned, (2) leasehold improvements, and (3) equipment less any accumulated depreciation or amortization with respect to such assets.

(b) All fixed assets acquired subsequent to December 31, 1959, shall be stated at cost less accumulated depreciation or amortization.

(c) All fixed assets acquired prior to January 1, 1960, that are not presently accounted for by the bank on the basis of cost less accumulated depreciation or amortization, may be stated at book value. Any such assets that are still in use and would not have been fully depreciated on an acceptable method of accounting for depreciation if the bank had recorded depreciation on such basis shall be described briefly in a footnote, together with an explanation of the accounting that was used with respect to such assets.

(d) The term "leasehold improvements" comprehends two types of situations: (1) where the bank erects a building on leased property; and (2) where a bank occupies leased quarters or uses leased parking lots and appropriately capitalizes disbursements for vaults, fixed machinery and equipment directly related to such leased quarters, or resurfacing or other improvements directly related to such parking lots that will become an integral part of the property and will revert to the lessor on expiration of the lease.

(e) Bank premises includes vaults, fixed machinery and equipment, parking lots owned adjoining or not adjoining the bank premises that are used by customers or employees, and potential building sites.

(f) Equipment includes all movable furniture and fixtures of the bank.

7. Other real estate owned. (a) State the aggregate cost of all real estate owned by the bank that is not a part of bank premises.

(b) With respect to real estate acquired through default of a loan, aggregate cost shall include the unpaid balance on the defaulted loan plus the bank's out-of-pocket costs in acquiring clear title to the property. Any adjustments from aggregate cost shall be explained in a footnote.

(c) The aggregate market value of all real estate owned by the bank that is not a part of bank premises shall be set forth in a footnote, together with an explanation of the method of determining such market value.

8. Investments in subsidiaries not consolidated. State the aggregate investment, including advances, in subsidiaries not consolidated.

9. Customers' acceptance liability. (a) State the liability to the reporting bank of its customers on drafts and bills of exchange that have been accepted by the reporting bank or by other banks for its account and that are outstanding—that is, not held by the bank, on the reporting date. (If held by the reporting bank, they should be reported as "loans").

(b) In case a customer anticipates his liability to the bank on outstanding acceptances by paying the bank either the full amount of his liability or any part thereof in advance of the actual maturity of the acceptance, the bank should decrease the amount of the customer's liability on outstanding acceptances. If such funds are not received for immediate application to the reduction of the indebtedness to the bank or the receipt thereof does not immediately reduce or extinguish the indebtedness, then such funds held to meet acceptances must be reported in "demand deposits".

(c) Do not include customer's liability on unused commercial and travelers' letters of credit issued under guaranty or against the deposit of security—that is, not issued for money or its equivalent.

10. *Other assets.* State separately, if material, (1) income earned but not collected; (2) prepaid expenses; (3) property acquired for the purpose of direct lease financing; and (4) any other asset not included in the preceding item.

11. *Total assets.* State the sum of all asset items.

LIABILITIES

12. *Deposits.* (a) State separately (1) demand deposits in domestic offices of the bank, (2) savings deposits in domestic offices of the bank, (3) time deposits in domestic offices of the bank, and (4) deposits in foreign offices. Related unposted debits, if any, should preferably be deducted from domestic deposits.

(b) The domestic deposit liability categories shall be segregated in accordance with the rules and regulations of the Federal Deposit Insurance Corporation, Part 327.2 Classification of Deposits.

(c) The term "unposted debit" means a cash item in the bank's possession drawn on itself that has been paid or credited and is chargeable against, but has not been charged against, deposit liabilities at the close of the reporting period. This term does not include items that have been reflected in deposit accounts on the general ledger, although they have not been debited to individual deposit accounts.

(d) Reciprocal demand deposit balances with banks in the United States, except those of private banks and American branches of foreign banks, shall be reported net.

(e) Include outstanding drafts (including advices or authorizations to charge the bank's balance in another bank) drawn in the regular course of business by the reporting bank on other banks pursuant to customer order.

(f) Do not include trust funds held in the bank's own trust department that the bank keeps segregated and apart from its general assets and does not use in the conduct of its business.

13. *Federal funds purchased and securities sold under agreements to repurchase.* (a) State the aggregate value of Federal funds purchased and securities sold under repurchase or similar arrangements. All securities sold under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buy-backs, turn-arounds, overnight transactions, delayed deliveries, etc., and (2)

whether the transactions are with the same or different institutions if the purpose of the transactions is to repurchase identical or similar securities.

(b) Federal funds purchased and sales of securities under repurchase agreements should be reported gross and not netted against sales of Federal funds and purchases of securities under resale agreements.

14. *Other liabilities for borrowed money.* State the aggregate amount borrowed by the reporting bank on its own promissory notes, on notes and bills rediscounted (including commodity drafts rediscounted), or on any other instruments given for the purpose of borrowing money.

15. *Bank's acceptances outstanding.* (a) State the aggregate of unmatured drafts and bills of exchange accepted by the reporting bank, or by some other bank as agent for the reporting bank (other than those reported in "demand deposits"), less the amount of such acceptances acquired by the reporting bank through discount or purchase and held on the reporting date.

(b) Include bills of exchange accepted by the reporting bank that were drawn by banks or bankers in foreign countries, or in dependencies or insular possessions of the United States, for the purpose of creating dollar exchange as required by usage of trade in the respective countries, dependencies, or insular possessions.

16. *Mortgages payable.* (a) State separately here, or in a note referred to herein, such information as will indicate (1) the general character of the debt including the rate of interest; (2) the date of maturity; (3) if the payment of principal or interest is contingent, an appropriate indication of such contingency; and (4) a brief indication of priority.

(b) If there are any liens on bank premises or other real estate owned by the bank or its consolidated subsidiaries which have not been assumed by the bank or its consolidated subsidiaries, report in a footnote the amount thereof together with an appropriate explanation.

17. *Other liabilities.* State separately, if material, (a) accrued payrolls; (b) accrued income tax liability (Federal and State combined); (c) accrued interest; (d) cash dividends declared but not paid; (e) income collected but not earned; and (f) any other liability not included in Items 12 through 16.

18. *Total liabilities.* State the sum of Items 12 through 17.

19. *Minority interests in consolidated subsidiaries.* State the aggregate amount of minority stockholders' interests in capital stock, surplus, and undivided profits of consolidated subsidiaries.

RESERVES

20. *Allowance for possible loan losses.* (a) State the balance of the loan losses allowance account at the end of the fiscal year. Include in this allowance only (1) any provision that the bank makes for possible loan losses pursuant to the Treasury tax formula and (2) any amount in excess of the provision taken under such formula that (A) represents management's judgment as to possible loss or value depreciation and (B) has been established through a charge against income.

(b) Any provision for possible loan losses that the bank establishes as a precautionary measure that is in excess of the amount reported in paragraph (a) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

Note: Any allowance that (1) represents management's judgment as to possible loss or value depreciation in investment securities and (2) has been established through an appropriate charge against income shall be separately stated. Any provision for possible security losses that the bank establishes as a precautionary measure only (such as to reflect normal fluctuations in market value of readily marketable securities) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

CAPITAL ACCOUNTS

21. *Capital notes and debentures.* State separately here, or in a note referred to herein, each issue or type of obligation and such information as will indicate (a) the general character of each type of debt including the rate of interest; (b) the date of maturity (or dates if maturing serially) and call provisions; (c) the aggregate amount of maturities, and sinking fund requirements, each year for the 5 years following the date of the balance sheet; (d) if the payment of principal or interest is contingent, an appropriate indication of the nature of the contingency; (e) a brief indication of priority; and (f) if convertible, the basis.

22. *Equity capital.* (a) Capital stock. State for each class of shares the title of issue, the number of shares authorized, the number of shares outstanding and the capital share liability thereof, and, if convertible, the basis of conversion. Show also the dollar amount, if any, of capital shares subscribed but unissued, and of subscriptions receivable thereon.

(b) Surplus. State the net amount formally transferred to the surplus account on or before the reporting date.

(c) Undivided profits. State the amount of undivided profits shown by the bank's books.

(d) Reserve for contingencies and other capital reserves.

(1) State separately each such reserve and its purpose.

(2) These reserves constitute amounts set aside for possible decrease in the book value of assets, or for other unforeseen or indeterminable liabilities not otherwise reflected on the bank's books and not covered by insurance.

(3) As these reserves represent a segregation of undivided profits, do not include any element of known losses, or losses the amount of which can be estimated with reasonable accuracy.

(4) Reserves for possible security losses, reserves for possible loan losses, and other contingency reserves that are established as precautionary measures only shall be included in these reserves, as they represent segregations of "undivided profits".

23. *Total capital accounts.* State the total of Items 21 and 22.

24. *Total liabilities, reserves and capital.* State the total of Items 18, 19, 20, and 23.

B. STATEMENT OF INCOME

1. Operating Income:

- (a) Interest and fees on loans.....
- (b) Income on Federal funds sold and securities purchased under agreements to resell.....
- (c) Interest and dividends on investments:
 - (1) U.S. Treasury securities.....
 - (2) Securities of other U.S. Government agencies and corporations.....
 - (3) Obligations of States and political subdivisions.....
 - (4) Other securities.....
- (d) Trust department income.....
- (e) Service charges on deposit accounts.....
- (f) Other service charges, collection and exchange charges, commissions, and fees.....
- (g) Other operating income.....
- (h) Total operating income.....

2. Operating Expenses:

- (a) Salaries and wages.....
- (b) Pensions and other employee benefits.....
- (c) Interest on deposits.....
- (d) Expenses of Federal funds purchased and securities sold under agreements to repurchase.....
- (e) Interest on other borrowed money.....
- (f) Interest on capital notes and debentures.....
- (g) Occupancy expense of bank premises, net:
 - Gross occupancy expense.....
 - Less: Rental income.....
- (h) Furniture and equipment expense (Including depreciation of \$.....)
- (i) Provision for loan losses.....
- (j) Other operating expenses.....
- (k) Total operating expenses.....

3. Income before Income Taxes and Securities Gains (Losses).....

4. Applicable Income Taxes.....

5. Income before Securities Gains (Losses).....

6. Net Security Gains (Losses), less related tax effect, \$.....

7. Net Income.....

OR

- 7. Income before Extraordinary Items.....
- 8. Extraordinary Items, less related tax effect, \$.....
- 9. Net Income.....

10. Earnings per common share:¹

- Income before securities gains (losses).....
- Net Income.....

¹ Per share amount of securities gains (losses) may be stated separately. If extraordinary items are reported, per share amount of income before extraordinary items and per share amount of extraordinary items shall be stated separately.

1. Operating income. State separately:

- (a) Interest and fees on loans.
- (1) Include interest, fees and other charges on all assets that are reported on the balance sheet as other loans.
- (2) Include interest on acceptances, commercial paper purchased in the open market, drafts for which the bank has given deposit credit to customers, etc.

Also include interest on loan paper that has been rediscounted with Federal Reserve or other banks or pledged as collateral to secure bills payable or for any other purpose.

- (3) Include service charges and other fees on loans.
- (4) Include profits (or losses) resulting from the sale of acceptances and commercial paper at discount rates other than those at which such paper was purchased.

(5) Current amortization of premiums on mortgages or other loans shall be deducted from interest on loans and current accumulation of discount on such items shall be added to interest on loans.

- (b) Income on Federal funds sold and securities purchased under agreements to resell. Include the total gross revenue from Federal funds sold and securities purchased under agreements to resell.

(c) Interest and dividends on investments.

(1) State separately interest and dividends from (A) U.S. Treasury securities, (B) securities and other U.S. Government agencies and corporations, (C) obligations of States

and political subdivisions, and (D) other securities owned by the bank, including securities pledged, loaned, or sold under repurchase agreements and similar arrangements.

(2) Include accretion of discount on securities, if any; deduct amortization of premiums on securities. If the reporting bank accrues bond discount and such income amounts to 5 percent or more of the total of interest and dividends on investments, state in a note to financial statements, the amount of accretion income and deferred income taxes applicable thereto.

(3) When securities are purchased, any payment for accrued interest shall not be charged to expenses, nor when collected be credited to earnings. Such interest shall be charged to a separate account that will be credited upon collection of the next interest payment. The balance in the account shall be shown as "Other assets" in the balance sheet.

(d) Trust department income.

(1) Include income from commissions and fees for services performed by the bank in any authorized fiduciary capacity.

(2) This item may be reported on the cash basis in those instances where the presentation of the item on the financial statements would not be materially affected thereby. The cash basis may also be used with respect to an individual trust or estate if accrual of income therefrom is not feasible. If any portion of trust department

income is not reported on the accrual basis, there shall be a footnote explaining the method of reporting and the reason for departing from reporting on the accrual basis.

(e) Service charges on deposit accounts. Include amounts charged depositors that fall to maintain specified minimum deposit balances; charges based on the number of checks drawn on and deposits made in deposit accounts; charges for account maintenance and for checks drawn on "no minimum balance" deposit accounts; return check charges; etc.

(f) Other service charges, collection and exchange charges, commissions, and fees. State the aggregate of other service charges, collection and exchange charges, commissions, and fees. Exclude charges on loans and deposits and those related to the Trust Department. Do not include reimbursements for out-of-pocket expenditures made by the bank for the account of customers. If expense accounts were charged with the amount of such expenditures, the reimbursements should be credited to the same expense accounts.

(g) Other operating income.

(1) Include all operating income not reported in Items 1(a) through 1(f).

(2) Include (A) net trading account income consisting of profits and losses, interest, and other income and expense related to securities carried in a dealer trading account or accounts that are held principally for resale to customers, but exclude salaries, commissions, and other indirect expenses; (B) income from lease financing; (C) gross rentals from "other real estate" and safe deposit boxes; (D) net remittable profits (or losses) of foreign branches and consolidated subsidiaries less any minority interests (unless the reporting bank preferably combines or consolidates each item of income and expense); (E) interest on time balances with other banks; and (F) all other recurring credits (such as miscellaneous recoveries) and immaterial nonrecurring credit items.

(3) Do not include rentals from bank premises. Such rental income shall be reported in the inset to Item 2(g). In the event there is a net occupancy income, the income shall be shown in parenthesis in Item 2(g).

(4) Itemize (A) net trading account income, (B) net remittable profits (or losses) of foreign branches and consolidated subsidiaries (if included in this subitem), and (C) all other amounts that represent 25 percent or more of the total of this subitem, unless "other operating income" is less than 5 percent of "total operating income."

(h) Total operating income. State the sum of Items 1(a) through 1(g).

2. Operating expenses. State separately:

(a) Salaries.

(1) Include compensation for personal services of all officers and employees, including dining room and cafeteria employees but not building department employees.

(2) Include amounts withheld from salaries for Social Security taxes and contributions to the bank's pension fund. Do not include Social Security taxes paid by the bank for its own account and the bank's contribution to pension funds. Such amounts shall be included in Item 2(b).

(3) Include bonus and profit sharing paid directly or through a trustee. Such compensation that is deferred and not distributed to employees shall be reported in Item 2(b).

(4) Do not include compensation of officers and employees who spent the major portion of their working time on bank building and related functions. Such compensation shall be included in Item 2(g).

(5) Do not include amounts paid to legal, management, and investment counsel for

professional services if such counsel are not salaried officers or employees of the bank. Such amounts shall be included in Item 2(j).

(b) *Pensions and other employee benefits.*
(1) Include all supplementary benefits, other than direct compensation included in Item 2(a) accrued during the report period on behalf of all officers and employees except building department personnel (see Item 2(g)).

(2) Include the bank's own contribution to its pension fund; unemployment and Social Security taxes for the bank's own account; life insurance premiums (net of dividends received) and hospitalization insurance payable by the bank; and other employee benefits.

(3) Do not include expenses related to testing, training, or education of officers and employees; the cost of bank newspapers and magazines; premiums on insurance policies where the bank is beneficiary; and athletic activities where the principal purpose is for publicity or public relations and employee benefits are only incidental. Such amounts shall be included in Item 2(j).

(c) *Interest on deposits.* Include interest on all deposits.

(d) *Expense of Federal funds purchased and securities sold under agreements to repurchase.* Include the total gross expenses of Federal funds purchased and securities sold under agreements to repurchase.

(e) *Interest on other borrowed money.*

(1) Include all interest on bills payable, rediscounts, unsecured notes payable, and other instruments issued for the purpose of borrowing money other than Federal funds purchased and securities sold under agreements to repurchase.

(2) Do not include interest on mortgages on bank premises. Such interest shall be included in Item 2(g).

(f) *Interest on capital notes and debentures.*

(1) Include all interest on capital notes and debentures.

(2) Amortization of premium or discount shall be deducted from or included in the amount reported.

(3) Do not include premium or discount paid or realized on retirement of such securities. Such amounts shall be reported in Item 1(g) or 2(j).

(g) *Occupancy expense of bank premises, net.*

(1) Include in "gross occupancy expense" inset the aggregate amount of (A) salaries, wages, and supplementary compensation of bank personnel who devote the major portion of their time to the operation of bank premises or its consolidated premises subsidiaries; (B) depreciation of bank premises and amortization of leasehold improvements; (C) rent expense of bank premises; (D) real estate taxes; (E) interest on mortgages on bank premises owned; and (F) other bank premises operating and maintenance expenses.

(2) Include in "rental income" inset the aggregate amount of rentals from bank premises leased by the bank or its consolidated premises subsidiaries.

(3) Report the net occupancy expense (or net income) of bank premises. If net income is reported, the amount shall be shown in parenthesis.

(h) *Furniture and equipment expense.*

(1) Include normal and recurring depreciation charges; rental costs of office machines and tabulating and data processing

equipment; and ordinary repairs to furniture and office machines, including servicing costs. The amount applicable to depreciation charges shall be shown in parenthesis.

(2) *Include taxes on equipment.*

(i) *Provision for loan losses.*
(1) Banks which provide for loan losses on a reserve basis shall include an estimated amount for credit losses. Such amount shall be determined by management in light of past loan loss experience and evaluation of potential loss in the current loan portfolio. The estimated loan loss factor allocable to operating expense shall not be less than the amount computed under one of the elective methods set forth in subitem (2).

(2) The bank may elect in 1969, and thereafter consistently use for financial reporting purposes, one of the following methods for allocating loan losses to operating expense:

(A) Average ratio of loss over the past 5 years applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total net chargeoffs (losses less recoveries) and total average loans for the 5 most recent years, including the current year.

(B) Average ratio of loss on a forward moving average beginning with the year 1969 applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total net chargeoffs and total average loans for the number of years beginning with 1969 and ending with the year of report. In 1973, banks which elect the forward moving average method will compute the minimum allocable credit loss expense on the same basis as banks which elect method (1).

NOTE: For purposes of Items 2(A) and (B), annual "average loans outstanding"

(1) shall include Federal funds sold and securities purchased under agreements to resell and (2) may be computed on any reasonable schedule of frequency. In the absence of other procedures, "Other loans," and "Federal funds sold and securities purchased under agreements to resell," as reported in the Statements of Condition called by the supervisory authorities, shall be averaged.

(C) Actual net chargeoffs as experienced in the current year.

(3) An estimated amount for loan losses allocable to operating expense in excess of the minimum amount computed as instructed in subitem (2) should be provided when judged appropriate in the opinion of management.

(4) Furnish in a note to financial statements an explanation of the basis for allocating loan losses to operating expense including (A) the method followed, and (B) amount added at the discretion of management, if any.

(5) The amount may be expressed in even dollars or thousands of dollars.

NOTE: The amount reported for loan losses in operating expense shall be adjusted, if necessary, to the amount transferred to the allowance for loan losses recorded on the books of the bank by an entry to the undivided profits account in the statement of changes in capital accounts. For example, if the estimated loan loss expense reported in the statement of income is less than the amount transferred to the allowance for loan losses, the amount of difference, less related tax effect, should be charged against the undivided profits account. If the estimated loan loss expense reported in the statement of income (1) is more than the amount transferred to the allowance for loan losses,

and (2) represents the minimum amount the bank is required to allocate under its elected method, the amount of difference, less related tax effect, should be credited to the undivided profits account.

(6) Banks which do not provide for loan losses on a reserve basis shall include the amount of actual net chargeoffs (losses less recoveries) for the current year.

(j) *Other operating expenses.*
(1) Include all operating expenses not reported in Items 2(a) through 2(i).

(2) Include advertising, business promotion, contributions, cost of examinations by supervisory authorities, deposit insurance assessment, fees paid to directors and members of committees, memberships, net cash shortages or overages, operating expenses (except salaries) of "Other real estate owned", postage, premium on fidelity insurance, publicity, retainer fees, stationery and office supplies, subscriptions, taxes not reported against other items, telegrams and cables, telephone, temporary agency help, travel, unreimbursed losses on counterfeit, forgeries, payments over stops, and all other recurring expenses and immaterial nonrecurring charges.

(3) Deposit insurance assessment expense shall be reported as a net figure—that is, all assessment credits during the period shall be applied against the assessment expense.

(4) Itemize all amounts that represent 25 percent or more of this item.

(k) *Total operating expenses.* State the sum of Items 2(a) through 2(j).

3. *Income before income taxes and security gains (losses).* State the difference of Item 1(h) minus Item 2(k).

4. *Applicable income taxes.* (a) State the aggregate of Federal and State taxes applicable to the amount reported in Item (3).

(b) Do not include taxes applicable to net security gains (losses) and extraordinary items. Such taxes (or tax reductions) shall be reported in Items 6 and 8.

5. *Income before securities gains (losses).* State the difference of Item 3 minus Item 4.

6. *Net security gains (losses).* State the net result of security gains and losses realized. Related income taxes (or tax reductions) shall be shown parenthetically.

7. *Net income.* State the sum or difference of Items 5 and 6.

NOTE: If extraordinary items are reported (See Item 8) the caption to this Item shall read, "Income before extraordinary items."

8. *Extraordinary items.* State the material results of nonrecurring transactions that have occurred during the current reporting period. Only the results of major events outside of the ordinary operating activity of the bank are to be reported herein. Such events would include, but not be limited to, material gain or loss from sale of bank premises, expropriation of properties, and major devaluation of foreign currency. Related income taxes (or tax reductions) shall be shown parenthetically. (Less than material results of nonrecurring transactions are to be included in Items 1(g) or 2(j), as appropriate.)

9. *Net income.* State the sum or difference of Items 7 and 8.

10. *Earnings per common share.* State the per share amounts applicable to common stock (including common stock equivalents) and per share amounts on a fully diluted basis, if applicable. The basis of computation, including the number of shares used, shall be furnished in a note to financial statements.

C. STATEMENT OF CHANGES IN CAPITAL ACCOUNTS

	Capital notes and debentures	Preferred stock \$ per	Common stock \$ par	Surplus	Undivided profits	Reserve for con- tingencies and other capital reserves
1. Net income transferred to undivided profits						
2. Capital notes and debentures, preferred stock and common stock sold (par or face value)						
3. Stock issued incident to mergers and acquisitions						
4. Premium on capital stock sold						
5. Additions to, or reductions in, surplus, undivided profits, and reserves incident to mergers						
6. Transfer to allowance for loan loss, exclusive of portion charged against income, less related income tax effect						
7. Cash dividends declared on preferred stock						
8. Cash dividends declared on common stock						
9. Stock issued in payment of stock dividend, _____ shares at par value						
10. All other increases (decreases) ¹						
Net income (decrease) for the year						
Balance at beginning of year						
Balance at end of year						

¹ State separately any material amounts, indicating clearly the nature of the transaction out of which the item arose.

D. SCHULTZ

SCHEDULE 1-C.S. TREASURY SECURITIES, SECURITIES OF OTHER U.S. GOVERNMENT AGENCIES AND CORPORATIONS,
AND OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS

Type and maturity grouping	Principal amount	Book value ¹
U. S. Treasury securities		
Within 1 year		
After 1 but within 5 years		
After 5 but within 10 years		
After 10 years		
Total U. S. Treasury securities		
Securities of other U. S. Government agencies and corporations		
Within 1 year		
After 1 but within 5 years		
After 5 but within 10 years		
After 10 years		
Total securities of other U. S. Government agencies and corporations		
Obligations of States and political subdivisions ²		
Within 1 year		
After 1 but within 5 years		
After 5 but within 10 years		
After 10 years		
Total obligation of States and political subdivisions		

* State briefly in a footnote the basis for determining the amounts in this column.
 † Includes obligations of the States of the United States and their political subdivisions, agencies, and instruments; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign States.
 ‡ A State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of securities that are less than "investment grade." If market value is determined on any basis other than market quotations at balance sheet date, explain.

ACQUISITION OF A SECOND LANGUAGE

Type	Amount	Book value ¹
Bonds, notes, and debentures: ²		
Stock of the Federal Reserve Bank		
Other stocks: ³		
Total		

¹ State briefly in a footnote the amounts shown in this column.

² State in a footnote the aggregate amount and book value of foreign securities included.

³ State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of bonds, notes, and debentures that are less than "investment grade." If market value is determined on any basis other than market quotations at balance sheet date, specify.

State in a footnote the aggregate market value.

SCHEDULE III—OTHER LOANS:

Type	Book value
Real estate loans:	
Insured or guaranteed by the U.S. Government or its agencies	
Other:	
Loans to financial institutions	
Loans for purchasing or carrying securities (secured or unsecured)	
Loans to individuals for household, family, and other consumer expenditures	
Loans to individuals for business or professional expenditures	
Total other loans (including overdrafts)	
Total other loans reported in balance sheet	

¹¹ If impractical to classify foreign branches and foreign subsidiary loans in accordance with this schedule, a separate section stating the total amount of such loans may be inserted. Such action should be explained in a footnote.

SCHEDULE IV—HANK FREMSTEN AND ROOPMEST

Classification :	Gross book value :	Accumulated depreciation and amortization :	Amount at which carried on balance sheet
Bank premises (including land &.....)			
Equipment.....			
Leasehold improvements.....			
Totals.....			

¹ If impractical to consolidate foreign branch and foreign subsidiary bank premises and equipment in accordance with the breakdown required by this schedule, a separate caption stating the total amount of all such property may be inserted. Such action should be explained in a footnote.

² State briefly in a footnote the basis of determining the amounts in this column.

* The nature and amount of significant additions (other than provisions for depreciation and amortization) and reductions shall be stated in an explanatory footnote.

SCHEDULE V—INVESTMENTS IN, AND SHARE IN EARNINGS OR LOSSES CONSOLIDATED

SCHEDULE V--INVESTMENTS IN, DIVIDEND INCOME FROM, AND SHARE IN EARNINGS OR LOSSES OF UNCONSOLIDATED SUBSIDIARIES

Name of subsidiary	Percent of voting stock owned	Total investment, including advances	Equity in underlying net assets at balance sheet date	Amount of dividends & less for	Bank's proportionate part of earnings or loss for the period

Totals:

¹ Equity shall include advances reported in preceding column to the extent recoverable. In a footnote state as to any dividends other than cash, the basis on which they have been reported as income. Also, if any such dividend received has been included in income in an amount differing from that charged to surplus or undivided profits by the disbursing subsidiary, state the amount of such difference and claim.

SCHEDULE VI—"OTHER" LIABILITIES FOR BORROWED MONEY

Item	Amount
Borrowings from Federal Reserve Bank	
Unsecured notes payable within 1 year	
Unsecured notes payable after 1 year	
Other obligations	
Total	

SCHEDULE VII—ALLOWANCE FOR POSSIBLE LOAN LOSSES

Item	Amount set up pursuant to Treasury tax formula	Other amount ¹
Balances at beginning of period		
Recoveries credited to Allowance		
Additions due to mergers and absorptions ²		
Transfers to Allowance:		
From income		
From undivided profits ³		
Totals		
Losses charged to Allowance		
Balances at end of period ⁴		

¹ Do not include any provision for possible loan losses that the bank establishes as a precautionary measure. Include only any provision that (1) has been established through a charge against income, (2) represents management's judgment as to possible loss or value depreciation, and (3) is in excess of the provision taken under the Treasury tax formula.

² Describe briefly in a footnote any such addition.

³ Indicate by parenthesis the gross amount of any credit adjustment to undivided profits.

⁴ Describe briefly in a footnote the basis used in computing the amount accumulated in the Allowance at the end of the period. State the amount that could have been deducted for Federal income tax purposes if such amount is in excess of the amount provided by the bank pursuant to the Treasury tax formula.

NOTE.—The sum of the balances should equal the amount of "Allowance for possible loan losses" reported in the balance sheet.

[F.R. Doc. 69-15260; Filed, Dec. 29, 1969; 8:45 a.m.]

Chapter III—Federal Deposit Insurance Corporation

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 335—SECURITIES OF INSURED NONMEMBER STATE BANKS

On November 20, 1969, notice of proposed rule making regarding amendments to Part 335 of the rules and regulations of the Federal Deposit Insurance Corporation was published in the FEDERAL REGISTER (34 F.R. 18472). After consideration of all such relevant matter as was presented by interested persons, the following amendments are adopted by the Board of Directors of the Federal Deposit Insurance Corporation.

Definitions (§ 335.2). The definition of significant subsidiary is expanded to clarify the meaning of the term "investments" as used therein. The amendment incorporates administrative practice.

Inspection and publication of information filed under the Act (§ 335.3). The regulation has provided that statements and reports filed pursuant thereto will be available for inspection at, in addition to the Corporation's Washington, D.C., office, each of the 12 Federal Reserve Banks. Study has indicated that there was not sufficient use of such records by the public to justify the maintenance of such records at all Federal Reserve Banks. Accordingly, it is provided that all such records will only be maintained at the New York, Chicago, and San Francisco Federal Reserve Banks but that reports filed by banks outside the districts served by such Reserve Banks will also be maintained at the Reserve Bank of the district in which such bank is located.

In this connection, other sections of the regulation, which presently require

the filing of 16 copies of each statement or report, are amended to reduce the number of required copies to six.

Registration statements and reports of banks (§ 335.4). Experience has indicated that there is a considerable time lag between the time financial information is first released to the public by banks subject to Part 335 and the time that such information is filed with the Corporation. Accordingly, the time within which annual reports are required to be filed is reduced from 120 days after the close of the bank's fiscal year, to 90 days after the close of such fiscal year, or within 30 days of the mailing of the bank's annual report to stockholders, whichever occurs first. The period within which a bank is required to file quarterly reports is reduced from 45 days after the end of the quarter to 30 days.

This section is also amended to provide for a simplified form of registration for an additional class of equity securities issued by a bank whose equity securities are registered with the Corporation.

Proxy statements (§ 335.5)—Requirement of statement. Paragraph (a) of § 335.5 is amended to require banks to furnish shareholders a statement when applicable State law allows the taking of certain corporate action, which would normally be voted upon at a meeting of security holders, by securing the written authorization or consent of the requisite percentage of the holders of securities of the class entitled to vote. Accordingly, important corporate action may no longer be taken under some State statutes by a relatively few large stockholders without the prior knowledge or consent of the other shareholders.

The language of § 335.5(a) is clarified with respect to the time for furnishing an "information statement." This provi-

sion is intended to require 20 days advance notice only where management does not solicit proxies. No time period for mailing of proxy soliciting material is specified, since it is presumed that management will make the solicitation sufficiently early to allow return of proxies; in such cases the minimum notice period is that prescribed by State law.

Annual report to security holders to accompany statements. Section 335.5(c) is revised to require inclusion in an annual report to security holders of financial statements for the last 2 fiscal years rather than only the preceding fiscal year. In addition, instructions are added concerning minimum requirements for financial statements to be included in annual reports to security holders.

Section 335.5(c) is amended by adding a note which would indicate that only one copy of an annual report need be sent to record holders having the same address, provided (1) that management has reasonable cause to believe that the record holder to whom the report is sent is the "beneficial owner" (see definition in § 335.2(f)) of securities registered in the name of such person in other capacities or in the name of other persons at such address, or (2) the security holders at such address consent thereto in writing. However, where a record holder has an obligation to obtain or send the annual report to other persons, such as the beneficial owners of the securities held in his name, he would not be relieved of such obligation by the new provision.

Requirements as to proxy. Section 335.5(d) is amended to require that the form of proxies be prepared so as to enable the security holder to vote on specified matters without conferring authority to vote for elections to office, excepting, however, in cases of a merger or consolidation involving elections to office where such elections are part of the plan and are not to be separately voted upon.

In addition, certain matters are itemized that may arise during the course of a meeting with respect to which a proxy may confer discretionary authority. The amendment incorporates past administrative practice in this regard.

Material required to be filed. Subparagraph (1) of § 335.5(f) has required the preliminary filing with the Corporation of three copies of the proxy soliciting material at least 10 calendar days prior to the date such material is to be sent or given to security holders in the case of a "routine" meeting (i.e., involving only the election of directors and other recurring matters) and 15 days in the case of a nonroutine meeting. It was also provided that the management or other person filing such material may presume that the Corporation will have no comments with respect thereto unless such comments are received, or they are otherwise advised, before the expiration of the applicable period. This latter provision was intended to reduce the amount of communication necessary between bank management and the Corporation

and to eliminate the uncertainty as to when proxy soliciting material may be commenced to be mailed; in practice, such provision has had the opposite effect. Accordingly, such provision is replaced with a cautionary provision to the effect that printing of definitive copies of the proxy soliciting material for distribution to security holders should be deferred until comments are received from the Corporation's staff or the persons submitting such material are advised that the Corporation's staff has no comments. The Corporation's staff will continue to endeavor to complete its review of preliminary proxy material and communicate its comments with respect thereto within the time periods referred to above.

In addition, subparagraph (1) is amended to indicate that in computing the 10-day or 15-day period, (1) the filing date is the date actually received by the Corporation (not mailed to the Corporation), and (2) the filing date of the preliminary material will be counted as the first day and the 11th or 16th day, as the case may be, is the date on which definitive material can be planned to be mailed to security holders. Where additional time is required for final printing after receipt of comments, the preliminary proxy material should be filed as early as possible prior to the intended mailing date.

False or misleading statements. Section 335.5(h), which relates to false or misleading statements in proxy soliciting material, is amended to state specifically that the filing of proxy material with the Corporation or the examination of such material by the Corporation's staff is not to be deemed a finding by the Corporation that such material is accurate or complete or that the Corporation has "approved" such material or the proposals contained therein. The amendment incorporates into the regulation the principles of section 26 of the Securities Exchange Act of 1934, as made applicable specifically to proxy statements.

Solicitation prior to furnishing required proxy statement. The proxy rules provide, in general, that no solicitation may be made prior to furnishing to security holders a written proxy statement containing certain specified information pertinent to the solicitation. However, subparagraph (5) of paragraph (1) of § 335.5 provides an exception to this requirement in the case of contests involving elections to office. Section 335.5(o) is added to provide an exception in the case of contests involving certain matters other than elections to office.

Form and content of financial statements (§ 335.7). To emphasize the importance of explanatory notes to financial statements and improve readability of financial presentations, a requirement to reference such notes to appropriate captions of the financial statements has been added. Schedule VIII—Occupancy Expense of Bank Premises has been eliminated. Experience has indicated that the detailed information of such schedule is of marginal use. Net occupancy expense of bank premises to be reported in the

statement of income is supplemented by inset entries setting forth gross occupancy expense and rental income. A new Schedule VIII—Reserve on Securities is required, if applicable to the reporting bank.

Form for annual report of bank (Form F-2, § 335.42). Consistent with the requirement to include financial statements for the last 2 fiscal years in annual reports to security holders (§ 335.5(c)), comparative financial statements for the current and preceding year are required in the annual report filed with the Corporation. Such comparative presentations in annual financial reports have gained wide acceptance in recent years and have a useful analytical purpose.

Form for quarterly reports (Form F-4, § 335.44). The quarterly report is extended to include the reporting of net income on an interim basis and revised to reflect the changes in financial statements which are set out below.

Form for registration of an additional class of securities of a bank (Form F-10, § 335.46). The amendment provides a simplified form for registration of additional classes of securities of a nonmember State bank where most of the information necessary for the protection of investors in securities of the bank is already publicly available.

Form for proxy statement; statement where management does not solicit proxies (Form F-5, § 335.51)—Item 2—Dissenters' rights of appraisal. This item requires a description of dissenters' rights of appraisal with respect to any matter to be acted upon. An instruction is added which requires an indication as to whether a security holder's failure to vote against a proposal will constitute a waiver of his appraisal rights. This instruction codifies past administrative practice in requiring such information.

Item 5—Voting securities and principal holders thereof. This item, which requires certain information as to the voting securities of the bank and principal holders thereof is amended to require disclosure where any person "and his associates" own of record or beneficially more than 10 percent of the bank's stock. This amendment is intended to resolve an ambiguity in the previous requirements of this item, which was sometimes interpreted as applying only to a single person owning more than a 10 percent interest in the bank. It is intended that aggregate ownership of a more than 10 percent interest by a group of related persons also be disclosed.

Item 6—Nominees and directors. This item is amended to delete the requirement that directors' qualifying shares be excluded in reporting beneficial ownership of the bank's shares by the nominees and directors. In addition, a new paragraph (c) is added to specify that where fewer nominees are named than the number provided in the governing documents, a statement be included of the reason for such procedure and that the proxies cannot be voted for a greater number of nominees than were named. These amendments codify past administrative practice.

Item 7—Remuneration and other transactions with management and others.

(i) Paragraph (a) of this item specifies the individuals whose remuneration must be separately disclosed. The item is amended to clarify its applicability in this regard.

(ii) Instruction 3 to paragraph (b) of the item is amended to specifically require a brief description of the material terms of certain types of pension or retirement plans (where the bank's contribution is not actuarially computed), including the method used in determining the bank's contribution.

(iii) Item 7(d) specifies the information to be disclosed with respect to options granted to or exercised by officers and directors of the bank. The amendment to this item also requires disclosure of the amount of options held as of the latest practicable date by each officer and director named in answer to Item 7(a) and the amount held by all officers and directors as a group. It is believed that this information, together with that regarding options granted and exercised, gives a more complete picture of remuneration, actual and potential.

(iv) Paragraph (e) of this item, which relates in a general way to disclosure of indebtedness, is amended in view of the specific provisions referred to in (v) below. This subparagraph only requires disclosure of liability arising from "insider trading" in violation of section 16(b) of the Securities Exchange Act.

(v) The amendment to paragraph (f), which requires disclosure of certain material transactions between the bank and its officers, directors, and 10 percent stockholders and their associates, mainly codifies past administrative practice. The principal effect of the amendments is to (1) indicate more clearly that a transaction involving a director of a bank need not be reported where the only "interlock" is that the director is a director, officer, and/or less than 10 percent stockholder of the other party to the transaction, and (2) provide criteria for determining whether loans to "insiders" made in the ordinary course of a bank's business are required to be reported. A loan that meets all the conditions of the specific exemptive provisions is not required to be disclosed; otherwise, it is prima facie reportable. In addition, a general description of loan transactions with directors, officers, and 10 percent stockholders, as a group, is required where the amount of such loans exceeded 20 percent of the equity accounts of the bank at any time during the preceding year.

Item 9—Bonus, profit sharing, and other remuneration plans. Item 10—Pension and retirement plans. Item 11—Options, warrants, or rights. These items specify the information to be furnished where the matter to be acted upon is the adoption or amendment of a bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans. These items are amended to provide that in describing provisions already

made for similar benefits for officers, directors, and employees, information is to be given not only with respect to plans currently in effect, but also with respect to benefits under similar plans in effect within the past 2 years. In addition, other clarifying amendments, which also codify past administrative practice, are adopted.

Item 12—Authorization or issuance of securities. Where action is to be taken with respect to the authorization or issuance of securities, this item calls for a description of such securities and of the proposed transaction. Some State banking laws permit banks to solicit stockholder approval for future issuances of securities, although the bank has no definite plans to issue such securities in the proximate future. The amendment codifies past administrative practice of requiring the bank to advise security holders of the possible effects of such future issuances of securities on their interests.

Item 14—Mergers, consolidations, acquisitions, and similar matters. This item specifies the information to be furnished with respect to each person, other than the bank making the solicitation, that may be involved in a proposed merger, consolidation, acquisition, or similar transaction. The amendment requires that such information also be furnished with respect to the bank making the solicitation, in order that security holders may have a complete picture of the nature and effect of the proposed transaction. The amended item also requires information with respect to the existing and pro forma capitalization, summaries of income on an historical and pro forma basis, and appropriate comparative per share data, for the banks and other persons involved in the transaction. Information concerning the management of the surviving bank is also required. Since under many State banking laws, stockholder approval is required even though the merger or acquisition is not "significant", in terms of size or operations, to the acquiring or surviving bank, an instruction is included that, with respect to such transaction, the information specified need only be included to the extent necessary for the exercise of prudent judgment with respect to the matter to be acted upon. The amendments codify past administrative practice.

Item 15—Financial statements. This item specifies financial statements required to be furnished if action is to be taken with respect to certain matters. The item previously provided that all schedules to financial statements may be omitted; the item is amended to require the inclusion of the information specified in "Schedule VII—Allowance for Possible Loan Losses" and "Schedule VIII—Reserves on Securities." In addition, it will require that the financial statements of the other party to a merger or acquisition shall be verified, if practicable (the item presently states that such financial statements need not be verified).

Item 20—Vote required for approval. Items 12(d), 13(c), 14(a), and 18 are amended to delete the requirement for stating the vote needed for approval for the matter to be acted upon. This information would be required by Item 20 which would require a statement of the vote required for approval of each matter to be submitted to security holders other than elections to office and the election or approval of auditors.

Forms for Financial Statements (Forms F-9A, F-9B, F-9C and F-9D, § 335.71). The proposed revisions in the guideline forms and related instructions for the preparation of financial statements represent for the most part a response to the recent agreement on generally accepted bank accounting practices reached among industry, professional accountants, and Federal regulatory agency participants. At the same time, changes are proposed to achieve basic compatibility with the reporting requirements of the Statement of Condition and Report of Income reports periodically called by the Federal bank supervisory agencies.

Noteworthy changes in the balance sheet include a restructure of the investment securities classifications and the new placement of the allowance for possible loan losses and reserve on securities in a section preceding the bank capital accounts. Such changes conform to the revised Statement of Condition used for call purposes in 1969.

Important revisions of the statement of income include (1) the designation of "net income", (2) allocation of a loan loss factor to operating expenses, and the inclusion of net securities gains or losses, as realized, in the determination of net income. Provision is made in the statement of income for treatment of extraordinary items in accordance with generally accepted accounting principles and earnings per share data is to be furnished.

Appropriate revisions of the statement of changes in capital accounts and supporting schedules are made to conform with the changes discussed above.

Other revisions in the guideline forms and related instructions incorporate administrative procedures adopted by the Corporation's staff during the 5 years Part 335 has been effective.

The prior publication before the effective date described in section 4 of the Administrative Procedure Act (5 U.S.C. 553) is not followed in connection with the amendments to Part 335 for good cause found, as stated in § 302.6 of the Federal Deposit Insurance Corporation's procedure and rules of practice. This procedure is followed because the Corporation finds that it is necessary in the public interest and for the protection of investors that its rules and regulations be amended to provide for the financial reporting prescribed by such amendments for the calendar year 1969. Accordingly, the amendments to Part 335 of the Corporation's rules and regulations shall become effective on December 31, 1969.

The amendments to Part 335 are as follows:

1. Section 335.2 is amended to revise paragraph (2)(1), as set forth below:

§ 335.2 Definitions.

(2) The term "significant subsidiary" means a subsidiary meeting either of the following conditions:

(1) The investments in the subsidiary by its parent plus the parent's proportion of the investments in such subsidiary by the parent's other subsidiaries, if any, exceed 5 percent of the equity capital accounts of the bank. "Investments" refers to the amount carried on the books of the parent and other subsidiaries or the amount equivalent to the parent's proportionate share in the equity capital accounts of the subsidiary, whichever is greater.

2. Section 335.3 is amended to revise paragraph (b), as set forth below:

§ 335.3 Inspection and publication of information filed under the Act.

(b) *Inspection.* Except as provided in paragraph (c) of this section, all information filed regarding a security registered with the Corporation will be available for inspection at the Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, D.C. In addition, copies of the registration statement and reports required by § 335.4 (exclusive of exhibits), the statements required by § 335.5(a), and the annual reports to security holders required by § 335.5(c) will be available for inspection at the New York, Chicago, and San Francisco Federal Reserve Banks and at the Reserve bank of the district in which the bank filing the statements or reports is located.

3. Section 335.4 is amended to revise paragraphs (a), (e), (h), and (q) (1), as set forth below:

§ 335.4 Registration statements and reports.

(a) *Requirement of registration statement.* Securities of a bank shall be registered under the provisions of either section 12(b) or section 12(g) of the Act by filing a statement in conformity with the requirements of Form F-1 (or Form F-10, in the case of registration of an additional class of securities). No registration shall be required under the provisions of section 12(b) or section 12(g) of the Act of any warrant or certificate evidencing a right to subscribe to or otherwise acquire a security of a bank if such warrant or certificate by its terms expires within 90 days after the issuance thereof.

(e) *Requirement of annual reports.* Every registrant bank shall file an annual report for each fiscal year after the last full fiscal year for which financial statements were filed with the registration statement. The report, which shall conform to the requirements of Form F-2,

shall be filed within 90 days after the close of the fiscal year or within 30 days of the mailing of the bank's annual report to stockholders, whichever occurs first.

(h) *Quarterly reports.* Every registrant bank shall file a quarterly report in conformity with the requirements of Form F-4 for each fiscal quarter ending after the close of the latest fiscal year for which financial statements were filed in a registration statement except that no report need be filed for the fiscal quarter which coincides with the end of the fiscal year of the bank. Such reports shall be filed not later than 30 days after the end of such quarterly period, except that the report for any period ending prior to the date on which a class of securities of the bank first becomes effectively registered may be filed not later than 30 days after the effective date of such registration.

(q) *Number of copies; signatures; binding.* (1) Except where otherwise provided in a particular form, six copies of each registration statement and report (including financial statements) and four copies of each exhibit and each other document filed as a part thereof, shall be filed with the Corporation. At least one complete copy of each statement shall be filed with each exchange. If any, on which the securities covered thereby are being registered. At least one copy of each report shall be filed with each exchange, if any, on which the bank has securities registered.

4. Section 335.5 is amended to revise paragraphs (a), (c), (d) (2), (3), and (4), and (f) (1) through (4); add paragraph (f) (9) and (10); revise paragraph (h); and to add paragraph (o), as set forth below:

§ 335.5 Proxy statements and other solicitations under section 14 of the Act.

(a) *Requirement of statement.* No solicitation of a proxy with respect to a security of a bank registered pursuant to section 12 of the Act shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information required by Form F-5. If the management of any bank having such a security outstanding fails to solicit proxies from the holders of any such security in such a manner as to require the furnishing of such a proxy statement, such bank shall transmit to all holders of record of such security a statement containing the information required by Form F-5. The "information statement" required by the preceding sentence shall be transmitted (1) at least 20 calendar days prior to any annual or other meeting of the holders of such security at which such holders are entitled to vote or (2) in the case of corporate action taken with the written authorization or consent of security holders, at least 20 days prior to the earliest date on which the corporate

action may be taken. A proxy statement or a statement where management does not solicit proxies required by this paragraph is hereinafter sometimes referred to as a "Statement".

(c) *Annual report to security holders to accompany statements.* (1) Any statement furnished on behalf of the management of the bank that relates to an annual meeting of security holders at which directors are to be elected shall be accompanied or preceded by an annual report to such security holders containing such financial statements for the last 2 fiscal years as will, in the opinion of the management, adequately reflect the financial position of the bank at the end of each such year and the results of its operations for each such year. The financial statements included in the annual report may omit details or summarize information if such statements, considered as a whole in the light of other information contained in the report and in the light of the financial statements of the bank filed or to be filed with the Corporation, will not by such procedure omit any material information necessary to a fair presentation or to make the financial statements not misleading under the circumstances. Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management. This paragraph (c) shall not apply, however, to solicitations made on behalf of management before the financial statements are available if solicitation is being made at the time in opposition to the management and if the management's statement includes an undertaking in bold-faced type to furnish such annual report to all persons being solicited at least 20 days before the date of the meeting.

NOTES: 1. To reflect adequately the financial position and results of operations of a bank in its annual report to security holders, the financial presentation shall include, but not necessarily be limited to, the following:

- (a) Comparative statements of condition at the end of each of the last 2 fiscal years.
- (b) Comparative statements of income in a form providing for the determination of "net income" for each fiscal year and per share earnings data.
- (c) Comparative statements of changes in capital accounts for each fiscal year, similar in form to Form F-9C.
- (d) Comparative reconciliations of the "Allowance for Possible Loan Losses" account and of the "Reserve on Securities" account similar in form to Schedule VII and Schedule VIII, Form F-9D.
- (e) Supplemental notes to financial statements to the extent necessary to furnish a fair financial presentation.

2. The financial statements should be prepared on a consolidated basis to the extent required by § 335.7(d). Any difference from the principles of consolidation or other accounting principles or practices, or methods of applying accounting principles or practices, applicable to the financial statements of the bank filed or to be filed with the Corporation, which have a material effect on the financial position or results of operations of the bank, shall be noted and the effect thereof reconciled or explained in the annual report to security holders.

3. When financial statements included in the annual report (Form F-2) filed, or proposed to be filed, with the Corporation are accompanied by an opinion of an independent public accountant, the financial statements in the annual report to security holders should also be accompanied by an opinion of such independent public accountant.

4. The requirement for sending an annual report to each person being solicited will be satisfied with respect to persons having the same address by sending at least one report to a holder of record at that address provided (1) that management has reasonable cause to believe that the record holder to whom the report is sent is the "beneficial owner" (see definition in § 335.2(f)) of securities registered in the name of such person in other capacities or in the name of other persons at such address or (2) the security holders at such address consent thereto in writing. Nothing herein shall be deemed to relieve any person so consenting of any obligation to obtain or send such annual report to any other person.

(2) Six copies of each annual report sent to security holders pursuant to this paragraph (c) shall be sent to the Corporation not later than (1) the date on which such report is first sent or given to security holders or (2) the date on which preliminary copies of the management statement are filed with the Corporation pursuant to paragraph (f) of this section, whichever date is later. Such annual report is not deemed to be "soliciting material" or to be "filed" with the Corporation or otherwise subject to this § 335.5 or the liabilities of section 18 of the Act, except to the extent that the bank specifically requests that it be treated as a part of the proxy soliciting material or incorporates it in the proxy statement by reference.

(d) Requirements as to proxy.

(2) (i) Means shall be provided in the form of proxy whereby the person solicited is afforded an opportunity to specify by ballot a choice between approval or disapproval of each matter or group of related matters referred to therein as intended to be acted upon, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not so specified if the form of proxy states in bold-faced type how the shares represented by the proxy are intended to be voted in each such case.

(ii) A form of proxy which provides both for the election of directors and for action on other specified matters shall be prepared so as clearly to provide, by a box or otherwise, means by which the security holder may withhold authority to vote for the election of directors. Any such form of proxy which is executed by the security holder in such manner as not to withhold authority to vote for the election of directors shall be deemed to grant such authority, provided the form of proxy so states in bold-faced type.

Instruction. Subparagraph (2) (ii) of this paragraph does not apply (a) in the case of a merger, consolidation or other plan if the election of directors is an integral part of the plan and is not to be separately voted upon or (b) if the only matters to be acted upon are the election of directors and the election, selection or approval of other persons such as clerks or auditors.

(3) A proxy may confer discretionary authority to vote with respect to any of the following matters:

(i) Matters which the persons making the solicitation do not know, a reasonable time before the solicitation, are to be presented at the meeting, if a specific statement to that effect is made in the proxy statement or form of proxy;

(ii) Approval of the minutes of the prior meeting if such approval does not amount to ratification of the action taken at that meeting;

(iii) The election of any person to any office for which a bona fide nominee is named in the proxy statement and such nominee is subsequently unable to serve or for good cause refuses to serve;

(iv) Any proposal omitted from the proxy statement and form of proxy pursuant to paragraph (k) of this section;

(v) Matters incident to the conduct of the meeting.

(4) No proxy shall confer authority (i) to vote for the election of any person to any office for which a bona fide nominee is not named in the proxy statement, or (ii) to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders. A person shall not be deemed to be a bona fide nominee and he shall not be named as such unless he has consented to being named in the proxy statement and to serve if elected.

(f) *Material required to be filed.* (1) Three preliminary copies of each Statement, form of proxy, and other item of soliciting material to be furnished to security holders concurrently therewith, shall be filed with the Corporation by management or any other person making a solicitation subject to this § 335.5 at least 10 calendar days (or 15 calendar days in the case of other than routine meetings, as defined below) prior to the date such item is first sent or given to any security holders, or such shorter period prior to that date as may be authorized. For the purposes of this subparagraph (1), a routine meeting means a meeting with respect to which no one is soliciting proxies subject to this § 335.5 other than on behalf of management and at which management intends to present no matters other than the election of directors, election of inspectors of election, and other recurring matters. In the absence of actual knowledge to the contrary, management may assume that no other such solicitation of the bank's security holders is being made. In cases of annual meetings, one additional preliminary copy of the statement, the form of proxy, and any other soliciting material, marked to show changes from the material sent or given to security holders with respect to the preceding annual meeting, shall be filed with the Corporation.

(2) Three preliminary copies of any additional soliciting material relating to the same meeting or subject matter, furnished to security holders subsequent to the proxy statement shall be filed with

the Corporation at least 2 days (exclusive of Saturdays, Sundays, and holidays) prior to the date copies of such material are first sent or given to security holders, or such shorter period prior to such date as may be authorized upon a showing of good cause therefor.

(3) Six copies of each Statement, form of proxy, and other item of soliciting material, in the form in which such material is furnished to security holders, shall be filed with, or mailed for filing to, the Corporation not later than the date such material is first sent or given to any security holders. Three copies of such material shall at the same time be filed with, or mailed for filing to, each exchange upon which any security of the bank is listed.

(4) If the solicitation is to be made in whole or in part by personal solicitation, three copies of all written instructions or other material that discusses or reviews, or comments upon the merits of, any matter to be acted upon and is furnished to the individuals making the actual solicitation for their use directly or indirectly in connection with the solicitation shall be filed with the Corporation by the person on whose behalf the solicitation is made at least 5 days prior to the date copies of such material are first sent or given to such individuals, or such shorter period prior to that date as may be authorized upon a showing of good cause therefor.

(9) The date that proxy material is "filed" with the Corporation for purposes of subparagraphs (1), (2), and (4) of this paragraph is the date of receipt by the Corporation, not the date of mailing to the Corporation. In computing the advance filing period for preliminary copies of proxy soliciting material referred to in such subparagraphs, the filing date of the preliminary material is to be counted as the first day of the period and definitive material should not be planned to be mailed or distributed to security holders until after the expiration of such period. Where additional time is required for final printing after receipt of comments, the preliminary proxy material should be filed as early as possible prior to the intended mailing date.

(10) Where preliminary copies of material are filed with the Corporation pursuant to this paragraph, the printing of definitive copies for distribution to security holders should be deferred until the comments of the Corporation's staff have been received and considered.

(h) *False or misleading statements.*

(1) No solicitation or communication subject to this section shall be made by means of any statement, form of proxy, notice of meeting, or other communication, written or oral, containing any statement that, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or that omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any

earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter that has become false or misleading. Depending upon particular circumstances, the following may be misleading within the meaning of this paragraph: Predictions as to specific future market values, earnings, or dividends; material that directly or indirectly impugns character, integrity, or personal reputation, or directly or indirectly makes charges concerning improper, illegal, or immoral conduct or associations, without factual foundation; failure so to identify a statement, form of proxy, and other soliciting material as clearly to distinguish it from the soliciting material of any other person or persons soliciting for the same meeting or subject matter; claims made prior to a meeting regarding the results of a solicitation.

(2) The fact that a proxy statement, form of proxy, or other soliciting material has been filed with or reviewed by the Corporation or its staff shall not be deemed a finding by the Corporation that such material is accurate or complete or not false or misleading, or that the Corporation has passed upon the merits of or approved any statement therein or any matter to be acted upon by security holders. No representation contrary to the foregoing shall be made.

(c) *Solicitation prior to furnishing required proxy statement.* (1) Notwithstanding the provisions of paragraph (a) of this section, a solicitation (other than one subject to paragraph (i) of this section) may be made prior to furnishing security holders a written proxy statement containing the information specified in Form F-5 with respect to such solicitation if—

(i) The solicitation is made in opposition to a prior solicitation or an invitation for tenders or other publicized activity, which if successful, could reasonably have the effect of defeating the action proposed to be taken at the meeting;

(ii) No form of proxy is furnished to security holders prior to the time the written proxy statement required by paragraph (a) of this section is furnished to security holders; *Provided, however,* That this subdivision (ii) shall not apply where a proxy statement then meeting the requirements of Form F-5 has been furnished to security holders by or on behalf of the person making the solicitation;

(iii) The identity of the person or persons by or on whose behalf the solicitation is made and a description of their interests direct or indirect, by security holdings or otherwise, are set forth in each communication sent or given to security holders in connection with the solicitation; and

(iv) A written proxy statement meeting the requirements of this section is sent or given to security holders at the earliest practicable date.

(2) Three copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the written proxy statement required

by paragraph (a) of this section shall be filed with the Corporation in preliminary form at least 5 business days prior to the date definitive copies of such material are first sent or given to security holders, or such shorter period as the Corporation may authorize upon a showing of good cause therefor.

5. Section 335.7 is amended to revise the introductory texts of subparagraphs (9) and (10) of paragraph (c) and subparagraph (2) of paragraph (f), as set forth below:

§ 335.7 Form and content of financial statements.

(9) *General notes to balance sheets.* If present with respect to the person for which the statement is filed, the following shall be set forth in the balance sheet or in referenced notes thereto:

(10) *General notes to statements of income.* If present with respect to the person for which the statement is filed, the following shall be set forth in the statement of income or in referenced notes thereto:

(f) *Schedules to be filed.* (1) The following schedules shall be filed with each balance sheet filed pursuant to this part: Schedule I—U.S. Treasury Securities, Securities of Other U.S. Government Agencies and Corporations, and Obligations of State and Political Subdivisions; Schedule II—Other Securities; Schedule III—Other Loans; Schedule IV—Bank Premises and Equipment; Sched-

ule V—Investments in, Income from Dividends, and Equity in Earnings and Loss of Unconsolidated Subsidiaries; and Schedule VI—Other Liabilities for Borrowed Money.

(2) The following schedules shall be filed with each statement of income filed pursuant to this part: Schedule VII—Allowance for Possible Loan Losses and Schedule VIII—Reserves on Securities.

6. Section 335.42 is amended to revise paragraphs (1) and (2) of the Instructions As To Financial Statements, as set forth below:

§ 335.42 Form for annual report of bank (Form F-2).

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

1. Financial statements of the bank.

(a) There shall be filed for the bank, in comparative columnar form, verified balance sheets as of the close of the last 2 fiscal years and verified statements of income for such fiscal years.

2. Consolidated statements.

There shall be filed for the bank and its majority-owned (i) bank premises subsidiaries, (ii) subsidiaries doing a foreign banking business, and (iii) significant subsidiaries, in comparative columnar form, verified consolidated balance sheets as of the close of the last 2 fiscal years of the bank and verified consolidated statements of income for such fiscal years.

7. Section 335.44 is amended to revise Form F-4, as set forth below:

§ 335.44 Form for quarterly report of bank (Form F-4).

FEDERAL DEPOSIT INSURANCE CORPORATION

FORM F-4

Quarterly Report of—

(Name of Bank)

(City and State)

Fiscal year to date
(..... months
ending

Item

3 months ending

19..
(current year)

19..
(prior year)

19..
(current year)

19..
(prior year)

1. Operating income:
 - (a) Interest and fees on loans
 - (b) Interest and dividends on securities
 - (c) Other operating income
 - (d) Total operating income
2. Operating expenses:
 - (a) Salaries and other compensation
 - (b) Interest expense
 - (c) Other operating expenses
 - (d) Total operating expenses
3. Income before income taxes and securities gains (losses)
4. Applicable income taxes
5. Income before securities gains (losses)
6. Net security gains (losses), less related tax effect
7. Net income

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this quarterly report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Name of Bank)

By

(Name and title of signing officer)

Date

A. Use of Form F-4.

Form F-4 is a guide for use in preparation of the quarterly report to be filed with the Corporation.

B. Persons for Whom the Information Is To Be Given.

The required information is to be given as to the registrant bank or, if the bank files consolidated financial statements with the annual reports filed with the Corporation it shall cover the bank and its consolidated subsidiaries. If the information is given as to the bank and its consolidated subsidiaries, it need not be given separately for the bank.

C. Presentation of Information.

The form calls only for the items of information specified. It is not necessary to furnish a formal statement of income. The information is not required to be verified (see § 335.7(b)). The report may carry a notation to that effect and any other qualification considered necessary or appropriate. Amounts may be stated in thousands of dollars if a notation to that effect is made.

D. Incorporation by Reference to Published Statements.

If the bank makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a financial statement containing the information required by this form, such information may be incorporated by reference to such published statement if copies thereof are filed as an exhibit to this report.

E. Extraordinary Items.

If present with respect to any interim period reported herein, extraordinary items less applicable income tax effect shall be appropriately segregated and included in the determination of net income. (See Form F-9B, Statement of Income.)

8. A new § 335.46 is added, as set forth below:

§ 335.46 Form for registration of additional class of securities of a bank pursuant to section 12(b) or section 12(g) of the Securities Exchange Act of 1934 (Form F-10).

FORM F-10—REGISTRATION STATEMENT FOR ADDITIONAL CLASSES OF SECURITIES OF A BANK

PURSUANT TO SECTION 12(b) OR SECTION 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

(Exact name of bank as specified in charter)

(Address of principal office)

Securities being registered pursuant to section 12(b) of the Act:

Name of each exchange on which class is being registered

Title of class

Title of each class of equity securities being registered pursuant to section 12(g) of the Act:

GENERAL INSTRUCTIONS

1. Applicability of This Form.

This form may be used for registration of the following securities pursuant to the Securities Exchange Act of 1934:

(a) For registration pursuant to section 12(g) of the Act of any class of equity securities of a bank which has one or more other classes of securities registered pursuant to either section 12(b) or (g) of the Act.

(b) For registration on a national securities exchange pursuant to section 12(b) of the Act of any class of securities of a bank which has one or more other classes of securities so registered on the same securities exchange.

2. Preparation of Registration Statement.

This form is not to be used as a blank form to be filled in but only as a guide in the preparation of a registration statement. Particular attention should be given to the general requirements in § 335.4 of Part 335. The statement shall contain the numbers and captions of all items, but the text of the items may be omitted if the answers with respect thereto are prepared in the manner specified in § 335.4(s).

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1—Stock To Be Registered.

If stock is being registered, state the title of the class and furnish the following information (see Instruction 1):

(a) Outline briefly (1) dividend rights; (2) voting rights; (3) liquidation rights; (4) preemptive rights; (5) conversion rights; (6) redemption provisions; (7) sinking fund provisions; and (8) liability to further calls or to assessment.

(b) If the rights of holders of such stock may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class, so state and explain briefly.

(c) Outline briefly any restriction on the repurchase or redemption of shares by the bank while there is any arrearage in the payment of dividends or sinking fund installments. If there is no such restriction, so state.

Instructions. 1. If a description of the securities comparable to that required here is contained in any other document filed with the corporation, such description may be incorporated by reference to such other filing in answer to this item. If the securities are to be registered on a national securities exchange and the description has not previously been filed with such exchange, copies of the description shall be filed with copies of the registration statement filed with the exchange.

2. This item requires only a brief summary of the provisions which are pertinent from an investment standpoint. A complete legal description of the provisions referred to is not required and should not be given. Do not set forth the provisions of the governing instruments verbatim; only a succinct resume is required.

3. If the rights evidenced by the securities to be registered are materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other document, include such information regarding such limitation or qualification as will enable investors to understand the rights evidenced by the securities to be registered.

Item 2—Debt Securities To Be Registered.

If the securities to be registered hereunder are bonds, debentures or other evidences of indebtedness, outline briefly such of the following as are relevant (see Instruction 2 below):

(a) Provisions with respect to interest, conversion, maturity, redemption, amortization, sinking fund, or retirement.

(b) Provisions with respect to the kind and priority of any lien, securing the issue, together with a brief identification of the principal properties subject to such lien.

(c) Provisions restricting the declaration of dividends or requiring the maintenance of any ratio of assets, the creation or maintenance of reserves or the maintenance of properties.

(d) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, the release or substitution of assets securing the issue, the modification of the terms of the security, and similar provisions.

Instruction 1. Provisions permitting the release of assets upon the deposit of equivalent funds or the pledge of equivalent property, the release of property no longer required in the business, obsolete property or property taken by eminent domain, the application of insurance moneys, and similar provisions, need not be described.

(e) The name of the trustee and the nature of any material relationship with the bank or any of its affiliates; the percentage of securities of the class necessary to require the trustee to take action; and what indemnification the trustee may require before proceeding to enforce the lien.

(f) The general type of event which constitutes a default and whether or not any periodic evidence is required to be furnished as to the absence of default or as to compliance with the terms of the indenture.

Instruction 2. In most cases, debt securities issued by banks need not be registered pursuant to section 12(g) of the Securities Exchange Act; the registration requirements of that section apply only to an "equity security". The term "equity security" is defined by section 3(a)(11) of the Act to mean "any stock or similar security; or any security convertible, with or without consideration, into such a security; or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the Corporation shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as it may prescribe in the public interest or for the protection of investors, to treat as an equity security."

Instruction 3. The instructions to Item 1 also apply to this item.

Item 3—Other Securities To Be Registered.

If securities other than those referred to in Items 1 and 2 are to be registered hereunder, outline briefly the rights evidenced thereby. If subscription warrants or rights are to be registered, state the title and amount of securities called for, and the period during which and the price at which the warrants or rights are exercisable.

Instruction. The instructions to Item 1 also apply to this item.

Item 4—Exhibits.

List all exhibits filed as a part of the registration statement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Date _____

(Name of Bank)

By _____
(Name and title of signing officer)

INSTRUCTIONS AS TO EXHIBITS

Subject to § 335.4(o) of Part 335 regarding the incorporation of exhibits by reference,

the exhibits enumerated hereinafter shall be filed as a part of the registration statement. Exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may bear the designation given in the previous filing. Where exhibits are incorporated by reference, the reference shall be made in the list of exhibits in Item 4.

1. Specimens or copies of each security to be registered hereunder.

2. Copies of all constituent instruments defining the rights of the holders of each class of such securities, including any contracts or other documents which limit or qualify the rights of such holders.

§ 335.51 [Amended]

9. Section 335.51 is amended as follows:

Item 2—Dissenters' Rights of Appraisal.

Outline briefly the rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon and indicate any statutory procedure required to be followed by dissenting security holders in order to perfect such rights. Where such rights may be exercised only within a limited time after the date of the adoption of a proposal, the filing of a charter amendment or other similar act, state whether the person solicited will be notified of such date.

Instruction. Indicate whether a security holder's failure to vote against a proposal will constitute a waiver of his appraisal or similar rights and whether a vote against a proposal will be deemed to satisfy any notice requirements under State law with respect to appraisal rights. If the State law is unclear, state what position will be taken in regard to those matters.

Item 5—Voting Securities and Principal Holders Thereof.

(d) If to the knowledge of the persons on whose behalf the solicitation is made, any person and his associates owns or record or beneficially more than 10 percent of the outstanding voting securities of the bank, name such person or persons, state the approximate amount of such securities owned of record but not owned beneficially, and the approximate amount owned beneficially, and the percentage of outstanding voting securities represented by the amount of securities so owned in each such manner.

Item 6—Nominees and Directors.

(4) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the bank, or any of its parents or subsidiaries, "beneficially owned" (as defined in § 335.2(f)) directly or indirectly by him. If he disclaims beneficial ownership of any such securities, make a statement to that effect.

(5) [Deleted]

(c) If fewer nominees are named than the number fixed by or pursuant to the governing instruments, state the reasons for this procedure and that the proxies cannot be voted for a greater number of persons than the number of nominees named.

Item 7—Remuneration and Other Transactions With Management and Others.

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the bank and its subsidiaries during the bank's latest fiscal year to the following persons for services in all capacities:

(1) Each director of the bank whose aggregate direct remuneration exceeded \$30,000.

and each of the two highest paid officers of the bank whose aggregate direct remuneration exceeded that amount, naming each such director and officer.

(b) * * * * *
Instructions. * * * * *

3. In the case of any plan (other than those specified in Instruction 1) where the amount set aside each year depends upon the amount of earnings or profits of the bank or its subsidiaries for such year or a prior year (or where otherwise impracticable to state the estimated annual benefits upon retirement) there shall be set forth, in lieu of the information called by Column (C), the aggregate amount set aside or accrued to date, unless impracticable to do so, in which case the method of computing such benefits shall be stated. In addition, furnish a brief description of the material terms of the plan, including the method used in computing the bank's contribution, and the amount set aside or accrued during the bank's last fiscal year for all officers and directors as a group, indicating the number of persons in such group without naming them.

(d) Furnish the following information as to all options to purchase securities, from the bank or any of its subsidiaries, which were granted to or exercised by the following persons since the beginning of the bank's last fiscal year and as to all options held by such persons as of the latest practicable date: (i) Each director or officer named in answer to paragraph (a)(1), naming each such person; and (ii) all directors and officers of the bank as a group, without naming them:

(1) As to options granted, state (i) the title and amount of securities called for; (ii) the prices, expiration dates, and other material provisions; and (iii) the market value of the securities called for on the granting date.

(2) As to options exercised, state (i) the title and amount of securities purchased; (ii) the aggregate purchase price; and (iii) the aggregate market value of the securities purchased on the date of purchase.

(3) As to all unexercised options held as of the latest practicable date, regardless of when such options were granted, state (i) the title and aggregate amount of securities called for; (ii) the average option price per share; and (iii) the per share market price of the securities subject to the option, as of the latest practicable date.

Instructions. 1. The extension, regranting, or material amendment of options shall be deemed the granting of options within the meaning of this paragraph.

2. This item need not be answered with respect to options granted, exercised, or outstanding, as may be specified therein, where the total market value (i) on the granting date of the securities called for by all options granted during the period specified; (ii) on the dates of purchase of all securities purchased through the exercise of options during the period specified; or (iii) as of the latest practicable date of the securities called for by all options held at such time, does not exceed \$10,000 for any officer or director named in answer to paragraph (a)(1), or \$20,000 for all officers and directors as a group.

(e) If to the knowledge of management any indebtedness to the bank has arisen since the beginning of the bank's last fiscal year under section 16(b) of the Securities Exchange Act of 1934, as a result of transactions in the bank's stock (or other equity securities) by any director, officer, or security holder named in answer to Item 5(d),

which indebtedness has not been discharged by payment, state the amount of any profit realized and whether suit will be brought or other steps taken to recover such profit. If, in the opinion of counsel, a question reasonably exists as to the recoverability of such profit, only facts necessary to describe the transactions, including the prices and number of shares involved, need be stated.

(f) * * * * *
Instructions. * * * * *

(iii) The specified person is subject to this Item 7(f) solely as a director of the bank (or associate of a director) and his interest in the transaction is solely that of a director, officer of, and/or owner of less than 10 percent interest in, another person that is a party to the transaction.

(iv) The transaction consists of extensions of credit by the bank in the ordinary course of its business that (A) are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other than specified persons, (B) at no time exceed 10 percent of the equity capital accounts of the bank, or \$10 million, whichever is less, and (C) do not involve more than the normal risk of collectibility or present other unfavorable features. Notwithstanding the foregoing, if aggregate extensions of credit to the specified persons, as a group, exceeded 20 percent of the equity capital accounts of the bank at any time during the preceding year, (1) the aggregate amount of such extensions of credit shall be disclosed, and (2) a statement shall be included, to the extent applicable, that the bank has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal stockholders, and their associates, on the same terms, including interest rates and collateral on loans, as those prevailing at the same time for comparable transactions with others. For the purpose of determining "aggregate extensions of credit" in this instruction, transactions which are exempted from disclosure pursuant to other instructions to this item may be excluded.

Item 9—*Bonus, Profit Sharing, and Other Remuneration Plans.* If action is to be taken with respect to any bonus, profit sharing, or other remuneration plan, furnish the following information:

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 2 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan; and (iii) all employees, if employees may participate in the plan.

(f) If action is to be taken with respect to the amendment or modification of an existing plan, the item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

Instruction. * * * * *

Item 10—*Pension and Retirement Plans.* If action is to be taken with respect to any pension or retirement plan, furnish the following information:

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past two years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan; and (iii) all employees, if employees may participate in the plan.

(f) If action is to be taken with respect to the amendment or modification of an existing plan, the item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

Instructions. * * * * *

Item 11—*Options, Warrants, or Rights.* If action is to be taken with respect to the granting or extension of any options, warrants, or rights to purchase securities of the bank or any subsidiary, furnish the following information:

(a) State (i) the title and amount of securities called for or to be called for by such options, warrants or rights; (ii) the prices, expiration dates and other material conditions upon which the options, warrants or rights may be exercised; and (iii) in the case of options, the Federal income tax consequences of the issuance and exercise of such options to the recipient and to the bank.

(c) Furnish such information, in addition to that required by this item and Item 7 as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan; and (iii) all employees, if employees may participate in the plan.

Instructions. 1. Paragraphs (b) and (c) do not apply to warrants or rights to be issued to security holders as such on a pro rata basis.

2. The instruction to Item 9 shall apply to paragraph (c) of this item.

3. Include in the answer to paragraph (c) as to each director or officer named in answer to Item 7(a) and as to all directors and officers as a group (i) the amount of securities acquired during the past 2 years through the exercise of options granted during the period or prior thereto; (ii) the amount of securities sold during such period of the same class as those acquired through the exercise of such options; and (iii) the amount of securities subject to all unexercised options held as of the latest practicable date.

Item 12—*Authorization or Issuance of Securities Otherwise than for Exchange.*

If action is to be taken with respect to the authorization or issuance of any securities otherwise than in exchange for outstanding securities of the bank furnish the following information:

(b) Furnish a description of the material provisions of the securities such as would be required in a registration statement filed pursuant to this part. If the terms of the securities cannot be stated or estimated with respect to any or all of the securities to be authorized, because no offering thereof is contemplated in the proximate future, and

if no further authorization by security holders for the issuance thereof is to be obtained, it should be stated that the terms of the securities to be authorized, including dividend or interest rates, conversion prices, voting rights, redemption prices, maturity dates, and similar matters will be determined by the Board of Directors. If the securities are additional shares of common stock of a class outstanding, the description may be omitted.

(c) Describe briefly the transaction in which the securities are to be issued, including a statement as to (1) the nature and approximate amount of consideration received or to be received by the bank, and (2) the approximate amount devoted to each purpose so far as determinable, for which the net proceeds have been or are to be used. If it is impracticable to describe the transaction in which the securities are to be issued, indicate the purpose of the authorization of the securities, and state whether further authorization for the issuance of the securities by a vote of security holders will be solicited prior to such issuance and whether present security holders will have preemptive rights to purchase such securities.

(d) [Deleted]

Item 13—Modification or Exchange of Securities.

(c) State the reasons for the proposed modification or exchange, and the general effect thereof upon the rights of existing security holders.

Item 14—Mergers, Consolidations, Acquisitions, and Similar Matters.

If action is to be taken with respect to any plan for (i) the merger or consolidation of the bank into or with any other person or of any other person into or with the bank; (ii) the acquisition by the bank or any of its subsidiaries of securities of another bank; (iii) the acquisition by the bank of any other going business or of the assets thereof; (iv) the sale or other transfer of all or any substantial part of the assets of the bank; or (v) the voluntary liquidation or dissolution of the bank:

(a) Outline briefly the material features of the plan. State the reasons therefor and the general effect thereof upon the interests of existing security holders. If the plan is set forth in a written document, file three copies thereof with the Corporation when preliminary copies of the Statement are filed pursuant to § 335.5(f).

(b) Furnish the following information as to the bank and each person (other than subsidiaries substantially all of the stock of which are owned by the bank) which is to be merged into the bank or into or with which the bank is to be merged or consolidated or the business or assets of which are to be acquired or which is the issuer of securities to be acquired by the bank or any of its subsidiaries in exchange for all or a substantial part of its assets:

(1) A brief description of the business and property of each such person in substantially the manner described in Items 3 and 4 of Form F-1.

(2) A brief statement as to defaults in principal or interest in respect of any securities of the bank or of such person, and as to the effect of the plan thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(3) Such information with respect to the proposed management of the surviving bank as would be required by Items 6 and 7 of this Form F-5. Information concerning remuneration of management may be projected for the current year based on remuneration actually paid or accrued by each of the

constituent persons during the last calendar year. If significantly different, proposed compensation arrangements should also be described.

(4) A tabular presentation of the existing and pro forma capitalization.

(5) In columnar form, for each of the last 3 fiscal years, a historical summary of earnings. Such summary to be concluded by indicating per share amounts of income before securities gains (losses), net income, and dividends declared for each period reported. (Extraordinary items, if any, should be appropriately reported and per share amounts of securities gains (losses) may be included.)

(6) In columnar form, for each of the last 3 fiscal years, a combined pro forma summary of earnings, as appropriate in the circumstances, similar in structure to the historical summary of earnings. If the transaction establishes a new basis of accounting for assets of any of the persons included therein, the pro forma summary of earnings shall be furnished only for the most recent fiscal year and interim period and shall reflect appropriate pro forma adjustments resulting from such new basis of accounting.

(7) A tabular presentation of comparative per share data of the constituent banks or other persons pertaining to:

(A) (i) Income before securities gains (losses); (ii) net income; and (iii) dividends declared, for each of the last 3 fiscal years; and

(B) Book value per share, at the date of the balance sheets included in the statement.

The comparative per share data shall be presented on a historical and pro forma basis (except dividends which are to be furnished on historical basis only) and equated to a common basis in exchange transactions.

(8) To the extent material for the exercise of prudent judgment, the historical and pro forma earnings data specified in (5), (6), and (7) above for the latest available interim period of the current and prior fiscal years.

Instructions. 1. Historical statements of income in their entirety, as required by Item 15, may be furnished in lieu of the summary of earnings specified in paragraph 5. If summary earnings information is presented, show, as a minimum, operating revenues, operating expenses, income before income taxes and security gains (losses), applicable income taxes, income before securities gains (losses), securities gains (losses), and net income. The summary shall reflect retroactive adjustments of any material items affecting the comparability of the results.

2. In connection with any interim period or periods between the end of the last fiscal year and the balance sheet date, and any comparable prior period, a statement shall be made that all adjustments necessary to a fair statement of the results for such interim period or periods have been included, and results of the interim period for the current year are not necessarily indicative of results for the entire year. In addition, there shall be furnished in such cases, as supplemental information but not as a part of the proxy statement, a letter describing in detail the nature and amount of any adjustments, other than normal recurring accruals, entering into the determination of the results shown.

3. The information required by this Item 14(b) is required in a Statement of the "acquiring" or "surviving" bank only where a "significant" merger or acquisition is to be voted upon. For purposes of this item, the term "significant" merger or acquisition shall mean a transaction where either (1) the net book value of assets to be acquired or the amount to be paid therefor exceeds 5 percent of the equity capital accounts of the acquiring bank, or (2) in an exchange transaction, the number of shares to be issued exceeds 5 percent of the outstanding shares

of the acquiring bank, or (3) gross operating revenues for the last fiscal year of the person to be acquired exceeded 5 percent of the gross operating revenues for the last fiscal year of the acquiring bank. If less than a "significant" merger or acquisition is to be voted upon, such information need only be included to the extent necessary for the exercise of prudent judgment with respect thereto.

Item 15—Financial Statements.

(a) If action is to be taken with respect to any matter specified in Items 12, 13, or 14 above, furnish verified financial statements of the bank and its subsidiaries such as would be required in a registration statement filed pursuant to this part. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. All schedules, except Schedule VII—"Allowance for Possible Loan Losses" and Schedule VIII—"Reserve on Securities", may be omitted.

(b) If action is to be taken with respect to any matter specified in Item 14(b), furnish for each person specified therein, other than the bank, financial statements such as would be required in a registration statement filed pursuant to this part. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. However, the following may be omitted: (1) All schedules, except Schedule VII—"Allowance for Possible Loan Losses"; and (2) statements for a subsidiary, all of the stock of which is owned by the bank, that is included in the consolidated statement of the bank and its subsidiaries. Such statements shall be verified, if practicable.

(c) Notwithstanding paragraphs (a) and (b) above, any or all of such financial statements which are not material for the exercise of prudent judgment in regard to the matter to be acted upon may be omitted. Such financial statements are deemed material to the exercise of prudent judgment in the usual case involving the authorization or issuance of any material amount of senior securities, but are not deemed material in cases involving the authorization or issuance of common stock, otherwise than in an exchange, merger, consolidation, acquisition, or similar transaction.

Item 18—Amendment of Charter, Bylaws, or Other Documents.

If action is to be taken with respect to any amendment of the bank's charter, bylaws, or other documents as to which information is not required above, state briefly the reasons for and general effect of such amendment.

Item 20—Vote Required for Approval.

As to each matter which is to be submitted to a vote of security holders, other than elections to office or the selection or approval of auditors, state the vote required for its approval.

10. Section 335.71 is amended as set forth below:

§ 335.71 Forms for financial statements (Forms F-9 A, B, C, and D).

FORM F-9—FINANCIAL STATEMENTS

- Balance Sheet (Form F-9A).
- Statement of Income (Form F-9B).
- Statement of Changes in Capital Accounts (Form F-9C).
- Schedules (Form F-9D).

GENERAL INSTRUCTIONS

1. Preparation of Forms.

The forms for financial statements are not to be used as blank forms to be filled in but only as guides in the preparation of financial statements. The requirements with respect to the filing of balance sheets and statements of income are contained in the instructions as to certain other forms required by this part. Particular attention should be given to the general requirements as to financial statements in § 335.7, including paragraphs (e) and (f) thereof, which prescribe when statements of changes in capital accounts and schedules will be filed. Although inapplicable items specified in the forms for financial statements should be omitted, the detailed instructions that relate to applicable items shall be followed.

2. Accrual Accounting.

Financial statements shall generally be prepared on the basis of accrual accounting whereby all revenues and all expenses shall be recognized during the period earned or incurred regardless of the time received or paid, with certain exceptions: (a) Where the results would be only insignificantly different on a cash basis, or (b) where accrual is not feasible. Statements with respect to the first fiscal year that a bank reports on the accrual basis shall indicate clearly, by footnote or otherwise, the beginning-of-year adjustments that were necessary and their effect on prior financial statements filed under this part.

(Name of Bank)

A. BALANCE SHEET

ASSETS

1. Cash and due from banks
2. Investment securities:
 - (a) U.S. Treasury securities
 - (b) Securities of other U.S. Government agencies and corporations
 - (c) Obligations of States and political subdivisions
 - (d) Other securities
3. Trading account securities
4. Federal funds sold and securities purchased under agreements to resell
5. Other loans
6. Bank premises and equipment
7. Other real estate owned
8. Investments in subsidiaries not consolidated
9. Customers' acceptance liability
10. Other assets
11. Total assets

LIABILITIES

12. Deposits:
 - (a) Demand deposits in domestic offices
 - (b) Savings deposits in domestic offices
 - (c) Time deposits in domestic offices
 - (d) Deposits in foreign offices
13. Federal funds purchased and securities sold under agreements to repurchase
14. Other liabilities for borrowed money
15. Bank's acceptances outstanding
16. Mortgages payable
17. Other liabilities
18. Total liabilities
19. Minority interests in consolidated subsidiaries

RESERVES ON LOANS AND SECURITIES

20. Allowance for possible loan losses
21. Reserves on securities

CAPITAL ACCOUNTS

22. Capital notes and debentures
23. Equity capital:
 - (a) Capital stock:
 - Preferred stock
 - Common stock
 - (b) Surplus
 - (c) Undivided Profits
 - (d) Reserve for contingencies and other capital reserves
24. Total capital accounts
25. Total liabilities, reserves, and capital

ASSETS

1. Cash and due from banks. (a) State the total of (1) currency and coin (A) owned and held in the bank's vaults and (B) in transit to or from a Federal Reserve Bank; (2) the bank's total reserve balance with the Federal Reserve Bank as shown by the bank's books; (3) demand and time balances with other banks; and (4) cash items in process of collection.

(b) Reciprocal demand balances with banks in the United States, except those of private banks and American branches of foreign banks, shall be reported net.

(c) Do not include unavailable balances with closed or liquidating banks. Such balances should be reported in "other assets".

(d) Cash items in process of collection include: (1) checks in process of collection drawn on another bank, private bank, or any other banking institution that are payable immediately upon presentation (including checks with a Federal Reserve Bank in process of collection and checks on hand that will be presented for payment or forwarded for collection on the following business day); (2) Government checks and warrants drawn on the Treasurer of the United States that are in process of collection; and (3) such other items in process of collection, including redeemed U.S. savings bonds, payable immediately upon presentation in the United States, as are customarily cleared or collected by banks as cash items.

(e) Checks drawn on a bank other than the reporting bank that have been deposited in the reporting bank (or offices or branches of such bank) and have been forwarded for collection to other offices or branches of the reporting bank are cash items in the process of collection.

(f) Do not include commodity or bill-of-lading drafts payable upon arrival of goods against which drawn, whether or not deposit credit therefor has been given to a customer. If deposit credit has been given, such drafts should be reported as "loans"; but if the drafts were received by the reporting bank on a collection basis they should not be included in the reporting bank's statement until such time as the funds have been actually collected.

(g) Unposted debits should preferably be deducted from the appropriate deposit liability caption. If such items are included hereunder, the amount shall be stated parenthetically.

2. Investment securities. (a) State separately book value of (1) U.S. Treasury securities; (2) securities of other U.S. Government agencies and corporations; (3) obligations of States and political subdivisions; and (4) other securities owned by the bank; include securities pledged, loaned or sold under repurchase agreements and similar arrangements.

(b) Book value with respect to investment quality securities reported in paragraph (a) shall be cost adjusted for amortization of premium and, at the option of the bank, for accretion of discount. There shall be set forth in a note to financial statements (1)

the basis of accounting for book value, and (2) if bond discount is systematically accrued and amounts to 5 percent or more of interest and dividends on investments, the total of accretion income and deferred income taxes applied thereto.

(c) Include in category (3) of paragraph (a) obligations, including warrants and tax anticipation notes, of the States of the United States and their political subdivisions, agencies, and instrumentalities; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign states.

(d) Do not include borrowed securities, or securities purchased under resale agreements or similar arrangements.

3. Trading account securities. State the aggregate value at the balance sheet date, of securities of all types carried by the bank in a dealer trading account (or accounts) that are held principally for resale to customers. Indicate parenthetically, or otherwise in a note to financial statements, whether the inventory is valued at (1) cost, (2) lower of cost or market, or (3) market. If cost basis of valuation is used, furnish aggregate market value of the trading account inventory at the current fiscal year balance sheet date.

4. Federal funds sold and securities purchased under agreements to resell. (a) State the aggregate value of Federal funds sold and securities purchased under resale agreement or similar arrangements. All securities purchased under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buybacks, turnarounds, overnight transactions, delayed deliveries, etc., and (2) whether the transactions are with the same or different institutions if the purpose of the transactions is to resell identical or similar securities.

(b) Federal funds sold and purchases of securities under resale agreements should be reported gross and not netted against purchases of Federal funds and sales of securities under repurchase agreements.

5. Other Loans. (a) State the aggregate gross value of all loans including (1) acceptances of other banks and commercial paper purchased in the open market; (2) acceptances executed by or for the account of the reporting bank and subsequently acquired by it through purchase or discount; (3) customers' liability to the reporting bank on drafts paid under letters of credit for which the bank has not been reimbursed; and (4) "cotton overdrafts" or "advances," and commodity or bill-of-lading drafts payable upon arrival of goods against which drawn, for which the reporting bank has given deposit credit to customers.

(b) Include (1) paper rediscounted with the Federal Reserve or other banks; and (2) paper pledged as collateral to secure bills payable, as marginal collateral to secure bills rediscounted, or for any other purpose.

(c) Do not include contracts of sale or other loans indirectly representing bank premises or other real estate; these should be included in "bank premises" or "other real estate".

(d) Do not deduct bona fide deposits accumulated by borrowers for the payment of loans.

6. Bank premises and equipment. (a) State the aggregate cost of (1) bank premises owned, (2) leasehold improvements, and (3) equipment less any accumulated depreciation or amortization with respect to such assets.

(b) All fixed assets acquired subsequent to December 31, 1959, shall be stated at cost less accumulated depreciation or amortization.

(c) All fixed assets acquired prior to January 1, 1960, that are not presently accounted for by the bank on the basis of cost less accumulated depreciation or amortization, may be stated at book value. Any such assets that are still in use and would not have been fully depreciated on an acceptable method of accounting for depreciation if the bank had recorded depreciation on such basis shall be described briefly in a footnote, together with an explanation of the accounting that was used with respect to such assets.

(d) The term "leasehold improvements" comprehends two types of situations: (1) Where the bank erects a building on leased property; and (2) where a bank occupies leased quarters or uses leased parking lots and appropriately capitalizes disbursements for vaults, fixed machinery and equipment directly related to such leased quarters, or resurfacing or other improvements directly related to such parking lots that will become an integral part of the property and will revert to the lessor on expiration of the lease.

(e) Bank premises includes vaults, fixed machinery and equipment, parking lots owned adjoining or not adjoining the bank premises that are used by customers or employees, and potential building sites.

(f) Equipment includes all movable furniture and fixtures of the bank.

7. *Other real estate owned.* (a) State the aggregate cost of all real estate owned by the bank that is not a part of bank premises.

(b) With respect to real estate acquired through default of a loan, aggregate cost shall include the unpaid balance on the defaulted loan plus the bank's out-of-pocket costs in acquiring clear title to the property. Any adjustments from aggregate cost shall be explained in a footnote.

(c) The aggregate market value of all real estate owned by the bank that is not a part of bank premises shall be set forth in a footnote, together with an explanation of the method of determining such market value.

8. *Investments in subsidiaries not consolidated.* State the aggregate investment, including advances, in subsidiaries not consolidated.

9. *Customers' acceptance liability.* (a) State the liability to the reporting bank of its customers on drafts and bills of exchange that have been accepted by the reporting bank or by other banks for its account and that are outstanding—that is, not held by the bank, on the reporting date. (If held by the reporting bank, they should be reported as "loans".)

(b) In case a customer anticipates his liability to the bank on outstanding acceptances by paying the bank either the full amount of his liability of any part thereof in advance of the actual maturity of the acceptance, the bank should decrease the amount of the customer's liability on outstanding acceptances. If such funds are not received for immediate application to the reduction of the indebtedness to the bank or the receipt thereof does not immediately reduce or extinguish the indebtedness, then such funds held to meet acceptances must be reported in "demand deposits".

(c) Do not include customer's liability on unused commercial and travelers' letters of credit issued under guaranty or against the deposit of security—that is, not issued for money or its equivalent.

10. *Other assets.* State separately, if material, (1) income earned but not collected; (2) prepaid expenses; (3) property acquired for the purpose of direct lease financing; and (4) any other asset not included in the preceding items.

11. *Total assets.* State the sum of all asset items.

LIABILITIES

12. *Deposits.* (a) State separately (1) demand deposits in domestic offices of the bank, (2) savings deposits in domestic offices of the bank, (3) time deposits in domestic offices of the bank, and (4) deposits in foreign offices. Related unposted debits, if any, should preferably be deducted from domestic deposits.

(b) The domestic deposit liability categories shall be segregated in accordance with the Rules and Regulations of the Federal Deposit Insurance Corporation, Part 327.2 Classification of Deposits.

(c) The term "unposted debit" means a cash item in the bank's possession drawn on itself that has been paid or credited and is chargeable against, but has not been charged against, deposit liabilities at the close of the reporting period. This term does not include items that have been reflected in deposit accounts on the general ledger, although they have not been debited to individual deposit accounts.

(d) Reciprocal demand deposit balances with banks in the United States, except those of private banks and American branches of foreign banks, shall be reported net.

(e) Include outstanding drafts (including advances or authorizations to charge the bank's balance in another bank) drawn in the regular course of business by the reporting bank on other banks pursuant to customer order.

(f) Do not include trust funds held in the bank's own trust department that the bank keeps segregated and apart from its general assets and does not use in the conduct of its business.

13. *Federal funds purchased and securities sold under agreements to repurchase.*

(a) State the aggregate value of Federal funds purchased and securities sold under repurchase agreements or similar arrangements. All securities sold under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buybacks, turnarounds, overnight transactions, delayed deliveries, etc., and (2) whether the transactions are with the same or different institutions if the purpose of the transactions is to repurchase identical or similar securities.

(b) Federal funds purchased and sales of securities under repurchase agreements should be reported gross and not netted against sales of Federal funds and purchases of securities under resale agreements.

14. *Other liabilities for borrowed money.* State the aggregate amount borrowed by the reporting bank on its own promissory notes, on notes and bills rediscounted (including commodity drafts rediscounted), or on any other instruments given for the purpose of borrowing money.

15. *Bank's acceptances outstanding.* (a) State the aggregate of unmatured drafts and bills of exchange accepted by the reporting bank, or by some other bank as agent for the reporting bank (other than those reported in "demand deposits"), less the amount of such acceptances acquired by the reporting bank through discount or purchase and held on the reporting date.

(b) Include bills of exchange accepted by the reporting bank that were drawn by banks or bankers in foreign countries, or in dependencies or insular possessions of the United States, for the purpose of creating dollar exchange as required by usage of trade in the respective countries, dependencies, or insular possessions.

16. *Mortgages payable.* (a) State separately here, or in a note referred to herein, such information as will indicate (1) the general character of the debt including the rate of interest; (2) the date of maturity; (3) if the payment of principal or interest is contingent, an appropriate indication of such

contingency; and (4) a brief indication of priority.

(b) If there are any liens on bank premises or other real estate owned by the bank or its consolidated subsidiaries which have not been assumed by the bank or its consolidated subsidiaries, report in a footnote the amount thereof together with an appropriate explanation.

17. *Other liabilities.* State separately, if material, (a) accrued payrolls; (b) accrued income tax liability (Federal and State combined); (c) accrued interest; (d) cash dividends declared but not paid; (e) income collected but not earned; and (f) any other liability not included in Items 12 through 16.

18. *Total liabilities.* State the sum of Items 12 through 17.

19. *Minority interests in consolidated subsidiaries.* State the aggregate amount of minority stockholders' interests in capital stock, surplus, and undivided profits of consolidated subsidiaries.

RESERVES

20. *Allowance for possible loan losses.* (a) State the balance of the loan loss allowance account at the end of the fiscal year. Include in this allowance only (1) any provision that the bank makes for possible loan losses pursuant to the Treasury tax formula and (2) any amount in excess of the provision taken under such formula that (A) represents management's judgment as to possible loss or value depreciation and (B) has been established through a charge against income.

(b) Any provision for possible loan losses that the bank establishes as a precautionary measure that is in excess of the amount reported in paragraph (a) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

21. *Reserves on securities.* State the balance of the reserves on securities at the end of the fiscal year of any allowance that (1) represents management's judgment as to possible loss or value depreciation in investment securities and (2) has been established through an appropriate charge against income shall be separately stated. Any provision for possible security losses that the bank establishes as a precautionary measure only (such as to reflect normal fluctuations in market value of readily marketable securities) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

CAPITAL ACCOUNTS

22. *Capital notes and debentures.* State separately here, or in a note referred to herein, each issue or type of obligation and such information as will indicate (a) the general character of each type of debt including the rate of interest; (b) the date of maturity (or dates if maturing serially) and call provisions; (c) the aggregate amount of maturities, and sinking fund requirements, each year for the 5 years following the date of the balance sheet; (d) if the payment of principal or interest is contingent, an appropriate indication of the nature of the contingency; (e) a brief indication of priority; and (f) if convertible, the basis.

23. *Equity capital.* (a) *Capital stock.* State for each class of shares the title of issue, the number of shares authorized, the number of shares outstanding and the capital share liability thereof, and, if convertible, the basis of conversion. Show also the dollar amount, if any, of capital shares subscribed but unissued, and of subscriptions receivable thereon.

(b) *Surplus.* State the net amount formally transferred to the surplus account on

or before the reporting date, subject to the conditions set forth in the instruction relating to "undivided profits".

(c) *Undivided profits.* State the amount of undivided profits shown by the bank's books.

(d) *Reserve for contingencies and other capital reserves.*

(1) State separately each such reserve and its purpose.

(2) These reserves constitute amounts set aside for possible decrease in the book value of assets, or for other unforeseen indeterminate liabilities not otherwise reflected on the bank's books and not covered by insurance.

(3) As these reserves represent a segregation of undivided profits, do not include any element of known losses, or losses the amount of which can be estimated with reasonable accuracy.

(4) Reserves for possible security losses, reserves for possible loan losses, and other contingency reserves that are established as precautionary measures only shall be included in these reserves, as they represent segregations of "undivided profits".

24. *Total capital accounts.* State the total of Items 22 and 23.

25. *Total liabilities, minority interests, reserves and capital.* State the total of Items 18, 19, 20, 21, and 24.

(Name of Bank)

B. STATEMENT OF INCOME

1. Operating Income:

- (a) Interest and fees on loans
- (b) Income on Federal funds sold and securities purchased under agreements to resell
- (c) Interest and dividends on investments:
 - 1. U.S. Treasury securities
 - 2. Securities of other U.S. Government agencies and Corporations
 - 3. Obligations of States and political subdivisions
 - 4. Other securities
- (d) Trust department income
- (e) Service charges on deposit accounts
- (f) Other service charges, collection and exchange charges, commissions, and fees
- (g) Other operating income
- (h) Total operating income

2. Operating Expenses:

- (a) Salaries and wages
- (b) Pensions and other employee benefits
- (c) Interest on deposits
- (d) Expense of Federal funds purchased and securities sold under agreements to repurchase
- (e) Interest on other borrowed money
- (f) Interest on capital notes and debentures
- (g) Occupancy expense of bank premises, net:
 - Gross occupancy expense
 - Less: Rental income
- (h) Furniture and equipment expense (including depreciation of \$—)
- (i) Provision for loan losses
- (j) Other operating expenses
- (k) Total operating expenses

3. Income Before Income Taxes and Securities Gains (Losses)

- 4. Applicable Income Taxes
- 5. Income Before Securities Gains (Losses)
- 6. Net Security Gains (Losses), less related tax effect, \$—
- 7. Income (Before extraordinary items, if any)
- 8. Extraordinary items, less related tax effect, \$—
- 9. Less Minority Interest in Consolidated Subsidiaries
- 10. Net Income
- Earnings per common share:
- Income before securities gains (losses)
- Net Income

*The per share amount of securities gains (losses) may be stated separately. If extraordinary items are reported, per share amount of income before extraordinary items and per share amount of extraordinary items shall be stated separately.

1. Operating income. State separately:

- (a) *Interest and fees on loans.*
- (1) Include interest, fees and other charges on all assets that are reported on the balance sheet as other loans.
- (2) Include interest on acceptances, commercial paper purchased in the open market, drafts for which the bank has given deposit credit to customers, etc. Also include interest on loan paper that has been rediscounted with Federal Reserve or other banks or pledged as collateral to secure bills payable or for any other purpose.
- (3) Include service charges and other fees on loans.
- (4) Include profits (or losses) resulting from the sale of acceptances and commercial paper at discount rates other than those at which such paper was purchased.
- (5) Current amortization or premiums on mortgages or other loans shall be deducted from interest on loans and current accumulation of discount on such items shall be added to interest on loans.
- (b) *Income on Federal funds sold and securities purchased under agreements to resell.* Include the total gross revenue from Federal funds sold and securities purchased under agreements to resell.
- (c) *Interest and dividends on investments.*
- (1) State separately interest and dividends from (A) U.S. Treasury securities, (B) securities of other U.S. Government agencies

and corporations, (C) obligations of States and political subdivisions, and (D) other securities owned by the bank, including securities pledged, loaned, or sold under repurchase agreements and similar arrangements.

(2) Include accretion of discount on securities, if any; deduct amortization of premiums on securities. If the reporting bank accrues bond discount and such income amounts to 5 percent or more of the total of interest and dividends on investments, state in a note to financial statements, the amount of accretion income and deferred income taxes applicable thereto.

(3) When securities are purchased, any payment for accrued interest shall not be charged to expenses, nor when collected be credited to earnings. Such interest shall be charged to a separate account that will be credited upon collection of the next interest payment. The balance in the account shall be shown as "Other assets" in the balance sheet.

(d) *Trust department income.* (1) Include income from commissions and fees for services performed by the bank in any authorized fiduciary capacity.

(2) This item may be reported on the cash basis in those instances where the presentation of the item on the financial statements would not be materially affected thereby. The cash basis may also be used with respect to an individual trust or estate if accrual of income therefrom is not

feasible. If any portion of trust department income is not reported on the accrual basis, there shall be a footnote explaining the method of reporting and the reason for departing from reporting on the accrual basis.

(e) *Service charges on deposit accounts.* Include amounts charged depositors that fall to maintain specified minimum deposit balances; charges based on the number of checks drawn on and deposits made in deposit accounts; charges for account maintenance and for checks drawn on "no minimum balance" deposit accounts; return check charges; etc.

(f) *Other service charges, collection and exchange charges, commissions, and fees.* State the aggregate of other service charges, collection and exchange charges, commissions, and fees. Exclude charges on loans and deposits and those related to the Trust Department. Do not include reimbursements for out-of-pocket expenditures made by the bank for the account of customers. If expense accounts were charged with the amount of such expenditures, the reimbursements should be credited to the same expense accounts.

(g) *Other operating income.*

(1) Include all operating income not reported in Items 1(a) through 1(f).

(2) Include (A) net trading account income consisting of profits and losses, interest, and other income and expense related to securities carried in a dealer trading account or accounts that are held principally for resale to customers, but exclude salaries, commissions, and other indirect expenses; (B) income from lease financing; (C) gross rentals from "other real estate" and safe deposit boxes; (D) net remittable profits (or losses) of foreign branches and consolidated subsidiaries less any minority interests (unless the reporting bank preferably combines or consolidates each item of income and expense); (E) interest on time balances with other banks; and (F) all other recurring credits (such as miscellaneous recoveries) and immaterial nonrecurring credit items.

(3) Do not include rentals from bank premises. Such rental income shall be reported in the inset to Item 2(g). In the event there is a net occupancy income, the amount shall be shown in parenthesis in Item 2(g).

(4) Itemize (A) net trading account income, (B) net remittable profits (or losses) of foreign branches and consolidated subsidiaries (if included in this subitem), and (C) all other amounts that represent 25 percent or more of the total of this subitem, unless "other operating income" is less than 5 percent of "total operating income."

(h) *Total operating income.* State the sum of Items 1(a) through 1(g).

2. Operating expenses. State separately:

(a) *Salaries.* (1) Include compensation for personal services of all officers and employees, including dining room and cafeteria employees but not building department employees.

(2) Include amounts withheld from salaries for Social Security taxes and contributions to the bank's pension fund. Do not include Social Security taxes paid by the bank for its own account and the bank's contribution to pension funds. Such amounts shall be included in Item 2(b).

(3) Include bonus and profit sharing whether paid directly or through a trustee. Such compensation that is deferred and not distributed to employees shall be reported in Item 2(b).

(4) Do not include compensation of officers and employees who spent the major portion of their working time on bank building and related functions. Such compensation shall be included in Item 2(g).

(5) Do not include amounts paid to legal, management, and investment counsel for professional services if such counsel are not salaried officers or employees of the bank. Such amounts shall be included in Item 2(j).

(b) *Pensions and other employee benefits.*
(1) Include all supplementary benefits, other than direct compensation included in Item 2(a) accrued during the report period on behalf of all officers and employees except building department personnel (see Item 2(g)).

(2) Include the bank's own contribution to its pension fund; unemployment and Social Security taxes for the bank's own account; life insurance premiums (net of dividends received) and hospitalization insurance payable by the bank; and other employee benefits.

(3) Do not include expenses related to testing, training, or education of Officers and employees; the cost of bank newspapers and magazines; premiums on insurance policies where the bank is beneficiary; and athletic activities where the principal purpose is for publicity or public relations and employee benefits are only incidental. Such amounts shall be included in Item 2(j).

(c) *Interest on deposits.* Include interest on all deposits.

(d) *Expense of Federal funds purchased and securities sold under agreements to repurchase.* Include the total gross expenses of Federal funds purchased and securities sold under agreements to repurchase.

(e) *Interest on other borrowed money.*
(1) Include all interest on bills payable, rediscounts, unsecured notes payable, and other instruments issued for the purpose of borrowing money other than Federal funds purchased and securities sold under agreements to repurchase.

(2) Do not include interest on mortgages on bank premises. Such interest shall be included in Item 2(g).

(f) *Interest on capital notes and debentures.* (1) Include all interest on capital notes and debentures.

(2) Amortization of premium or discount shall be deducted from or included in the amount reported.

(3) Do not include premium or discount paid or realized on retirement of such securities. Such amount shall be reported in Item 1(g) or 2(i).

(g) *Occupancy expense of bank premises, net.*

(1) Include in "gross occupancy expense" inset, the aggregate amount of (A) salaries, wages, and supplementary compensation of bank personnel who devote the major portion of their time to the operation of bank premises or its consolidated premises subsidiaries; (B) depreciation of bank premises and amortization of leasehold improvements; (C) rent expense of bank premises; (D) real estate taxes; (E) interest on mortgages on bank premises owned; and (F) other bank premises operating and maintenance expenses.

(2) Include in "rental income" inset, the aggregate amount of rentals from bank premises leased by the bank or its consolidated premises subsidiaries.

(3) Report the net occupancy expense (or net income) of bank premises. If net income is reported, the amount shall be shown in parentheses.

(h) *Furniture and equipment expense.* (1) Include normal and recurring depreciation charges; rental costs of office machines and tabulating and data processing equipment; and ordinary repairs to furniture and office

machines, including servicing costs. The amount applicable to depreciation charges shall be shown in parenthesis.

(2) Include taxes on equipment.

(i) *Provision for loan losses.*

(1) Banks which provide for loan losses on a reserve basis shall include an estimated amount for credit losses. Such amount shall be determined by management in light of past loan loss experience and evaluation of potential loss in the current loan portfolio. The estimated loan loss factor allocable to operating expense shall not be less than the amount computed under one of the elective methods set forth in subitem (2).

(2) The bank may elect in 1969, and thereafter consistently use for financial reporting purposes, one of the following methods for allocating loan losses to operating expense:

(A) Average ratio of loss over the past five years applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total net chargeoffs (losses less recoveries) and total average loans for the 5 most recent years, including the current year.

(B) Average ratio of loss on a forward moving average beginning with the year 1969 applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total net chargeoffs and total average loans for the number of years beginning with 1969 and ending with the year of report. In 1973, banks which elect the forward moving average method will compute the minimum allocable credit loss expense on the same basis as banks which elect method (1).

NOTE: For purposes of Item 2(A) and Item 2(B), average annual loans outstanding shall include Federal funds sold and securities purchased under agreements to resell, and (2) may be computed on any reasonable schedule of frequency. In the absence of other procedures "Other loans", and "Federal funds sold and securities purchased under agreements to resell", as reported in Statements of Condition called by supervisory authorities, shall be averaged.

(C) Actual net chargeoffs as experienced in the current year.

(3) An estimated amount for loan losses allocable to operating expense in excess of the minimum amount computed as instructed in subitem (2) should be provided when judged appropriate in the opinion of management.

(4) Furnish in a note to financial statements an explanation of the basis for allocating loan losses to operating expense including (A) the method followed, and (B) amount added at the discretion of management, if any.

(5) The amount may be expressed in even dollars or thousands of dollars.

NOTE: The amount reported for loan losses in operating expense shall be adjusted, if necessary, to the amount transferred to the allowance for loan losses recorded on the books of the bank by an entry to the undivided profits account in the statement of changes in capital accounts. For example, if the estimated loan loss expense reported in the statement of income is less than the amount transferred to the allowance for loan losses, the amount of difference, less related tax effect, should be charged against the undivided profits account. If the estimated loan loss expense reported in the statement of income (1) is more than the amount transferred to the allowance for loan losses, and (2) represents the minimum amount the bank is required to allocate under its

elect method, the amount of difference, less related tax effect, should be credited to the undivided profits account.

(6) Banks which do not provide for loan losses on a reserve basis shall include the amount of actual net chargeoffs (losses less recoveries) for the current year.

(j) *Other operating expenses.*

(1) Include all operating expenses, not reported in Items 2(a) through 2(i).

(2) Include advertising, business promotion, contributions, cost of examinations by supervisory authorities, deposit insurance assessments, fees paid to directors and members of committees, memberships, net cash shortages or overages, operating expenses (except salaries) of "Other real estate owned," postage, premium on fidelity insurance, publicity, retainer fees, stationery and office supplies, subscriptions, taxes not reported against other items, telegrams and cables, telephone, temporary agency help, travel, unreimbursed losses on counterfeit, forgeries, payments over stops and all other recurring expenses and immaterial nonrecurring charges.

(3) Deposit insurance assessment expense shall be reported as a net figure—that is, all assessment credits during the period shall be applied against the assessment expense.

(4) Itemize all amounts that represent 25 percent of this item.

(k) *Total operating expenses.* State the sum of Items 2(a) through 2(j).

3. *Income before income taxes and security gains (losses).* State the difference of Item 1(h) minus Item 2(k).

4. *Applicable income taxes.* (a) State the aggregate of Federal and State taxes applicable to the amount reported in Item 3.

(b) Do not include taxes applicable to net security gains (losses) and extraordinary items. Such taxes (or tax reductions) shall be reported in Items 6 and 8.

5. *Income before securities gains (losses).* State the difference of Item 3 minus Item 4.

6. *Net security gains (losses).* State the net result of security gains and losses realized. Related income taxes (or tax reductions) shall be shown parenthetically.

7. *Income (before extraordinary items, if any).* State the sum of difference of Items 5 and 6.

NOTE: If extraordinary items are reported (See Item 8) the caption to this item shall read, "Net income before extraordinary items".

8. *Extraordinary items.* State the material results of nonrecurring transactions that have occurred during the current reporting period. Only the results of major events outside of the ordinary operating activity of the bank are to be reported herein. Such events would include, but not be limited to, material gain or loss from sale of bank premises, expropriation of properties, and major devaluation of foreign currency. Related income taxes (or tax reductions) shall be shown parenthetically. (Less than material results of nonrecurring transactions are to be included in Items 1(g) or 2(j), as appropriate.)

9. *Less minority interest in consolidated subsidiaries.* State the aggregate amount of profit or loss accruing to minority interests.

10. *Net income.* State the sum or difference of Items 7, 8, and 9.

Earnings per common share. State the per share amounts applicable to common stock (including common stock equivalents) and per share amounts on a fully diluted basis, if applicable. The basis of computation, including the number of shares used, shall be furnished in a note to the financial statements.

SCHEDULE II—OTHER SECURITIES

Type	Amount	Book value
Bonds, notes, and debentures:		
Totals:		

1. State briefly in a footnote the basis for determining the amounts shown in this column.
 2. State in a footnote the aggregate amount and book value of foreign securities included.
 3. State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of bonds, notes, and debentures that are less than "investment grade". If market value is determined on any basis other than market quotations at balance sheet date, explain.
 4. State in a footnote the aggregate market value.

SCHEDULE III—OTHER LOANS

Type	Book value
Real estate loans:	
Insured or guaranteed by the U.S. Government or its agencies:	
Other:	
Loans to financial institutions:	
Loans for purchasing or carrying securities (secured or unsecured):	
Commercial and industrial loans:	
Loans to individuals for household, family, and other consumer expenditures:	
All other loans (including overdrafts):	
Total other loans reported in balance sheet:	

1. If impractical to classify foreign loans and foreign subsidiary loans in accordance with this schedule, a separate caption stating the total amount of such loans may be inserted. Such action should be explained in a footnote.

SCHEDULE IV—BANK PREMIES AND EQUIPMENT

Classification	Column A Gross book value	Column B Accumulated depreciation and amortization	Column C Amount at which carried on balance sheet
Bank premises (including land):			
Equipment:			
Leased improvements:			
Totals:			

1. If impractical to consolidate foreign branch and foreign subsidiary bank premises and equipment in accordance with the breakdown required by this schedule, a separate caption stating the total amount of all such property may be inserted. Such action should be explained appropriately in a footnote.
 2. State the basis for determining the amounts in column A.
 3. If provision for depreciation and amortization is credited in the books directly to the asset accounts, the amounts for the last fiscal year shall be stated in an explanatory footnote.
 4. The nature and amount of significant additions (other than provisions for depreciation and amortization) and deductions from depreciation accounts shall be stated in an explanatory footnote.
 5. Show totals (corresponding to columns A and B) representing amounts reported for Federal income tax purposes.

SCHEDULE V—INVESTMENTS IN, INCOME FROM DIVIDENDS, AND EQUITY IN EARNINGS AND LOSS OF UNCONSOLIDATED SUBSIDIARIES

Name of subsidiary	Column A Percent of voting stock owned	Column B Total investment, including advances	Column C Earnings in underlying stock at balance sheet date	Column D Amount of dividends	Column E Bank's proportionate part of earnings or loss for the period
Totals:					

1. Equity shall include advances reported in column B to the extent recoverable.
 2. State as to any dividends other than cash the basis on which they have been reported as income. If any such dividend received has been credited to income in an amount differing from that charged to surplus and/or undivided profits by the disbursing subsidiary, state the amount of such difference and explain.

(Name of Bank)

C. STATEMENT OF CHANGES IN CAPITAL ACCOUNTS

Increase (Decrease)	Capital notes and debentures \$	Preferred stock \$	Common stock \$	Surplus	Undivided profits	Reserve for contingencies and other capital reserves
1. Net income transferred to undivided profits:						
2. Capital notes and debentures, preferred stock and common stock sold (net of face value):						
3. Stock issued incident to mergers and acquisitions:						
4. Premium on capital stock sold:						
5. Additions to, or reductions in, surplus, undivided profits, and reserves incident to mergers:						
6. Transfers to allowance for loan loss, exclusive of portion charged against income, less related income tax effect:						
7. Cash dividends declared on preferred stock:						
8. Cash dividends declared on common stock:						
9. Stock issued in payment of stock dividend, shares at par value:						
10. All other increases (decreases):						
11. Net increase (decrease) for the year:						
12. Balance at beginning of year:						
13. Balance at end of year:						

1. State separately any material amounts, indicating clearly the nature of the transactions out of which the item arose.
 2. If the statement is filed as part of an annual or other periodic report and the balances at the beginning of the period differ from the closing balances as filed for the previous fiscal period, state in a footnote the difference and explain.

D. SCHEDULES

SCHEDULE I—U.S. TREASURY SECURITIES, SECURITIES OF OTHER U.S. GOVERNMENT AGENCIES AND CORPORATIONS, AND OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS

Type and maturity grouping	Principal amount	Book value
U.S. Treasury Securities:		
Within 1 year:		
After 1 but within 5 years:		
After 5 but within 10 years:		
After 10 years:		
Total U.S. Treasury Securities:		
Securities of other U.S. Government Agencies and Corporations:		
Within 1 year:		
After 1 but within 5 years:		
After 5 but within 10 years:		
After 10 years:		
Total securities of other U.S. Government Agencies and Corporations:		
Obligations of States and political subdivisions:		
Within 1 year:		
After 1 but within 5 years:		
After 5 but within 10 years:		
After 10 years:		
Total obligations of States and political subdivisions:		

1. State briefly in a footnote the basis for determining the amounts in this column.
 2. Include obligations of the States of the United States and their political subdivisions, agencies, and instrumentalities; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign States.
 3. State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of securities that are less than "investment grade". If market value is determined on any basis other than market quotations at balance sheet date, explain.

SCHEDULE VI—"OTHER" LIABILITIES FOR
BORROWED MONEY

Item	Amount
Borrowings from Federal Reserve Bank	
Unsecured notes payable within 1 year	
Unsecured notes payable after 1 year	
Other obligations	
Total	

SCHEDULE VII—ALLOWANCE FOR POSSIBLE LOAN LOSSES

Item	Amount set up pursuant to Treasury tax formula	Other amount ¹
Balances at beginning of period		
Recoveries credited to Allowance		
Additions due to mergers and absorptions ²		
Transfers to Allowance:		
From income		
From undivided profits ³		
Totals		
Losses charged to Allowance		
Balances at end of period ⁴		

¹ Do not include any provision for possible loan losses that the bank establishes as a precautionary measure. Include only any provision that (1) has been established through a charge against income, (2) represents management's judgment as to possible loss or value depreciation, and (3) is in excess of the provision taken under the Treasury tax formula.

² Describe briefly in a footnote any such addition.

³ Indicate by parenthesis the gross amount of any credit adjustment to undivided profits.

⁴ Describe briefly in a footnote the basis used in computing the amount accumulated in the allowance at the end of the period. State the amount that could have been deducted for Federal income tax purposes if such amount is in excess of the amount provided by the bank pursuant to the Treasury tax formula.

NOTE: The sum of the balances should equal the amount of allowance for loan losses reported in the balance sheet.

SCHEDULE VIII—RESERVES ON SECURITIES

Item	Amount ¹
Balance at beginning of period	
Additions due to mergers and absorptions ²	
Transfers to reserve:	
From income	
From undivided profits	
Totals	
Losses charged to reserve	
Transfers from reserve	
Balance at end of period ³	

¹ Do not include any provision the bank establishes as a precautionary measure.

² Describe briefly in a footnote any such addition.

³ Balance should equal the amount of Reserves on securities reported in the balance sheet.

(15 U.S.C. 781. Interpret or apply 15 U.S.C. 781, 78m, 78n(a), and 78n(c).)

Dated at Washington, D.C., this 18th day of December 1969.

By order of the Board of Directors.

FEDERAL DEPOSIT INSURANCE
CORPORATION,
[SEAL] E. F. DOWNEY,
Secretary.

[F.R. Doc. 69-15249; Filed, Dec. 29, 1969;
8:45 a.m.]

SUBCHAPTER A—PROCEDURE AND RULES OF
PRACTICEPART 309—PUBLISHED AND UNPUBLISHED
RECORDS AND INFORMATIONInformation Made Available to the
Public

The Federal Deposit Insurance Corporation has adopted an amendment to Part 309 of its rules and regulations (12 CFR Part 309).

The purpose of the new amendment is to bring Part 309 into conformity with

a simultaneous change in § 335.3(b) of the Corporation's rules and regulations. As amended, these regulations provide that certain reports will be available for inspection at the New York, Chicago, and San Francisco Federal Reserve Banks and at the Federal Reserve bank of the district in which the bank filing the statements or reports is located.

The prior publication before the effective date described in section 4 of the Administrative Procedure Act (5 U.S.C. 553) and the notice and public participation described in said section 4 of the same Act are not followed in connection with the amendment to Part 309 for good cause found, as stated in § 302.6 of the Federal Deposit Insurance Corporation's procedure and rules of practice. This procedure is followed because the Corporation finds these procedures impracticable, unnecessary and contrary to the public interest in that the amendment imposes no additional duties or burdens upon the affected public. Accordingly, the amendment to Part 309 of the Corporation's rules and regulations shall become effective upon publication.

The amendment to Part 309 is as follows:

AUTHORITY: The provisions of this amendment to Part 309 issued under 12 U.S.C. 1819. Interpret or apply 12 U.S.C. 1820.

Section 309.1 is amended to revise subparagraph (3) of paragraph (a), as set forth below:

§ 309.1 Published and unpublished information.

(a) * * *

(3) Information made available to the public. Except to the extent that the matters set forth in this paragraph relate to or contain information which is exempted from the public disclosure provisions of section 3 of the Admin-

istrative Procedure Act, as amended (5 U.S.C. 552), or other law, the Corporation makes available for public inspection and copying, upon request to the Secretary of the Corporation in its office in Washington, D.C., during normal business hours, (i) all final opinions (including concurring and dissenting opinions) and all orders made in the adjudication of cases, (ii) those statements of policy and interpretations which have been adopted by the Corporation and are not published in the FEDERAL REGISTER, and (iii) Manual of Examination Policies and Instructions to Liquidators. To the extent required to prevent a clearly unwarranted invasion of personal privacy, the Corporation may delete identifying details when it makes available or publishes an opinion, statement of policy, interpretation, or staff manual or instruction. In each case the justification for the deletion will be fully explained in writing. The Corporation also maintains and makes available for public inspection and copying a current index providing information for the public as to any matter which is issued, adopted, or promulgated after July 4, 1967, and which is required by the Administrative Procedure Act to be made available or published. The Corporation makes available at its Washington office, at the New York, Chicago, and San Francisco Federal Reserve Banks, and at the Reserve bank of the district in which the bank filing a report is located, for public inspection and copying reports from insured State nonmember banks required under the provisions of section 12 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78). All requests for copies of records enumerated in subdivisions (i), (ii), and (iii) of this subparagraph must be accompanied by a deposit with the Corporation of the estimated costs of copying such records at the rate of 10 cents per page. Such requests must provide a reasonably specific description of the record sought which will enable the Corporation to locate the record or records without undue difficulty.

Except to the extent that the records relate to or contain information which is exempted from the public disclosure provisions of section 3 of the Administrative Procedure Act, as amended (5 U.S.C. 552) or other law, the Corporation upon request for identifiable records of the Corporation to the Secretary of the Corporation in its office in Washington, D.C., during normal business hours, will make such records available to any person who agrees to pay the costs of searching, preparing and copying such records at the rate of \$5 per hour for searching and preparing and 10 cents per page for copying and has paid in advance to the Corporation the estimated costs thereof. Such requests must provide a reasonably specific description of the record sought which will enable the Corporation to locate the record without undue difficulty. Any denial by an officer or employee of the Corporation of a request for any information or record made under this part by any member of the

public may be appealed by a written request to the Board of Directors of the Corporation from the person whose request is denied.

Dated at Washington, D.C., this 18th day of December 1969.

By order of the Board of Directors.

FEDERAL DEPOSIT INSURANCE CORPORATION,

[SEAL] E. F. DOWNEY,
Secretary.

[F.R. Doc. 69-15250; Filed, Dec. 29, 1969; 8:45 a.m.]

Title 7—AGRICULTURE

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

[Lemon Reg. 407]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 910.707 Lemon Regulation 407.

(a) Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted

to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on December 23, 1969.

(b) Order. (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period December 28, 1969, through January 3, 1970, are hereby fixed as follows:

- (i) District 1: 27,900 cartons;
- (ii) District 2: 61,380 cartons;
- (iii) District 3: 96,720 cartons.

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

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

Dated: December 24, 1969.

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

[F.R. Doc. 69-15406; Filed, Dec. 24, 1969; 11:25 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Wholesaler-Manufacturer Relationship; Freight Saving as Cost Justification

§ 15.393 Request for reconsideration of Advisory Opinion 333 (§ 15.333) pertaining to wholesaler-manufacturer relationship; Freight saving as cost justification.

(a) The Commission was requested to reconsider the advice given in Advisory Opinion Digest No. 333 (§ 15.333) concerning manufacturers' selling relationships with wholesalers. The Commission also considered the question of passing along freight savings to customers.

(b) After concluding that it would adhere to the advice given in the earlier Advisory Opinion the Commission noted that the issue of potential price discrimination between competing wholesalers, some receiving 40 percent and others 25 percent discounts off list prices, no longer existed since only one discount rate is now involved.

(c) Negative advice was given in connection with the following three factual situations because, in the Commission's opinion, applicable antitrust law prohibits suppliers from taking certain punitive action against wholesalers with whom they have been dealing:

(1) A manufacturer refuses to deal further with a wholesaler who has changed his method of doing business and has undertaken to franchise sub-jobbers whom he prohibits from buying directly from the manufacturer and requires that they purchase all the manufacturer's products through the wholesaler.

(2) A manufacturer discontinues sales to a wholesaler who ceases to maintain salesmen at all times who regularly call upon beauty salons and advise licensed professional hairdressers "on the safe and proper methods of applying the manufacturer's products and who keep sufficient supplies" on hand for current needs of their beauty salon customers.

(3) A manufacturer refuses to deal further with a wholesaler who, without the manufacturer's authorization, resells to independent subjobbers and other wholesalers.

(d) With respect to the problem of cost justification the Commission advised that applicable provisions of section 2(a) of the amended Clayton Act permit a supplier to pass along freight savings to customers but only to the extent of such savings and only if available to all customers competing in the resale of his products.

(38 Stat. 717, as amended; 15 U.S.C. 41-58)

Issued: December 29, 1969.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 69-15372; Filed, Dec. 29, 1969; 8:45 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Approval for Merger of Privately Owned Tufting Machinery and Equipment Manufacturers

§ 15.394 Approval for merger of privately owned tufting machinery and equipment manufacturers.

(a) The Federal Trade Commission granted clearance to privately owned manufacturers of carpet tufting machinery and related equipment to merge their operations into one corporation whose voting stock will be offered for sale to the general public.

(b) The merging companies manufacture machinery and related equipment used by textile mill operators in the production of rugs, carpets, and other textiles. Some of the companies have a common ownership and are competitors; another is not a competitor but manufactures machinery used by customers of the others. Some have about the same market shares in an industry of five manufacturers, about one-fifth of the market

share of the dominant company, a substantial national conglomerate enterprise. One firm to be merged competes with ten others in its related industry.

(c) After having considered all available information the Commission concluded that the effect of the proposed merger is not likely to result in any lessening of competition nor the creation of a monopoly in the manufacturing of tufting machinery and equipment. The Commission is of the opinion that the beneficial competitive effects flowing from the amalgam of the privately owned enterprises into a publicly owned corporation will be to give greater competition to its giant rival.

(38 Stat. 717, as amended; 15 U.S.C. 41-58; 49 Stat. 1526; 15 U.S.C. 13, as amended)

Issued: December 29, 1969.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[P.R. Doc. 69-15373; Filed, Dec. 29, 1969;
8:45 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Retailer Price Reporting Plan

§ 15.395 Retailer price reporting plan.

(a) The Commission issued an advisory opinion governing a proposed price checking service designed to publicize various current retail prices for grocery store products. Underlying data would be obtained in part by direct observation of posted prices and in part by reference to information supplied by wholesalers and retailers. The service would be available, for a fee, to anyone interested.

(b) In the Commission's view, exchange of price data may lend itself to price fixing and may result in the elimination of price competition and the legality of the proposed course of action would depend on its implementation.

(38 Stat. 717, as amended; 15 U.S.C. 41-58)

Issued: December 29, 1969.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[P.R. Doc. 69-15374; Filed, Dec. 29, 1969;
8:46 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Use of Term "Peat Moss-Pine and Sedge"

§ 15.396 Use of term "Peat Moss-Pine and Sedge".

(a) The Commission rendered an advisory opinion concerning a proposal to describe peat with the following terminology:

----- Peat Moss Pine and Sedge

(b) The product is composed of at least 75 percent peat by weight, with the remaining 25 percent comprised of such soil substances as are commonly intermixed with peat as found in its natural state. It is derived from three non-moss substances; namely, Pine (Paille

Finne), or commonly referred to as maiden cane grass, cut grass, and saw grass. Pine comprises the bulk of the plant residue present in the product.

(c) Three provisions of the Commission's Trade Practice Rules for the Peat Industry govern the use of the term "Peat Moss" in this particular situation. First, there is the definition of the word "peat," which is as follows:

"Peat". Any partly decomposed vegetable matter "which is accumulated under water or in a water-saturated environment through decomposition of mosses, sedges, reeds, tule, trees, or other plants."

(d) The second pertinent provision is Rule 2, which prohibits use of the word "Peat" to describe any product "which is not in fact composed predominantly of peat to the extent that at least 75 percent (by weight) of the product is composed of peat, with such other materials as may be present in the content, and constituting the remaining percentage, being comprised of such soil substances as are customarily intermixed with peat as found in its natural state."

(e) Third, Rule 3 covers use of the terms "Moss Peat" and "Peat Moss", and has been codified under § 185.3 of this Title 16.

(f) On the basis of the foregoing facts, the Commission expressed the opinion that the proposed terminology complies with the requirements of Rule 3(b) of the Trade Practice Rules for the "Peat Industry". However, the opinion also noted that some of the art work used the words "Peat Moss" without qualification or without conspicuous qualification. Such a representation, the Commission said, would not be in compliance with Rule 3(b). Concluding its opinion, the Commission said: "It is necessary under the pertinent rule * * * to disclose the kinds of peat of which (the) product is composed i.e., Pine and Sedge, and that such disclosure be of equal size and conspicuousness and be placed in immediate conjunction with the words 'Peat Moss' whenever they are used in labeling or advertising. If the proposed terminology is used in such manner, the Commission would interpose no objection thereto."

(38 Stat. 717, as amended; 15 U.S.C. 41-58)

Issued: December 29, 1969.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[P.R. Doc. 69-15375; Filed, Dec. 29, 1969;
8:46 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 70-1]

PART 8—LIABILITY FOR DUTIES; ENTRY OF IMPORTED MERCHANDISE

Additional Invoicing Information

In connection with certain statistical headnotes to Subpart F of Part 4, Sched-

ule 6, of the Tariff Schedules of the United States (TSUS) and certain statistical suffixes to items 674.32 and 674.35 therein which will become effective January 1, 1970, importers of metalworking machine tools classifiable under the above numbers will be required to describe such merchandise in greater detail than heretofore necessary. In order that the importers may be better able to fulfill this requirement and thereby provide facts which are necessary to a proper examination and classification of merchandise and so that the accuracy of such details contained in the entry may be verified, it has been decided to require, under the authority of section 481(a)(10) of the Tariff Act of 1930, as amended (19 U.S.C. 1481(a)(10)), that invoices covering such shipments contain the required information. Accordingly, § 8.13(h), Customs Regulations, is amended by inserting, in the proper alphabetical order, the following:

Metalworking Machine Tools classifiable under items 674.32 and 674.35, Tariff Schedules of the United States (TSUS) (T.D. 70-1)—Type of machine tools in accordance with the following definitions:

Numerically controlled machines are machines whose motions are controlled by devices such as tape, computers, or punched cards.

Drilling machines are machines designed for the primary purpose of cutting an initial hole in a workpiece using a rotating tool.

Radial drilling machines consist of a base, vertical cylindrical column, radial arm, and spindle headstock. The radial arm supports the spindle headstock which can be positioned at varying distances from the column; the arm can be moved up or down on the column and rotated around the column.

Upright single-spindle drilling machines consist of a base, table, vertical column, and spindle head. The spindle head is mounted on the column and moves only in the vertical direction. The worktable and/or base is located below the spindle.

Milling machines are machines designed for the primary purpose of removing metal by multiple-tooth cutters mounted on rotating arbors or spindles.

Profile and duplicating milling machines consist of any milling machine equipped with a tracing device for controlling the path of the milling cutter.

Knee-type milling machines consist of a base, vertical column, knee, horizontal table, and spindle. A spindle driving the cutter is mounted horizontally or vertically in or on the column. A horizontal movable table which holds the workpiece is mounted on a knee, which projects from the column. The knee can be raised or lowered on the column.

Bed-type milling machines consist of a base (bed), vertical column, horizontal or vertical spindle and table. The table moves horizontally on the bed. The spindle is fixed or moves vertically on the column.

Boring machines are machines designed for the primary purpose of enlarging or finishing an existing hole in a workpiece by means of a rotating single-point tool.

Vertical turret lathes, including vertical turret lathes consist of one or two ram (or turret) heads mounted on a cross rail supported by a column, or columns. The cutting tool or tools traverse against the work as the work revolves on a circular table. One, or two horizontally opposed side heads are also provided.

Combination boring, drilling, and milling machines, horizontal spindle, consist of a vertical column mounted on a solid bed or movable base. The column supports a horizontally mounted headstock containing the

spindle that feeds various tooling into the workpiece. The work is held on a movable table supported by the bed or is mounted on floor plates. Feed motions of the headstock and/or table are longitudinal, transverse, and vertical.

Combination boring, drilling, and milling machines, vertical spindle, consist of a vertical column mounted on a solid bed or movable base. The column supports a vertically mounted headstock containing the spindle that feeds various tooling into the workpiece. The work is held on a movable table supported by the bed or is mounted on floor plates. Feed motions of the headstock and/or table are longitudinal, transverse, and vertical.

Metal-cutting machine tools are metalworking machine tools which shape or surface-work metal by removing metal either in the form of chips, dust, swarf, or similar forms or by electrical or chemical erosion techniques.

Engine lathes consist of a bed, headstock, tailstock, and carriage. The workpiece is held between a center on the tailstock and an appropriate work-holding device on the headstock spindle. The tool is secured to a cross slide which is mounted on a carriage that moves longitudinally along the bed of the machine.

Turret lathes consist of a bed, headstock, cross slide, and turret. The workpiece is held in the collet, chuck, face plate, or fixture which is attached to the spindle. The tools on the turret are positioned and fed into the workpiece.

Single-spindle automatic bar or chucking machines consist of a bed, headstock, cross slides and turret. The workpiece is held in the collet, chuck, face plate of fixture which is attached to the spindle. The tools on the turret are positioned and fed into the workpiece. All machining motions are preselected and are automatically controlled.

Multiple-spindle automatic bar or chucking machines have two or more drive spindles in order that two or more workpieces can be rotated simultaneously. Automatic units are designed to hold the workpiece in each of a number of spindle collets or chucks, which index clockwise from station to station in order to present the workpiece successively to a series of cutting tools. All machining motions are preselected and are automatically controlled.

Grinding machines are machines other than boring or lapping machines designed for the primary purpose of removing metal from a workpiece with abrasives.

External cylindrical grinders consist of a base, table, headstock, footstock, and wheelhead. The table is mounted on the base. The headstock and footstock are mounted on the table and are used to support and rotate the workpiece. The rotating abrasive wheel is mounted on the wheelhead spindle. The wheel is fed against the rotating workpiece.

Internal cylindrical grinders consist of a base, table, wheelhead and headstock. The table is mounted on the base. The headstock is fixed to the base. The wheelhead is mounted on the table. The rotating abrasive wheel is mounted on the wheelhead spindle and is fed into the workpiece bore which is also rotating.

Surface (flat) grinders consist of a base, table, column, and wheelhead. The table is mounted on the base. The wheelhead is attached to the column. The axis of the wheelhead spindle is horizontal. The workpiece which is mounted on the table reciprocates under the rotating abrasive wheel which is mounted on the wheelhead spindle.

Sawing machines are designed primarily for parting or cutting-off operations by a tool referred to as a saw, which could be in the form of a blade, band, or disc.

Electrical discharge machines are machines designed to remove metal by means of an electrical discharge spark erosion.

Metal-forming machine tools are metalworking machine tools other than metal-cutting machine tools.

Punching and shearing machines pierce, blank, notch, or shear workpieces by utilizing a power-driven ram to force punches or blades through work that is supported by the table of the machine.

Mechanical presses, open back inclinable consist of a base (legs), "C" frame and ram. The C frame is mounted on a pivot point connected in the base (legs). The ram is mounted in the C frame. The principal identifying characteristic of the press is its ability to tilt back on its base (legs).

(Secs. 481, 624, 46 Stat. 719, 759; 19 U.S.C. 1481, 1624)

Since importers of metalworking machine tools classifiable under items 674.32 and 674.35 of the Tariff Schedules of the United States will be required, effective January 1, 1970, to show the additional detailed information noted above on the entry and since the required information is necessary for effective customs administration of such requirements, it is hereby found that it is impracticable to issue this amendment with notice under 5 U.S.C. 553 or subject to the effective date limitations of that section.

Effective date. This amendment shall be effective as to merchandise entered or withdrawn from warehouse for consumption on and after January 1, 1970.

(SEAL) EDWIN F. RAINS,
Acting Commissioner of Customs.

Approved: December 19, 1969.

EUGENE T. ROSSIDES,
Assistant Secretary
of the Treasury.

[F.R. Doc. 69-15391; Filed, Dec. 29, 1969;
8:46 a.m.]

Title 27—INTOXICATING LIQUORS

Chapter I—Internal Revenue Service,
Department of the Treasury

[T.D. 7020]

PART 5—LABELING AND ADVERTISING OF DISTILLED SPIRITS

Notice of public hearing to be held in Washington, D.C., beginning on April 1, 1969, with respect to certain amendments to 27 CFR Part 5, Labeling and Advertising of Distilled Spirits, and the reissuance of these regulations, was published in the FEDERAL REGISTER on January 23, 1969 (34 F.R. 1040).

A comprehensive study of 27 CFR Part 5 showed that a complete revision of the regulations was desirable in order to fulfill the purposes and objectives of the Federal Alcohol Administration Act in terms of present day production and trade practices and consumer understanding. Industry members, State control authorities, other Federal and State agencies, consumer organizations, and others concerned were invited to submit suggestions for the improvement of the

regulations. In order to consider the numerous suggested changes in an orderly manner, the Treasury Department announced in April 1967 that a series of three public hearings would be held on proposed amendments to 27 CFR Part 5.

A notice of public hearing, beginning on September 18, 1967, with respect to certain industry petitions to amend the regulations relating to the labeling of domestic whiskies, particularly as affected by cooperage, was published in the FEDERAL REGISTER on July 11, 1967 (32 F.R. 10208). Treasury Decision 6945, published in the FEDERAL REGISTER on January 26, 1968 (33 F.R. 983), contained the amendments resulting from that hearing.

A second notice of public hearing, beginning on April 1, 1968, with respect to 12 proposals relating to substantive changes in other areas of the regulations, was published in the FEDERAL REGISTER on January 26, 1968 (33 F.R. 1017). Treasury Decision 6973, published in the FEDERAL REGISTER on September 26, 1968 (33 F.R. 14459), contained the amendments resulting from the second hearing.

The notice of the third and concluding hearing in the series was published in the form of a complete new regulation. The notice also contained several proposed substantive changes not previously considered.

At the conclusion of the last hearing and after a thorough study of matters relevant to the issues, including evidence submitted by interested parties at that hearing, the following conclusions have been reached concerning the proposed substantive changes considered at that hearing:

Subject No. 1—Definition of "produced at"—Proposal. To define the term "produced at", as used in conjunction with specific degrees of proof to describe the standards of identity, to mean the composite proof of the spirits after completion of distillation and before reduction in proof. The second part of this proposal was to specify in § 5.35(a) that a product shall be entitled to, and shall be described in accordance with, the applicable designation, if the bottled product conforms to the prescribed standard and if it possesses the taste, aroma, and characteristics generally attributed to products made in accordance with such standard.

Findings. Historically, degrees of proof were used as a regulatory control to describe manufacturing processes distinguishing various classes of distilled spirits, and types of spirits within the classes; for example, an alcoholic distillate from a fermented mash of grain distilled at or above 190° proof has been held to be a neutral spirit, and if distilled at less than 190° proof it has been classed as "whisky". It has been determined that with modern distilling equipment, the implied limits on distillation proof are not realistic as a line of demarcation between classes and types. In practice, the classification of the finished product has not been held to be affected as long as the completed distillate in the closed system before any treatment, including the addition of water, was within the

prescribed maximums and minimums of proof.

Distilled spirits are required to be labeled to show the class and type thereof, if the class and type is specifically defined in the regulations. Also, the regulations have long required distillates to possess the taste, aroma, and characteristics generally attributed to the product.

In other words, the regulations do not specifically take into account the changes brought about by storage in wood; this was done by administrative interpretation over a long period of years on the basis of the regulation being a consumer regulation dealing with what is in the labeled bottle and the quality of the contents of such labeled bottle. To give effect to this administrative interpretation and to make it clear that the taste, aroma and characteristics of a product stored in wood are attributed, in part, to such storage in wood, the second part of this proposal would specify, in § 5.35(a) that a product shall be entitled to, and shall be described in accordance with, the applicable designation if the bottled product conforms to the prescribed standard, and if it possesses the taste, aroma, and characteristics generally attributed to products made in accordance with such standard.

Considerable opposition was received to this portion of the proposal both at the hearing and in the briefs submitted subsequent to the hearing due in large part to what appears to have been an industry misunderstanding of the proposal. The opposition was based primarily on the fear that the adoption of this portion of the proposal would substantially change existing requirements and thus create uncertainty as to the identity of distilled spirits products with consequent adverse commercial effects.

Conclusion. The portion of the proposal to add a definition of the term "produced at" is adopted. The other portion of this proposal which would have required the distilled spirits, at the time of bottling, to possess the taste, aroma and characteristics generally attributed to such products is not adopted. However, the present requirement in the regulations that whisky, brandy, and rum possess the taste, aroma and characteristics generally attributed to these products will be retained. While we are not adopting the language in the second part of the proposal, we will continue to follow the longstanding administrative interpretation that the bottled product must possess the taste, aroma, and characteristics generally attributed to the product. The present regulatory requirement that whisky manufactured in Scotland, Ireland or Canada shall be deemed to be Scotch, Irish, or Canadian whisky and shall be so designated unless the application of such designation to the particular product will result in consumer deception, or unless such product is not entitled to such designation under the laws of the country in which manufactured, will also be retained.

Subject No. 2—To require all rums to be stored at least 1 year in oak containers—Proposal. Puerto Rican Rum

Producers Association, Inc., San Juan, P.R., petitioned that the class "rum" be revised to require all rum to be stored at least 1 year in oak containers.

Findings. The adoption of the proposal would represent a departure from the philosophy of product standardization of alcoholic beverages in that it would prevent a distillate from being designated as "rum" because it has not acquired the requisite age. The effect of the proposal would be to keep the distillate off the market despite its widespread trade and consumer acceptance.

Conclusion. The proposal is not adopted.

Subject No. 3—Tequila—Proposal. The National Association of Alcoholic Beverage Importers, Inc., Washington, D.C., due to the increasing popularity of "Tequila" in the United States, petitioned that a standard of identity for this product be included in the regulations recognizing "Tequila" as a distinctive product of Mexico.

Findings. It has been concluded that there is a sufficient justification for the establishment of a standard of identity for "Tequila" in view of the greatly increased popularity of the product in this country. Further, substantial evidence has been received that "Tequila" must be distilled from a fermented mash derived principally from the Agave Tequilana Weber ("blue" variety), with or without additional fermentable substances, in order for the product to possess the taste, aroma and characteristics generally attributed to "Tequila". It is believed that the inclusion of the requirement concerning raw materials used and a requirement that the product possess the taste, aroma, and characteristics generally attributed to "Tequila" will afford sufficient protection to the consumer without limiting the product to a geographic area.

Conclusion. The proposal is adopted with modifications.

Subject No. 4—Information on Labels—Proposals. In order to achieve some degree of conformity with the Model State Packaging and Labeling Regulations, adopted by the National Conference on Weights and Measures, notwithstanding the fact that products subject to, or labeled in accordance with, the Federal Alcohol Administration Act are exempt from such regulations and to afford proprietors additional freedom in label design, arrangement, and presentation of information (provided there is no conflict with, or qualification of mandatory information), it was proposed:

A. To eliminate the requirement that certain mandatory information be grouped in a particular place on a "Government label" and to permit such information to appear on any label provided it is separated from related descriptive or explanatory matter.

B. To permit the use of any trade name the distiller or rectifier has been authorized to use, at the time of bottling of the product, in lieu of limiting the use of trade names to those which were

authorized at the time the spirits were distilled or rectified.

C. To require the address or addresses of the proprietor to include the ZIP Code.

D. To make optional the age and percentage statement for whiskies in a blend containing neutral spirits when all of the whiskies are 4 years or more old. Currently, statements of age are optional for domestic or foreign whiskies, whether or not mixed or blended (but containing no neutral spirits), all of which are 4 years or more old. If age statements are shown, the proposed regulations would require age and percentage statements for products containing more than one straight whisky to be shown in either of two ways; for example, "35 percent straight whiskies 4 years or more old", or "20 percent straight whisky 4 years old and 15 percent straight whisky 5 years old".

E. To redefine the term "brand label" to include all labels appearing on the same side of the container as the "principal display panel".

F. To delete the requirement for showing the State of distillation on labels of domestic whiskies. Presently, statements of State of distillation are not required for blends of whiskies, including blends of straight whiskies, nor are they required if the whisky was distilled in the State given in the address on the brand label, and they are prohibited with respect to light whiskies produced in a State found by the Director to be associated by consumers with an American type whisky. Under the proposed amendment it would still be permissible to show the State of distillation whenever it is desired to do so, except in certain instances in the case of light whisky.

G. To provide, with respect to all distilled spirits products that the use of the word "old", as part of the brand name, shall not be deemed to be an age representation.

Findings. A. The grouping of certain of the required information on a so-called "Government label" (back) was initiated shortly after repeal in the belief that such arrangement was necessary to give the consumer all of the essential information needed with respect to the product. Because of the natural evolution of product marketing and in consideration of the fact that most of the information formerly required on the "Government label" is now required to be shown on the brand label, the "Government label" requirement no longer serves a useful purpose. Accordingly, it has been decided to permit such information to appear on any label provided it is separated from related descriptive or explanatory matter.

B. The present limitation on the use of trade names to those which were authorized at the time the spirits were distilled or rectified serves no useful purpose and has resulted in administrative problems. Accordingly, it has been decided to permit the use on labels of any trade names the distiller or rectifier is authorized to use at the time of the bottling of the product.

C. No findings are reported covering this item since it has been decided not to take any action on this proposal at this time.

D. Present regulations make age statements optional in the case of domestic or foreign whiskies whether or not mixed or blended (but containing no neutral spirits) all of which are 4 or more years old. It has been concluded that this provision should be extended to whiskies blended with neutral spirits provided all of the whiskies in the product are 4 years or more old.

Present regulations require a statement on the labels of the percentage of straight whiskies and neutral spirits contained in blended whisky. In addition, the regulations permit a statement to be made of the ages and percentages of all of the straight whiskies in the blend. This dual listing of the percentages of straight whiskies has resulted in confusion as to the actual amounts of straight whisky contained in the blend. Accordingly, it has been decided that the adoption of the second part of this proposal would be in the interest of the consumer. The adoption of this second part of the proposal will require age and percentage statements for products containing more than one straight whisky to be shown in one of two ways; for example, "35 percent straight whiskies 4 years or more old", or "20 percent straight whisky 4 years old and 15 percent straight whisky 5 years old".

It is proposed to make the second part of this proposal applicable only to labels developed, revised or printed after the effective date of the regulations.

E. The term "brand label" is presently defined in the regulations as "the label carrying, in the usual distinctive design, the brand name of the distilled spirits". Under this proposal it would be redefined as the principal display panel most likely to be displayed, etc., under normal and customary conditions of display for retail sale, and any other label appearing on the same side of the bottle as the principal display panel. On a cylindrical surface, the principal display panel would be defined as that 40 percent of the circumference which is most likely to be displayed under normal and customary conditions of display for retail sale. It is believed that the adoption of this proposal is desirable in order to more adequately inform the consumer of the contents of the package and it was generally supported at the hearing. However, some companies requested an exception in the case of labels used on bottles of unusual design where it is not feasible to show all of the mandatory information on the principal display panel. It has been decided to provide for such an exception upon application to the Director.

It is proposed to make this proposal applicable only to labels developed, revised or printed after the effective date of the regulations.

F. The question of the need for showing the State of distillation was raised by certain producers of light whisky. However, the proposal, as published, would have eliminated the requirement

for showing the State of distillation on labels of all domestic whisky.

Testimony at the hearing indicated that the consumer considers the State of distillation to be an important part of the information on labels in the case of traditional types of American whiskies such as straight bourbon whisky and straight rye whisky. However, this does not appear to be true in the case of light whisky which will not be marketed until July 1, 1972, since this new type of whisky has not been associated in the minds of consumers with any particular State. Furthermore, under existing regulations adopted pursuant to an industry petition, a ruling has been issued which holds that the State of distillation may not be shown on the labels of light whisky produced in Kentucky.

It is likely that many light whiskies will be mixtures of distillates from more than one State. Thus, they may be more akin to blends than to straight whiskies. Accordingly, it has been decided to continue the present requirement that the State of distillation be shown but to make an exception from such requirement for "light whisky".

G. It has been concluded that the present requirement that brand names including words such as "old", "ancient", or "viejo", when employed on labels of certain distilled spirits, must be qualified with the word "brand", or with an age statement, is discriminatory and serves no compelling consumer purpose.

Conclusions. A. The proposal is adopted.

B. The proposal is adopted.

C. Action has been deferred on this proposal.

D. The proposal is adopted.

E. The proposal is adopted with modification.

F. The proposal is adopted as to "light whisky" only.

G. The proposal is adopted.

Subject No. 5—Standards of fill—Proposal. Schenley Industries, Inc., petitioned to include a 3/4-gallon (51.2-oz.) size container as a standard of fill for distilled spirits.

Findings. The adoption of this proposal would add to the number of bottle sizes now authorized for the bottling of distilled spirits and would be contrary to one of the objectives of the Fair Packaging and Labeling Act which is to discourage the proliferation of sizes. No trade or consumer need for this additional size was demonstrated at the hearing. It has been decided not to adopt this proposal.

Conclusion. The proposal is not adopted.

Subject No. 6—Amendment of regulations to apply "headspace", "actual capacity", and "tolerance" requirements of containers to cordials, liqueurs, and specialties—Proposal. To amend the regulations to make the provisions relating to shapes or designs likely to mislead the consumer as to actual capacity, as well as the headspace and tolerance requirements applicable to cordials, liqueurs and specialties which are now exempt from these requirements.

Findings. It has been concluded that the adoption of this amendment will help prevent consumer deception. Accordingly, the proposal will be adopted but with a proviso that the "headspace" and "design" requirements shall not apply to such liquor bottles as may, from time to time, be specifically excepted from these requirements by the Director pursuant to application filed with him by the bottler or importer. This exception is considered necessary because of evidence presented at the hearing that some few bottles, particularly ceramic bottles, cannot be uniformly manufactured to meet these requirements.

It is proposed to make this amendment applicable only to bottles designed or developed after the effective date of the regulations.

Conclusion. The proposal is adopted with modifications.

Subject No. 7—Statement of manufacturing process for imported distilled gin—Proposal. To amend the regulations to require applications for certificates of approval covering labels for imported gin bearing the word "distilled" to be accompanied by a statement, prepared by the manufacturer, setting forth the description of the manufacturing process.

Findings. Since all domestic gins are produced pursuant to a statement of process, a determination can readily be made as to whether they are entitled to be described as "distilled". In order to make such a determination for imported gins, it is necessary for the importer to furnish a statement of the manufacturing process prepared by the manufacturer.

Conclusion. The proposal is adopted. Accordingly, 27 CFR Part 5 is amended and reissued as follows:

Preamble. 1. The regulations in this part shall supersede the 1936 edition of 27 CFR Part 5, as amended (1 F.R. 92).

2. These regulations shall not affect any act done or any liability or right accruing or accrued, or any suit or proceeding had or commenced before the effective date of these regulations.

3. Except as otherwise noted in text, the regulations in this part shall become effective on the first day of the first month which begins not less than 30 days after the date of publication in the FEDERAL REGISTER.

Subpart A—Scope

Sec.

5.1 General.

5.2 Related regulations.

Subpart B—Definitions

5.11 Meaning of terms.

Subpart C—Standards of Identity for Distilled Spirits

5.21 Application of standards.

5.22 The standards of identity.

5.23 Alteration of class and type.

Subpart D—Labeling Requirements for Distilled Spirits

5.31 General.

5.32 Mandatory label information.

5.33 Additional requirements.

5.34 Brand names.

5.35 Class and type.

5.36 Name and address.

5.37 Alcoholic content.

- Sec.
5.38 Net contents.
5.39 Presence of neutral spirits and coloring, flavoring, and blending materials.
5.40 Statements of age and percentage.
5.41 Bottle cartons, booklets and leaflets.
5.42 Prohibited practices.

Subpart E—Standards of Fill for Bottled Distilled Spirits

- 5.45 Application.
5.46 Standard liquor bottles.
5.47 Standards of fill.
5.48 Exceptions.

Subpart F—Requirements for Withdrawal From Customs Custody of Bottled Imported Distilled Spirits

- 5.51 Label approval and release.
5.52 Certificates of age and origin.

Subpart G—Requirements for Approval of Labels of Domestically Bottled Distilled Spirits

- 5.55 Certificates of label approval.
5.56 Certificates of age and origin.

Subpart H—Advertising of Distilled Spirits

- 5.61 Application.
5.62 Definition.
5.63 Mandatory statements.
5.64 Lettering.
5.65 Prohibited statements.

AUTHORITY: The provisions of this Part 5 issued under 49 Stat. 981, as amended; 27 U.S.C. 205.

Subpart A—Scope

§ 5.1 General.

The regulations in this part relate to the labeling and advertising of distilled spirits. This part applies to the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, but does not apply to distilled spirits for export.

§ 5.2 Related regulations.

Regulations relating to this part are listed below:

- 27 CFR Part 1—Basic Permit Requirements under the Federal Alcohol Administration Act.
27 CFR Part 2—Nonindustrial Use of Distilled Spirits and Wine.
27 CFR Part 3—Bulk Sales and Bottling of Distilled Spirits.
27 CFR Part 4—Labeling and Advertising of Wine.
27 CFR Part 7—Labeling and Advertising of Malt Beverages.
26 CFR Part 173—Returns of Substances, Articles or Containers.
26 CFR Part 200—Rules of Practice in Permit Proceedings.
26 CFR Part 201—Distilled Spirits Plants.
26 CFR Part 250—Liquors and Articles from Puerto Rico and the Virgin Islands.
26 CFR Part 251—Importation of Distilled Spirits, Wines and Beer.
26 CFR Part 252—Exportation of Liquors.

Subpart B—Definitions

§ 5.11 Meaning of terms.

When used in this part and in forms prescribed under this part, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, terms shall have the meaning ascribed in this section. Any other term defined in the Federal Alcohol Administration Act and used in this part shall have the same meaning assigned to it by such Act.

Act. The Federal Alcohol Administration Act.

Age. The period during which, after distillation and before bottling, distilled spirits have been stored in oak containers. "Age" for bourbon whisky, rye whisky, wheat whisky, malt whisky, or rye malt whisky, and straight whiskies other than straight corn whisky, means the period the whisky has been stored in charred new oak containers.

Assistant regional commissioner. An assistant regional commissioner (alcohol, tobacco, and firearms) who is responsible to, and functions under the direction and supervision of, the regional commissioner.

Bottle. Any container, irrespective of the material from which made, used for the sale of distilled spirits at retail.

Brand label. The principal display panel that is most likely to be displayed, presented, shown, or examined under normal and customary conditions of display for retail sale, and any other label appearing on the same side of the bottle as the principal display panel. The principal display panel appearing on a cylindrical surface is that 40 percent of the circumference which is most likely to be displayed, presented, shown, or examined under normal and customary conditions of display for retail sale.

Director. The Director, Alcohol, Tobacco, and Firearms Division, Internal Revenue Service, Washington, D.C. 20224.

Distilled spirits. Ethyl alcohol, hydrated oxide of ethyl, spirits of wine, whisky, rum, brandy, gin, and other distilled spirits, including all dilutions and mixtures thereof, for nonindustrial use, except that this term shall not include mixtures containing wine, bottled at 48° proof or less, if the mixture contains more than 50 percent wine on a proof gallon basis.

CAUTION: The exception clause becomes effective July 1, 1972.

Gallon. U.S. gallon of 231 cubic inches of alcoholic beverage at 60° F. All other liquid measures used are subdivisions of the gallon as so defined.

In bulk. In containers having a capacity in excess of 1 wine gallon.

Interstate or foreign commerce. Commerce between any State and any place outside thereof, or commerce within any Territory or the District of Columbia, or between points within the same State but through any place outside thereof.

Permittee. Any person holding a basic permit under the Federal Alcohol Administration Act.

Person. Any individual, partnership, joint stock company, business trust, association, corporation, or other form of business enterprise, including a receiver, trustee, or liquidating agent and including an officer or employee of any agency of a State or political subdivision thereof; and the term "trade buyer" means any person who is a wholesaler or retailer.

Produced at. As used in §§ 5.22 and 5.52 in conjunction with specific degrees of proof to describe the standards of identity, means the composite proof of the spirits after completion of distillation and before reduction in proof.

Proof gallon. A gallon of liquid at 60° F. which contains 50 percent by volume of ethyl alcohol having a specific gravity of 0.7939 at 60° F. referred to water at 60° F. as unity, or the alcoholic equivalent thereof.

United States. The several States and Territories and the District of Columbia; the term "State" includes a Territory and the District of Columbia; and the term "Territory" means the Commonwealth of Puerto Rico.

Subpart C—Standards of Identity for Distilled Spirits

§ 5.21 Application of standards.

The standards of identity for the several classes and types of distilled spirits set forth in this part shall be applicable only to distilled spirits for beverage or other nonindustrial purposes.

§ 5.22 The standards of identity.

Standards of identity for the several classes and types of distilled spirits set forth in this section shall be as follows (see also § 5.35, class and type):

(a) **Class 1: neutral spirits or alcohol.** "Neutral spirits" or "alcohol" are distilled spirits produced from any material at or above 190° proof, and, if bottled, bottled at not less than 80° proof.

(1) "Vodka" is neutral spirits so distilled, or so treated after distillation with charcoal or other materials, as to be without distinctive character, aroma, taste, or color.

(2) "Grain spirits" are neutral spirits distilled from a fermented mash of grain and stored in oak containers.

CAUTION: Section 5.22(a) (2) becomes effective July 1, 1972.

(b) **Class 2: whisky.** "Whisky" is an alcoholic distillate from a fermented mash of grain produced at less than 190° proof in such manner that the distillate possesses the taste, aroma, and characteristics generally attributed to whisky, stored in oak containers (except that corn whisky need not be so stored), and bottled at not less than 80° proof, and also includes mixtures of such distillates for which no specific standards of identity are prescribed.

(1) (i) "Bourbon whisky", "rye whisky", "wheat whisky", "malt whisky", or "rye malt whisky" is whisky produced at not exceeding 160° proof from a fermented mash of not less than 51 percent corn, rye, wheat, malted barley, or malted rye grain, respectively, and stored at not more than 125° proof in charred new oak containers; and also includes mixtures of such whiskies of the same type.

(ii) "Corn whisky" is whisky produced at not exceeding 160° proof from a fermented mash of not less than 80 percent corn grain, and if stored in oak containers stored at not more than 125° proof in used or uncharred new oak containers and not subjected in any manner to treatment with charred wood; and also includes mixtures of such whisky.

(iii) Whiskies conforming to the standards prescribed in subdivisions (i) and (ii) of this subparagraph, which have

been stored in the type of oak containers prescribed, for a period of 2 years or more shall be further designated as "straight"; for example, "straight bourbon whisky", "straight corn whisky", and whisky conforming to the standards prescribed in subdivision (1) of this subparagraph, except that it was produced from a fermented mash of less than 51 percent of any one type of grain, and stored for a period of 2 years or more in charred new oak containers shall be designated merely as "straight whisky". No other whiskies may be designated "straight". "Straight whisky" includes mixtures of straight whiskies which are homogeneous under section 5025(e)(5), Internal Revenue Code (26 U.S.C. 5025(e)(5)), and implementing regulations in 26 CFR Part 201, and also mixtures of straight whiskies of the same type produced by the same proprietor at the same distillery all of which are not less than 4 years old.

(2) "Whisky distilled from bourbon (rye, wheat, malt, or rye malt) mash" is whisky produced in the United States at not exceeding 160° proof from a fermented mash of not less than 51 percent corn, rye, wheat, malted barley, or malted rye grain, respectively, and stored in used oak containers; and also includes mixtures of such whiskies of the same type. Whisky conforming to the standard of identity for corn whisky must be designated corn whisky.

(3) "Light whisky" is whisky produced in the United States at more than 160° proof, on or after January 26, 1968, and stored in used or uncharred new oak containers; and also includes mixtures of such whiskies. If "light whisky" is mixed with less than 20 percent of straight whisky on a proof gallon basis, the mixture shall be designated "blended light whisky" (light whisky—a blend).

CAUTION: Section 5.22(b)(3) becomes effective July 1, 1972.

(4) "Blended whisky" (whisky—a blend) is a mixture which contains at least 20 percent of straight whisky on a proof gallon basis and, separately or in combination, whisky or neutral spirits. A blended whisky containing not less than 51 percent on a proof gallon basis of one of the types of straight whisky shall be further designated by that specific type of straight whisky; for example, "blended rye whisky" (rye whisky—a blend).

(5) "A blend of straight whiskies" (blended straight whiskies) is a mixture of straight whiskies. A blend of straight whiskies consisting entirely of one of the types of straight whisky, and not conforming to the standard for "straight whisky", shall be further designated by that specific type of straight whisky; for example, "a blend of straight rye whiskies" (blended straight rye whiskies).

(6) "Spirit whisky" is a mixture of neutral spirits and not less than 5 percent on a proof gallon basis of whisky, or straight whisky, or whisky, if the straight whisky component is less than 20 percent on a proof gallon basis.

(7) "Scotch whisky" is whisky which is a distinctive product of Scotland, manufactured in Scotland in compliance with the laws of the United Kingdom regulating the manufacture of Scotch whisky for consumption in the United Kingdom; *Provided*, That if such product is a mixture of whiskies, such mixture is "blended Scotch whisky" (Scotch whisky—a blend).

(8) "Irish whisky" is whisky which is a distinctive product of Ireland, manufactured either in the Republic of Ireland or in Northern Ireland, in compliance with their laws regulating the manufacture of Irish whisky for home consumption; *Provided*, That if such product is a mixture of whiskies, such mixture is "blended Irish whisky" (Irish whisky—a blend).

(9) "Canadian whisky" is whisky which is a distinctive product of Canada, manufactured in Canada in compliance with the laws of Canada regulating the manufacture of Canadian whisky for consumption in Canada; *Provided*, That if such product is a mixture of whiskies, such mixture is "blended Canadian whisky" (Canadian whisky—a blend).

(3) *Class 3; gin.* "Gin" is a product obtained by original distillation from mash, or by redistillation of distilled spirits, or by mixing neutral spirits, with or with juniper berries and other aromatics, or with or over extracts derived from infusions, percolations, or maceration of such materials, and includes mixtures of gin and neutral spirits. It shall derive its main characteristic flavor from juniper berries and be bottled at not less than 80° proof. Gin produced exclusively by original distillation or by redistillation may be further designated as "distilled". "Dry gin" (London dry gin), "Geneva gin" (Hollands gin), and "Old Tom gin" (Tom gin) are types of gin known under such designations.

(d) *Class 4; brandy.* "Brandy" is an alcoholic distillate from the fermented juice, mash, or wine of fruit, or from the residue thereof, produced at less than 190° proof in such manner that the distillate possesses the taste, aroma, and characteristics generally attributed to the product, and bottled at not less than 80° proof. Brandy, or mixtures thereof, not conforming to any of the standards in subparagraphs (1) through (8) of this paragraph shall be designated as "brandy", and such designation shall be immediately followed by a truthful and adequate statement of composition.

(1) "Fruit brandy" is brandy distilled solely from the fermented juice or mash of whole, sound, ripe fruit, or from standard grape, citrus, or other fruit wine, with or without the addition of not more than 20 percent by weight of the pomace of such juice or wine, or 30 percent by volume of the lees of such wine, or both (calculated prior to the addition of water to facilitate fermentation or distillation). Fruit brandy shall include mixtures of such brandy with not more than 30 percent (calculated on a proof gallon basis) of lees brandy. Fruit brandy, derived from grapes, shall be designated as "grape brandy" or "brandy", except that

in the case of brandy (other than neutral brandy, pomace brandy, marc brandy or grappa brandy) distilled from the fermented juice, mash, or wine of grapes, or the residue thereof, which has been stored in oak containers for less than 2 years, the statement of class and type shall be immediately preceded, in the same size and kind of type, by the word "immature". Fruit brandy, other than grape brandy, derived from one variety of fruit, shall be designated by the word "brandy" qualified by the name of such fruit (for example, "peach brandy"), except that "apple brandy" may be designated "applejack". Fruit brandy derived from more than one variety of fruit shall be designated as "fruit brandy" qualified by a truthful and adequate statement of composition.

(2) "Cognac", or "Cognac (grape) brandy", is grape brandy distilled in the Cognac region of France, which is entitled to be so designated by the laws and regulations of the French Government.

(3) "Dried fruit brandy" is brandy that conforms to the standard for fruit brandy except that it has been derived from sound, dried fruit, or from the standard wine of such fruit. Brandy derived from raisins, or from raisin wine, shall be designated as "raisin brandy". Other brandies shall be designated in the same manner as fruit brandy from the corresponding variety or varieties of fruit except that the name of the fruit shall be qualified by the word "dried".

(4) "Lees brandy" is brandy distilled from the lees of standard grape, citrus, or other fruit wine, and shall be designated as "lees brandy", qualified by the name of the fruit from which such lees are derived.

(5) "Pomace brandy", or "marc brandy", is brandy distilled from the skin and pulp of sound, ripe grapes, citrus or other fruit, after the withdrawal of the juice or wine therefrom, and shall be designated as "pomace brandy", or "marc brandy", qualified by the name of the fruit from which derived. Grape pomace brandy may be designated as "grappa" or "grappa brandy".

(6) "Residue brandy" is brandy distilled wholly or in part from the fermented residue of fruit or wine, and shall be designated as "residue brandy" qualified by the name of the fruit from which derived. Brandy distilled wholly or in part from residue materials which conforms to any of the standards set forth in subparagraphs (1), (3), (4), and (5) of this paragraph may, regardless of such fact, be designated "residue brandy", but the use of such designation shall be conclusive, precluding any later change of designation.

(7) "Neutral brandy" is brandy produced at more than 170° proof and shall be designated in accordance with the standards in this paragraph, except that the designation shall be qualified by the word "neutral"; for example, "neutral citrus residue brandy".

(8) "Substandard brandy" shall bear as a part of its designation the word "substandard", and shall include:

(i) Any brandy distilled from fermented juice, mash, or wine having a

volatile acidity, calculated as acetic acid and exclusive of sulfur dioxide, in excess of 0.20 gram per 100 cubic centimeters (20° C.); measurements of volatile acidity shall be calculated exclusive of water added to facilitate distillation.

(ii) Any brandy which has been distilled from unsound, moldy, diseased, or decomposed juice, mash, wine, lees, pomace, or residue, or which shows in the finished product any taste, aroma, or characteristic associated with products distilled from such material.

(e) *Class 5; blended applejack.* "Blended applejack" (applejack—a blend) is a mixture which contains at least 20 percent of apple brandy (applejack) on a proof gallon basis, stored in oak containers for not less than 2 years, and not more than 80 percent of neutral spirits on a proof gallon basis if such mixture at the time of bottling is not less than 80° proof.

(f) *Class 6; rum.* "Rum" is an alcoholic distillate from the fermented juice of sugar cane, sugar cane syrup, sugar cane molasses, or other sugar cane by-products, produced at less than 190° proof in such manner that the distillate possesses the taste, aroma and characteristics generally attributed to rum, and bottled at not less than 80° proof; and also includes mixtures solely of such distillates.

(g) *Class 7; Tequila.* "Tequila" is an alcoholic distillate from a fermented mash derived principally from the Agave Tequilana Weber ("blue" variety), with or without additional fermentable substances, distilled in such manner that the distillate possesses the taste, aroma, and characteristics generally attributed to Tequila and bottled at not less than 80° proof, and also includes mixtures solely of such distillates.

(h) *Class 8; cordials and liqueurs.* Cordials and liqueurs are products obtained by mixing or redistilling distilled spirits with or over fruits, flowers, plants, or pure juices therefrom, or other natural flavoring materials, or with extracts derived from infusions, percolation, or maceration of such materials, and containing sugar, dextrose, or levulose, or a combination thereof, in an amount not less than 2½ percent by weight of the finished product.

(1) "Sloe gin" is a cordial or liqueur with the main characteristic flavor derived from sloe berries.

(2) "Rye liqueur", "bourbon liqueur" (rye, bourbon cordial) are liqueurs, bottled at not less than 60° proof, in which not less than 51 percent, on a proof gallon basis, of the distilled spirits used are, respectively, rye or bourbon whisky, straight rye or straight bourbon whisky, or whisky distilled from a rye or bourbon mash, and which possess a predominant characteristic rye or bourbon flavor derived from such whisky. Wine, if used, must be within the 2½ percent limitation provided in § 5.23 for coloring, flavoring, and blending materials.

(3) "Rock and rye", "rock and bourbon", "rock and brandy", "rock and rum" are liqueurs, bottled at not less than 48° proof, in which, in the case of rock and rye and rock and bourbon, not

less than 51 percent, on a proof gallon basis, of the distilled spirits used are, respectively, rye or bourbon whisky, straight rye or straight bourbon whisky, or whisky distilled from a rye or bourbon mash, and, in the case of rock and brandy and rock and rum, the distilled spirits used are all grape brandy or rum, respectively; containing rock candy or sugar syrup, with or without the addition of fruit, fruit juices, or other natural flavoring materials, and possessing, respectively, a predominant characteristic rye, bourbon, brandy, or rum flavor derived from the distilled spirits used. Wine, if used, must be within the 2½ percent limitation provided in § 5.23 for harmless coloring, flavoring, and blending materials.

(4) The designation of a cordial or liqueur may include the word "dry" if the sugar, dextrose, or levulose, or a combination thereof, are less than 10 percent by weight of the finished product.

(5) Cordials and liqueurs shall not be designated as "distilled" or "compound".

(i) *Class 9; flavored brandy, flavored gin, flavored rum, flavored vodka, and flavored whisky.* "Flavored brandy", "flavored gin", "flavored rum", "flavored vodka", and "flavored whisky" are brandy, gin, rum, vodka, and whisky, respectively, to which have been added natural flavoring materials, with or without the addition of sugar, and bottled at not less than 70° proof. The name of the predominant flavor shall appear as a part of the designation. If the finished product contains more than 2½ percent by volume of wine, the kinds and percentages by volume of wine must be stated as a part of the designation, except that a flavored brandy may contain an additional 12½ percent by volume of wine, without label disclosure, if the additional wine is derived from the particular fruit corresponding to the labeled flavor of the product.

(j) *Class 10; imitations.* Imitations shall bear, as a part of the designation thereof, the word "imitation" and shall include the following:

(1) Any class or type of distilled spirits to which has been added coloring or flavoring material of such nature as to cause the resultant product to simulate any other class or type of distilled spirits;

(2) Any class or type of distilled spirits (other than distilled spirits required under § 5.35 to bear a distinctive or fanciful name and a truthful and adequate statement of composition) to which has been added flavors considered to be artificial or imitation. In determining whether a flavor is artificial or imitation, recognition will be given to what is considered to be "good commercial practice" in the flavor manufacturing industry;

(3) Any class of type of distilled spirits (except cordials, liqueurs and specialties marketed under labels which do not indicate or imply, that a particular class or type of distilled spirits was used in the manufacture thereof) to which has been added any whisky essence, brandy essence, rum essence, or similar essence or extract which simulates or enhances, or is used by the trade or in the particular

product to simulate or enhance, the characteristics of any class or type of distilled spirits;

(4) Any type of whisky to which beading oil has been added;

(5) Any rum or Tequila, to which neutral spirits or distilled spirits other than rum or Tequila, respectively, have been added;

(6) Any brandy made from distilling material to which has been added any amount of sugar other than the kind and amount of sugar expressly authorized in the production of standard wine; and

(7) Any brandy to which neutral spirits or distilled spirits other than brandy have been added, except that this provision shall not apply to any product conforming to the standard of identity for blended applejack.

(k) *Class 11; geographical designations.* (1) Geographical names for distinctive types of distilled spirits (other than names found by the Director under subparagraph (2) of this paragraph to have become generic) shall not be applied to distilled spirits produced in any other place than the particular region indicated by the name, unless (i) in direct conjunction with the name there appears the word "type" or the word "American" or some other adjective indicating the true place of production, in lettering substantially as conspicuous as such name, and (ii) the distilled spirits to which the name is applied conform to the distilled spirits of that particular region. The following are examples of distinctive types of distilled spirits with geographical names that have not become generic: Eau de Vie de Dantzic (Danziger Goldwasser), Ojen, Swedish punch. Geographical names for distinctive types of distilled spirits shall be used to designate only distilled spirits conforming to the standard of identity, if any, for such type specified in this section, or if no such standard is so specified, then in accordance with the trade understanding of that distinctive type.

(2) Only such geographical names for distilled spirits as the Director finds have by usage and common knowledge lost their geographical significance to such extent that they have become generic shall be deemed to have become generic. Examples are London dry gin, Geneva (Hollands) gin.

(3) Geographical names that are not names for distinctive types of distilled spirits, and that have not become generic, shall not be applied to distilled spirits produced in any other place than the particular place or region indicated in the name. Examples are Cognac, Armagnac, Greek brandy, Pisco brandy, Jamaica rum, Puerto Rico rum, Demerara rum.

(4) The words "Scotch", "Scots", "Highland", or "Highlands" and similar words connoting, indicating, or commonly associated with Scotland, shall not be used to designate any product not wholly produced in Scotland.

(l) *Class 12; products without geographical designations but distinctive of a particular place.* (1) The whiskies of the types specified in paragraph (b) (1),

(4), (5), and (6) of this section are distinctive products of the United States, and if produced in a foreign country, shall be designated by the applicable designation prescribed in such paragraphs, together with the words "American type" or the words "produced (distilled, blended) in _____", the blank to be filled in with the name of the foreign country: *Provided*, That the word "bourbon" shall not be used to describe any whisky or whisky-based distilled spirits not produced in the United States. If whisky of any of these types is composed in part of whisky or whiskies produced in a foreign country there shall be stated, on the brand label, the percentage of such whisky and the country of origin thereof.

(2) The name for other distilled spirits which are distinctive products of a particular place or country, an example is Habanero, shall not be given to the product of any other place or country unless the designation for such product includes the word "type" or an adjective such as "American", or the like, clearly indicating the true place of production. The provision for place of production shall not apply to designations which by usage and common knowledge have lost their geographical significance to such an extent that the Director finds they have become generic. Examples are Silovitz, Zubrovka, Aquavit, Arrack, and Kirschwasser.

§ 5.23 Alteration of class and type.

(a) *Additions.* (1) The addition of any coloring, flavoring, or blending materials to any class and type of distilled spirits, except as otherwise provided in this section, alters the class and type thereof and the product shall be appropriately redesignated.

(2) There may be added to any class or type of distilled spirits, without changing the class or type thereof, (i) such harmless coloring, flavoring, or blending materials as are an essential component part of the particular class or type of distilled spirits to which added, and (ii) harmless coloring, flavoring, or blending materials such as caramel, straight malt or straight rye malt whiskies, fruit juices, sugar, or wine, which are not an essential component part of the particular distilled spirits to which added, but which are customarily employed therein in accordance with established trade usage, if such coloring, flavoring, or blending materials do not total more than 2½ percent by volume of the finished product.

(3) "Harmless coloring, flavoring, and blending materials" shall not include (i) any material which would render the product to which it is added an imitation, or (ii) any material whatsoever in the case of neutral spirits or straight whisky, or (iii) any material, other than caramel and sugar, in the case of Cognac brandy.

(b) *Extractions.* The removal from any distilled spirits of any constituents to such an extent that the product does not possess the taste, aroma, and characteristics generally attributed to that class or type of distilled spirits alters the class and type thereof, and the product shall be appropriately redesignated. In

addition, in the case of straight whisky the removal of more than 15 percent of the fixed acids, or volatile acids, or esters, or soluble solids, or higher alcohols, or more than 25 percent of the soluble color, shall be deemed to alter the class or type thereof.

(c) *Exceptions.* This section shall not be construed as in any manner modifying the standards of identity for cordials and liqueurs, flavored brandy, flavored gin, flavored rum, flavored vodka, and flavored whisky or as authorizing any product which is defined in § 5.22(j), Class 10, as an imitation to be otherwise designated.

Subpart D—Labeling Requirements for Distilled Spirits

§ 5.31 General.

(a) *Application.* No person engaged in business as a distiller, rectifier, importer, wholesaler, or warehouseman and bottler, directly or indirectly, or through an affiliate, shall sell or ship or deliver for sale or shipment or otherwise introduce in interstate or foreign commerce, or receive therein, or remove from customs custody, any distilled spirits in bottles, unless such bottles are marked, branded, labeled, or packaged, in conformity with §§ 5.31-5.42.

(b) *Alteration of labels.* It shall be unlawful for any person to alter, mutilate, destroy, obliterate, or remove any mark, brand, or label on distilled spirits held for sale in interstate or foreign commerce or after shipment therein, except—

(1) As authorized by Federal law,
(2) That the assistant regional commissioner or the internal revenue officer, if any, assigned to the distilled spirits plant premises may, on oral or written application, permit additional labeling or relabeling of bottled distilled spirits with labels covered by certificates of label approval which comply with the requirements of this part and with State law.

(3) That there may be added to the bottle, after removal from customs custody, or prior to or after removal from the bottling premises, without application for permission to relabel, a label identifying the wholesale or retail distributor thereof or identifying the purchaser or consumer, and containing no references whatever to the characteristics of the product.

§ 5.32 Mandatory label information.

There shall be stated:

(a) On the brand label:
(1) Brand name.
(2) Class and type, in accordance with § 5.35.
(3) Alcoholic content, in accordance with § 5.37.

(4) In the case of distilled spirits packaged in containers for which no standard of fill is prescribed in § 5.47, net contents in accordance with § 5.38(b).

(b) On the brand label or on a back label:

(1) Name and address, in accordance with § 5.36.

(2) In the case of imported spirits, the country of origin, in accordance with § 5.36.

(3) In the case of distilled spirits packaged in containers conforming to the standards of fill prescribed in § 5.47, net contents in accordance with § 5.38(a).

(4) Coloring or flavoring, in accordance with § 5.39.

(5) Percentage of neutral spirits and name of commodity from which distilled, or in the case of continuously distilled neutral spirits or gin the name of the commodity only, in accordance with § 5.39.

(6) A statement of age or age and percentage, when required, in accordance with § 5.40.

(7) State of distillation of domestic types of whisky and straight whisky, except light whisky and blends, in accordance with § 5.36.

(c) In the case of a container which has been excepted by the Director under the provisions of § 5.48(a), the information required to appear on the "brand label", as defined, may appear elsewhere on such container if it can be demonstrated that the container cannot reasonably be so designed that the required brand label can be properly affixed.

§ 5.33 Additional requirements.

(a) *Contrasting background.* Labels shall be so designed that the statements required by §§ 5.31-5.42 are readily legible under ordinary conditions, and such statements shall be on a contrasting background.

(b) *Size of type.* Statements required by §§ 5.31-5.42 (except brand names) shall appear generally parallel to the base on which the container rests as it is designed to be displayed, or shall be otherwise equally conspicuous, and shall be in script, type, or printing not smaller than 8-point Gothic caps and shall be separate and apart from any other descriptive or explanatory matter, except that, in the case of labels on bottles of less than one-half pint capacity, such script, type, or printing may be smaller than 8-point Gothic caps if readily legible under ordinary conditions. Statements of the type of distilled spirits shall be as conspicuous as the statement of the class to which it refers, and in direct conjunction therewith.

(c) *English language.* The requirements of §§ 5.31-5.42 shall be stated in the English language, except that the brand name need not be in English, and for products bottled for consumption within Puerto Rico the required information may be stated in the Spanish language if the net contents and, if the product is an imitation, the word "imitation" are also stated in the English language.

(d) *Location of label.* Labels shall not obscure government stamps or be obscured thereby. Labels shall not obscure any markings or information required to be permanently marked in the bottle by other U.S. Treasury Department regulations.

(e) *Labels firmly affixed.* Labels which are not an integral part of the bottle shall be affixed to bottles in such manner that they cannot be removed without thorough application of water or other solvents.

(f) *Additional information on labels.* Labels may contain information other than the mandatory label information required by §§ 5.31-5.42 provided such information does not conflict with, nor in any manner qualify, statements required by regulations promulgated under the Act.

(g) *Contents of bottles.* A complete and accurate statement of the contents of the bottles to which labels are to be or have been affixed shall be submitted, on request, to the Director or the assistant regional commissioner.

§ 5.34 Brand names.

(a) *Misleading brand names.* No label shall contain any brand name, which, standing alone, or in association with other printed or graphic matter, creates any impression or inference as to the age, origin, identity, or other characteristics of the product unless the Director finds that such brand name (when appropriately qualified if required) conveys no erroneous impressions as to the age, origin, identity, or other characteristics of the product.

(b) *Trade name of foreign origin.* Paragraph (a) of this section does not prohibit the use by any person of any trade name or brand of foreign origin not effectively registered in the U.S. Patent Office on August 29, 1935, which has been used by such person or his predecessors in the United States for a period of at least 5 years immediately preceding August 29, 1935: *Provided*, That if such trade name or brand is used, the designation of the product shall be qualified by the name of the locality in the United States in which produced, and such qualification shall be in script, type, or printing as conspicuous as the trade name or brand.

§ 5.35 Class and type.

(a) *Designation of product.* The class and type of distilled spirits shall be stated in conformity with § 5.22 if defined therein. In all other instances the product shall be designated in accordance with trade and consumer understanding thereof, or, if no such understanding exists, by a distinctive or fanciful name, and in either case (except as provided in paragraph (b) (2) of this section) followed by a truthful and adequate statement of composition. The word "cordial" or "liqueur" need not be stated in the case of cordials and liqueurs unless the Director finds such word is necessary to clearly indicate that the product is a cordial or liqueur.

(b) *Products designed in accordance with trade and consumer understanding.* In the case of products designated in accordance with trade and consumer understanding:

(1) A statement of the classes and types of distilled spirits used in the manufacture thereof shall be deemed a sufficient statement of composition in the case of highballs, cocktails, and similar prepared specialties when the designation adequately indicates to the consumer the general character of the product.

(2) No statement of composition is required if the designation through gen-

eral and established usage adequately indicates to the consumer the composition of the product.

A product shall not bear a designation which indicates it contains a class or type of distilled spirits unless the distilled spirits therein conform to such class and type.

(c) *Origin of whiskies in mixtures.* In the case of any of the types of whisky defined in § 5.22(b), Class 2, which contains any whisky or whiskies produced in a country other than that indicated by the type designation, there shall be stated on the brand label the percentage of such whisky and the country or origin thereof. In the case of mixtures of whisky, not conforming to any type designation in § 5.22(b), Class 2, the components of which were distilled in more than one country, there shall be stated in direct conjunction with the class designation "whisky" a truthful and adequate statement of the composition of the product.

(d) *Whisky manufactured in Scotland, Ireland, or Canada.* All whisky manufactured in Scotland, Ireland, or Canada, shall be deemed to be Scotch, Irish, or Canadian whisky, and shall be so designated, in conformity with § 5.22(b) (7), (8), and (9), unless the application of such designation to the particular product will result in consumer deception, or unless such a product is not entitled to such designation under the laws of the country in which manufactured.

(e) *Cordials and liqueurs.* The alcoholic components of cordials and liqueurs may, but need not, be stated on labels.

§ 5.36 Name and address.

(a) *"Bottled by".* (1) On labels of domestic distilled spirits there shall be stated the phrase "bottled by", "packed by", or "filled by", immediately followed by the name (or trade name) of the bottler and the place where such distilled spirits are bottled. If the bottler is the actual bona fide operator of more than one distilled spirits plant engaged in bottling operations, there may, in addition, be stated immediately following the name (or trade name) of such bottler the addresses of such other plants.

(2) Where distilled spirits are bottled by or for the distiller thereof, there may be stated, in lieu of the phrase "bottled by", "packed by", or "filled by", followed by the bottler's name (or trade name) and address, the phrase "distilled by", followed by the name, or the trade name under which the particular spirits were distilled, or (except in the case of distilled spirits bottled in bond under section 5233, Internal Revenue Code (26 U.S.C. 5233)) any trade name shown on the distiller's permit (covering the premises where the particular spirits were distilled), and the address (or addresses) of the distiller.

(3) Where distilled spirits are bottled by or for the rectifier thereof, there may be stated, in lieu of the phrase "bottled by", "packed by", or "filled by", followed by the bottler's name (or trade name) and address, the phrases "blended by", "made by", "prepared by", "manufac-

tured by", or "produced by" (whichever may be appropriate to the act of rectification involved) followed by the name (or trade name), and the address (or addresses) of the rectifier.

(b) *"Imported by".* (1) On labels of imported distilled spirits, bottled prior to importation, there shall be stated the words "imported by", "imported exclusively by", or a similar appropriate phrase, and immediately thereafter the name of the importer, or exclusive agent, or sole distributor, or other person responsible for the importation, together with the principal place of business in the United States of such person.

(2) On labels of imported distilled spirits bottled after importation there shall be stated:

(i) The name of the bottler and place where bottled, immediately preceded by the words "bottled by", "packed by", or "filled by"; or

(ii) The name of the bottler and place where bottled, immediately preceded by the words "bottled by", "packed by", or "filled by" and in conjunction therewith the name and address of the person responsible for the importation, in the manner prescribed in subparagraph (1) of this paragraph; or

(iii) The name and principal place of business in the United States of the person responsible for the importation, if the spirits are bottled for such person, immediately preceded by the phrase "imported by and bottled (packed), (filled) in the United States for" (or a similar appropriate phrase); or

(iv) In the case of imported distilled spirits bottled after importation by the person responsible for the importation, the words "imported and bottled (packed), (filled) by", "imported and bottled (packed), (filled) exclusively by", or a similar appropriate phrase, and immediately thereafter the name of such person and the address of the place where bottled or the address of such person's principal place of business.

(c) *Post office address.* The "place" stated shall be the post office address, except that the street address may be omitted. No additional places or addresses shall be stated for the same person, firm or corporation, unless (1) such person or retailer is actively engaged in the conduct of an additional bona fide and actual alcoholic beverage business at such additional place or address, and (2) the label also contains in direct conjunction therewith, appropriate descriptive material indicating the function occurring at such additional place or address.

(d) *State of distillation.* Except in the case of "light whisky", "blended light whisky", "blended whisky", "a blend of straight whiskies", or "spirit whisky", the State of distillation shall be shown on the label of any whisky produced in the United States if the whisky is not distilled in the State given in the address on the brand label. The Director may, however, require the State of distillation to be shown on the label or he may permit such other labeling as may be necessary to negate any misleading or deceptive impression which might be created as to the actual State of distillation. In the case of "light whisky", as

defined in § 5.22(b) (3), the State of distillation shall not appear in any manner on any label, when the Director finds such State is associated by consumers with an American type whisky, except as a part of a name and address as set forth in paragraph (a) of this section.

(e) *Country of origin.* On labels of imported distilled spirits there shall be stated the country of origin in substantially the following form "Product of _____", the blank to be filled in with the name of the country of origin.

(f) *Trade names.* The trade name of any permittee appearing on any label shall be identical with the name in which his basic permit is issued by the assistant regional commissioner.

§ 5.37 Alcoholic content.

The alcoholic content shall be stated by proof for distilled spirits except that it may be stated in percentage by volume for cordials and liqueurs, cocktails, highballs, bitters, and such other specialties as may be specified by the Director.

§ 5.38 Net contents.

(a) *Bottles conforming to standards of fill.* The net contents of distilled spirits for which a standard of fill is prescribed in § 5.47 shall be stated in the same manner and form in which such standard of fill is set forth. Such net contents need not be stated on the label if they are legibly blown, etched, sandblasted, marked by underglaze coloring or otherwise permanently marked by any method approved by the Director, on the side, front, or back of the container in an unobscured location. Containers of one-half pint or greater capacity must bear letters and figures of not less than one-quarter inch height.

(b) *Bottles not conforming to standards of fill.* The net contents of distilled spirits for which no standard of fill is prescribed in § 5.47 shall be stated as follows:

- (1) If 1 pint, 1 quart, or 1 gallon, the net contents shall be so stated.
- (2) If less than a pint, the net contents shall be stated in fractions of a pint, or in fluid ounces.
- (3) If more than a pint, but less than a quart, the net contents shall be stated in fractions of a quart, or in pints and fluid ounces.
- (4) If more than a quart, but less than a gallon, the net contents shall be stated in fractions of a gallon, or in quarts, pints, and fluid ounces.

All fractions shall be expressed in their lowest denomination.

(c) *Qualifying statements.* Words or phrases qualifying statements of net contents are prohibited.

§ 5.39 Presence of neutral spirits and coloring, flavoring, and blending materials.

(a) *Neutral spirits and name of commodity.* (1) In the case of distilled spirits (other than cordials, liqueurs, and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, there shall be stated the percentage of neutral spirits so used and the name of the commodity

from which such neutral spirits have been distilled. The statement of percentage and the name of the commodity shall be made in substantially the following form: "_____ % neutral spirits distilled from _____ (insert grain, cane products, or fruit, as appropriate)"; or "_____ % neutral spirits (vodka) distilled from _____ (insert grain, cane products, or fruit, as appropriate)"; or "_____ % grain (cane products), (fruit) neutral spirits"; or "_____ % grain spirits."

(2) In the case of neutral spirits or of gin produced by a process of continuous distillation, there shall be stated the name of the commodity from which such neutral spirits or gin have been distilled. The statement of the name of the commodity shall be made in substantially the following form: "Distilled from grain", or "Distilled from cane products", or "Distilled from fruit".

(b) *Coloring materials.* The words "artificially colored" shall be stated on the label of any distilled spirits containing synthetic or natural materials which primarily contribute color, or when the label conveys the impression that the color is derived from a source other than the actual source, except that:

- (1) If no coloring material other than natural flavoring material has been added, there may be stated in lieu of the words "artificially colored" a truthful and adequate statement of the source of the color;
- (2) If no coloring material other than those certified as suitable for use in foods by the Food and Drug Administration has been added, there may be stated in lieu of the words "artificially colored", the words "certified color added"; and
- (3) If no coloring material other than caramel has been added, there may be stated in lieu of the words "artificially colored", the words "colored with caramel", or a substantially similar statement, but no such statement is required for the use of caramel in any brandy, rum, or Tequila, or in any type of whisky other than straight whisky.

(c) *Treatment with wood.* The words "colored and flavored with wood" (insert chips, slabs, etc., as appropriate) shall be stated as a part of the class and type designation for whisky and brandy treated, in whole or in part, with wood through percolation, or otherwise, during distillation, rectification, or storage (other than through contact with the oak container).

§ 5.40 Statements of age and percentage.

(a) *Statements of age and percentage for whisky.* In the case of straight whisky bottled under section 5233, Internal Revenue Code (26 U.S.C. 5233), and domestic or foreign whisky, whether or not mixed or blended, all of which is 4 years or more old, statements of age and percentage are optional. As to all other whiskies there shall be stated the following:

(1) In the case of whisky, whether or not mixed or blended but containing no neutral spirits, the age of the youngest whisky. The age statement shall read

substantially as follows: "_____ years old."

(2) In the case of whisky containing neutral spirits, if any of the straight whisky and/or other whisky is less than 4 years old, the percentage by volume of straight whisky and/or other whisky, and the age of the straight whisky (the youngest if two or more) and the age of such other whisky (the youngest if two or more). If all the straight whisky and/or other whisky is 4 years or more old, the age and percentage statement for such whiskies is optional. The age and percentage statement for straight whiskies and/or other whisky, whether required or optional, shall be stated in immediate conjunction with the neutral spirits statement required by § 5.39, and shall read substantially as follows:

(i) If only one straight whisky and no other whisky is contained in the blend: "_____ percent straight whisky _____ years old."

(ii) If more than one straight whisky and no other whisky is contained in the blend: "_____ percent straight whiskies _____ years or more old." The age blank shall be filled in with the age of the youngest straight whisky. In lieu of the foregoing, a statement may be made of the ages and percentages of each of the straight whiskies contained in the blend: "_____ percent straight whisky _____ years old, _____ percent straight whisky _____ years old, and _____ percent straight whisky _____ years old."

(iii) If only one straight whisky and one other whisky is contained in the blend: "_____ percent straight whisky _____ years old, _____ percent whisky _____ years old."

(iv) If more than one straight whisky and more than one other whisky is contained in the blend: "_____ percent straight whiskies _____ years or more old, _____ percent whiskies _____ years or more old." The age blanks shall be filled in with the ages of the youngest straight whisky and the youngest other whisky. In lieu of the foregoing, a statement may be made of the ages and percentages of each of the straight whiskies and other whiskies contained in the blend: "_____ percent straight whisky _____ years old, _____ percent straight whisky _____ years old, _____ percent whisky _____ years old, and _____ percent whisky _____ years old."

(3) In the case of imported whiskies described in § 5.22(1), Class 12, the labels shall state the ages and percentages in the same manner and form as is required for the same type of whisky produced in the United States.

(4) Notwithstanding the foregoing provisions of this paragraph, in the case of whisky produced in the United States and stored in reused oak containers, except for corn whisky, and for light whisky produced on or after January 26, 1968, there shall be stated in lieu of the words "_____ years old" the period of storage in reused oak containers as follows: " * * * stored _____ years in reused cooperage."

(5) Optional age statements shall appear in the same form as required age statements.

(b) *Statements of age for rum, brandy, and Tequila.* Age may, but need not, be stated on labels of rums, brandies, and Tequila, except that an appropriate statement with respect to age shall appear on the brand label in case of brandy (other than immature brandies and fruit brandies which are not customarily stored in oak containers) not stored in oak containers for a period of at least 2 years. If age is stated, it shall be substantially as follows: "----- years old"; the blank to be filled in with the age of the youngest distilled spirits in the product.

(c) *Statement of storage for grain spirits.* In case of grain spirits, the period of storage in oak containers may be stated in immediate conjunction with the required percentage statement; for example, "-----% grain spirits stored ----- years in oak containers."

(d) *Other distilled spirits.* Age, maturity, or similar statements or representations as to neutral spirits (except for grain spirits as stated in paragraph (c) of this section), gin, liqueurs, cordials, cocktails, highballs, bitters, flavored brandy, flavored gin, flavored rum, flavored vodka, flavored whisky, and specialties are misleading and are prohibited from being stated on any label.

(e) *Miscellaneous age representations.* (1) Age may be understated but shall not be overstated.

(2) If any age, maturity, or similar representation is made relative to any distilled spirits (such representations for products enumerated in paragraph (d) of this section are prohibited), the age shall also be stated on all labels where such representation appears, and in a manner substantially as conspicuous as such representation: *Provided*, That the use of the word "old" or other word denoting age, as part of the brand name, shall not be deemed to be an age representation: *And provided further*, That the labels of whiskies and brandies (except immature brandies) not required to bear a statement of age, and rum and Tequila aged for not less than 4 years, may contain general inconspicuous age, maturity or similar representations without the label bearing an age statement.

§ 5.41 Bottle cartons, booklets and leaflets.

(a) *General.* An individual covering, carton, or other container of the bottle used for sale at retail (other than a shipping container), or any written, printed, graphic, or other matter accompanying the bottle to the consumer buyer shall not contain any statement, design, device, or graphic, pictorial, or emblematic representation that is prohibited by §§ 5.31-5.42 on labels.

(b) *Sealed opaque cartons.* If bottles are enclosed in sealed opaque coverings, cartons, or other containers used for sale at retail (other than shipping containers), such coverings, cartons, or other containers must bear all mandatory label information.

(c) *Other cartons.* If an individual covering, carton, or other container of the bottle used for sale at retail (other

than a shipping container) is so designed that the bottle is readily removable and the covering carton or container is not sufficiently transparent to permit visibility of the mandatory label information on the bottle, and if it displays any written or printed material, other than the brand name and the name and address of the manufacturer, bottler, or importer (omitting any reference to the function performed by the permittee), such covering, carton, or other container must bear all mandatory label information.

§ 5.42 Prohibited practices.

(a) *Statements on labels.* Bottles containing distilled spirits, or any labels on such bottles, or any individual covering, carton, or other container of such bottles used for sale at retail, or any written, printed, graphic, or other matter accompanying such bottles to the consumer shall not contain:

(1) Any statement that is false or untrue in any particular or that, irrespective of falsity, directly or by ambiguity, omission, or inference, or by the addition of irrelevant, scientific, or technical matter, tends to create a misleading impression.

(2) Any statement that is disparaging of a competitor's product.

(3) Any statement, design, device, or representation which is obscene or indecent.

(4) Any statement, design, device, or representation of or relating to analyses, standards, or tests, irrespective of falsity, which the Director finds to be likely to mislead the consumer.

(5) Any statement, design, device, or representation of or relating to any guaranty, irrespective of falsity, which the Director finds to be likely to mislead the consumer. Enforceable money-back guarantees are not prohibited.

(6) A trade or brand name that is the name of any living individual of public prominence, or existing private or public organization, or is a name that is in simulation or is an abbreviation thereof, or any graphic, pictorial, or emblematic representation of any such individual or organization, if the use of such name or representation is likely to falsely lead the consumer to believe that the product has been endorsed, made, or used by, or produced for, or under the supervision of, or in accordance with the specifications of, such individual or organization: *Provided*, That this subparagraph shall not apply to the use of the name of any person engaged in business as a distiller, rectifier, blender, or other producer, or as an importer, wholesaler, retailer, bottler, or warehouseman, of distilled spirits, nor to the use by any person of a trade or brand name that is the name of any living individual of public prominence or existing private or public organization, provided such trade or brand name was used by him or his predecessors in interest prior to August 29, 1935.

(b) *Miscellaneous.* (1) Labels shall not be of such design as to resemble or simulate a stamp of the U.S. Government or any State or foreign government. Labels, other than stamps authorized or

required by this or any other government, shall not state or indicate that the distilled spirits are distilled, blended, made, bottled, or sold under, or in accordance with, any municipal, State, Federal, or foreign authorization, law, or regulations, unless such statement is required or specifically authorized by Federal, State, municipal, or foreign law or regulations. The statements authorized by this part to appear on labels for domestic distilled spirits are "Distilled (produced, barreled, warehoused, blended, or bottled, or any combination thereof, as the case may be) under United States (U.S.) Government supervision", or in the case of distilled spirits bottled under section 5233, Internal Revenue Code (26 U.S.C. 5233), "Bottled in bond under United States (U.S.) Government supervision." If the municipal, State, or Federal Government permit number is stated on a label, it shall not be accompanied by any additional statement relating thereto.

(2) If imported distilled spirits are covered by a certificate of origin or of age issued by a duly authorized official of the appropriate foreign government, the label, except where prohibited by the foreign government, may refer to such certificate or the fact of such certification, but shall not be accompanied by any additional statement relating thereto. The reference to such certificate or certification shall, in the case of Cognac, be substantially in the following form: "This product accompanied at the time of importation by an 'Acquit Regional Jaune d'Or' issued by the French Government, indicating that this grape brandy was distilled in the Cognac Region of France"; and in the case of other distilled spirits, substantially in the following form: "This product accompanied at time of importation by a certificate issued by the * * * government (name of government) indicating that the product is * * * (class and type as required to be stated on the label), and (if label claims age) that none of the distilled spirits are of an age less than stated on this label."

(3) The words "bond", "bonded", "bottled in bond", "aged in bond", or phrases containing these or synonymous terms, shall not be used on any label or as part of the brand name of domestic distilled spirits unless such distilled spirits were in fact bottled in bond under section 5233, Internal Revenue Code (26 U.S.C. 5233).

(4) The words "bond", "bonded", "bottled in bond", "aged in bond", or phrases containing these or synonymous terms, shall not be used on any label or as part of the brand name of imported distilled spirits unless such distilled spirits meet in all respects the requirements applicable to distilled spirits bottled for domestic consumption under section 5233, Internal Revenue Code (26 U.S.C. 5233) and unless the laws and regulations of the country in which such distilled spirits are produced authorize the bottling of distilled spirits in bond and require or specifically authorize such distilled spirits to be so labeled. All spirits labeled as "bonded", "bottled in bond", or

"aged in bond" pursuant to the provisions of this subparagraph shall bear in direct conjunction with such statement and in script, type or printing substantially as conspicuous as that used on such statement, the name of the country under whose laws and regulations such distilled spirits were so bottled.

(5) The word "pure" shall not be stated in any manner on any label unless as part of the bona fide name of a permittee or retailer for whom the distilled spirits are bottled.

(6) Distilled spirit shall not be labeled as "double distilled" or "triple distilled", or any similar term.

(7) Labels shall not contain any statement, design, device, or pictorial representation which the Director finds relates to, or is capable of being construed as relating to, the armed forces of the United States, or the American flag, or any emblem, seal, insignia, or decoration associated with such flag or armed forces; nor shall any label contain any statement, design, device, or pictorial representation of or concerning any flag, seal, coat of arms, crest or other insignia, likely to mislead the consumer to believe that the product has been endorsed, made, or used by, or produced for, or under the supervision of, or in accordance with the specifications of the government, organization, family, or individual with whom such flag, seal, coat of arms, crest, or insignia is associated.

(8) Labels shall not contain any statement, design, or device representing that the use of any distilled spirits has curative or therapeutic effects if such statement is untrue in any particular or tends to create a misleading impression.

Subpart E—Standards of Fill for Bottled Distilled Spirits

§ 5.45 Application.

No person engaged in business as a distiller, rectifier, importer, wholesaler, or warehouseman and bottler, directly or indirectly, or through an affiliate, shall sell or ship or deliver for sale or shipment, or otherwise introduce in interstate or foreign commerce, or receive therein or remove from customs custody any distilled spirits in bottles unless such distilled spirits are bottled in conformity with §§ 5.46–5.48.

§ 5.46 Standard liquor bottles.

(a) *General.* A standard liquor bottle shall be one so made and formed, and so filled, as not to mislead the purchaser. An individual carton or other container of a bottle shall not be so designed as to mislead purchasers as to the size of the bottle.

(b) *Headspace.* A liquor bottle of a capacity of one-half pint or more shall be held to be so filled as to mislead the purchaser if it has a headspace in excess of 8 percent of the total capacity of the bottle after closure.

(c) *Design.* A liquor bottle shall be held (irrespective of the correctness of the stated net contents) to be so made and formed as to mislead the purchaser, if its actual capacity is substantially less

than the capacity it appears to have upon visual examination under ordinary conditions of purchase or use.

§ 5.47 Standards of fill.

(a) *Authorized standards of fill.* The standards of fill for all distilled spirits, whether domestically manufactured, domestically bottled, or imported, subject to the tolerances allowed in this section, shall be as follows:

1 gallon.	$\frac{1}{2}$ pint.
$\frac{1}{2}$ gallon.	$\frac{1}{4}$ pint.
1 quart.	$\frac{1}{8}$ pint.
$\frac{1}{2}$ quart.	$\frac{1}{16}$ pint.
1 pint.	$\frac{1}{32}$ pint (brandy only).

(b) *Tolerances.* The following tolerances shall be allowed:

(1) Discrepancies due to errors in measuring which occur in filling conducted in compliance with good commercial practice.

(2) Discrepancies due to differences in the capacity of bottles, resulting solely from unavoidable difficulties in manufacturing such bottles to a uniform capacity: *Provided*, That no greater tolerance shall be allowed in case of bottles which, because of their design, cannot be made of approximately uniform capacity than is allowed in case of bottles which can be manufactured so as to be of approximately uniform capacity.

(3) Discrepancies in measure due to differences in atmospheric conditions in various places and which unavoidably result from the ordinary and customary exposure of alcoholic beverages in bottles to evaporation. The reasonableness of discrepancies under this paragraph shall be determined on the facts in each case.

(c) *Unreasonable shortages.* Unreasonable shortages in certain of the bottles in any shipment shall not be compensated by overages in other bottles in the same shipment.

§ 5.48 Exceptions.

(a) The provisions of the "headspace" and "design" requirements in § 5.46 shall not apply to liquor bottles of unusual design as may, from time to time, be specifically excepted from these requirements by the Director pursuant to application filed with the Director by the bottler or importer, as the case may be.

(b) Section 5.47(a) shall not apply to cordials and liqueurs, and cocktails, highballs, bitters, and such other specialties as are specified by the Director.

Subpart F—Requirements for Withdrawal From Customs Custody of Bottled Imported Distilled Spirits

§ 5.51 Label approval and release.

Bottled distilled spirits shall not be released from customs custody for consumption unless the original (or photograph or other facsimile thereof) of a certificate of label approval, Form 1649, covering the labels on the bottle, issued by the Director pursuant to application on such form, shall have been deposited with the appropriate customs officer at the port of entry. Applications for cer-

¹ Copies of Form 1649 may be secured from the assistant regional commissioners.

tificates of approval covering labels for gin bearing the word "distilled" as a part of the designation shall be accompanied by a statement, prepared by the manufacturer, setting forth a step-by-step description of the manufacturing process.

§ 5.52 Certificates of age and origin.

(a) *Scotch, Irish, and Canadian whiskeys.* Scotch, Irish, and Canadian whiskeys, imported in bottles, shall not be released from customs custody for consumption unless the invoice is accompanied by a certificate of origin issued by a duly authorized official of the British, Irish, or Canadian Government, certifying (1) that the particular distilled spirits are Scotch, Irish, or Canadian whisky, as the case may be (2) that the distilled spirits have been manufactured in compliance with the laws of the respective foreign governments regulating the manufacture of whisky for home consumption, and (3) that the product conforms to the requirements of the Immature Spirits Act of such foreign governments for spirits intended for home consumption. In addition, a duly authorized official of the appropriate foreign government must certify to the age of the youngest distilled spirits in the bottle. The age certified shall be the period during which, after distillation and before bottling, the distilled spirits have been stored in oak containers.

(b) *Brandy, Cognac, and rum.* Brandy (other than fruit brandies of a type not customarily stored in oak containers) or Cognac, imported in bottles, shall not be released from customs custody for consumption unless accompanied by a certificate issued by a duly authorized official of the appropriate foreign country certifying that the age of the youngest brandy or Cognac in the bottle is not less than 2 years, or if age is stated on the label that none of the distilled spirits are of an age less than that stated. If the label of any rum, imported in bottles, contains any statement of age, the rum shall not be released from customs custody for consumption unless accompanied by a certificate issued by a duly authorized official of the appropriate foreign country, certifying to the age of the youngest rum in the bottle. The age certified shall be the period during which, after distillation and before bottling, the distilled spirits have been stored in oak containers. If the label of any fruit brandy, not stored in oak containers, bears any statement of storage in other type containers, the brandy must be accompanied by a certificate issued by a duly authorized official of the appropriate foreign government certifying to such storage. Cognac, imported in bottles, shall not be released from customs custody for consumption unless the invoice is accompanied by a certificate issued by a duly authorized official of the French Government, certifying that the product is grape brandy distilled in the Cognac region of France and entitled to be designated as "Cognac" by the laws and regulations of the French Government.

(c) *Tequila*. If the label of any Tequila, imported in bottles, contains any statement of age, the Tequila shall not be released from customs custody for consumption unless accompanied by a certificate issued by a duly authorized official of the appropriate foreign government certifying to the age of the youngest Tequila in the bottle. The age certified shall be the period during which, after distillation and before bottling, the Tequila has been stored in oak containers.

(d) *Other whiskies*. Whisky, as defined in §§ 5.22(b) (1), (4), (5), and (6), imported in bottles, shall not be released from customs custody for consumption unless accompanied by a certificate issued by a duly authorized official of the appropriate foreign government certifying:

(1) In the case of whisky, whether or not mixed or blended but containing no neutral spirits, (i) the class and type thereof, (ii) the American proof at which produced, (iii) that no neutral spirits (or other whisky in the case of straight whisky) has been added as a part thereof or included therein, whether or not for the purpose of replacing outage, (iv) the age of the whisky, and (v) the type of oak container in which such age was acquired (whether new or reused; also whether charred or uncharred);

(2) In the case of whisky containing neutral spirits, (i) the class and type thereof, (ii) the percentage of straight whisky, if any, used in the blend, (iii) the American proof at which the straight whisky was produced, (iv) the percentage of other whisky, if any, in the blend, (v) the percentage of neutral spirits in the blend, and the name of the commodity from which distilled, (vi) the age of the straight whisky and the age of the other whisky in the blend, and (vii) the type of oak containers in which such age or ages were acquired (whether new or reused; also whether charred or uncharred).

(e) *Miscellaneous*. Distilled spirits (other than Scotch, Irish, and Canadian whiskies, and Cognac) in bottles shall not be released from customs custody for consumption unless the invoice is accompanied by a certificate of origin issued by a duly authorized official of the appropriate foreign government, if the issuance of such certificates with respect to such distilled spirits has been authorized by the foreign government concerned, certifying as to the identity of the distilled spirits and that the distilled spirits have been manufactured in compliance with the laws of the respective foreign government regulating the manufacture of such distilled spirits for home consumption.

Subpart G—Requirements for Approval of Labels of Domestically Bottled Distilled Spirits

§ 5.55 Certificates of label approval.

(a) *Requirement*. Distilled spirits shall not be bottled or removed from a plant, except as provided in paragraph (b) of this section, unless the proprietor possesses a certificate of label approval, Form 1649, covering the labels on the bottle, issued by the Director pursuant

to application on such form. Applications for certificates of approval covering labels for imported gin bearing the word "distilled" as a part of the designation shall be accompanied by a statement, prepared by the manufacturer, setting forth a step-by-step description of the manufacturing process.

(b) *Exemption*. Any bottler of distilled spirits shall be exempt from the requirements of paragraph (a) of this section and § 5.56 if he possesses a certificate of exemption from label approval, Form 1650, issued by the Director pursuant to application on Form 1648* showing that the distilled spirits to be bottled are not to be sold, offered for sale, or shipped or delivered for shipment, or otherwise introduced in interstate or foreign commerce.

(c) *Miscellaneous*. Photoprints or other reproductions of certificates of label approval, or certificate of exemption are not acceptable as substitutes for an original or duplicate original (issued, on request, by the Director) of a certificate. The original or duplicate original of such certificates shall, on demand, be exhibited to a duly authorized officer of the U.S. Government.

§ 5.56 Certificates of age and origin.

Distilled spirits imported in bulk for bottling in the United States shall not be removed from the plant where bottled unless the bottler possesses certificates of age and certificates of origin applicable to such spirits which are similar to the certificates required by § 5.52 for like distilled spirits imported in bottles.

Subpart H—Advertising of Distilled Spirits

§ 5.61 Application.

No person engaged in business as a distiller, rectifier, importer, wholesaler, or warehouseman and bottler of distilled spirits, directly or indirectly, or through an affiliate, shall publish or disseminate or cause to be published or disseminated by radio broadcast, or in any newspaper, periodical, or other publication, or by any sign or outdoor advertisement, or any other printed or graphic matter, any advertisement of distilled spirits if such advertisement is in, or is calculated to induce sales in, interstate or foreign commerce, or is disseminated by mail, unless such advertisement is in conformity with §§ 5.61-5.65: *Provided*, That such sections shall not apply to the publisher of any newspaper, periodical or other publication, or radio broadcaster, unless such publisher or radio broadcaster is engaged in business as a distiller, rectifier, importer, wholesaler, or warehouseman and bottler of distilled spirits, directly or indirectly, or through an affiliate.

§ 5.62 Definition.

As used in §§ 5.61-5.65, the term "advertisement" includes any advertisement of distilled spirits through the medium of radio broadcast; or of newspapers,

* Copies of Form 1648 may be secured from the assistant regional commissioners.

periodicals, or other publications; or of any sign or outdoor advertisement; or of any other printed or graphic matter, including trade booklets, menus, and wine cards, if such advertisement is in, or is calculated to induce sales in, interstate or foreign commerce, or is disseminated by mail; except that such term shall not include:

(a) Any label affixed to any bottle of distilled spirits; or any individual covering, carton, or other container of the bottle, or any written, printed, graphic, or other matter accompanying the bottle, which constitutes a part of the labeling under §§ 5.31-5.42.

(b) Any editorial or other reading matter in any periodical, newspaper, or other publication for which no money or other valuable consideration is paid or promised, directly or indirectly, by any permittee.

§ 5.63 Mandatory statements.

(a) *Responsible advertiser*. The advertisement shall state the name and address of the permittee responsible for its publication or broadcast. Street number and name may be omitted in the address.

(b) *Class and type*. The advertisement shall contain a conspicuous statement of the class to which the product belongs and the type thereof corresponding with the statement of class and type which is required to appear on the label of the product.

(c) *Alcoholic content*. The alcoholic content shall be stated by proof for distilled spirits except that it may be stated in percentage by volume of cordials and liqueurs, cocktails, highballs, bitters, and such other specialties as may be specified by the Director.

(d) *Percentage of neutral spirits and name of commodity*. (1) In the case of distilled spirits (other than cordials, liqueurs, and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, there shall be stated the percentage of neutral spirits so used and the name of the commodity from which such neutral spirits have been distilled. The statement of percentage and the name of the commodity shall be made in substantially the following form: "-----% neutral spirits distilled from ----- (insert grain, cane products, or fruit, as appropriate)"; or "-----% neutral spirits (vodka) distilled from ----- (insert grain, cane product, or fruit, as appropriate)"; or "-----% grain (cane products), (fruit) neutral spirits"; or "-----% grain spirits".

(2) In the case of neutral spirits or gin produced by a process of continuous distillation, there shall be stated the name of the commodity from which such neutral spirits or gin has been distilled. The statement of the name of the commodity shall be made in substantially the following form: "Distilled from grain", or "Distilled from cane products", or "Distilled from fruit."

§ 5.64 Lettering.

Statements required under §§ 5.61-5.65 to appear in any written, printed, or graphic advertisement shall be in lettering or type of a size sufficient to render

them both conspicuous and readily legible.

§ 5.65 Prohibited statements.

(a) *Restrictions.* An advertisement of distilled spirits shall not contain:

(1) Any statement that is false or untrue in any particular or that, irrespective of falsity, directly or by ambiguity, omission, or inference, or by the addition of irrelevant, scientific, or technical matter, tends to create a misleading impression.

(2) Any statement that is disparaging of a competitor's product.

(3) Any statement, design, device, or representation which is obscene or indecent.

(4) Any statement, design, device, or representation of or relating to analyses, standards or tests, irrespective of falsity, which the Director finds to be likely to mislead the consumer.

(5) Any statement, design, device, or representation of or relating to any guaranty, irrespective of falsity, which the Director finds to be likely to mislead the consumer. Enforceable money-back guarantees are not prohibited.

(6) Any statement that the distilled spirits are distilled, blended, made, bottled, or sold under or in accordance with any municipal, State, Federal, or foreign authorization, law, or regulation, unless such statement appears in the manner authorized by § 5.42 for labels of distilled spirits. If a municipal, State or Federal permit number is stated, such permit number shall not be accompanied by any additional statement relating thereto.

(7) The words "bond", "bonded", "bottled in bond", "aged in bond", or phrases containing these or synonymous terms, unless such words or phrases appear, pursuant to § 5.42, on labels of the distilled spirits advertised, and are stated in the advertisement in the manner and form in which they are permitted to appear on the label.

(8) The word "pure" unless as part of the bona fide name of a permittee or retailer for whom the distilled spirits are bottled.

(9) The words "double distilled", "triple distilled", or any similar words.

(b) *Statements inconsistent with labeling.* The advertisement shall not contain any statement concerning a brand or lot of distilled spirits which is prohibited from appearing on the label or which is inconsistent with any statement on the label thereof.

(c) *Statement of age.* The advertisement shall not contain any statement, design, or device directly or by implication concerning age or maturity of any brand or lot of distilled spirits unless a statement of age appears on the label of the advertised product. When any such statement, design, or device concerning age or maturity is contained in any advertisement, it shall include (in direct conjunction therewith and with substantially equal conspicuousness) all parts of the statement, if any, con-

cerning age and percentages required to be made on the label under the provisions of §§ 5.31-5.42. An advertisement for any whisky or brandy (except immature brandies) which is not required to bear a statement of age on the label or an advertisement for any rum or Tequila, which has been aged for not less than 4 years may, however, contain inconspicuous, general representation as to age, maturity or other similar representations even though a specific age statement does not appear on the label of the advertised product and in the advertisement itself.

(d) *Curative and therapeutic effects.* The advertisement shall not contain any statement, design, or device representing that the use of any distilled spirits has curative or therapeutic effects, if such statement is untrue in any particular, or tends to create a misleading impression.

(e) *Place of origin.* The advertisement shall not represent that the distilled spirits were manufactured in or imported from a place or country other than that of their actual origin, or were produced or processed by one who was not in fact the actual producer or processor.

(f) *Confusion of brands.* Two or more different brands or lots of distilled spirits shall not be advertised in one advertisement (or in two or more advertisements in one issue of a periodical or newspaper, or in one piece of other written, printed, or graphic matter) if the advertisement tends to create the impression that representations made as to one brand or lot apply to the other or others, and if as to such latter the representations contravene any provisions of this subpart or are in any respect untrue.

(g) *Flags, seals, coats of arms, crests, and other insignia.* An advertisement shall not contain any statement, design, device, or pictorial representation which the Director finds relates to, or is capable of being construed as relating to the armed forces of the United States, or the American flag, or any emblem, seal, insignia, or decoration associated with such flag or armed forces; nor shall any advertisement contain any statement, design, device, or pictorial representation of or concerning any flag, seal, coat of arms, crest, or other insignia, likely to mislead the consumer to believe that the product has been endorsed, made, or used by, or produced for, or under the supervision of, or in accordance with the specifications of the government, organization, family, or individual with whom such flag, seal, coat of arms, crest, or insignia is associated.

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

[SEAL] WILLIAM H. SMITH,
Acting Commissioner
of Internal Revenue.

Approved: December 22, 1969.

EDWIN S. COHEN,
Assistant Secretary
of the Treasury.

[F.R. Doc. 69-15351; Filed, Dec. 29, 1969;
8:45 a.m.]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 14—Department of the Interior

PART 14-7—CONTRACT CLAUSES

Fixed Price Supply Contracts; Protests

Pursuant to the authority of the Secretary of the Interior, contained in 5 U.S.C. 301, Part 14-7 of Chapter 14, Title 41 of the Code of Federal Regulations is hereby approved as set forth below.

It is the general policy of the Department of the Interior to allow time for interested parties to take part in the public rulemaking process. However, because this part is largely a general statement of Departmental policy and internal procedure the rulemaking process will be waived and this part will become effective upon publication in the FEDERAL REGISTER.

GEORGE E. ROBINSON,
Deputy Assistant,
Secretary of the Interior.

DECEMBER 16, 1969.

This section is effective upon publication in the FEDERAL REGISTER.

The table of contents for Part 14-7 is amended to add the following new entry:

Subpart 14-7.1—Fixed Price Supply Contracts
Sec.
14-7.154 Protests.

Subpart 14-7.1—Fixed Price Supply Contracts

§ 14-7.154 Protests.

The clause set forth in § 14-7.602-50(3) may in the discretion of the contracting officer be used in fixed-price supply contracts (other than for small purchases as defined in Subpart 1-3.6, FPR).

(Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c))

[F.R. Doc. 69-15368; Filed, Dec. 29, 1969;
8:45 a.m.]

PART 14-7—CONTRACT CLAUSES

Fixed Price Construction Contracts; Protests

Pursuant to the authority of the Secretary of the Interior, contained in 5 U.S.C. 301, Part 14-7 of Chapter 14, Title 41 of the Code of Federal Regulations is hereby revised as set forth below.

It is the general policy of the Department of the Interior to allow time for interested parties to take part in the public rule-making process. However, because this part is largely a general statement of departmental policy and internal procedure the rule-making process will be

waived and this part will become effective upon publication in the **FEDERAL REGISTER**.

GEORGE E. ROBINSON,
*Deputy Assistant
Secretary of the Interior.*

DECEMBER 16, 1969.

Subpart 14-7.6—Fixed Price

Construction Contracts

§ 14-7.602-50(3) Protests.

The following clause may be used in fixed-price construction contracts using Standard Forms 23: Construction Contract, and 23A: General Provisions (Construction Contract). See § 14-7.154.

If the contractor disagrees with any direction, instruction, interpretation, or determination of the contracting officer, his authorized representative, or an inspector, he shall immediately ask, in writing, for a written decision from the contracting officer or his authorized representative. Upon receipt of the decision the contractor shall proceed without delay to comply therewith. Directions, instructions, interpretations, or determinations of the contracting officer or his authorized representative relating to drawings, samples, and literature shall be subject to the provisions of this clause.

The above replaces material formerly published at 34 F.R. 198, January 7, 1969.

[F.R. Doc. 69-15369; Filed, Dec. 29, 1969;
8:45 a.m.]

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 980]

ONION IMPORTS

Notice of Proposed Rule Making

Notice is hereby given of a proposed amendment of § 980.108 Onion import regulation (34 F.R. 13320), applicable to the importation of onions into the United States to become effective March 15, 1970, under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

Under section 8e-1 of the act (7 U.S.C. 608e-1), whenever two or more marketing orders are concurrently in effect regulating the same agricultural commodity produced in different areas of the United States, the importation of such commodity shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of the order which, as determined by the Secretary of Agriculture, regulates the commodity produced in the area with which the imported commodity is in most direct competition.

Onion import regulation § 980.108 (34 F.R. 13320), became effective August 18, 1969, and set forth the applicable grade, size, quality, and maturity requirements for onions handled under Marketing Order No. 958, as amended (7 CFR Part 958) regulating the shipments of onions grown in designated counties in Idaho and Eastern Oregon. On March 15, 1970 (34 F.R. 19290), grade, size, quality, and maturity requirements become effective for the period March 15 through May 31, 1970, under Marketing Order No. 959, as amended (7 CFR Part 959; 34 F.R. 6439), regulating the handling of onions grown in South Texas.

Consideration will be given to any written data, views, or arguments pertaining to the proposed amendment which are filed in quadruplicate with the Hearing Clerk, Room 112-A, U.S. Department of Agriculture, Washington, D.C. 20250, not later than February 1, 1970. 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 proposed amendment is as follows:

In § 980.108 *Onion import regulation* (34 F.R. 13320), delete the introductory paragraph and paragraphs (a) and (h) and substitute the following new introductory paragraph and new paragraphs (a), (h) and (i), with paragraph (b) republished for information.

§ 980.108 Onion import regulation.

Pursuant to section 608e-1 of the Act (7 U.S.C. 608e-1) and except as otherwise provided herein, during the period beginning March 15, 1970, and continuing

through May 31, 1970, the importation of onions is prohibited unless such onions are inspected and meet the requirements of this section.

(a) *Minimum grade and size requirements.*—(1) *Grade.* Not to exceed 20 percent defects of U.S. No. 1 grade. In percentage grade lots, tolerances for serious damage shall not exceed 10 percent including not more than 2 percent decay. Double the lot tolerance shall be permitted in individual packages in percentage grade lots. Applications of tolerances in U.S. Grade Standards shall apply to in-grade lots.

(2) *Size.* White onions—1 inch minimum diameter; all other varieties of onions—1½ inches minimum diameter.

(b) *Condition.* Due consideration shall be given to the time required for transportation and entry of onions into the United States. Onions with transit time from country of origin to entry into the United States, of 10 or more days may be entered if they meet an average tolerance for decay of not more than 5 percent, provided they also meet the requirements of this section.

(h) It is hereby determined that imports of onions, during the effective time of this section, are in most direct competition with onions grown in South Texas. The requirements set forth in this section are the same as those applicable to grade, size, quality and maturity effective for onions grown in South Texas.

(i) *Definitions.* For the purpose of this section, "Onions" means all (except red) varieties of *Allium cepa* marketed dry, except dehydrated, canned and frozen onions, onion sets, green onions, and pickling onions. Onions commonly referred to as "braided", that is, with tops, may be imported if they meet the grade and size requirements except for top length. The term "U.S. No. 1" shall have the same meaning as set forth in the U.S. Standards for Grades of Bermuda-Granex-Grano Type Onions (§§ 51.3195-51.3209 of this title), U.S. Standards for Grades of Creole Onions (§§ 51.3955-51.3970 of this title) or in the U.S. Standards for Grades of Onions Other than Bermuda-Granex-Grano and Creole Types (§§ 51.2830-51.2854 of this title), whichever is applicable to the particular variety. Tolerances for size shall be those in the applicable U.S. Standards. The requirements of Canada No. 1 grade are deemed comparable to the requirements of U.S. No. 1 grade. "Importation" means release from custody of the U.S. Bureau of Customs.

Dated: December 23, 1969.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable
Division, Consumer and Mar-
keting Service.

[F.R. Doc. 69-15392; Filed, Dec. 29, 1969;
8:46 a.m.]

[7 CFR Parts 1007, 1103]

[Dockets Nos. AO 306-A2 and AO 346-A6-RO1]

MILK IN THE GEORGIA AND MISSISSIPPI MARKETING AREAS

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

Notice is hereby given of a public hearing to be held at the Holiday Inn-Downtown, the Fountain Room, 175 Piedmont Avenue NE., Atlanta, Ga., beginning at 9:30 a.m., e.s.t., January 13, 1970, with respect to proposed amendments to the tentative marketing agreements and to the orders, regulating the handling of milk in the Georgia and Mississippi marketing areas.

The hearing is called pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900).

The purpose of the hearing is to receive evidence with respect to the economic and marketing conditions which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreements and to the orders.

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

PROPOSAL TO AMEND THE GEORGIA ORDER

Proposed by the Georgia Association of Dairy Cooperatives, Inc., Georgia Milk Producers, Inc., Northeast Florida Milk Producers Association, Georgia Milk Producers Cooperative Association, Inc., and Dairymen, Inc.

Proposal No. 1. Sections 1007.7, 1007.8, 1007.9, and 1007.10 are revised to read as follows:

§ 1007.7 Fluid milk product.

"Fluid milk product" means milk, skim milk, buttermilk, filled milk, flavored milk, flavored milk drinks, concentrated milk, cream and mixtures of cream, and milk or skim milk.

§ 1007.8 Distributing plant.

"Distributing plant" means a plant in which milk approved by a duly constituted health authority for fluid consumption or filled milk is processed or packaged and which has route disposition in the marketing area during the month.

§ 1007.9 Supply plant.

"Supply plant" means a plant from which a fluid milk product acceptable to a duly constituted health authority for fluid consumption or filled milk is shipped during the month to a pool plant.

§ 1007.10 Pool plant.

"Pool plant" means a plant specified in paragraph (a) or (b) of this section that is neither an other order plant, a producer-handler plant, nor an exempt distributing plant.

(a) A distributing plant that has route disposition, except filled milk, during the month of not less than 50 percent of the fluid milk products, except filled milk, approved by a duly constituted health authority for fluid consumption that are physically received at such plant or diverted as producer milk to a nonpool plant pursuant to § 1007.16 and that has route disposition, except filled milk, in the marketing area during the month of not less than 15 percent of its total Class I disposition, except filled milk, during the month.

(b) A supply plant from which not less than 50 percent of the total quantity of milk approved by a duly constituted health authority for fluid consumption that is physically received from dairy farmers at such plant or diverted as producer milk to a nonpool plant pursuant to § 1007.16 during the month is shipped as fluid milk products, except filled milk, to pool plants pursuant to paragraph (a) of this section. A plant that was a pool plant pursuant to this paragraph in each of the immediately preceding months of August through February shall be a pool plant for the months of March through July unless the milk received at the plant does not continue to meet the requirements of a duly constituted health authority or a written application is filed by the plant operator with the market administrator on or before the first day of any such month requesting that the plant be designated as a nonpool plant for such month and each subsequent month through July during which it would not otherwise qualify as a pool plant.

Proposal No. 2. The introductory text and paragraph (a) of § 1007.11 are revised to read as follows:

§ 1007.11 Nonpool plant.

"Nonpool plant" means a plant (except a pool plant) which receives milk from dairy farmers or is a milk or filled milk manufacturing, processing or bottling plant. The following categories of nonpool plants are further defined as follows:

(a) "Other order plant" means a plant that is fully subject to the pricing and pooling provisions of another order issued pursuant to the Act, unless such plant is qualified as a pool plant pursuant to § 1007.10 and a greater volume of fluid milk products, except filled milk, is disposed of from such plant in this marketing area as route disposition and to pool plants qualified on the basis of route disposition in this marketing area than is disposed of from such plant in the marketing area regulated pursuant to the other order as route disposition and to plants qualified as fully regulated plants under such other order on the basis of route dispositions in its marketing area.

Proposal No. 3. A new § 1007.24, filled milk, is added to read as follows:

§ 1007.24 Filled milk.

"Filled milk" means any combination of nonmilk fat (or oil) with skim milk (whether fresh, cultured, reconstituted or modified by the addition of nonfat milk solids), with or without milkfat, so that the product (including stabilizers, emulsifiers or flavoring) resembles milk or any other fluid milk product, and contains less than 6 percent nonmilk fat (or oil).

Proposal No. 4. The introductory text of § 1007.30 and paragraph (b) of this section are revised to read as follows:

§ 1007.30 Reports of receipts and utilization.

On or before the seventh day after the end of each month, each handler (except a handler pursuant to § 1007.13 (e) or (f)) shall report to the market administrator for such month with respect to each plant at which milk is received or at which filled milk is processed or packaged, reporting in detail and on forms prescribed by the market administrator:

(b) The utilization of all skim milk and butterfat required to be reported pursuant to this section, including a separate statement showing:

(1) The respective amounts of skim milk and butterfat in route disposition in the marketing area, showing separately the in-area route disposition of filled milk; and

(2) For a handler pursuant to § 1007.13 (b), the amount of reconstituted skim milk in route disposition in the marketing area; and

Proposal No. 5. In § 1007.33, paragraphs (b) and (c) are revised to read as follows:

§ 1007.33 Records and facilities.

(b) The weights and butterfat and other content of all milk and milk products (including filled milk) handled during the month;

(c) The pounds of skim milk and butterfat contained in or represented by all milk products (including filled milk) in inventory at the beginning and end of the month; and

Proposal No. 6. In § 1007.41 paragraph (b) is revised to read as follows:

§ 1007.41 Classes of utilization.

(b) *Class II milk.* Class II milk shall be:

(1) Skim milk and butterfat used to produce frozen desserts (e.g., ice cream, ice cream mix), sour cream, sour cream products (e.g., dips), eggnog, yogurt, aerated cream products, butter, cheese (including cottage cheese), evaporated and condensed milk (plain or sweetened), nonfat dry milk, dry whole milk, dry whey, condensed or dry buttermilk,

custards and puddings, and sterilized products in hermetically sealed glass or metal containers;

(2) Skim milk and butterfat in fluid milk products delivered in bulk form to and used at a commercial food processing establishment (other than a milk or filled milk plant) in the manufacture of bakery products, candy, or packaged food products (other than milk products and filled milk) for consumption off the premises;

(3) Skim milk and butterfat in fluid milk products disposed of by a handler for livestock feed;

(4) Skim milk and butterfat in fluid milk products dumped by a handler after notification to, and opportunity for verification by, the market administrator;

(5) Skim milk and butterfat in inventory of bulk fluid milk products at the end of the month;

(6) Skim milk represented by the nonfat solids added to a fluid milk product which is in excess of an equivalent volume of such product prior to the addition;

(7) Skim milk and butterfat, respectively, in shrinkage at each pool plant but not in excess of:

(i) Two percent of producer milk (except that received from a handler pursuant to § 1007.13 (d));

(ii) Plus 1.5 percent of producer milk received from a handler pursuant to § 1007.13 (d): *Provided*, That if the handler receiving such milk files notice with the market administrator that he is purchasing such milk on the basis of farm weights, the applicable percentage pursuant to this subdivision shall be 2 percent;

(iii) Plus 1.5 percent of bulk fluid milk products (except cream) received from other pool plants;

(iv) Plus 1.5 percent of bulk fluid milk products received from other order plants exclusive of the quantity for which Class II utilization was requested by the operators of both plants;

(v) Plus 1.5 percent of bulk fluid milk products received from unregulated supply plants exclusive of the quantity for which Class II utilization is requested by the handler; and

(vi) Less 1.5 percent of bulk fluid milk products (except cream) transferred or diverted to other plants; and

(8) Skim milk and butterfat in shrinkage of other source milk assigned pursuant to § 1007.42 (b) (2).

Proposal No. 7. In paragraph (a) of § 1007.45, subparagraphs (1), (2), (3), (5), (6), and (9), and the introductory text of subparagraph (10) are revised to read as follows:

§ 1007.45 Allocation of skim milk and butterfat classified.

(a) (1) Subtract from the total pounds of skim milk in Class II the pounds of skim milk classified as Class II pursuant to § 1007.41 (b) (7);

(2) Subtract from the total pounds of skim milk in Class I the pounds of skim milk in packaged fluid milk products, except filled milk made from reconstituted

skim milk, received from an unregulated supply plant or the pounds of skim milk classified as Class I milk and transferred or diverted during the month to such plant, whichever is less;

(3) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk in fluid milk products received in packaged form from other order plants, except that to be subtracted pursuant to subparagraph (5) (vi) of this paragraph, as follows:

(i) From Class II milk, the lesser of the pounds remaining or the quantity associated with such receipts and classified as Class II pursuant to § 1007.41(b) (6) plus 2 percent of the remainder of such receipts; and

(ii) From Class I milk, the remainder of such receipts;

(5) Subtract in the order specified below from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk in each of the following:

(i) Other source milk in a form other than that of a fluid milk product;

(ii) Receipts of fluid milk products (except filled milk) for which appropriate health approval is not established, and receipts of fluid milk products from unidentified sources;

(iii) Receipts of fluid milk products from a producer-handler, as defined under this or any other Federal order;

(iv) Receipts of fluid milk products from an exempt distributing plant;

(v) Receipts of reconstituted skim milk in filled milk from unregulated supply plants; and

(vi) Receipts of reconstituted skim milk in filled milk from other order plants which are regulated under an order providing for individual-handler pooling to the extent that reconstituted skim milk is allocated to Class I at the transferor plant;

(6) Subtract, in the order specified below, from the pounds of skim milk remaining in Class II but not in excess of such quantity:

(i) Receipts of fluid milk products from unregulated supply plants, excluding a quantity equal to the pounds of skim milk subtracted pursuant to subparagraphs (2) and (5)(v) of this paragraph;

(a) For which the handler requests Class II utilization; or

(b) Which are in excess of the pounds of skim milk determined by subtracting from 125 percent of the pounds of skim milk remaining in Class I milk, the sum of the pounds of skim milk in producer milk, in receipts of fluid milk products from pool plants of other handlers, and in receipts of fluid milk products in bulk from other order plants that were not subtracted pursuant to subparagraph (5)(vi) of this paragraph; and

(ii) Receipts of fluid milk products in bulk from an other order plant that were not subtracted pursuant to subparagraph (5)(vi) of this paragraph, in excess of similar transfers to such plant, if Class II utilization was requested by the operator of such plant and the handler;

(9) Subtract from the pounds of skim milk remaining in each class, pro rata to such quantities, the pounds of skim milk in receipts of fluid milk products from unregulated supply plants, excluding a quantity equal to the pounds of skim milk subtracted pursuant to subparagraphs (2), (5)(v), and (6)(i) of this paragraph;

(10) Subtract from the pounds of skim milk remaining in each class, in the following order, the pounds of skim milk in receipts of fluid milk products in bulk from other order plants, in excess in each case of similar transfers to the same plant, that were not subtracted pursuant to subparagraphs (5)(vi) and (6)(ii) of this paragraph:

Proposal No. 8. In § 1007.60 paragraphs (e) and (f) are revised to read as follows:

§ 1007.60 Computation of the net pool obligation of each handler.

(e) Add an amount equal to the difference between the Class I and Class II price values at the pool plant of the skim milk and butterfat subtracted from Class I pursuant to § 1007.45(a) (5) and the corresponding step of § 1007.45(b), except that for receipts of fluid milk products assigned to Class I pursuant to § 1007.45(a) (5) (iv) and (v) and the corresponding step of § 1007.45(b) the Class I price shall be adjusted to the location of the transferor plant; and

(f) Add the value at the Class I price adjusted for location of the nearest nonpool plant(s), from which an equivalent volume was received, of the skim milk and butterfat subtracted from Class I pursuant to § 1007.45(a) (9) and the corresponding step of § 1007.45(b), but in no event shall such adjustment result in a Class I price lower than the Class II price.

Proposal No. 9. In § 1007.62 subparagraph (1) of paragraph (a) and paragraph (b) are revised to read as follows:

§ 1007.62 Obligation of handler operating a partially regulated distributing plant.

(1) The obligation that would have been computed pursuant to § 1007.60 at such plant shall be determined as though such plant were a pool plant. For purposes of such computation, receipts at such nonpool plant from a pool plant or an other order plant shall be assigned to the utilization at which classified at the pool plant or other order plant and transfers from such nonpool plant to a pool plant or an other order plant shall be classified as Class II milk if allocated to such class at the pool plant or other order plant and be valued at the uniform price of the respective order if so allocated to Class I milk, except that reconstituted skim milk in filled milk shall be valued at the Class II price. There shall be included in the obligation so computed a charge in the amount specified in § 1007.60(f) and a credit in the amount specified in § 1007.74(b) (2) with

respect to receipts from an unregulated supply plant, except that the credit for receipts of reconstituted skim milk in filled milk shall be at the Class II price, unless an obligation with respect to such plant is computed as specified below in this subparagraph. If the operator of the partially regulated distributing plant so requests, and provides with his report pursuant to § 1007.30 a similar report for each nonpool plant which serves as a supply plant for such partially regulated distributing plant by shipments to such plant during the month equivalent to the requirements of § 1007.10(b), with agreement of the operator of such plant that the market administrator may examine the books and records of such plant for purposes of verification of such reports, there will be added the amount of the obligation computed at such nonpool supply plant in the same manner and subject to the same conditions as for the partially regulated distributing plant.

(b) An amount computed as follows:

(1) Determine the respective amounts of skim milk and butterfat disposed of as Class I milk in the marketing area on routes;

(2) Deduct (except that deducted under a similar provision of another order issued pursuant to the Act) the respective amounts of skim milk and butterfat received as Class I milk at the partially regulated distributing plant from pool plants and other order plants;

(3) Deduct the quantity of reconstituted skim milk in fluid milk products disposed of as route disposition in the marketing area;

(4) Combine the amounts of skim milk and butterfat remaining into one total and determine the weighted average butterfat content; and

(5) From the value of such milk at the Class I price applicable at the location of the nonpool plant, subtract its value at the uniform price applicable at such location or at the Class II price, whichever is higher, and add for the quantity of reconstituted skim milk specified in subparagraph (3) of this paragraph its value computed at the Class I price applicable at the location of the nonpool plant less the value of such skim milk at the Class II price.

Proposal No. 10. A new § 1007.63 is added to read as follows:

§ 1007.63 Obligation of handler operating an other order plant.

Each handler who operates an other order plant that is regulated under an order providing for individual-handler pooling shall pay to the market administrator for the producer-settlement fund, on or before the 25th day after the end of the month, an amount computed as follows:

(a) Determine the quantity of reconstituted skim milk in filled milk disposed of as route disposition in the marketing area which was allocated to Class I at such other order plant. If reconstituted skim milk in filled milk is disposed of from such plant as route disposition in marketing areas regulated by two or

more market pool orders, the reconstituted skim milk assigned to Class I shall be prorated according to the route disposition in each marketing area; and

(b) Compute the value of the quantity of reconstituted skim milk assigned in paragraph (a) of this section to route disposition in this marketing area, at the Class I price under this part applicable at the location of the other order plant and subtract its value at the Class II price.

Proposal No. 11. Section 1007.73 is revised to read as follows:

§ 1007.73 Producer-settlement fund.

The market administrator shall maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments into such fund pursuant to §§ 1007.62, 1007.63, and 1007.74 and out of which he shall make all payments from such fund pursuant to § 1007.75: *Provided*, That the market administrator shall offset the payment due to a handler against payments due from such handler.

Proposal No. 12. In § 1007.80, paragraphs (a) and (d) are revised to read as follows:

§ 1007.80 Termination of obligations.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate 2 years after the last day of the month during which the market administrator receives the handler's utilization report on the skim milk and butterfat involved in such obligation, unless within such 2-year period, the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation;

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

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

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate 2 years after the end of the month during which the skim milk and butterfat involved in the claims were received if an underpayment is claimed, or 2 years after the end of the month during which the payment (including deduction or setoff by the market administrator) was made by the handler, if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant

to section 8c(15) (A) of the Act, a petition claiming such money.

PROPOSALS TO AMEND THE MISSISSIPPI ORDER

Proposed by Dairymen, Inc.:
Proposal No. 13. Section 1103.8 is revised to read as follows:

§ 1103.8 Plant.

"Plant" means the land and buildings together with their surroundings, facilities and equipment whether owned or operated by one or more persons, constituting a single operating unit or establishment at which milk or milk products (including filled milk) are received and/or processed or packaged: *Provided*, That a separate establishment or facility used only for the purpose of transferring bulk milk from one tank truck to another tank truck, or only as a distributing depot for fluid milk products in transit for route disposition shall not be a plant under this definition.

Proposal No. 14. In § 1103.11, paragraphs (a) and (b) are revised to read as follows:

§ 1103.11 Pool plant.

(a) A distributing plant, other than that of a producer-handler or one described in § 1103.61, from which during the month route disposition of fluid milk products, except filled milk, is not less than 50 percent of its total receipts of Grade A milk and the volume so disposed of in the marketing area is at least 20 percent of the total route disposition of fluid milk products, except filled milk;

(b) A supply plant from which a volume of fluid milk products, except filled milk, not less than 50 percent of the Grade A milk received at such plant from dairy farmers is transferred during the month to a distributing plant(s) from which a volume of Class I milk, except filled milk, not less than 50 percent of its receipts of Grade A milk from dairy farmers and from other plants is disposed of as route disposition during the month and the volume so disposed of in the marketing area is at least 20 percent of its total Class I route disposition (not including filled milk): *Provided*, That any plant which was a pool plant pursuant to this paragraph in each of the months of September through January shall be a pool plant in each of the following months of February through August in which it does not meet the shipping requirements unless written request is filed with the market administrator prior to the beginning of any such month for nonpool status for the remaining months through August; and

Proposal No. 15. Section 1103.12 is revised to read as follows:

§ 1103.12 Nonpool plant.

"Nonpool plant" means any milk or filled milk receiving, manufacturing or processing plant other than a pool plant. The following categories of nonpool plants are further defined as follows:

(a) "Other order plant" means a plant that is fully subject to the pricing and

pooling provisions of another order issued pursuant to the Act.

(b) "Producer-handler plant" means a plant operated by a producer-handler as defined in any order (including this part) issued pursuant to the Act.

(c) "Partially regulated distributing plant" means a nonpool plant that is neither an other order plant nor a producer-handler plant, from which fluid milk products in consumer-type packages or dispenser units are disposed of as route disposition in the marketing area during the month.

(d) "Unregulated supply plant" means a nonpool plant from which fluid milk products are moved to a pool plant during the month, but which is neither an other order plant nor a producer-handler plant.

Proposal No. 16. Section 1103.14 is revised to read as follows:

§ 1103.14 Producer-handler.

"Producer-handler" means any person who operates a dairy farm and a distributing plant which, during the month, received no other source milk (except own production), producer milk, or fluid milk products from a pool plant: *Provided*, That such person establishes that the maintenance, care and management of all resources necessary to produce the entire volume of fluid milk products handled and all facilities necessary for operations as a handler are each the personal enterprise and risk of such person.

Proposal No. 17. Section 1103.18 is revised to read as follows:

§ 1103.18 Fluid milk product.

"Fluid milk product" means all the skim milk (including reconstituted skim milk and concentrated skim milk, other than bulk condensed) and butterfat in the form of milk, skim milk, buttermilk, flavored milk, flavored milk drinks, filled milk, eggnog, yogurt, cream (sweet or sour) and any mixture in fluid form of cream and skim milk or milk (except aerated cream, frozen storage cream, ice cream, ice cream mixes, frozen ice milk, ice milk mixes, frozen dessert and mixes, sterilized products contained in hermetically sealed cans, and any product which contains 6 percent or more nonmilk fat (or oil)): *Provided*, That when any such milk product is fortified with nonfat milk solids the amount of skim milk to be included within this definition shall be only that amount equal to the weight of skim milk in an equal volume of an unfortified product of the same nature and butterfat content.

Proposal No. 18. A new § 1103.19a is added to read as follows:

§ 1103.19a Filled milk.

"Filled milk" means any combination of nonmilk fat (or oil) with skim milk (whether fresh, cultured, reconstituted or modified by the addition of nonfat milk solids), with or without milkfat, so that the product (including stabilizers, emulsifiers or flavoring) resembles milk or any other fluid milk product; and contains less than 6 percent of nonmilk fat (or oil).

Proposal No. 19. In § 1103.30, subparagraph (2) of paragraph (a) and paragraph (b) are revised to read as follows:

§ 1103.30 Reports of receipts and utilization.

(a) * * *

(2) Utilization of all skim milk and butterfat required to be reported pursuant to this section including a statement of the route of disposition of fluid milk products outside the marketing area and a statement showing separately in-area and outside area route disposition of filled milk;

(b) Each handler specified in § 1103.13 (b) who operates a partially regulated distributing plant shall report as required in paragraph (a) of this section, except that receipts of Grade A milk from dairy farmers shall be reported in lieu of those in producer milk; such report shall include a separate statement showing Class I disposition on routes in the marketing area of each of the following: skim milk and butterfat, respectively in fluid milk products and the quantity thereof which is reconstituted skim milk;

Proposal No. 20. In § 1103.33, paragraphs (b) and (c) are revised to read as follows:

§ 1103.33 Records and facilities.

(b) The weights and tests for butterfat and other content of all milk and milk products (including filled milk) handled;

(c) The pounds of skim milk and butterfat contained in or represented by all milk and milk products (including filled milk) on hand at the beginning and end of each month; and

Proposal No. 21. In § 1103.44, subparagraph (5) of paragraph (d) is revised to read as follows:

§ 1103.44 Transfers.

(d) * * *

(5) For purposes of this paragraph, if the transferee order provides for more than two classes of utilization, skim milk and butterfat allocated to a class consisting primarily of fluid milk products shall be classified as Class I, and skim milk and butterfat allocated to other classes shall be classified as Class II; and

Proposal No. 22. In § 1103.46, subparagraphs (2), (2-a), (3), (4), (5), (6), (7), and the introductory text of subparagraph (8) preceding subdivision (i) of paragraph (a) are revised to read as follows:

§ 1103.46 Allocation of skim milk and butterfat classification.

(a) * * *

(2) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk in fluid milk products received in packaged form from other order plants, except that to be sub-

tracted pursuant to subparagraph (3) (v) of this paragraph, as follows:

(i) From Class II milk, the lesser of the pounds remaining or 2 percent of such receipts; and

(ii) From Class I milk, the remainder of such receipts;

(2-a) Subtract from the remaining pounds of skim milk in Class I milk, the pounds of skim milk in inventory of fluid milk products in packaged form on hand at the beginning of the month;

(3) Subtract in the order specified below from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk in each of the following:

(i) Other source milk in a form other than that of a fluid milk product;

(ii) Receipts of fluid milk products (except filled milk) for which Grade A certification is not established, and receipts of fluid milk products from unidentified sources;

(iii) Receipts of fluid milk products from a producer-handler, as defined under this or any other Federal order;

(iv) Receipts of reconstituted skim milk in filled milk from unregulated supply plants; and

(v) Receipts of reconstituted skim milk in filled milk from other order plants which are regulated under an order providing for individual handler pooling, to the extent that reconstituted skim milk is allocated to Class I at the transferor plant;

(4) Subtract, in the order specified below, from the pounds of skim milk remaining in Class II:

(i) The pounds of skim milk in receipts of fluid milk products from unregulated supply plants, that were not subtracted pursuant to subparagraph (3) (iv) of this paragraph, for which the handler requests Class II utilization, but not in excess of the pounds of skim milk remaining in Class II;

(ii) The pounds of skim milk remaining in receipts of fluid milk products from unregulated supply plants, that were not subtracted pursuant to subparagraph (3) (iv) of this paragraph, which are in excess of the pounds of skim milk determined as follows:

(a) Multiply the pounds of skim milk remaining in Class I milk (exclusive of Class I transfers between pool plants of the same handler) at all pool plants of the handler by 1.25;

(b) Subtract from the result the sum of the pounds of skim milk at all such plants in producer milk, in receipts from other pool handlers and in receipts in bulk from other order plants, that were not subtracted pursuant to subparagraph (3) (v) of this paragraph; and

(c) (1) Multiply any resulting plus quantity by the percentage that receipts of skim milk in fluid milk products from unregulated supply plants remaining at this plant is of all such receipts remaining at all pool plants of such handler, after any deductions pursuant to subdivision (i) of this subparagraph.

(2) Should such computation result in a quantity to be subtracted from Class II which is in excess of the pounds of skim milk remaining in Class II, the

pounds of skim milk in Class II shall be increased to the quantity to be subtracted and the pounds of skim milk in Class I shall be decreased a like amount. In such case the utilization of skim milk at other pool plant(s) of such handler shall be adjusted in the reverse direction by an identical amount in sequence beginning with the nearest other pool plant of such handler at which such adjustment can be made;

(iii) The pounds of skim milk in receipts of fluid milk products in bulk from an other order plant, that were not subtracted pursuant to subparagraph (3) (v) of this paragraph, in excess of similar transfers to such plant, but not in excess of the pounds of skim milk remaining in Class II milk, if Class II utilization was requested by the operator of such plant and the handler; and

(iv) The pounds of skim milk in receipts of milk by diversion from an other order plant for which Class II utilization was requested by the receiving handler and by the diverting handler under the other order, but not in excess of the pounds of skim milk remaining in Class II milk;

(5) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk in inventory of bulk fluid milk products on hand at the beginning of the month;

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

(7) (i) Subtract from the pounds of skim milk remaining in each class, pro rata to the total pounds of skim milk remaining in each class in all pool plants of the receiving handler, the pounds of skim milk in receipts of fluid milk products from unregulated supply plants that were not subtracted pursuant to subparagraphs (3) (iv) or (4) (i) or (ii) of this paragraph;

(ii) Should such proration result in the amount to be subtracted from any class exceeding the pounds of skim milk remaining in such class in the pool plant at which such skim milk was received, the pounds of skim milk in such class shall be increased to the amount to be subtracted and the pounds of skim milk in the other class shall be decreased a like amount. In such case the utilization of skim milk at other pool plant(s) of such handler shall be adjusted in the reverse direction by an identical amount in sequence beginning with the nearest other pool plant of such handler at which such adjustment can be made;

(8) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk in receipts of fluid milk products in bulk from an other order plant, in excess in each case of similar transfers to the same plant, that were not subtracted pursuant to subparagraphs (3) (v) or (4) (iii) of this paragraph pursuant to the following procedure:

Proposal No. 23. Section 1103.61 is revised to read as follows:

§ 1103.61 Plants subject to other Federal orders.

In the case of a handler in his capacity as the operator of a plant specified in paragraphs (a), (b), and (c) of this section the provisions of this part shall not apply except as specified in paragraphs (d) and (e):

(a) A plant meeting the requirements of § 1103.11(a) which also meets the pooling requirements of another Federal order, and from which the Secretary determines a greater quantity of Class I milk, except filled milk, is disposed of during the month as route dispositions in such other Federal order marketing area than is disposed of as route dispositions in this marketing area; except that if such plant was subject to all the provisions of this part in the immediately preceding month, it shall continue to be subject to all the provisions of this part until the third consecutive month in which a greater proportion of such Class I disposition is made in such other marketing area unless, notwithstanding the provisions of this paragraph, it is regulated under such other order;

(b) A plant meeting the requirements of § 1103.11(a) which also meets the pooling requirements of another Federal order on the basis of distribution in such other marketing area and from which, the Secretary determines a greater quantity of Class I milk, except filled milk, is disposed of during the month as route dispositions in this marketing area than is so disposed of in such other marketing area but which plant is nevertheless, fully regulated under such other Federal order; and

(c) A plant meeting the requirements of § 1103.11(b) which also meets the pooling requirements of another Federal order and from which greater qualifying shipments are made during the month to plants regulated under such other order than are made to plants regulated under this part except during the months of February through August if such plant retains automatic pooling status under this part.

(d) Each handler operating a plant described in paragraph (a), (b), or (c) of this section shall, with respect to total receipts and utilization or disposition of skim milk and butterfat at such plant, report to the market administrator at such time and in such manner as the market administrator may require (in lieu of reports pursuant to §§ 1103.30 and 1103.31) and allow verification of such reports by the market administrator.

(e) Each handler operating a plant specified in paragraph (a) or (b) of this section, if such plant is subject to the classification and pricing provisions of another order which provides for individual handler pooling, shall pay to the market administrator for the producer-settlement fund on or before the 25th day after the end of the month an amount computed as follows:

(1) Determine the quantity of reconstituted skim milk in filled milk disposed of on routes in the marketing area which was allocated to Class I at such other order plant. If reconstituted skim milk in filled milk is disposed of from such

plant on routes in marketing areas regulated by two or more market pool orders, the reconstituted skim milk assigned to Class I shall be prorated according to such disposition in each area; and

(2) Compute the value of the quantity assigned in subparagraph (1) of this paragraph to Class I disposition in this area, at the Class I price under this part applicable at the location of the other order and subtract its value at the Class II price.

Proposal No. 24. In § 1103.62, paragraphs (a) (1) (i) and (b) are revised to read as follows:

§ 1103.62 Obligations of handler operating a partially regulated distributing plant.

(a) *

(1) (i) The obligation that would have been computed pursuant to § 1103.70 at such plant shall be determined as though such plant were a pool plant. For purposes of such computation, receipts at such nonpool plant from a pool plant or an other order plant shall be assigned to the utilization at which classified at the pool plant or other order plant and transfers from such nonpool plant to a pool plant or an other order plant shall be classified as Class II milk if allocated to such class at the pool plant or other order plant and be valued at the weighted average price of the respective order if so allocated to Class I milk, except that reconstituted skim milk in filled milk shall be valued at the Class II price. There shall be included in the obligation so computed a charge in the amount specified in § 1103.70(e) and a credit in the amount specified in § 1103.97(b) (2) with respect to receipts from an unregulated supply plant, except that the credit for receipts of reconstituted skim milk in filled milk shall be at the Class II price, unless an obligation with respect to such plant is computed as specified below in this subparagraph; and

(b) An amount computed as follows:

(1) Determine the respective amounts of skim milk and butterfat disposed of as Class I milk route dispositions in the marketing area;

(2) Deduct the respective amounts of skim milk and butterfat received as Class I milk at the partially regulated distributing plant from pool plants and other order plants except that deducted under a similar provision of another order issued pursuant to the Act;

(3) Deduct the quantity of reconstituted skim milk in fluid milk products disposed of on routes in the marketing area;

(4) Combine the amounts of skim milk and butterfat remaining into one total and determine the weighted average butterfat content; and

(5) From the value of such milk at the Class I price applicable at the location of the nonpool plant, subtract its value at the weighted average price applicable at such location or the Class II price, whichever is higher and add for the quantity of reconstituted skim milk specified in subparagraph (3) of this

paragraph its value computed at the Class I price applicable at the location of the nonpool plant less the value of such skim milk at the Class II price.

Proposal No. 25. In § 1103.70, paragraphs (d) and (e) are revised to read as follows:

§ 1103.70 Computation of the net pool obligation of each pool handler.

(d) Add an amount equal to the difference between the value at the Class I price applicable at the pool plant and the value at the Class II price, with respect to skim milk and butterfat in other source milk subtracted from Class I pursuant to § 1103.46(a) (3) and the corresponding step of § 1103.46(b), except that for receipts of fluid milk products assigned to Class I pursuant to § 1103.46(a) (3) (iv) and (v) and the corresponding steps of § 1103.46(b) the Class I price shall be adjusted to the location of the transferor plant; and

(e) Add an amount equal to the value at the Class I price, adjusted for location of the nearest nonpool plant(s) from which an equivalent volume was received, with respect to skim milk and butterfat subtracted from Class I pursuant to § 1103.46(a) (7) and the corresponding step of § 1103.46(b), but in no event shall such adjustment result in a Class I price lower than the Class II price.

Proposal No. 26. Section 1103.96 is revised to read as follows:

§ 1103.96 Producer-settlement fund.

The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all applicable payments made by handlers pursuant to §§ 1103.61, 1103.62, 1103.93(a), and 1103.97, and out of which he shall make all applicable payments pursuant to §§ 1103.93(b) and 1103.98: *Provided*, That any payments due to any handler shall be offset by any payments due from such handler.

Proposal No. 27. In § 1103.100, paragraphs (a) and (d) are revised to read as follows:

§ 1103.100 Termination of obligations.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate 2 years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the skim milk and butterfat involved in such obligation unless within such 2-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

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

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

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate 2 years after the end of the calendar month during which the skim milk and butterfat involved in the claim were received if an under payment is claimed, or 2 years after the end of the

calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time files, pursuant to section 8c(15)(A) of the Act, a petition claiming such money.

Proposed by the Dairy Division, Consumer and Marketing Service:

Proposal No. 28. Make such changes as may be necessary to make the entire marketing agreements and the orders conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrators, E. Hickman

Greene, 11 Corporate Square, Room 200, Post Office Box 49025, Atlanta, Ga. 30329; Cleo C. Taylor, 322 North Mart Plaza, Post Office Box 9747, Northside Station, Jackson, Miss. 39206, or from the Hearing Clerk, Room 112-A, Administration Building, U.S. Department of Agriculture, Washington, D.C. 20250 or may be there inspected.

Signed at Washington, D.C. on December 23, 1969.

JOHN C. BLUM,
Deputy Administrator,
Regulatory Programs.

[P.R. Doc. 69-15393; Filed, Dec. 29, 1969; 8:47 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Fiscal Service

[Dept. Circ. 570, 1969 Rev., Supp. No. 11]

BIRMINGHAM FIRE INSURANCE COMPANY OF PENNSYLVANIA

Termination of Authority To Qualify as Surety on Federal Bonds

Notice is hereby given that the Certificate of Authority issued by the Secretary of the Treasury to the Birmingham Fire Insurance Company of Pennsylvania, New York, New York, under sections 6 to 13 of Title 6 of the United States Code, to qualify as an acceptable surety on recognizances, stipulations, bonds and undertakings permitted or required by the laws of the United States, is hereby terminated.

Bond-approving officers of the Government should, in instances where such action is necessary, secure new bonds with acceptable sureties in lieu of bonds executed by the Birmingham Fire Insurance Company of Pennsylvania.

Dated: December 22, 1969.

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

[P.R. Doc. 69-15377; Filed, Dec. 29, 1969;
8:46 a.m.]

[Dept. Circ. 570, 1969 Rev., Supp. No. 12]

WESTERN PACIFIC INSURANCE COMPANY

Termination of Authority To Qualify as Surety on Federal Bonds

Notice is hereby given that the Certificate of Authority issued by the Secretary of the Treasury to the Western Pacific Insurance Company, Seattle, Washington, under sections 6 to 13 of Title 6 of the United States Code to qualify as sole surety on recognizances, stipulations, bonds, and undertakings permitted or required by the laws of the United States, is hereby terminated because of its liquidation on September 19, 1969.

American States Insurance Company, an Indiana corporation, holds a Certificate of Authority from the Secretary of the Treasury as an acceptable surety on bonds in favor of the United States. Pursuant to a reinsurance and assumption agreement, effective 11:59 p.m., November 30, 1968, American States Insurance Company, Indianapolis, Indiana, assumed and reinsured all liability and policies of insurance and reinsurance then outstanding or thereafter issued in the name of the Western Pacific Insurance Company.

The Treasury has obtained from American States Insurance Company a separate indemnifying agreement dated December 9, 1969, whereby American

States Insurance Company has assumed the liability for any losses and claims that have arisen or may arise under or in connection with any bond, undertaking, or other form of obligation entered into or assumed by the Western Pacific Insurance Company on or before November 30, 1968, or in its name at any time thereafter, in which the United States has or may have an interest, direct or indirect. A copy of that agreement is on file in the Treasury Department, Bureau of Accounts, Audit Staff, Washington, D.C. 20226.

No action need be taken by bond-approving officers, by reason of the liquidation and the terms of the reinsurance and assumption agreement referred to herein, with respect to any bond or other obligations in favor of the United States, or in which the United States has an interest, direct or indirect, issued on or before November 30, 1968, or thereafter, by Western Pacific Insurance Company pursuant to the Certificate of Authority issued to the Company by the Secretary of the Treasury.

Dated: December 22, 1969.

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

[P.R. Doc. 69-15378; Filed, Dec. 29, 1969;
8:46 a.m.]

Internal Revenue Service CLARENCE CLAYTON POPPERT Notice of Granting of Relief

Notice is hereby given that Clarence Clayton Poppert of Albany, Oreg., has applied for relief from disabilities imposed by Federal laws with respect to the acquisition, receipt, transfer, shipment, or possession of firearms incurred by reason of his conviction on June 28, 1929, in the District Court of Hall County, Nebr., of a crime punishable by imprisonment for a term exceeding 1 year. Unless relief is granted, it will be unlawful for Clarence C. Poppert because of such conviction, to ship, transport, or receive in interstate or foreign commerce any firearm or ammunition, and he would be ineligible for a license under chapter 44, title 18, United States Code as a firearms or ammunition importer, manufacturer, dealer or collector. In addition, under title VII of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 236; 18 U.S.C., Appendix), because of such conviction, it would be unlawful for Clarence C. Poppert to receive, possess, or transport in commerce or affecting commerce, any firearm.

Notice is hereby given that I have considered Clarence C. Poppert's application and:

(1) I have found that the conviction was made upon a charge which did not involve the use of a firearm or other weapon or a violation of chapter 44, title

18, United States Code, or of the National Firearms Act; and

(2) It has been established to my satisfaction that the circumstances regarding the conviction and the applicant's record and reputation are such that the applicant will not be likely to act in a manner dangerous to public safety, and that the granting of the relief would not be contrary to the public interest.

Therefore, pursuant to the authority vested in the Secretary of the Treasury by section 925(c), title 18, United States Code and delegated to me by 26 CFR 178.144, it is ordered that Clarence C. Poppert be, and he hereby is, granted relief from any and all disabilities imposed by Federal laws with respect to the acquisition, receipt, transfer, shipment, or possession of firearms and incurred by reason of the conviction hereinabove described.

Signed at Washington, D.C., this 5th day of December 1969.

[SEAL] RANDOLPH W. THROWER,
Commissioner of Internal Revenue.

[P.R. Doc. 69-15379; Filed, Dec. 29, 1969;
8:46 a.m.]

WILLIAM RICHARD ZIGMONT Notice of Granting of Relief

Notice is hereby given that Mr. William Richard Zigmont, Box 54, North Kingsville, Ohio 44068, has applied for relief from disabilities imposed by Federal laws with respect to the acquisition, receipt, transfer, shipment, or possession of firearms incurred by reason of his conviction on April 29, 1963, in the Court of Common Pleas, Ashtabula County, Ohio, of a crime punishable by imprisonment for a term exceeding 1 year. Unless relief is granted, it will be unlawful for William Richard Zigmont, because of such conviction, to ship, transport, or receive in interstate or foreign commerce any firearm or ammunition, and he would be ineligible for a license under chapter 44, title 18, United States Code as a firearms or ammunition importer, manufacturer, dealer or collector. In addition, under title VII of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 236; 18 U.S.C., Appendix), because of such conviction, it would be unlawful for William Richard Zigmont to receive, possess, or transport in commerce or affecting commerce, any firearm.

Notice is hereby given that I have considered William Richard Zigmont's application and:

(1) I have found that the conviction was made upon a charge which did not involve the use of a firearm or other weapon or a violation of chapter 44, title 18, United States Code, or of the National Firearms Act; and

(2) It has been established to my satisfaction that the circumstances regarding the conviction and the applicant's

record and reputation are such that the applicant will not be likely to act in a manner dangerous to public safety, and that the granting of the relief would not be contrary to the public interest.

Therefore, pursuant to the authority vested in the Secretary of the Treasury by section 925(c), title 18, United States Code and delegated to me by 26 CFR 178.144, it is ordered that William Richard Zigmont be, and he hereby is, granted relief from any and all disabilities imposed by Federal laws with respect to the acquisition, receipt, transfer, shipment, or possession of firearms and incurred by reason of the conviction hereinabove described.

Signed at Washington, D.C., this 22d day of December 1969.

[SEAL] RANDOLPH W. THROWER,
Commissioner of Internal Revenue.
[F.R. Doc. 69-15380; Filed, Dec. 29, 1969;
8:46 a.m.]

DEPARTMENT OF THE INTERIOR

Geological Survey

[Coal Land Classification Order Alaska No. 4]

ALASKA

Coal Land Classification

Pursuant to authority under the Act of March 3, 1879 (20 Stat. 394; 43 U.S.C. 31), and as delegated to me by Departmental Order 2563, May 2, 1950, under authority of Reorganization Plan No. 3 of 1950 (64 Stat. 1262), the following described lands, insofar as title thereto remains in the United States, are hereby classified as shown:

UMIAT MERIDIAN, ALASKA

COAL LANDS

T. 1 S., R. 44 W., unsurveyed.
Sec. 4, S $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 5, S $\frac{1}{2}$;
Secs. 6 to 9, inclusive;
Sec. 10, S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;
Sec. 14, W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Secs. 15 to 22, inclusive;
Sec. 23, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 27, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$;
Sec. 28, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Secs. 29 and 30;
Sec. 31, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$;
Sec. 32, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$.

The area described aggregates about 11,386 acres, more or less, of which all are classified as coal lands.

Dated: December 17, 1969.

FRANK E. CLARKE,
Acting Director.

[F.R. Doc. 69-15386; Filed, Dec. 29, 1969;
8:45 a.m.]

[Coal Land Classification Order Colorado
No. 128]

COLORADO

Coal Land Classification

Pursuant to authority under the Act of March 3, 1879 (20 Stat. 394; 43 U.S.C.

31), and as delegated to me by Departmental Order 2563, May 2, 1950, under authority of Reorganization Plan No. 3 of 1950 (64 Stat. 1262), the following described lands, insofar as title thereto remains in the United States, are hereby classified as shown:

SIXTH PRINCIPAL MERIDIAN, COLORADO

COAL LANDS

T. 15 S., R. 62 W.,
Sec. 6, lots 3 to 7, inclusive, SE $\frac{1}{4}$ NW $\frac{1}{4}$,
E $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 7, lots 1 to 4, inclusive, E $\frac{1}{2}$ W $\frac{1}{2}$;
Sec. 18, lot 1, E $\frac{1}{2}$ NW $\frac{1}{4}$.
T. 15 S., R. 63 W.,
Secs. 1 to 10, inclusive;
Sec. 11, N $\frac{1}{2}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 12, N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 15, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
Secs. 16 to 18, inclusive;
Sec. 19, NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 20, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Sec. 21, N $\frac{1}{2}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 22, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 28, NE $\frac{1}{4}$ NW $\frac{1}{4}$.
T. 14 S., R. 64 W.,
Secs. 1 to 3, inclusive;
Sec. 4, lots 1 to 4, inclusive, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Sec. 9, E $\frac{1}{2}$;
Secs. 10 to 15, inclusive;
Sec. 16, E $\frac{1}{2}$;
Sec. 21, E $\frac{1}{2}$;
Secs. 22 to 27, inclusive;
Sec. 28, NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Sec. 32, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 33, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;
Secs. 34 to 36, inclusive.
T. 15 S., R. 64 W.,
Secs. 1 to 4, inclusive;
Sec. 5, lots 1 to 4, inclusive, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 9, NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 10, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Secs. 11 and 12;
Sec. 13, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 14, N $\frac{1}{2}$ NW $\frac{1}{4}$;
Sec. 15, N $\frac{1}{2}$ NE $\frac{1}{4}$.

RECLASSIFIED COAL LANDS FROM NONCOAL LANDS

Prior classification of the following lands as noncoal lands is hereby revoked and the lands are reclassified as coal lands:

T. 15 S., R. 63 W.,
Sec. 20, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 28, NW $\frac{1}{4}$ NW $\frac{1}{4}$.

NONCOAL LANDS

T. 15 S., R. 62 W.,
Sec. 18, lots 2 to 4, inclusive, E $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 19, lots 1 to 4, inclusive, E $\frac{1}{2}$ W $\frac{1}{2}$;
Sec. 30, lots 1 to 4, inclusive, E $\frac{1}{2}$ W $\frac{1}{2}$.
T. 15 S., R. 63 W.,
Sec. 11, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 12, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Secs. 13 and 14;
Sec. 15, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 19, lots 1, 2, and 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 21, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 22, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Sec. 23;
Sec. 24, N $\frac{1}{2}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 26, N $\frac{1}{2}$ N $\frac{1}{2}$;
Sec. 27, N $\frac{1}{2}$ N $\frac{1}{2}$;
Sec. 28, N $\frac{1}{2}$ NE $\frac{1}{4}$.
T. 15 S., R. 64 W.,
Sec. 5, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 9, W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$.

Sec. 10, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 13, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, SE $\frac{1}{4}$;
Sec. 14, NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;
Sec. 15, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$;
Sec. 24, N $\frac{1}{2}$.

The area described aggregates 38,652 acres, more or less, of which about 31,748 acres are classified coal lands; about 80 acres which were formerly classified non-coal lands, are reclassified coal lands; and about 6,824 acres are classified non-coal lands.

Dated: December 18, 1969.

FRANK E. CLARKE,
Acting Director.

[F.R. Doc. 69-15367; Filed, Dec. 29, 1969;
8:45 a.m.]

DEPARTMENT OF COMMERCE

Business and Defense Services Administration

UNIVERSITY OF CALIFORNIA ET AL.

Notice of Applications for Duty-Free Entry of Scientific Articles

The following are notices of the receipt of applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897). Interested persons may present their views with respect to the question of whether an instrument or apparatus of equivalent scientific value for the purposes for which the article is intended to be used is being manufactured in the United States. Such comments must be filed in triplicate with the Director, Scientific Instrument Evaluation Division, Business and Defense Services Administration, Washington, D.C. 20230, within 20 calendar days after date on which this notice of application is published in the FEDERAL REGISTER.

Amended regulations issued under cited Act, as published in the October 14, 1969, issue of the FEDERAL REGISTER, prescribe the requirements applicable to comments.

A copy of each application is on file, and may be examined during ordinary Commerce Department business hours at the Scientific Instrument Evaluation Division, Department of Commerce, Washington, D.C.

Docket No. 70-00283-33-46040. Applicant: University of California, 405 Hilgard Avenue, Los Angeles, Calif. 90024. Article: Electron microscope, Model Elmiskop 101. Manufacturer: Siemens AG, West Germany. Intended use of article: The article will be used in ultrastructural studies of the purity of biochemical ultracentrifuge samples; animal studies of human autopsy and biopsy specimens, particularly of muscle, nerve, and brain from patients with a variety of neurological diseases. Application received by Commissioner of Customs: October 28, 1969.

Docket No. 70-00285-61-77030. Applicant: Cornell University, Bradfield Hall, Ithaca, N.Y. 14850. Article: NMR

spectrometer, Model JNM-MH-60-11. Manufacturer: Japan Electron Optics Laboratory Co., Ltd., Japan. Intended use of article: The article will be used by students and faculty and instructional purposes and for routine analysis for determining structure of unknown samples. Faculty research programs include a study of the structure of isomeric muconic acids and the development of analysis of hydrocarbon type (degree of saturation/unsaturation) in leaf waxes and seed oils. Application received by Commissioner of Customs: October 28, 1969.

Docket No. 70-00286-01-07500. Applicant: State University of New York at Binghamton, Vestal Parkway East, Binghamton, N.Y. 13901. Article: Precision calorimetry system. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article will be used in graduate student research concerning interactions important in the denaturation of proteins by electrolytes. The thermodynamic properties of small organic molecules such as amides in water solution and in salt solution will be studied. Faculty projects include the measurement of the heats of formation of transition metal complexes in solution and the measurement of the enthalpies associated with ion-exchange processes. Application received by Commissioner of Customs: October 29, 1969.

Docket No. 70-00280-33-46040. Applicant: University of Utah, Purchasing Department, Building 40, Salt Lake City, Utah 84112. Article: Electron microscope, Model Elmiskop 101. Manufacturer: Siemens AG, West Germany. Intended use of article: The article will be used in a study of the structure of chromosomes and the mitotic apparatus from tissue culture cells which is being made in an attempt to determine the way in which the mitotic apparatus functions in chromosome movement. Also the form and structure of DNA molecules from mitochondria, chloroplasts and the chromosomes of higher organisms will be studied. Application received by Commissioner of Customs: October 27, 1969.

Docket No. 70-00283-00-80000. Applicant: Stamford Museum and Nature Center, Inc., Scofieldtown Road, Stamford, Conn. 06903. Article: Ground lens blank. Manufacturer: Jena Glaswerk Schott and Gen., West Germany. Intended use of article: The article will become part of an existing telescope used for astronomical education and research. Application received by Commissioner of Customs: October 30, 1969.

Docket No. 70-00291-65-42900. Applicant: University of Minnesota, Mines Experiment Station, Minneapolis, Minn. 55455. Article: Magnetization analyzer, Satmagan model. Manufacturer: Oulokumpu Oy Research Laboratory, Finland. Intended use of article: The accuracy of the article will be compared with the accuracy of the more standard Davis tube method of analysis in iron ore studies. Application received by Commissioner of Customs: October 30, 1969.

Docket No. 70-00292-00-46040. The University of Chicago, 5801 South Ellis Avenue, Chicago, Ill. 60637. Article: Object cooling device. Manufacturer: Siemens, Inc., West Germany. Intended use of article: The article is an accessory for an existing electron microscope and will be used for experimentation with biological specimens and extraterrestrial material. Application received by Commissioner of Customs: October 31, 1969.

Docket No. 70-00295-33-46040. Applicant: University of Washington, School of Medicine, Division of Gastroenterology, Seattle, Wash. 98105. Article: Electron microscope, Model EM6B. Manufacturer: Associated Electrical Industries, Ltd., United Kingdom. Intended use of article: The article will be used for faculty members research and for the education of graduate students. Research in four areas are currently being conducted: Studies of white blood cell phagocytosis of bacteria and viruses, studies of xanthomas of the skin, studies in the structure and function of the small bowel, and studies in pathological material where the intestinal tissue has been damaged by radiation or infection. Application received by Commissioner of Customs: November 6, 1969.

Docket No. 70-00296-65-44700. Applicant: University of California, Material Science & Engineering Department, 382 Hearst Mining Building, Berkeley, Calif. 94720. Article: Area-meter. Manufacturer: Strohmlein & Co., Fabrik Chemical Apparate, West Germany. Intended use of article: The article will be used for rapid measurement of the surface area of particulate assemblies. Application received by Commissioner of Customs: November 6, 1969.

Docket No. 70-00297-33-46040. Applicant: Johns Hopkins University, School of Medicine, 725 North Wolfe Street, Baltimore, Md. 21205. Article: Electron microscope, JEM-100B. Manufacturer: Japan Electron Optics Laboratory Co., Ltd., Japan. Intended use of article: The article will be used for biological and medical applications. Projects under study include synapse mapping in nervous tissue, corneal and retinal pathology, corneal stromal and collagen subunit structure, synaptic vesicle and synaptic membrane fine structure and Golgi (silver) impregnated cell structure. Application received by Commissioner of Customs: November 6, 1969.

Docket No. 70-00302-99-46040. Applicant: Northeastern University, 360 Huntington Avenue, Boston, Mass. 02115. Article: Electron microscope, Model EM9A. Manufacturer: Carl Zeiss Inc., West Germany. Intended use of article: The article will be used for teaching purposes and as a transitional instrument to bridge the gap between light microscopy and electron microscopy. The courses which are offered to graduate students and the academic community using electron microscopy as a research method will enable them to produce quality electron micrographs. Several research programs are also planned. Application received by Commissioner of Customs: November 10, 1969.

Docket No. 70-00303-33-46040. Applicant: University of Illinois at Chicago Circle, Purchasing Division, Post Office Box 4348, Chicago, Ill. 60680. Article: Electron microscope, Model HS-8-2. Intended use of article: The article will be used in courses in biological ultrastructure and instrumentation in cell and tissue study for advanced undergraduate and graduate students. Research projects under study concern the cytology of the Vitellogenic stages of cogenesis in *Drosophila melanogaster* and the ultrastructure of salivary glands in primitive insects. Application received by Commissioner of Customs: November 10, 1969.

Docket No. 70-00307-33-77040. Applicant: The University of Texas, Southwestern Medical School, 5323 Harry Hines Boulevard, Dallas, Tex. 75235. Article: Mass spectrometer, respiratory M-3. Manufacturer: Varian Associates, West Germany. Intended use of article: The article will be used for measuring four different respired gases simultaneously in persons at rest or running on a treadmill so that oxygen consumption and cardiac output can be monitored continuously on these persons without the necessity of introducing catheters into the veins or arteries. Application received by Commissioner of Customs: November 10, 1969.

Docket No. 70-00308-01-10100. Applicant: Scripps Clinic and Research Foundation, 476 Prospect Street, La Jolla, Calif. 92037. Article: Temperature jump apparatus. Manufacturer: Messanlagen Studiengesellschaft M.B.H., West Germany. Intended use of article: The article will be used to study very fast macromolecular reactions, occurring in the microsecond range. Application received by Commissioner of Customs: November 10, 1969.

Docket No. 70-00309-01-30500. Applicant: University of California, Santa Barbara, Santa Barbara, Calif. 93106. Article: Twelve-inch electromagnet. Manufacturer: Bruker-Physik A.G., West Germany. Intended use of article: The article will be used in conjunction with other instrumentation for education and graduate research in pulsed NMR spectrometry. These include high-resolution Fourier transform spectroscopy with hydrogen, fluorine, phosphorus and carbon nuclei, studies of nuclear relaxation in complex spin systems, the investigation of molecular diffusion in solution and other related experiments. Application received by Commissioner of Customs: November 12, 1969.

Docket No. 70-00310-01-77030. Applicant: University of California, Santa Barbara, Santa Barbara, Calif. 93106. Article: Pulsed nuclear magnetic resonance spectrometer, Model B-KR-3218. Manufacturer: Bruker-Physik A.G., West Germany. Intended use of article: The article will be used for education and graduate research in pulsed NMR spectrometry. These include high-resolution Fourier transform spectroscopy with hydrogen, fluorine, phosphorus and carbon nuclei, studies of nuclear relaxation in complex spin systems, the investigation of molecular diffusion in solution and

experiments with molecules in the solid state, as well as experiments with biological tissues. Application received by Commissioner of Customs: November 12, 1969.

Docket No. 70-00311-99-46040. Applicant: The University of Michigan, Department of Zoology, Ann Arbor, Mich. 48104. Article: Electron microscope Model EM 9S, Manufacturer: Carl Zeiss, Inc., West Germany. Intended use of article: The article will be used for beginning trainees in a program of training in electron microscopy of biological materials. Specimens will include thin sections, replicas and shadowed suspensions of cell particulates. The students include upperclass undergraduates and graduate students from various university departments. Application received by Commissioner of Customs: November 12, 1969.

Docket No. 70-00312-65-58100. Applicant: University of California, Material Science and Engineering Department, 382-Hearst Mining Building, Berkeley, Calif. 94720. Article: Permaran, Manufacturer: Outokumpu Oy Research Lab., Finland. Intended use of article: The article will be used to determine the specific surface of particulate materials, like ore concentrates and ground powders. Application received by Commissioner of Customs: November 12, 1969.

Docket No. 70-00313-33-46040. Applicant: University of Illinois at Chicago Circle, Purchasing Division, Post Office Box 4348, Chicago, Ill. 60680. Article: Electron microscope, Model HU-125E. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: The article will be used primarily in biological ultrastructural research. Principal projects concern ultrastructural studies on ovarian maturation in *Drosophila* and the ultrastructure of the microtubular network in the gut of several parasites. Application received by Commissioner of Customs: November 12, 1969.

Docket No. 70-00314-01-42900. Applicant: Yale University, Purchasing Division, 20 Ashmun Street, New Haven, Conn. 06520. Article: Superconductive magnet system. Manufacturer: Oxford Instrument Corp., United Kingdom. Intended use of article: The article will be used in conjunction with an existing Mossbauer spectrometer, for research on magnetic hyperfine interactions in crystals. Application received by Commissioner of Customs: November 12, 1969.

Docket No. 70-00315-33-90000. Applicant: University of Oregon, Institute of Molecular Biology, Eugene, Oreg. 97403. Article: X-ray diffraction unit, Model Cx-6, Manufacturer: Elliot Electronic Tubes Ltd., United Kingdom. Intended use of article: The article will be used for research and teaching and for X-ray diffraction studies of protein crystals. Large biological molecules will be studied. An advanced level course to be given is titled "X-ray Crystallography." Studies are commencing on immunoglobulins and new high speed methods of data collection for large molecules are being developed.

Application received by Commissioner of Customs: November 12, 1969.

Docket No. 70-00316-58-46070. Applicant: Woods Hole Oceanographic Institution, Woods Hole, Mass. 02543. Article: Scanning electron microscope with TV scan, Models JSM-U3 and JSM-V3-TVS. Manufacturer: Japan Electron Optics Laboratory Co., Japan. Intended use of article: The article will be used for the following studies: surficial morphology and internal of microfossils, surficial morphology and internal structure of various small invertebrate groups, investigations of the chemical mechanism of penetration of calcareous substrates by organism, investigations on the petrology of carbonates and investigations on the nature of the attachment of marine bacteria to particulate matter. Application received by Commissioner of Customs: November 12, 1969.

Docket No. 70-00320-00-46040. Applicant: University of Missouri-Rolla, General Services Building, Purchasing Department, Rolla, Mo. 65401. Article: Accessory: Tilting-heating device, Model HK-2B. Intended use of article: The article will be used for an existing electron microscope for the education and training of students in the use of microscopic techniques and for research. Application received by Commissioner of Customs: November 17, 1969.

Docket No. 70-00321-33-46040. Applicant: University of California, San Francisco Medical Center, Purchasing Department, 1438 South 10th, Richmond, Calif. 94804. Article: Electron Microscope, Model Elmiskop 101. Manufacturer: Siemens, West Germany. Intended use of article: The article will be used for research purposes. Research will concern the study of relationship and interaction between the different tissues during the embryogenesis; the study of isolated molecules; and a study defining overall and subunit structure of proteins. Application received by Commissioner of Customs: November 18, 1969.

Docket No. 70-00322-98-71200. Applicant: University of California, Santa Barbara, Santa Barbara, Calif. 93106. Article: Helium dilution refrigerator, Model Mark III "Harwell." Manufacturer: Oxford Instrument Co., Ltd., United Kingdom. Intended use of article: The article will be used for graduate instruction and thesis research involving the properties of matter at extremely low temperatures. Current projects include nuclear magnetic resonance and Mossbauer spectroscopy studies in fine particles and magnetic materials. Application received by Commissioner of Customs: November 18, 1969.

CHARLEY M. DENTON,
Assistant Administrator for Industry Operations, Business and Defense Services Administration.

[P.R. Doc. 69-15363; Filed, Dec. 29, 1969; 8:45 a.m.]

Maritime Administration

NATIONAL SHAWMUT BANK OF BOSTON

Notice of Approval of Applicant as Trustee

Notice is hereby given that the National Shawmut Bank of Boston, a national banking association organized and existing under the laws of the United States of America, with offices at 40 Water Street, Boston, Mass., has been approved as a trustee pursuant to Public Law 89-346 and 46 CFR 221.21-221.30.

Dated: December 22, 1969.

R. G. KRINER,
Acting Chief,
Office of Ship Operations.

[P.R. Doc. 69-15382; Filed, Dec. 29, 1969; 8:46 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

GLAND-O-LAC CO.

Notice of Withdrawal of Petition for Food Additive Cyproxyquine

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b), 72 Stat. 1786; 21 U.S.C. 348(b)), the following notice is issued:

In accordance with § 121.52 *Withdrawal of petitions without prejudice* of the procedural food additive regulations (21 CFR 121.52), E. R. Squibb & Sons, Inc., Three Bridges, N.J. 08887, has withdrawn its petition (40-000V), notice of which was published in the FEDERAL REGISTER of August 20, 1968 (33 F.R. 11788), proposing that the food additive regulations (21 CFR Part 121, Subpart C) be amended to provide for the safe use of cyproxyquine (ethyl 6,7-bis(cyclopropylmethoxy)-4-hydroxy-3-quinolinecarboxylate) in feed for broiler chickens as an aid in the prevention of coccidiosis.

The petition was filed by the Gland-O-Lac Co., Division of CIBA Corp., Omaha, Nebr. 68101, and the rights to the petition were subsequently transferred to E. R. Squibb & Sons, Inc.

Dated: December 16, 1969.

R. E. DUGGAN,
Acting Associate Commissioner
for Compliance.

[P.R. Doc. 69-15364; Filed, Dec. 29, 1969; 8:45 a.m.]

SHELL CHEMICAL CO.

Notice of Filing of Petition Regarding Pesticide Chemicals

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec.

408(d)(1), 68 Stat. 512; 21 U.S.C. 346a (d)(1)), notice is given that a petition (PP OFO912) has been filed by Shell Chemical Co., Division of Shell Oil Co., 1700 K Street NW., Washington, D.C. 20006, proposing the establishment of tolerances (21 CFR Part 120) for residues of the insecticide dimethyl phosphate of 3-hydroxy-N-methyl-cis-crotonamide in or on the raw agricultural commodities potatoes and sugarcane at 0.1 part per million.

The analytical method proposed in the petition for determining residues of the insecticide is a gas-liquid chromatographic procedure using a phosphorus-sensitive thermionic-emission detector.

Dated: December 16, 1969.

R. E. DUGGAN,
Acting Associate Commissioner
for Compliance.

[F.R. Doc. 69-15385; Filed, Dec. 29, 1969;
8:45 a.m.]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ASSISTANT SECRETARY FOR METRO- POLITAN DEVELOPMENT

Order of Succession To Act as Secretary of Housing and Urban Development

During any period when, by reason of absence, disability, or vacancy in office, neither the Secretary of Housing and Urban Development nor the Under Secretary is available to exercise the powers or perform the duties of the office of the Secretary, the order of succession to act as Secretary of Housing and Urban Development shall be as follows:

1. Assistant Secretary for Metropolitan Development.
2. General Counsel.
3. Assistant Secretary for Mortgage Credit and Federal Housing Commissioner.
4. Assistant Secretary for Renewal and Housing Assistance.
5. Assistant Secretary for Model Cities and Governmental Relations.
6. Assistant Secretary for Equal Opportunity.
7. Assistant Secretary for Research and Technology.

The Assistant Secretary for Administration is authorized to exercise the power and authority of the Secretary during any period when, by reason of absence, disability, or vacancy in office, none of the officers named above is available to exercise the powers or perform the duties of the office of the Secretary.

(Executive Order 11274 of Mar. 30, 1966, 31 F.R. 5243, Apr. 1, 1966; sec. 7(d) of Department of HUD Act, 42 U.S.C. 3535(d))

Effective date: This order is effective as of December 23, 1969.

GEORGE ROMNEY,
Secretary of Housing and
Urban Development.

[F.R. Doc. 69-15394, Filed, Dec. 29, 1969;
8:47 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Report 471]

COMMON CARRIER SERVICES INFORMATION¹

Domestic Public Radio Services Applications Accepted for Filing²

Pursuant to §§ 1.227(b)(3) and 21.26 (b) of the Commission's rules, an application, in order to be considered with any domestic public radio services application appearing on the attached list, must be substantially complete and tendered for filing by whichever date is earlier: (a) The close of business 1 business day preceding the day on which the Commission takes action on the pre-

¹ All applications listed in the appendix are subject to further consideration and review and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

² The above alternative cutoff rules apply to those applications listed in the appendix as having been accepted in Domestic Public Land Mobile Radio, Rural Radio, Point-to-Point Microwave Radio, and Local Television Transmission Services (Part 21 of the rules).

viously filed application; or (b) within 60 days after the date of the public notice listing the first prior filed application (with which subsequent applications are in conflict) as having been accepted for filing. An application which is subsequently amended by a major change will be considered to be a newly filed application. It is to be noted that the cutoff dates are set forth in the alternative—applications will be entitled to consideration with those listed in the appendix if filed by the end of the 60-day period, only if the Commission has not acted upon the application by that time pursuant to the first alternative earlier date. The mutual exclusivity rights of a new application are governed by the earliest action with respect to any one of the earlier filed conflicting applications.

The attention of any party in interest desiring to file pleadings pursuant to section 309 of the Communications Act of 1934, as amended, concerning any domestic public radio services application accepted for filing, is directed to § 21.27 of the Commission's rules for provisions governing the time for filing and other requirements relating to such pleadings.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

APPENDIX

APPLICATIONS ACCEPTED FOR FILING

DOMESTIC PUBLIC LAND MOBILE RADIO SERVICE

File No., Applicant, call sign, and nature of application

- 3371-C2-P-70—W. Donald Molitor and Donald W. Molitor, doing business as Canaveral Communications (New), C.P. for a new 2-way station to be located at 310 Palmetto Avenue, Melbourne, Fla., to operate on frequency 152.06 MHz.
- 3372-C2-P-70—North Florida Telephone Co. (KIK577), C.P. to change antenna system operating on frequency 152.72 MHz at station located at White Avenue and Court Street, Live Oak, Fla.
- 3386-C2-P-(3)-70—Ralph C. Parker, doing business as Ratel Communications Co. (KKO341), C.P. for additional facilities to operate on base channel 152.09 MHz and repeater 459.025 MHz at a new site to be identified as location No. 2: Off Highway 82, 2 miles east-southeast of Nocona, Tex. Also add control station to operate on frequency 454.025 MHz at a new site to be identified as location No. 3: Near intersection of Onaway and Pawhuska Streets, Wichita Falls, Tex.
- 3388-C1/C2-AL-(4)-70—E. B. and Donna W. Brownell (KOP254) (KFQ930), Consent to assignment of license from: E. B. and Donna W. Brownell, Assignor to: E. B. Brownell, doing business as Worland Services, Assignee.
- 3391-C2-P-70—Project Mutual Telephone Cooperative Association, Inc. (KOH281), C.P. to change antenna location operating on base frequency 152.57 MHz at location No. 1 to: 15 miles northwest of Rupert, Kimama Butte, Idaho.
- 3409-C2-P-70—Credit Bureau of Decatur, Inc. (New), Resubmitted, Dec. 12, 1969, C.P. for a new 1-way station to be located at 260 East Wood Street, Decatur, Ill., to operate on frequency 158.70 MHz.
- 3413-C2-P-70—Manpower, Inc. of Cedar Rapids (New), C.P. for a new 1-way station to be located at 1000 27th Avenue, SW., Cedar Rapids, Iowa, to operate on base frequency 158.70 MHz.
- 3414-C2-P-70—Simon Rubinsky (New), C.P. for a new 1-way station to be located at Brownsville Navigation District, 7 miles northeast of Brownsville, Tex., to operate on base frequency 158.70 MHz.
- 3415-C2-P-70—Vegas Instant Page (KFL943), C.P. for an additional transmitter site to be identified as location No. 2: 4515 Industrial Road, Las Vegas, Nev., operating on frequency 35.58 MHz.
- 3416-C2-P-70—McCall Telephone Answering Service (KEC513), C.P. to change antenna system and replace transmitter operating on base frequency 152.21 MHz at station located at Rand Building, northwest corner Broadway and Washington Street, Buffalo, N.Y.
- 3424-C2-P-70—Miami Valley Radiotelephone (KIF577), C.P. for an additional transmitter to operate on base frequency 35.22 MHz at a new site to be identified as location No. 2: 2437 Clifton Avenue, Cincinnati, Ohio.
- 3387-C2-P-(2)-70—Kidd's Communications, Inc. (KMA257), C.P. to delete location No. 6: LaCima, Kettleman Hills, 3.5 miles east of Avenal, Calif., and delete 72.64 MHz control at location No. 2 beamed toward location No. 6. Also change control frequency 459.125 MHz to 72.64 MHz beamed toward location No. 5 at location No. 2: 215 East 18th Street, Bakersfield, Calif.

- POINT-TO-POINT MICROWAVE RADIO SERVICE (TELEPHONE CARRIERS)—Continued**
- 3390-C1-P-70—Pacific Northwest Bell Telephone Co. (New), C.P. for a new fixed station to be located at 2 miles north-northwest of Orient, Wash., to operate on frequency 2178 MHz toward Colville, Wash.
- 3392-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, Prudential Building, Boston, Mass., at lat. 42°30'49" N., long. 71°05'00" W. Frequencies 6341.7 and 6360.3 MHz on azimuth of 199°32', 6271.4 and 6380.0 MHz on azimuth of 231°08'.
- 3393-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 2.5 miles south-southwest of Sharon, Mass., at lat. 42°05'25" N., long. 71°12'20" W. Frequencies 5960.0 and 6078.6 MHz on azimuth of 210°07'; 5989.7 and 6108.3 MHz on azimuth of 19°27'.
- 3394-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 111 Westminster Street, Providence, R.I., at lat. 41°49'39" N., long. 71°24'41" W. Frequencies 6241.7 and 6360.3 MHz on azimuth of 122°29'; 6212.0 and 6330.7 MHz on azimuth of 29°59'.
- 3395-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 18 North Main Street, Fall River, Mass., at lat. 41°42'03" N., long. 71°09'15" W. Frequencies 5960.0 and 6078.6 MHz on azimuth of 111°18'; 5989.7 and 6108.3 MHz on azimuth of 302°39'.
- 3396-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 628 Pleasant Street, New Bedford, Mass., at lat. 41°38'07" N., long. 70°55'38" W. Frequencies 6212.0 and 6330.7 MHz on azimuth 291°27'.
- 3397-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 1.5 miles south-southwest of Dover, Mass., at lat. 42°13'25" N., long. 71°17'20" W. Frequencies 6019.3 and 6137.9 MHz on azimuth of 51°00'; 5989.7 and 6108.3 MHz on azimuth of 262°53'.
- 3398-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 2.4 miles south-west of Auburn, Mass., at lat. 42°10'07" N., long. 71°52'04" W. Frequencies 6182.4 and 6301.0 MHz on azimuth of 89°32'; 6212.0 and 6330.7 MHz on azimuth of 240°07', 6271.4 and 6390.0 MHz on azimuth of 26°44'.
- 3399-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 340 Main Street, Worcester, Mass., at lat. 42°15'55" N., long. 71°48'08" W. Frequencies 6019.3 and 6137.9 MHz on azimuth of 205°47'.
- 3400-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 3.3 miles northwest of Staffordville, Conn., at lat. 42°01'19" N., long. 72°12'32" W. Frequencies 5960.0 and 6078.6 MHz on azimuth of 99°53'; 5989.7 and 6108.3 MHz on azimuth of 233°37'.
- 3401-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 1 Tower Square, Hartford, Conn., at lat. 41°45'53" N., long. 72°40'26" W. Frequencies 6241.7 and 6360.3 MHz on azimuth of 53°18'; 6212.0 and 6330.7 MHz on azimuth of 188°52', 6271.4 and 6390.0 MHz on azimuth of 10°30'.
- 3402-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, Kimball Towers, Springfield, Mass., at lat. 42°06'17" N., long. 72°35'21" W. Frequencies 6019.3 and 6137.9 MHz on azimuth of 190°34'.
- 3403-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 3 miles south-west of Durham, Conn., at lat. 41°27'38" N., long. 72°44'13" W. Frequencies 5960.0 and 6078.6 MHz on azimuth of 8°59'; 11,015 and 11,175 MHz on azimuth of 223°19'.
- 3404-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 265 College Street, New Haven, Conn., at lat. 41°18'24" N., long. 72°55'45" W. Frequencies 11,625 and 11,305 MHz on azimuth of 43°11'; 11,425 and 11,585 MHz on azimuth of 237°18'.
- 3405-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 140 Fairfield Avenue, Bridgeport, Conn., at lat. 41°10'46" N., long. 73°11'27" W. Frequencies 10,735 and 10,895 MHz on azimuth of 57°08'; 5989.7 and 6108.3 MHz on azimuth of 244°44'.
- 3406-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 322 Main Street, Stamford, Conn., at lat. 41°03'12" N., long. 73°32'32" W. Frequencies 6341.7 and 6360.3 MHz on azimuth 64°30'; 6212.0 and 6330.7 MHz on azimuth of 281°08'.
- 3407-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, South Broad, White Plains, N.Y., at lat. 41°01'38" N., long. 73°45'41" W. Frequencies 5960.0 and 6078.6 MHz on azimuth of 80°39'; 5989.7 and 11,625 MHz on azimuth of 211°31'.
- 3408-C1-P-70—MCI New England, Inc. (New), C.P. for a new fixed station, 350 Fifth Avenue, New York, N.Y., at lat. 40°44'54" N., long. 73°59'10" W. Frequencies 6212.0 and 11,015 MHz on azimuth of 31°28'. (Informative: Applicant proposes to provide "new customized" interstate communications channels between New York City and New Bedford, Mass., and intermediate points as shown above.)

- Major Amendments**
- 1464-C2-P-69—John W. Bennett (KQK772), Correct to read: C.P. to change frequency to 152.24 MHz and add base frequency 152.70 MHz. All other particulars to remain the same as reported on public notice dated Nov. 12, 1968, Report No. 4132686-C2-P-69, John W. Bennett KQK772 delete entry in its entirety.
- Correction**
- 2895-C2-P-69—John W. Bennett (KQK772), Correct to read: C.P. to change frequency to 152.24 MHz and add base frequency 152.70 MHz. All other particulars to remain the same as reported on public notice dated Nov. 12, 1968, Report No. 4132686-C2-P-69, John W. Bennett KQK772 delete entry in its entirety.
- RURAL RADIO SERVICE**
- 3388-C1/C2-AL-(4)-70—E. B. and Donna W. Brownell, (WAD91) (KZS43), Consent to assignment of license from: E. B. and Donna W. Brownell, Assignor to: E. B. Brownell, doing business as Worland Services, Assignee.
- Major Amendment**
- 2005-C1-P/L-70—RCA Alaska Communications, Inc. (New), Application amended to change frequency from 227.5 MHz to 235.0 MHz. All other particulars to remain the same as reported on public notice dated Oct. 27, 1969, Report No. 463.
- POINT-TO-POINT MICROWAVE RADIO SERVICE (TELEPHONE CARRIERS)**
- 3373-C1-P-70—The Mountain States Telephone and Telegraph Co. (KAS72), C.P. to change frequencies from 10,735 and 10,995 MHz to 6011.9 and 6071.2 MHz toward Monarch Pass, Colo.; replace transmitters operating on same and change the antenna system. Location: 508 F Street, Salida, Colo.
- 3374-C1-P-70—The Mountain States Telephone and Telegraph Co. (KAN31), C.P. to change point of communication from Gunnison, Colo., to Salida, Colo., via passive reflector and change the antenna system. Location: 17 miles west of Salida, Colo.
- 3375-C1-P-70—The Mountain States Telephone and Telegraph Co. (KAN25), C.P. to change the antenna system for facilities located at 8 miles northwest of Lake George, Colo.
- 3377-C1-P-70—New England Telephone & Telegraph Co. (KCL66), C.P. to change frequency from 6182.6 MHz to 6390.0 MHz toward Nobscot, Mass. Location: Off Haggett's Pond Road, 4.2 miles west of Andover, Mass.
- 3378-C1-P-70—New England Telephone & Telegraph Co. (KCL54), C.P. to add frequency 6375.2 MHz toward Nobscot, Mass. Location: 185 Franklin Street, Boston, Mass.
- 3379-C1-P-70—New England Telephone & Telegraph Co. (KCT52), C.P. to add frequencies 6180.5 and 11,605 MHz toward Windsor, Mass. Location: Munson Road, Chesterfield, Mass.
- 3380-C1-P-70—New England Telephone & Telegraph Co. (KCL55), C.P. to change frequency from 6367.7 MHz to 6360.3 MHz toward Nobscot, Mass. Location: Foxboro, 1.3 miles south-southwest of South Walpole, Mass.
- 3381-C1-P-70—New England Telephone & Telegraph Co. (KCL78), C.P. to change frequency from 6130.5 MHz to 6137.9 MHz toward Andover, Mass.; change frequency from 6115.7 MHz to 6108.3 MHz toward Foxboro, Mass., and add frequency 6123.1 MHz toward Boston and Paxton, Mass. Location: Brimstone Lane, Nobscot, Mass.
- 3382-C1-P-70—New England Telephone & Telegraph Co. (KCL79), C.P. to add frequency 6375.2 MHz toward Nobscot and Pelham, Mass. Location: Asnebumskit Road, Paxton, Mass.
- 3383-C1-P-70—New England Telephone & Telegraph Co. (KCL81), C.P. to add frequency 6123.1 MHz toward Paxton and Springfield, Mass. Location: U.S. Route No. 202, Pelham, Mass.
- 3384-C1-P-70—New England Telephone & Telegraph Co. (KCL82), C.P. to add frequency 6375.2 MHz toward Pelham, Mass. Location: 255 Worthington Street, Springfield, Mass.
- 3385-C1-P-70—New England Telephone & Telegraph Co. (KCM76), C.P. to change point of communication from Pelham to Chesterfield, Mass., for frequencies 6367.6 and 11,155 MHz. Location: Windsor, Nobody's Road, 1.3 miles south-southwest of Windsor Center, Mass.
- 3388-C1-P-70—Pacific Northwest Bell Telephone Co. (New), C.P. for a new fixed station to be located at 269 Oak Street, Colville, Wash., to operate on frequency 2128 MHz toward Orient, Wash., via passive reflector.

POINT-TO-POINT MICROWAVE RADIO SERVICE (TELEPHONE CARRIERS)—continued

- 3410-C1-P-70—Southwestern Bell Telephone Co. (KAL86), C.P. to add frequency 3930 MHz toward Everton, Mo. Location: 600 St. Louis Street, Springfield, Mo.
- 3411-C1-P-70—Southwestern Bell Telephone Co. (KAL85), C.P. to add frequency 3890 MHz toward Springfield and Golden City Junction, Mo. Location: 2.5 miles south of Everton, Mo.
- 3412-C1-P-70—Southwestern Bell Telephone Co. (KAL81), C.P. to add frequency 3930 MHz toward Everton, Mo. Location: 3.8 miles southwest of Golden City, Mo.
- 419-C1-R-70—Osceola Telephone Co. (KSJ50), Renewal of license expiring Feb. 1, 1970. Term: Feb. 1, 1970 to Feb. 1, 1971.
- 3417-C1-P-70—Continental Telephone Co. of Virginia (New), C.P. for a new fixed station to be located at 107 Valley Street, Emporia, Va., to operate on frequencies 6352.9 and 6334.3 MHz toward Pleasant Shade, Va.
- 3418-C1-P-70—Continental Telephone Co. of Virginia (New), C.P. for a new station to be located at Lee Avenue, Stony Creek, Va., to operate on frequencies 6071.2 and 5952.6 MHz toward Pleasant Shade, Va., and 5982.3 and 10,995.0 MHz toward Petersburg, Va.
- 3419-C1-P-70—Continental Telephone Co. of Virginia (New), C.P. for a new station to be located off Highway No. 58, near Pleasant Shade, Va., to operate on frequencies 6100.9 and 5982.3 MHz toward Emporia, Va., and 6323.3 MHz toward Stony Creek, Va.
- 3420-C1-P-70—Indiana Bell Telephone Co. (KIG61), C.P. to add frequency 6505.0 MHz toward Bloomington, Ind. Location: 1 mile southwest of New Unionville, Ind.

Major Amendments

- 929-C1-P-70—Citizens Utilities Rural Co., Inc. (New), Change frequencies toward Kingman, Ariz., to 6271.4 and 6390.0 MHz and toward Mohave Valley, Ariz., to 6241.7 and 6360.3 MHz.
- 930-C1-P-70—Citizens Utilities Rural Co., Inc. (New), Change frequencies toward Oatman, Ariz., to 5989.7 and 6108.3 MHz and toward Riviera, Ariz., to 6019.3 and 6137.9 MHz.
- 931-C1-P-70—Citizens Utilities Rural Co., Inc. (New), Change frequencies toward Oatman, Ariz., to 6019.3 and 6137.9 MHz.
- 932-C1-P-70—Citizens Utilities Rural Co., Inc. (New), Change frequencies toward Mohave Valley, Ariz., to 6271.4 and 6390.0 MHz. All other particulars same as reported in public notice dated Sept. 2, 1969.
- 1210-C1-P-70—Bell Telephone Co. of Pennsylvania (KGO89), Change the radio path azimuth between the passive reflector at Piney Ridge and Huntingdon, Pa., to 24°00'. Station location: 1.5 miles south of Pine Grove Mills, Pa.
- 1211-C1-P-70—Bell Telephone Co. of Pennsylvania (KGO88), Correct geographic coordinates to read lat. 40°29'14" N., long. 78°01'01" W., and change radio path azimuth between Huntingdon and the Piney Ridge passive reflector to 204°00'. Station location: 807 Washington Street, Huntingdon, Pa. All other particulars same as reported in public notice dated Sept. 15, 1969.
- 1580-C1-P-70—Southwestern Bell Telephone Co. (New), Change radio path azimuth between proposed stations to be located 7 miles east-southeast of Ponca City, Okla., and at Ponca City, Okla., from 288°46' to 297°57'. Station location: 7 miles east-southeast of Ponca City, Okla.
- 1581-C1-P-70—Southwestern Bell Telephone Co. (New), Change radio path azimuth between proposed stations to be located at Ponca City, Okla., and 7 miles east-southeast of Ponca City, Okla., from 108°42' to 117°52'. Station location: 115 Chestnut Street, Ponca City, Okla. All other particulars same as reported in public notice dated Oct. 6, 1969.

POINT-TO-POINT MICROWAVE RADIO SERVICE (NONTTELEPHONE)

- 3425-C1-P-70—United Video, Inc. (New), C.P. for a new station 1.2 miles southwest of Mountain Springs, Tex., at lat. 33°28'29.5" N., long. 97°03'46.4" W. Frequencies 10,735 and 10,895 MHz on azimuth 352°06'.
- 3426-C1-P-70—United Video, Inc. (New), C.P. for a new station 3.5 miles north-northeast of Thackerville, Okla., at lat. 33°50'21.5" N., long. 97°07'23.9" W. Frequencies 11,265 and 11,345 MHz on azimuth 354°54'. (Informative: Applicant proposes to provide the television signals to KTVT and KDTV of Dallas-Fort Worth, Tex., to Cablecom General, Inc., in Ardmore, Okla. Applicant is requesting "Special Temporary Authority" to start construction prior to Commission action on the applications.)

Major Amendment

- 2591-C1-P-69—Upper Peninsula Microwave, Inc. (KYO50), Amended to change frequencies 6177.5 and 6197.2 MHz to 11,525.0 and 11,685.0 MHz toward Grayling, Mich., on azimuth of 3°49'. Other particulars are same as reported in public notice dated Nov. 4, 1968.

[F.R. Doc. 69-15336; Filed, Dec. 29, 1969; 8:45 a.m.]

TOWN & COUNTRY BROADCASTERS, INC.

Order Designating Application for Hearing on Stated Issues

In regard application of Town & Country Broadcasters, Inc., Docket No. 18773, File No. BRH-831, for renewal of license of radio station KJML(FM), Sacramento, Calif.

1. The Commission has before it for consideration (a) the captioned application and (b) its field inquiry into the operations of station KJML(FM).

2. Information before the Commission raises a number of serious questions as to whether the captioned applicant possesses the qualifications to remain a licensee of the Commission. In view of these questions, the Commission is unable to find that grant of the captioned application would serve the public interest, convenience and necessity, and must, therefore, designate the application for hearing.

3. Accordingly, it is ordered, That pursuant to section 309(e) of the Communications Act of 1934, as amended, the captioned application is designated for hearing at Sacramento, Calif., at a time to be specified in a subsequent order, upon the following issues:

(1) To determine whether control of radio station KJML was transferred to others without the authority of the Commission, in violation of section 310(b) of the Communications Act of 1934, as amended.

(2) To determine whether the applicant made misrepresentations to, or sought to conceal information from, the Commission.

(3) To determine whether the applicant had knowledge of the content of its foreign language broadcasts and maintained control over them.

(4) To determine whether the applicant violated sections 310(a) and 317 (a) (1) and (c) of the Communications Act of 1934, as amended, and §§ 1.613 (b) (3) and (c), 1.615(c) (3), 73.261, 73.265, 73.284, 73.285, and 73.289 of the Commission's rules.

(5) To determine the financial arrangements under which KJML has been and will be operated.

(6) To determine the efforts made by applicant to ascertain the needs and interests of the area served by KJML and the means by which it proposes to meet such needs and interests.

(7) To determine applicant's past and future policy with respect to making time available for the discussion of public issues and the method of selecting subjects and participants.

(8) To determine, in light of the evidence adduced pursuant to the foregoing issues, whether the applicant possesses the requisite qualifications to be and to remain a licensee of the Commission.

(9) To determine, in light of the evidence adduced pursuant to the foregoing issues, whether grant of the application for renewal of the license for radio station KJML would serve the public interest, convenience, and necessity.

4. It is further ordered, That the Chief, Broadcast Bureau, is directed to serve upon the applicant within 30 days of the release of this order a Bill of Particulars setting forth the basis for adoption of the above hearing issues.

5. It is further ordered, That the Broadcast Bureau proceed with the initial presentation of the evidence with respect to Issues (1) through (4), and the applicant then proceed with its evidence and have the burden of establishing that it possesses the requisite qualifications to be a licensee of the Commission and that a grant of its application would serve the public interest, convenience and necessity.

6. It is further ordered, That to avail itself of the opportunity to be heard, the applicant herein, pursuant to § 1.221 of the Commission's rules, in person or by attorney, shall file with the Commission, within twenty (20) days of the mailing of this order, a written appearance in triplicate, stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

7. It is further ordered, That the applicant shall, pursuant to section 311 (a) (2) of the Communications Act of 1934, as amended, and § 1.594 of the

Commission's rules, give notice of the hearing within the time and in the manner prescribed in such rule, and shall advise the Commission of such notice as required by § 1.594(g) of the rules.

Adopted: December 17, 1969.

Released: December 23, 1969.

**FEDERAL COMMUNICATIONS
COMMISSION,**

[SEAL] **BEN F. WAPLE,**
Secretary.

[P.R. Doc. 69-15383; Filed, Dec. 29, 1969;
8:46 a.m.]

FEDERAL MARITIME COMMISSION

GREATER DETROIT CHAMBER OF COMMERCE

Notice of Issuance of Performance Certificate

Security for the protection of the public; indemnification of passengers for nonperformance of transportation.

Notice is hereby given that the following have been issued a Certificate of Financial Responsibility for Indemnification of Passengers for Nonperformance of Transportation pursuant to the provisions of section 3, Public Law 89-777 (80 Stat. 1357, 1358) and Federal Maritime Commission General Order 20, as amended (46 CFR Part 540):

Greater Detroit Chamber of Commerce (formerly Greater Detroit Board of Commerce).

Dated: December 23, 1969.

FRANCIS C. HURNEY,
Secretary.

[P.R. Doc. 69-15385; Filed, Dec. 29, 1969;
8:46 a.m.]

WEST LINE, INC.

Notice of Issuance of Casualty Certificate

Security for the protection of the public; financial responsibility to meet liability incurred for death or injury to passengers or other persons on voyages.

Notice is hereby given that the following have been issued a Certificate of Financial Responsibility to Meet Liability Incurred for Death or Injury to Passengers or Other Persons on Voyages pursuant to the provisions of section 2, Public Law 89-777 (80 Stat. 1356, 1357) and Federal Maritime Commission General Order 20, as amended (46 CFR 540):

West Line, Inc., 900 IBM Building, Seattle, Wash. 98101.

Dated: December 23, 1969.

FRANCIS C. HURNEY,
Secretary.

[P.R. Doc. 69-15384; Filed, Dec. 29, 1969;
8:46 a.m.]

FEDERAL POWER COMMISSION

[Docket No. G-4771 etc.]

AMERADA PETROLEUM CORP. ET AL.

Notice of Applications for Certificates and Petitions to Amend Certificates¹

DECEMBER 17, 1969.

Take notice that each applicant herein has filed an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity or a petition to amend an order of the Commission issuing a certificate for authorization to sell natural gas in interstate commerce for resale, all as more fully described in the applications and petitions to amend which are on file with the Commission and open to public inspection.

All of the applications and petitions to amend are for sales by independent producers in the Permian Basin area. The Commission proposes to issue certificate authorization at rates not exceeding the applicable area rate ceilings established in Opinions Nos. 468 and 468-A, 34 FPC 159 and 1068, or the contractually authorized rates as of the dates deliveries commenced, whichever are less, and to order refunds of amounts collected prior to September 1, 1965, under temporary certificates in excess of such area rate ceilings². Any refunds so ordered would be subject to the same limitations on refunds prescribed in the Commission's order issued November 26, 1968, in Area Rate Proceeding (Permian Basin),

¹ This notice does not provide for consolidation of the several matters covered herein.

² It is not proposed to order refunds in Docket No. G-160-87 because the situation presented there is the same as that involved with respect to the applications of Cabot Corp. in Docket No. G-18619 et al. See Area Rate Proceeding (Permian Basin), Docket No. AR61-1 et al., order issued Jan. 17, 1969, 41 FPC 53, 54.

Docket No. AR61-1 et al., 40 FPC 1359, 1361.

Each applicant or petitioner who is unwilling to accept certificate authorization on the basis described above should so advise the Commission in writing within 30 days from the issuance of this notice. Certificate authorization consistent with Opinions Nos. 468 and 468-A will be issued to all applicants and petitioners who do not advise the Commission within the prescribed time of their unwillingness to accept such authorization.

The initial rate proposed to be authorized for each sale is the lesser of the rates set forth in the "Price per Mcf" and "Area Ceiling Price per Mcf" columns of the tables included herein. The rates set forth in these columns are adjusted for quality if a rate schedule-quality statement has been filed. All rates are set forth at a pressure base of 14.65 p.s.i.a.

Any person desiring to be heard or to make any protest with reference to the subject applications and petitions should on or before January 21, 1970, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Persons wishing to become parties to the proceeding or to participate as a party in any hearing therein must file petitions to intervene in accordance with the Commission's rules. Any parties who have heretofore filed petitions to intervene or notices of intervention in the subject dockets should file again if they are still interested in participating in any proceedings in the subject dockets.

GORDON M. GRANT,
Secretary.

Docket No. and date filed	Applicant	Purchaser, field, and location	Price per Mcf	Area ceiling price per Mcf
G-4771 C 1-11-68	Amerada Hess Corp. (formerly Amerada Petroleum Corp.), Post Office Box 2040, Tulsa, Okla. 74102.	El Paso Natural Gas Co., Spraberry Field, Upton County, Tex.	14.5	14.5
G-5013 C 10-31-66	Shell Oil Co. (Operator), et al., 30 West 50th St., New York, N.Y. 10020.	El Paso Natural Gas Co., Wesson Plant, Yoakum County, Tex.	12.63	12.63
G-5145 C 5-23-61 C 9-26-62 C 7-23-62	Humble Oil & Refining Co. (Operator) et al., Post Office Box 2180, Houston, Tex. 77001.	El Paso Natural Gas Co., Spraberry Trend Area, Upton, Reagan, Midland, and Glasscock Counties, Tex.	17.2295	14.5
G-5145 (G-2800) (G-17012) C 10-8-62 ²	do.	do.	17.2295	14.5
G-8892 C 6-5-61 ²	Texaco, Inc., Post Office Box 5232, Houston, Tex. 77052.	El Paso Natural Gas Co., Spraberry Field, Midland County, Tex.	14.5	14.5
G-10367 C 8-12-60	Humble Oil & Refining Co.	El Paso Natural Gas Co., South Andrews Field, Andrews County, Tex.	15.2025	14.5

Filing code: A—Initial service.
B—Abandonment.
C—Amendment to add acreage.
D—Amendment to delete acreage.
E—Succession.
F—Partial succession.

See footnotes at end of table.

NOTICES

[illegible]

See footnotes at end of table.

Docket No. and date filed	Applicant	Purchaser, field, and location	Price per Mcf	Area ceiling price per Mcf
C167-548 A 10-27-60 C 12-9-66	Humble Oil & Refining Co.	El Paso Natural Gas Co., Gomez Field, Pecos County, Tex.	15.91 15.91	15.91 15.91
C167-1243 A 3-12-67	Signal Oil & Gas Co. (Operator) et al., Post Office Box 17126, Foy Station, Los Angeles, Calif. 90017.	El Paso Natural Gas Co., Northwest Todd Field, Crockett County, Tex.	16.21	16.21
C167-1360 A 4-3-67	Union Oil Co. of California.	El Paso Natural Gas Co., Gomez Field, Pecos County, Tex.	15.91	15.91
C167-1635 A 5-13-67	Humble Oil & Refining Co.	Pecos Co. and El Paso Natural Gas Co., King Mountain (Strawn) Field, Upton County, Tex.	14.61	14.61
C167-1840 A 6-29-67	Continental Oil Co.	El Paso Natural Gas Co., Calvin Field, Reagan County, Tex.	14.5	14.5
C168-575 A 10-23-67	Humble Oil & Refining Co.	Northern Natural Gas Co., Coyanosa Field, Pecos County, Tex.	16.5	16.5
C168-571 A 1-12-68	Tenneco Oil Co., Post Office Box 2311, Houston, Tex. 77001.	El Paso Natural Gas Co., Wortham-Bayer Field, Reeves County, Tex.	13.97	13.97
C169-438 A 10-31-68	Sun Oil Co. (DX Division) (Operator) et al.	Natural Gas Pipeline Co. of America, South Hope Field, Eddy County, N. Mex.	16.06	16.06

¹ Per quality statement.

² Adds acreage acquired from Gibraltar Oil Corp.

³ Filed by Texaco's predecessor, the T.X.L. Oil Corp.

⁴ Temporary certificate issued at 16 cents per Mcf. Rate increase to 18.243 cents per Mcf effective subject to refund in Docket No. R168-457.

⁵ Contract rate was 13.623 cents per Mcf when application was filed. To be the lower of the contract rate or the applicable area rate as adjusted for quality.

⁶ Subject to quality adjustment (no quality statement filed).

⁷ Temporary certificate issued at 16 cents per Mcf.

⁸ Amends application to provide for new delivery point.

⁹ Amends application to delete acreage added by amendment filed Dec. 18, 1969.

¹⁰ Amends application with regard to quality provisions of the contract.

¹¹ Partial succession to sale previously made by Hunt Oil Co.

¹² Rate approved in temporary certificate.

¹³ FPC Gas Rate Schedule No. 27.

¹⁴ FPC Gas Rate Schedule No. 28.

¹⁵ Adds interest of signatory coowner.

¹⁶ Application to reflect change in corporate structure.

¹⁷ Residue derived from new gas. Temporary certificate issued at 16 cents per Mcf. Subsequent rate increase to quality statement rate approved.

¹⁸ Residue not derived from new gas. Temporary certificate issued at 16 cents per Mcf. Rate increase to 16.2380 cents per Mcf suspended in Docket No. R163-455.

¹⁹ Temporary certificate issued at 15.6 cents per Mcf (16 cents @ 15.625 p.s.i.a.).

²⁰ No temporary certificate issued.

²¹ Temporary certificate issued at 16 cents per Mcf. Rate increase to 17 cents per Mcf effective subject to refund in Docket No. R164-158.

²² Name change.

²³ Application to cover interest of coowners who have ratified contract (all ratifications executed after Jan. 1, 1961).

²⁴ For Devonian gas in School District No. 19.

²⁵ For Devonian gas in School District No. 8.

²⁶ For Pennsylvania gas.

²⁷ Plus applicable state and local production taxes as adjusted for quality (this rate to apply to coowners who ratified contract after Jan. 1, 1961).

²⁸ Temporary certificate issued at 16 cents per Mcf. Rate increase to 18 cents per Mcf effective subject to refund in Docket No. R168-459.

²⁹ A temporary certificate was issued Mar. 6, 1962, however, service has never commenced thereunder.

³⁰ Rate increase to 21.8 cents per Mcf suspended in Docket No. R164-101. Subsequent increase to 16.96 cents per Mcf approved and proceeding in Docket No. R164-101 terminated.

³¹ Application to cover interest of coowner who ratified contract.

³² Partial succession by M. D. Abel et al., d.b.a. Abel & Bancroft (Operator) et al., to sale previously made by W. E. Bakke.

³³ Succession by Sohio Petroleum Co. to Abel & Bancroft.

³⁴ Temporary certificate issued at 10.1609 cents per Mcf, subject to rate proceeding in Docket No. G-16477. Order of Mar. 1, 1966 in Docket No. G-16477 reduced rate to 9.33714 cents per Mcf.

³⁵ Partial succession to sale previously made by Parker Drilling Co.

³⁶ Rate approved in temporary certificate. Equivalent to 5.5 cents per Mcf @ 16.4 p.s.i.a. Subsequent rate increases to 9 cents and 10 cents per Mcf approved.

³⁷ Formerly Joseph E. Seagram & Sons, Inc., d.b.a. Texas Pacific Oil Co.

³⁸ No quality statement filed.

³⁹ Change in Operator (from J. S. Hill to David Fasken).

⁴⁰ Due to pressure decline, rate decreased to 14.5 cents per Mcf.

⁴¹ Base price of 15 cents per Mcf, plus upward B.t.u. adjustment.

[F.R. Doc. 69-15311; Filed, Dec. 29, 1969; 8:45 a.m.]

[Docket No. R170-832, etc.]

GULF OIL CORP. ET AL.

Order Providing for Hearings on and Suspension of Proposed Changes in Rates¹

DECEMBER 17, 1969.

The respondents named herein have filed proposed increased rates and charges of currently effective rate schedules for sales of natural gas under Commission jurisdiction, as set forth in Appendix A hereof.

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon hearings regarding the lawfulness of the proposed changes, and that the supplements herein be suspended and their use be deferred as ordered below.

The Commission orders:

(A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR ch. I), and the Commission's rules of practice and procedure, public hearings shall be held concerning the lawfulness of the proposed changes.

(B) Pending hearings and decisions thereon, the rate supplements herein are suspended and their use deferred until date shown in the "Date Suspended Until" column, and thereafter until made effective as prescribed by the Natural Gas Act.

(C) Until otherwise ordered by the Commission, neither the suspended supplements, nor the rate schedules sought to be altered, shall be changed until disposition of these proceedings or expiration of the suspension period.

(D) Notices of intervention 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 and 1.37(f)) on or before February 4, 1970.

By the Commission.

[SEAL]

GORDON M. GRANT,
Secretary.

¹ Does not consolidate for hearing or dispose of the several matters herein.

APPENDIX A

Docket No.	Respondent	Rate Schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in Dockets Nos.
									Rate in effect	Proposed increased rate	
R170-833..	Gulf Oil Corp., Post Office Box 1589, Tulsa, Okla. 74102.	8	11	El Paso Natural Gas Co. (Keystone Ellenburger Field, Winkler County, Tex.) (RR. District No. 8) (Permian Basin Area).	\$189	11-20-69	12-21-69	5-21-70	16.1440	17.1955	
.....do.....		12	18	El Paso Natural Gas Co. & Pecos Co. (Jack Herbert Field, Upton County, Tex.) (RR. District No. 7-C) (Permian Basin Area).	2,877	11-20-69	12-21-69	5-21-70	15.2025	16.2700	R169-320
.....do.....		16	19	El Paso Natural Gas Co. (Blinberry, Bumont, Jalmat, Justis, Langlie Mattix, Monument McKee, and Scarborough Fields, Lea County, N. Mex.) (Permian Basin Area).	21,635	11-20-69	12-21-69	5-21-70	16.50	17.9023	R169-320
.....do.....		55	10	El Paso Natural Gas Co. & Pecos Co. (Jack Herbert and Willrode Fields, Upton County, Tex.) (RR. District No. 7-C) (Permian Basin Area).	1,417	11-20-69	12-21-69	5-21-70	15.2025	16.2700	R169-320
.....do.....		56	7	El Paso Natural Gas Co. (Crosby-Devonian Field, Lea County, N. Mex.).	10,025	11-20-69	12-21-69	5-21-70	16.50	17.8367	R169-320
.....do.....		65	12	El Paso Natural Gas Co. (Spraberry Field, Glasscock County, Tex.) (RR. District No. 8).	206	11-20-69	12-21-69	5-21-70	18.2430	19.3278	R169-320
.....do.....		118	11	El Paso Natural Gas Co. (Jalmat Field, Lea County, N. Mex.).	1,613	11-20-69	12-21-69	5-21-70	16.50	17.9023	R169-320
.....do.....		120	11	El Paso Natural Gas Co. (Spraberry Field, Reagan County, Tex.) (RR. District No. 7-C).	304	11-20-69	12-21-69	5-21-70	18.2430	19.3278	R169-320
.....do.....		143	7	El Paso Natural Gas Co. (Badley Upper and Lower Pennsylvania Fields, Lea County, N. Mex.).	148	11-20-69	12-21-69	5-21-70	16.50	17.6308	R169-320
.....do.....		144	6	El Paso Natural Gas Co. (Justis Field, Lea County, N. Mex.).	1,851	11-20-69	12-21-69	5-21-70	16.50	17.9023	R169-320
.....do.....		146	7	El Paso Natural Gas Co. (Block 9 Devonian, Ellenburger and Fusselman Fields, Andrews County, Tex.) (RR. District No. 8).	998	11-20-69	12-21-69	5-21-70	15.2025	16.2700	R169-320
.....do.....		225	7	El Paso Natural Gas Co. & Pecos Co. (King Mountain Strawn Field, Upton County, Tex.) (RR. District No. 7-C).	365	11-20-69	12-21-69	5-21-70	15.2025	16.2700	R169-320
.....do.....		231	6	El Paso Natural Gas Co. (Wimberly Field, Pecos County, Tex.) (RR. District No. 8).	14,102	11-20-69	12-21-69	5-21-70	18.2430	19.3278	R169-320
.....do.....		240	6	El Paso Natural Gas Co. (Fowler-Paddock Field, Lea County, N. Mex.).	1,823	11-20-69	12-21-69	5-21-70	16.50	17.9023	R169-320
.....do.....		244	4	El Paso Natural Gas Co. (Jalmat Field, Lea County, N. Mex.).	320	11-20-69	12-21-69	5-21-70	16.0533	17.4453	R169-320
.....do.....		250	4	El Paso Natural Gas Co. (Jal Strawn-West Field, Lea County, N. Mex.).	436	11-20-69	12-21-69	5-21-70	16.50	17.9023	
.....do.....		312	5	El Paso Natural Gas Co. (South Andrews Field, Andrews County, Tex.) (RR. District No. 8).	612	11-20-69	12-21-69	5-21-70	15.2025	16.2700	R169-320
.....do.....		317	8	El Paso Natural Gas Co. (Gomez Field, Pecos County, Tex.) (RR. District No. 8).	6,475	11-20-69	12-21-69	5-21-70	16.7228	17.8019	R169-320
.....do.....		325	10	El Paso Natural Gas Co. (Spraberry Field, Glasscock County, Tex.) (RR. District No. 8).	206	11-20-69	12-21-69	5-21-70	18.2430	19.3278	R169-320
.....do.....		332	10	El Paso Natural Gas Co. (Headlee Plant, Ector County, Tex.) (RR. District No. 8).	(19)	11-20-69	12-21-69	5-21-70	18.2430	19.3278	R169-320
.....do.....		326	11	El Paso Natural Gas Co. (Payton Field, Pecos and Ward Counties, Tex.) (RR. District No. 8).	863	11-20-69	12-21-69	5-21-70	16.7228	17.8019	R169-320
.....do.....		345	7	El Paso Natural Gas Co. (South Santa Rosa Field, Pecos County, Tex.) (RR. District No. 8).	313	11-20-69	12-21-69	5-21-70	16.7228	17.8019	R169-320
.....do.....		381	4	El Paso Natural Gas Co. (Wilshire Devonian Field, Upton County, Tex.) (RR. District No. 7-C).	810	11-20-69	12-21-69	5-21-70	19.44	20.9970	R169-320
.....do.....		315	2	Transwestern Pipeline Co. (Clementine (Upper Morrow) Field, Hansford County, Tex.) (RR. District No. 10).	3,314	11-17-69	1-1-70	6-1-70	18.7815	19.8866	
.....do.....		130	22	Natural Gas Pipeline Co. of America (Booneville Bend Conglomerate gas, Dees and Cap Yates Fields, Jack and Wise Counties, Tex.) (RR. District No. 9).	33,732	11-21-69	1-2-70	6-2-70	16.3651	17.6380	
R170-833..	Gulf Oil Corp. (Operator) et al.	9	11	El Paso Natural Gas Co. (Sweetie Peak Field, Midland County, Tex.) (RR. District No. 8) (Permian Basin Area).	798	11-20-69	12-21-69	5-21-70	15.23	15.9201	

See footnotes at end of table.

NOTICES

20367

APPENDIX A

Docket No.	Respondent	Rate Schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in Dockets Nos.
									Rate in effect	Proposed increased rate	
RI79-834..	Warren Petroleum Corp. (Operator), Post Office Box 1589, Tulsa, Okla., 74102.	30	12	El Paso Natural Gas Co. (Saunders Gasoline Plant, Lea County, N. Mex.).	\$2,670	11-17-69	* 12-18-69	5-18-70	\$ 18.00	* 19.00	RI69-322.
.....do.....	.....do.....	28	11	El Paso Natural Gas Co. (Montment Gasoline Plant, Lea County, N. Mex.).	\$ 195,520 \$ 2,430 \$ 294,283	11-17-69	* 12-18-69	5-18-70	\$ 16.02 \$ 15.50 \$ 15.02	* 17.00 * 16.50 * 16.50	RI69-322. RI69-322. RI69-322.
.....do.....	.....do.....	50	7	Transwestern Pipeline Co. (Montment Gasoline Plant, Lea County, N. Mex.).	(0)	11-17-69	* 12-18-69	5-18-70	16.56	* 17.00	RI69-322.
.....do.....	.....do.....	43	10	El Paso Natural Gas Co. (Waddell Gasoline Plant, Crane County, Tex. (R.R. District No. 8).	\$ 706 \$ 701,286	11-17-69	* 12-18-69	5-18-70	\$ 18.1488 \$ 16.7367	* 19.1574 * 19.1574	RI69-322. RI69-322.
.....do.....	.....do.....	44	9	El Paso Natural Gas Co. (Eunice Gasoline Plant, Lea County, N. Mex.).	\$ 40 401,313	11-17-69	* 12-18-69	5-18-70	\$ 18.00 \$ 16.51	* 19.00 * 17.00	RI69-322. RI69-322.
.....do.....	.....do.....	54	7	El Paso Natural Gas Co. (Caliche Gasoline Plant, Lea County, N. Mex.).	\$ 28,470	11-17-69	* 12-18-69	5-18-70	\$ 18.00	* 19.00	RI69-322.
.....do.....	.....do.....	56	11	El Paso Natural Gas Co. (Tatum Gasoline Plant, Lea County, N. Mex.).	35 \$ 2,040	11-17-69	* 12-18-69	5-18-70	\$ 16.79 \$ 18.00	* 19.00 * 19.00	RI69-322. RI69-322.
RI79-835..	Warren Petroleum Corp.	42	15	El Paso Natural Gas Co. (South Fullerton Gasoline Plant, Andrews County, Tex. (R.R. District No. 8).	338	11-17-69	* 12-18-69	5-18-70	\$ 16.44 17.0989	* 19.00 * 19.1394	RI69-322. RI69-323.
.....do.....	.....do.....	22	13	El Paso Natural Gas Co. (Slaughter Gasoline Plant, Hookley County, Tex. (R.R. District No. 8-A).	14,171	11-17-69	* 12-18-69	5-18-70	16.6208	* 19.1423	RI69-323.
.....do.....	.....do.....	45	9	El Paso Natural Gas Co. (Denton Gasoline Plant, Lea County, N. Mex.).	847	11-17-69	* 12-18-69	5-18-70	16.51	* 19.00	RI69-323.
.....do.....	.....do.....	55	13	El Paso Natural Gas Co. (South Fullerton Gasoline Plant, Andrews County, Tex. (R.R. District No. 8).	273	11-17-69	* 12-18-69	5-18-70	17.0929	* 19.1034	RI69-323.
RI79-836..	Union Oil Co. of California, Union Oil Center, Los Angeles, Calif. 90017.	70	9	El Paso Natural Gas Co. (Levelland Field, Cochran County, Tex. (R.R. District No. 8).	839	11-17-69	* 12-18-69	5-18-70	16.7846	* 17.6680	RI69-705.
.....do.....	.....do.....	178	5	El Paso Natural Gas Co. (Brown Bassett Field, Crockett County, Tex. (R.R. District No. 7-C).	407	11-17-69	* 12-18-69	5-18-70	15.91	* 17.5656	
RI79-837..	Texaco, Inc. (Operator) et al., Post Office Box 2430, Tulsa, Okla., 74102.	339	2	Natural Gas Pipeline Co. of America (Northwest Quinlan Field, Woodward County, Okla.) (Panhhandle Area).	5,976	11-21-69	* 12-23-69	5-23-70	\$ 17.85	* 19.48	
RI79-838..	Cities Service Oil Co., Post Office Box 309, Tulsa, Okla. 74102.	42	8	Cities Service Gas Co. (Garvin County Plants, Garvin County, Okla.) (Oklahoma "Other" Area).	\$ 40,480	11-20-69	* 12-21-69	5-21-70	17.9	* 19.0	RI69-17.
RI79-839..	Westmore Drilling Co., Inc. (Operator) et al., Clinpin Bldg., Medicine Lodge, Kans.	2	16	Cities Service Gas Co. (Aetna Mississippi Gas Pool, Barber County, Kans.).	7,200	11-19-69	* 12-22-69	5-22-70	\$ 14.0	* 15.0	RI69-06.
RI79-840..	Cleary Petroleum Corp. (Operator), et al., 310 Kernac Bldg., Oklahoma City, Okla. 73102.	12	8	.....do.....	.....	11-19-69	* 12-22-69	5-22-70	\$ 14.0	* 15.0	
.....do.....	.....do.....	15	1	Natural Gas Pipeline Co. of America (Camrick Field, Beaver County, Okla.) (Panhhandle Area).	621	11-20-69	* 12-21-69	5-21-70	\$ 17.0	* 18.515	
.....do.....	.....do.....	15	1	Panhhandle Eastern Pipe Line Co. (Alva East, Woods and Alfalfa Counties, Okla.) (Oklahoma "Other" Area).	1,121	11-20-69	* 12-21-69	5-21-70	15.0	* 16.01	
RI79-841..	Cleary Petroleum Corp.	17	3	Arkansas Louisiana Gas Co. (Milton Field, Le Flore County, Okla.) (Oklahoma "Other" Area).	152	11-20-69	* 12-21-69	5-21-70	15.0	* 16.015	
RI79-842..	J. Cleo Thompson (Operator) et al., 4500 Republic Natural Bank Tower, Dallas, Tex. 75201.	2	7	United Gas Pipe Line Co. (Willow Spring Field, Gregg County, Tex.) (R.R. District No. 6).	.....	11-20-69	* 12-21-69	Accepted	.....	.....
RI79-843..	Kerr-McGee Corp., Kerr-McGee Bldg., Oklahoma City, Okla. 73102.	7	1	.....do.....	.....	11-20-69	* 1-1-70	6-1-70	11.0298	* 15.5	
.....do.....	.....do.....	17	8	Lone Star Gas Co. (Garvin County Plants, Garvin County, Okla.) (Oklahoma "Other" Area).	7,737	11-21-69	* 12-22-69	5-22-70	17.9	* 19.0	RI69-15.
.....do.....	.....do.....	47	8	Cities Service Gas Co. (Garvin County Plants, Garvin County, Okla.) (Oklahoma "Other" Area).	1,852	11-21-69	* 12-22-69	5-22-70	17.9	* 19.0	RI69-15.
RI79-844..	Sun Oil Co., DX Division, 907 South Detroit Ave., Tulsa, Okla. 74120.	167	10	Natural Gas Pipeline Co. of America (Camrick Field, Texas County, Okla.) (Panhhandle Area).	43	11-21-69	* 1-23-69	6-23-70	\$ 18.615	* 18.815	RI69-231.
RI79-845..	Champlin Petroleum Co. (Operator) et al.	70	13	Cities Service Gas Co. (acreage in Barber County, Kans.).	7,520	11-20-69	* 12-22-69	5-22-70	\$ 14.0	* 15.0	RI65-380.
RI79-846..	Lone Star Exploration, Inc. (Operator) et al., 2010 Republic National Bank Bldg., Dallas, Tex. 75201.	3	5	Arkansas Louisiana Gas Co. (Arkoma Area, Le Flore County, Okla.) (Oklahoma "Other" Area).	1,800	11-17-69	* 12-18-69	5-18-70	15.0	* 16.0	
.....do.....	.....do.....	4	5	.....do.....	.....	11-17-69	* 12-18-69	5-18-70	15.0	* 16.0	

See footnotes at end of table.

APPENDIX A

Docket No.	Respondent	Rate Schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until	Cents per Mcf		Rate in effect subject to refund in Dockets Nos.
									Rate in effect	Proposed increased rate	
RI70-847	Horizon Oil & Gas Co. of Texas, 1216 Hartford Bldg., Dallas, Tex. 75201.	16	1 to 5	Transwestern Pipeline Co. (Horizon Field, Ochiltree County, Tex.) (R.R. District No. 10).	\$47,853	11-20-69	12-21-69	5-21-70	\$19.5853	\$26.1138	RI69-326
do	do	17	1 to 10	Transwestern Pipeline Co. (Hansford Field, Hansford County, Tex.) (R.R. District No. 10).	\$3,840	11-20-69	12-21-69	5-21-70	\$19.5853	\$26.1138	RI69-337
do	do	24	1 to 7	Transwestern Pipeline Co. (Dude Wilson Field, Ochiltree County, Tex.) (R.R. District No. 10).	\$5,712	11-20-69	12-21-69	5-21-70	\$19.5853	\$26.1138	RI69-338
do	do	25	1 to 3	Northern Natural Gas Co. (Hansford Field, Hansford County, Tex.) (R.R. District No. 10).	\$4,316	11-20-69	12-21-69	5-21-70	\$17.0638	\$18.0675	RI70-693

¹ The stated effective date is the effective date requested by Respondent.

² Periodic rate increase.

³ Pressure base is 14.65 p.s.i.a.

⁴ Subject to deduction of 0.4467 cent for compression, if needed.

⁵ Includes partial reimbursement for the full 2.55 percent New Mexico Emergency School Tax.

⁶ Rate in effect subject to refund in Docket No. RI69-320 for residue gas derived from new gas-well gas only.

⁷ That part of the proposed increase which pertains to the sale of gas-well gas is accepted for filing to become effective on Dec. 21, 1969.

⁸ Increase from ceiling rate to contract rate.

⁹ No deliveries are being made.

¹⁰ Subject to upward and downward B.T.U. adjustment.

¹¹ Texas Tax increase has been filed.

¹² Includes 0.25-cent dehydration charge paid by buyer.

¹³ 19 cents base rate plus 0.27-cent tax reimbursement less 3.3499 cents charge by buyer for gathering, treating and compression.

Union Oil Company of California (Union Oil) requests waiver of the statutory notice to permit its proposed rate increase to become effective as of November 17, 1969. Good cause has not been shown for waiving the 30-day notice requirement provided in section 4(d) of the Natural Gas Act to permit an earlier effective date for Union Oil's rate filing or for limiting to 1 day the suspension period with respect to such rate filings and Union Oil's request is denied.

Concurrently with the filing of their rate increase, J. Cleo Thompson (Operator) et al. (Thompson), submitted a superseding contract dated October 9, 1969, designated as Thompson's FPC Gas Rate Schedule No. 7, which provides for their proposed rate increase. We believe that it would be in the public interest to accept for filing Thompson's proposed superseding rate schedule to become effective as of December 21, 1969, the expiration date of the statutory notice.

Supplement No. 7 to Gulf Oil Corp.'s FPC Gas Rate Schedule No. 225 contains a proposed rate increase to 16.2760 cents per Mcf.¹⁴ That part of such proposed increase which pertains to the sale of new gas-well gas is accepted for filing to be effective on December 21, 1969, the proposed effective date.

Several of the proposed rate increases herein reflect partial reimbursement for the full 2.55 percent New Mexico Emergency School Tax. The buyer, El Paso Natural Gas Co. (El Paso) in accordance with its policy of protesting tax filings proposing reimbursement for the New Mexico Emergency School Tax in excess of 0.55 percent, is expected to file a protest to these rate increases. El Paso questions the right of the producer under the tax reimbursement clause to file a rate increase reflecting tax reimbursement computed on the basis of an increase in tax rate by the New Mexico Legislature in excess of 0.55 percent. While El Paso concedes that the New Mexico Legislature effected a higher rate of at least 0.55 percent, they claim there is controversy as to whether or not the new legislation effected an increased rate in excess of 0.55 percent. In view of the contractual problem presented, the hearings

¹⁴ Proposed rate applies to new gas-well gas and residue gas derived from new gas-well gas. The area ceiling for the former sale is 17.81 cents, while for the latter sale the ceiling is 14.61 cents.

with respect to the rate filings containing such tax reimbursement shall concern themselves with the contractual basis for the rate filings, as well as the statutory lawfulness of the proposed increased rates and charges.

All of the producers' proposed increased rates and charges exceed the applicable area price levels for increased rates as set forth in the Commission's statement of general policy No. 61-1, as amended (18 CFR § 2.56).

[F.R. Doc. 69-15313; Filed, Dec. 29, 1969; 8:45 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-237]

COMMONWEALTH EDISON CO.

Notice of Issuance of Provisional Operating License

Notice is hereby given that no request for a hearing by the applicant or petition for leave to intervene by any interested person having been filed following publication of the notice of proposed action in the FEDERAL REGISTER, the Atomic Energy Commission (the Commission) has issued Provisional Operating License No. DPR-19 to Commonwealth Edison Co. (Commonwealth Edison) authorizing the licensee to possess, use, and operate the Dresden Nuclear Power Station Unit 2, a single cycle, boiling, light water reactor, on Commonwealth Edison's site in Grundy County, Ill. The license authorizes Commonwealth Edison to operate the reactor at steady state thermal power levels not to exceed 2,527 megawatts, in accordance with the provisions of the license and the Technical Specifications (Appendix A) appended thereto.

The Commission has inspected the facility and has determined that it has been constructed in accordance with the application, as amended, and the provisions of Provisional Construction Permit No. CPPR-18.

The provisional operating license was issued as set forth in the Notice of Proposed Issuance of Provisional Operating License published in the FEDERAL REGISTER on October 23, 1969, 34 F.R. 17211, except for the correction of certain typographical and clerical errors in the Technical Specifications, as set forth in the errata sheet attached to the Technical Specifications appended to Provisional Operating License No. DPR-19.

A copy of License No. DPR-19, complete with Technical Specifications, is available for public inspection at the Commission's Public Document Room at 1717 H Street NW., Washington, D.C. Copies of the license and a related safety evaluation prepared by the Division of Reactor Licensing may be obtained at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C., or upon request addressed to the Atomic Energy Commission, Washington, D.C. 20545, Attention: Director, Division of Reactor Licensing.

Dated at Bethesda, Md., this 22d day of December 1969.

For the Atomic Energy Commission.

PETER A. MORRIS,
Director,

Division of Reactor Licensing.

[F.R. Doc. 69-15362; Filed, Dec. 29, 1969; 8:45 a.m.]

FEDERAL RESERVE SYSTEM

CITIZENS BANCORPORATION

Order Approving Action To Become a Bank Holding Company

In the matter of the application of Citizens Bancorporation, Sheboygan, Wis., for approval of action to become a bank holding company through the acquisition of 80 percent or more of the

voting shares of Citizens Bank of Sheboygan, North Side State Bank, and Community South Side Bank, all of Sheboygan, Wis.

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and § 222.3 (a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Citizens Bancorporation, Sheboygan, Wis., for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 80 percent or more of the voting shares of Citizens Bank of Sheboygan, North Side State Bank, and Community South Side Bank, all of Sheboygan, Wis.

As required by section 3(b) of the Act, the Board gave written notice to the Commissioner of Banking of the State of Wisconsin of receipt of the application and requested his views and recommendation. The Commissioner offered no objection to approval of the application.

Notice of receipt of the application was published in the FEDERAL REGISTER on September 25, 1969 (34 F.R. 14786), which provided an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the U.S. Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.

It is hereby ordered, For the reasons set forth in the Board's statement¹ of this date, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the 30th calendar day following the date of this order or (b) later than 3 months after the date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

Dated at Washington, D.C., this 22d day of December 1969.

By order of the Board of Governors.
[SEAL] ROBERT P. FORRESTAL,
Assistant Secretary.

[F.R. Doc. 69-15386; Filed, Dec. 29, 1969; 8:46 a.m.]

MID-OHIO BANC-SHARES, INC.

Notice of Application for Approval of Acquisition of Shares of Banks

Notice is hereby given that application has been made to the Board of Governors

¹ Filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or to the Federal Reserve Bank of Chicago. Dissenting Statement of Governors Robertson and Brimmer also filed as part of the original document and available upon request.

² Voting for this action: Chairman Martin and Governors Mitchell, Daane, and Sherrill. Voting against this action: Governors Robertson and Brimmer. Absent and not voting: Governor Maisel.

of the Federal Reserve System pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) by Mid-Ohio Banc-Shares, Inc., Mansfield, Ohio, for prior approval of the Board of action whereby Applicant would become a bank holding company through the acquisition of 100 percent (less directors' qualifying shares) of the voting shares of The Sutton State Bank, Attica, Ohio.

Section 3(c) of the Act provides that the Board shall not approve:

(1) any acquisition or merger or consolidation under section 3 which would result in a monopoly or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

(2) any other proposed acquisition or merger or consolidation under section 3 whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

Section 3(c) further provides that, in every case, the Board shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served.

Not later than thirty (30) days after the publication of this notice in the FEDERAL REGISTER, comments and views regarding the proposed acquisition may be filed with the Board. Communications should be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The application may be inspected at the office of the Board of Governors or the Federal Reserve Bank of Cleveland.

Dated at Washington, D.C., this 19th day of December 1969.

By order of the Board of Governors.
[SEAL] ROBERT P. FORRESTAL,
Assistant Secretary.

[F.R. Doc. 69-15387; Filed, Dec. 29, 1969; 8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[70-4321]

MILLSTONE POINT CO. AND NORTHEAST UTILITIES

Notice of Proposed Guaranty by Holding Company of Subsidiary Company's Contractual Obligations

DECEMBER 19, 1969.

Notice is hereby given that Northeast Utilities ("Northeast") Post Office Box 270, Hartford, Conn. 06101, a registered holding company, and its subsidiary

company, The Millstone Point Co. ("Millstone"), have filed a declaration and an amendment thereto with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating section 12(b) of the Act and Rule 45 promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the declaration, which is summarized below, for a complete statement of the proposed transactions.

The Connecticut Light and Power Co., The Hartford Electric Light Co., and Western Massachusetts Electric Co., all of which are electric utility subsidiary companies of Northeast, are the owners as tenants-in-common ("Owners") of the Millstone Nuclear Power Station ("Station") with ownership interests of 53 percent, 28 percent, and 19 percent, respectively. By orders dated March 20, 1967 and September 19, 1968 (Holding Company Act Release Nos. 15691 and 16167), the Commission authorized Millstone to act as agent of the Owners with respect to the construction and operation of the Station. Unit No. 1 of the Station with a capacity of approximately 650,000 kilowatts is expected to be placed in operation in 1970.

The uranium fuel core for Unit No. 1 presently is in storage at the Station site ready for use as soon as such unit is completed and licensed for operation by the U.S. Atomic Energy Commission ("AEC"). Millstone is the lessee of the enriched uranium material used in such core and has paid the cost of fabrication of the core material with temporary financing authorized by order of the Commission dated June 2, 1969 (Holding Company Act Release No. 16389).

Under the terms of the Atomic Energy Act of 1954, electric utility users of uranium are now permitted to own their own inventories of such material. By the middle of 1973 the AEC lease program will be entirely terminated and complete private ownership of the uranium materials used in private electric utility power plants will become mandatory. A required phase-out from AEC to private ownership commences in 1970, and, during such transitional period, electric utility companies have the option to shift immediately to private ownership or to do so gradually. To encourage such action, AEC has provided for "in situ enrichment" arrangements, pursuant to which Millstone, as the lessee of the enriched uranium material included in the core for Unit No. 1, would furnish to the AEC an equivalent amount of uranium in the form of UF₆ gas and pay AEC the cost of enriching such material. In exchange, AEC would thereupon transfer to Millstone title to the leased uranium material now contained in the fuel core in storage at the Station site.

Millstone has reviewed proposals of various uranium suppliers for purchase of the uranium material to furnish to AEC and proposes to enter into an agreement with Homestake Mining Co. ("Homestake"), pursuant to which Homestake would furnish to AEC the required quantity of UF₆ gas and pay on Millstone's behalf the charges by AEC for enrichment of such gas. The total

price to Millstone for performing such arrangements would be approximately \$16.5 million, and, pursuant to the terms of a contract to be executed between Homestake and Millstone, the latter would pay such price to Homestake in 20 quarterly installments commencing on June 30, 1970, and ending June 30, 1975, with interest on the unpaid balance at the rate of 6 percent per annum.

Pursuant to an interim agreement authorized by the aforesaid 1969 order of the Commission, the Owners are obligated to reimburse Millstone for all monies paid by it to Homestake under the in situ enrichment arrangement. It is further proposed that Millstone's obligations under the proposed agreement with Homestake be guaranteed by Northeast.

It is stated that the costs of the proposed arrangements with Homestake are lower than those offered to Millstone by other suppliers of uranium materials. It is further represented that the arrangement with Homestake will protect Millstone against increases in uranium prices which are expected to occur prior to the time in 1973 when private ownership becomes mandatory, because it is anticipated that the presently limited demand of private users for uranium will increase sharply in the next few years as more nuclear plants are placed in operation.

The fees, commissions and expenses incurred, or to be incurred, directly or indirectly, in connection with the proposed transactions are estimated at approximately \$1,500 including legal fees of \$1,200. No consent or approval of any State commission or Federal commission, other than this Commission and the Connecticut Public Utilities Commission, is required in respect of the proposed transactions. Application for approval by the Connecticut Commission is being filed, and copies of such application and any order issued by the Connecticut Commission therein will be furnished by amendment.

Notice is further given that any interested person may, not later than January 9, 1970, 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 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 (airmail if the person being served is located more than 500 miles from the point of mailing) upon the declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the declaration, as amended or as it may be further amended, may be 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. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 69-15370; Filed, Dec. 29, 1969;
8:45 a.m.]

[File No. 24A-1943]

OCEANOGRAPHIC VENTURES, INC.

Order Temporarily Suspending Exemption, Statement of Reasons Therefor, and Notice of Opportunity for Hearing

DECEMBER 18, 1969.

I. Oceanographic Ventures, Inc. (Issuer), 683 Northeast 69th Street, Miami, Fla. 33138, a Delaware corporation, filed with the Commission on June 16, 1969, a notification and offering circular, relating to a proposed offering of 60,000 shares of \$0.01 par value common stock at \$5 per share for an aggregate of \$300,000, for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to section 3(b) thereof and Regulation A promulgated thereunder. Three amendments have been filed to the notification and offering circular. Berne Securities Corp., 1182 Broadway, New York, N.Y., is listed as underwriter for the offering.

The Commission has reasonable cause to believe, on the basis of information reported to it by its staff, that:

A. The issuer's notification and offering circular contain untrue statements of material facts and omit to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, particularly:

1. That the notification and offering circular do not disclose adequately and accurately the consideration paid by the issuer's two promoters and principal security holders, Messrs. William G. Miller and William K. Chester, for the shares of common stock issued to them.

2. That the offering circular does not describe adequately and accurately the issuer's assets, particularly the cost of such assets to Mr. Miller prior to issuer's acquisition of those assets, and the title under which such assets are held and the amount of encumbrance thereon.

3. That the narrative and financial sections in the offering circular do not disclose adequately and accurately the facts relative to material transactions between issuer and Messrs. Miller and Chester and with respect to two \$10,000 demand notes.

4. That the offering circular does not disclose adequately and accurately the issuer's present and proposed business

activities, particularly the status of production on an under water film, and the issuer's activities in developing and producing under water lights and hydrostatic testers.

5. That the offering circular does not disclose adequately and accurately the past business experience of the principals of the issuer, and the issuer has not furnished financial statements of its predecessor.

6. That the offering circular does not describe adequately and accurately the proposed use of proceeds.

7. That the notification and offering circular list an incorrect address for Mr. Miller.

B. The issuer has failed to cooperate with the Commission in connection with the processing of this filing. The issuer has failed to clarify after repeated requests from the staff of the Commission whether Ivan A. Ezrine, Esquire, is acting as attorney for the underwriter, for the issuer, or for both. Similarly, the issuer has failed, after repeated requests of the staff, to disclose Mr. Miller's correct address. Overall the issuer has failed to reconcile numerous inconsistent and inaccurate statements of material fact.

C. The offering, if made, would operate as a fraud and deceit upon purchasers in violation of section 17(a) of the Securities Act of 1933.

III. It appearing to the Commission that it is in the public interest and for the protection of investors that the exemption of the issuer under Regulation A be temporarily suspended.

It is ordered, Pursuant to Rule 261(a) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption of the issuer under Regulation A be, and it hereby is, temporarily suspended.

It is further ordered, Pursuant to Rule 7 of the Commission's rules of practice, that the issuer file an answer to the allegations contained in this order within 30 days of the entry thereof.

Notice is hereby given that any person having any interest in the matter may file with the Secretary of the Commission a written request for a hearing within 30 days after the entry of this order; that within 20 days after receipt of such request the Commission will, or at any time upon its own motion may, set the matter down for hearing at a place to be designated by the Commission for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters at the hearing; and that notice of the time and place for said hearing will be promptly given by the Commission. If no hearing is requested and none is ordered by the Commission, the order shall become permanent on the 30th day after its entry and shall remain in effect unless it is modified or vacated by the Commission.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 69-15371; Filed, Dec. 29, 1969;
8:45 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATION FOR RELIEF

DECEMBER 23, 1969.

Protests to the granting of an application must be prepared in accordance with Rule 1100.40 of the general rules of practice (49 CFR 1100.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 41832. Lumber from Durkee, Wyo. Filed by Chicago, Burlington & Quincy Railroad Co. (No. 2), for and on behalf of itself. Rates on lumber and lumber articles, in carloads, as described in the application, from Durkee, Wyo., to points in western trunk line territory. Grounds for relief—Market competition.

Tariff—Supplement 57 to Chicago, Burlington & Quincy Railroad tariff ICC 20612.

FSA No. 41833—Rice products from Arkansas, Louisiana, and Texas. Filed by Southwestern Freight Bureau, agent (No. B-123), for interested rail carriers. Rates on rice bran, rice mill feed, or ground rice hulls, in carloads, as described in the application, from points in Arkansas, Louisiana, and Texas, to Liberal, Kans., Guymon, Okla., and Texas, when destined beyond by truck.

Grounds for relief—Truck and market competition.

Tariff—Supplement 32 to Southwestern Freight Bureau, agent, tariff ICC 4803.

FSA No. 41834—Ethylene glycol from Kingsport and Lowland, Tenn. Filed by Southwestern Freight Bureau, agent (No. B-109), for interested rail carriers. Rates on ethylene glycol, used or recovered, in tank carloads, as described in the application, from Kingsport and Lowland, Tenn., to Hudson, Tex.

Grounds for relief—Market competition.

Tariff—Supplement 23 to Southwestern Freight Bureau, agent, tariff ICC 4867.

FSA No. 41835—Cement from Barnett, Colo. Filed by Western Trunk Line Committee, agent (No. A-2608), for interested rail carriers. Rates on cement and related articles, in carloads, as described in the application, from Barnett,

Colo., to points in western trunk line and southwestern territories.

Grounds for relief—Market competition, short line distance formula and grouping.

Tariffs—Supplement 97 to Western Trunk Line Committee, agent, tariff ICC A-4527 and supplement 157 to Southwestern Freight Bureau, agent, tariff ICC 4587.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[P.R. Doc. 69-15389; Filed, Dec. 29, 1969;
8:46 a.m.]

[Notice 467]

MOTOR CARRIER TRANSFER PROCEEDINGS

DECEMBER 23, 1969.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

*Republished.

No. MC-FC-71723. By order of December 22, 1969, the Motor Carrier Board approved the transfer to Larry's Express, Inc., Tomah, Wis., of permits Nos. MC-128860 and MC-128860 (Sub-No. 2) issued October 11, 1967, and July 8, 1969, respectively, to Ben Larry, doing business as Larry's Express, Tomah, Wis., authorizing the transportation of malt beverages and related advertising materials, and premiums, and malt beverages dispensing equipment, in mixed loads with malt beverages, from Denver, Colo., St. Louis, Mo. La Crosse, Wis., Chicago, Ill., South Bend, Ind., Detroit, Mich., New York, N.Y., and Newark, N.J., to Minneapolis, Minn., and from Denver, Colo., St. Louis, Mo., La Crosse, Wis., South Bend, Ind., Detroit, Mich., New York, N.Y., and

Newark, N.J., to Long Lake, Minn., and from New York, N.Y., and Newark, N.J., to points in Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin. Edward Solie, 4513 Vernon Boulevard, Madison, Wis. 53705, attorney for applicants. Republication is for the purpose of indicating that transferor's operating rights in No. MC-128860 (Sub-No. 2) are included in the transfer.

No. MC-FC-71755. By order of December 18, 1969, the Motor Carrier Board approved the transfer to Adams World Wide Movers, Inc., Paterson, N.J., of the operating rights in certificate No. MC-48809 issued June 28, 1966, to Display Movers & Storage, Inc., Hialeah, Fla., authorizing the transportation of household goods from New York, N.Y., and points in Connecticut, New Jersey, New York, and Pennsylvania within 50 miles of New York, N.Y., to points in Florida, and from points in Florida to Philadelphia, Pa., points in Connecticut, New Jersey, New York, and those in a part of Delaware. John M. Zachara, Post Office Box Z, Paterson, N.J. 07509, representative for applicants.

No. MC-FC-71762. By order of December 18, 1969, the Motor Carrier Board approved the transfer to 50 State Auto Delivery, Inc., doing business as Arrow Towing Service, Brooklyn, N.Y., of certificate No. MC-125890 issued December 10, 1965 to Arrow Towing Service Corp., a corporation, Brooklyn, N.Y., authorizing the transportation of: *Wrecked and disabled motor vehicles* (except trailers designed to be drawn by passenger automobiles), *used forklift trucks, and used car and truck cranes*, by use of wrecker equipment only, from points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, and the District of Columbia, to New York, N.Y.; replacement vehicles for wrecker or disabled motor vehicles as described above, by use of wrecker equipment only, from New York, N.Y., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, and the District of Columbia. George A. Olsen, 69 Tonnele Avenue, Jersey City, N.J. 07306, practitioner for applicants.

[SEAL] H. NEIL GARSON,
Secretary.

[P.R. Doc. 69-15390; Filed, Dec. 29, 1969;
8:46 a.m.]

CUMULATIVE LIST OF PARTS AFFECTED—DECEMBER

The following numerical guide is a list of parts of each title of the Code of Federal Regulations affected by documents published to date during December.

1 CFR	Page	7 CFR—Continued	Page	7 CFR—Continued	Page
Ch. I	19106	701	19703	PROPOSED RULES—Continued	
3 CFR		718	19063	1061	19078
PROCLAMATIONS:		722	19743-19745, 20263	1062	19078
3044 (amended by Proc. 3948)	19699	725	19127	1063	19078
3946	19541	728	19063	1064	19078
3947	19643	729	19809	1065	19078
3948	19699	777	19063	1068	19078
3949	19797	811	19289, 19901	1069	19078
3050	20299	813	20041	1070	19078
EXECUTIVE ORDERS:		817	19606	1071	19078
3053 (revoked in part by PLO 4751)	20193	827	19063	1073	19078
10358 (see EO 11503)	20173	871	19064	1075	19078
11248 (amended by EO 11499)	19645	905	19067	1076	19078
11287 (amended by EO 11502)	20171		19462, 19463, 19809, 19810, 20042	1078	19078
11452 (amended by EO 11500)	19701	906	19290	1079	19078
11498	19125	907	19068	1090	19078
11499	19645		19185, 19463, 19548, 19607, 19703, 19811, 20263	1094	19078
11500	19701	910	19128	1096	19078
11501	20169		19339, 19464, 19647, 19703, 19903, 20333	1097	19078
11502	20179	912	19496	1098	19078
11503	20173	929	19290	1099	19078
PRESIDENTIAL DOCUMENTS OTHER THAN PROCLAMATIONS AND EXECUTIVE ORDERS:		945	19068	1101	19078
Order of December 8, 1969	19417	948	19704	1102	19078
4 CFR		959	19290	1103	19078, 20349
6	19965	966	19185, 19746	1104	19078
91	19967	993	19704	1106	19078
92	19967	1421	19496, 19705	1108	19078
93	19967	1430	19647	1120	19078
201	19967	1464	19746	1121	19078, 19985
202	19967	1488	19705	1124	19078, 20211
203	19967	1495	19496	1125	19078
5 CFR		1501	19714	1126	19078, 19985
210	19495	1601	20175	1127	19078
213	19258	PROPOSED RULES:		1128	19078
	19495, 19543, 19747, 19748, 20175, 20263	724	19550	1129	19078
332	19748	725	19356	1130	19078
550	19495, 19496, 19748	729	20276	1131	19078
870	19543, 19967	812	19293	1132	19078
871	19543	905	19078	1133	19078
PROPOSED RULES:		908	19767	1134	19078
890	19997	947	19294	1136	19078
7 CFR		980	20349	1137	19078
53	19337	1001	19078	1138	19078
55	20036	1002	19078		
101	19060	1003	19078, 19985, 20052	8 CFR	
102	19060	1004	19078, 20052	212	19799
103	19060	1005	19078, 19507	238	19799
104	19060	1006	19078, 20053	245	19799
105	19060	1007	19078, 20349	251	19799
106	19060	1011	19078		
107	19060	1012	19078, 20053	9 CFR	
108	19060	1013	19078, 20053	76	19128
111	19060	1015	19078		19129, 19288, 19498, 19544, 19647, 19714, 19900, 20175, 20264
225	19901	1016	19078, 20052	PROPOSED RULES:	
250	19967	1030	19078	201	19468
301	19061	1032	19078	10 CFR	
410	19603	1033	19078, 19507	1	19546
		1034	19078, 19507	2	19546
		1035	19078, 19507	20	19546
		1036	19078, 19507	30	19546
		1040	19078, 19142	36	19546
		1041	19078, 19507	40	19546
		1043	19078	50	19546
		1044	19078	55	19546
		1046	19078	70	19546
		1049	19078	71	19546
		1050	19078		
		1060	19078		

10 CFR—Continued

Page

115	19546
140	19546
150	19546
170	19546

PROPOSED RULES:

30	20276
40	19511
150	19996

12 CFR

1	20303
18	20043
306	20304
309	20332
335	20318
526	19186, 20264
545	19187, 20265
563	20265
569	19187, 19188, 20266

PROPOSED RULES:

226	20065
563	19299
571	19299

13 CFR

121	19129
-----	-------

14 CFR

23	20176
39	19188, 19191, 19498, 19545, 19595, 19648, 19871, 20177, 20266, 20267
71	19073, 19130, 19245, 19339, 19340, 19464, 19499, 19500, 19545, 19649, 19715, 19748, 19749, 19799, 19871, 19872, 19968-19970, 20267
73	19501, 19649, 19749, 19800
75	19595, 19749
91	19133
93	20267
95	19749
97	19246, 19596, 19873, 20021
121	19133
127	19134
135	19134, 20176
151	19501
159	19192
221	19715
224	19192
241	19750
244	19340, 19603
249	19751
296	19341
297	19342
298	20177
378a	19899
385	19140
399	19344

PROPOSED RULES:

13	20064
37	19142
39	19200, 19911, 20277
71	19080, 19297, 19374-19376, 19470, 19510, 19551, 19552, 19660, 19661, 19920, 19821, 19911-19913, 19994, 19995, 20211, 20278
73	19376, 19471, 19510
93	19552
208	19297
214	19297
295	19297

15 CFR

Page

368	19715
371	19715
374	19716
379	19716
386	19716

PROPOSED RULES:

7	19812
---	-------

16 CFR

2	20045
13	19068-19071, 19346-19351, 19501, 19502, 19649-19651, 20045-20047, 20179-20183
15	19072, 19800, 20333, 20334

17 CFR

200	19652
240	19717

18 CFR

101	20268
141	20268, 20270
260	20270

PROPOSED RULES:

101	19821
141	19821
157	19613
201	19821
260	19821
601	19981

19 CFR

2	20048
3	20048
4	20048
8	19652, 20334
10	19904
16	19291
53	19904, 19905

PROPOSED RULES:

31	19721
----	-------

20 CFR

401	19465
404	19970
405	20184
602	19800
625	19656

21 CFR

1	19465
14	19140
19	19653, 20272
120	20272
121	19073, 19140, 19547, 19653, 19654, 19972, 20272, 20273
130	20048
148e	19595
148q	20272
148x	20272
320	19654

PROPOSED RULES:

3	19660
18	19142
27	19994

24 CFR

6	19465
81	19656
200	19074

PROPOSED RULES:

31	19814
----	-------

25 CFR

Page

PROPOSED RULES:

221	19468
-----	-------

26 CFR

147	19751
194	19277
201	19277

27 CFR

5	20335
---	-------

28 CFR

0	19656
---	-------

29 CFR

Page

50	19074
673	19655
850	19192
1500	19195

PROPOSED RULES:

25	19986
Ch. V	19296

31 CFR

222	20188
223	20188
316	19402
332	19409
342	19504
500	19504, 20189
515	19504

32 CFR

150	19607
723	19195
813a	19503
818	19801
885	19971
Subchapter W	19972
1467	19905
1499	19905
1606	19503
1715	20049

32A CFR

Ch. X (OIA):	
Reg. 1	19975

33 CFR

PROPOSED RULES:

110	19722, 19911, 20063
-----	---------------------

38 CFR

17	19752, 19803
----	--------------

39 CFR

171	19352
535	19803, 19976
823	19869

41 CFR

1-1	19075
1-19	19353
5A-1	19504, 19752
5A-16	19505
14-7	20347
101-20	19505
101-26	19977
101-39	19075
101-43	19075
105-61	19979

42 CFR	Page
21	20273
57	19752
78	20273
81	19354, 19758, 19759
PROPOSED RULES:	
73	19613
78	19720
81	19469, 19470

43 CFR	Page
2230	19905
PUBLIC LAND ORDER:	
944 (revoked in part by PLO 4749)	20192
4748	19355
4749	20192
4750	20192
4751	20193
4752	20193
PROPOSED RULES:	
4110	19200

45 CFR	Page
85	19506
250	19759

46 CFR	Page
6	19076
66	20104

46 CFR—Continued	Page
67	20105
69	20131
144	19196
154	19076
222	19547
PROPOSED RULES:	
528	20217

47 CFR	Page
1	19419
2	19421, 20194
43	19196
73	19759, 19760
74	19763
81	19419, 20194
83	19421, 20194
85	19421, 20194
87	19421
89	20210
91	19765, 20210
93	20210

PROPOSED RULES:	
0	19200
1	19080, 19200, 19512
2	20216
21	19200
23	19200
61	19080
73	19513, 19769-19771, 20216
83	19513

47 CFR—Continued	Page
PROPOSED RULES—Continued	
89	20216
91	20216
93	20216
95	19472

49 CFR	Page
371	19547, 19611
1033	19077, 19906, 20193
1203	19907

PROPOSED RULES:	
173	19511, 19723
179	19553
371	20211, 20212
373	20212
397	20214
1047	19514
1048	19144, 19299, 19515, 19516
1112	19471
1203	19913

50 CFR	Page
12	19077
28	19548
29	19907
33	19141, 19199, 19505, 19548, 19811
80	19909
256	19199
PROPOSED RULES:	
32	19468