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TITLE 3—THE PRESIDENT

PROCLAMATION 2937

REGISTRATION—CANAL ZONE

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, title I of the Universal Military Training and Service Act (62 Stat. 604), as amended, contains, in part, the following provisions:

"SEC. 3. Except as otherwise provided in this title, it shall be the duty of every male citizen of the United States, and every other male person now or hereafter in the United States, who, on the day or days fixed for the first or any subsequent registration, is between the ages of eighteen and twenty-six, to present himself for and submit to registration at such time or times and place or places, and in such manner, as shall be determined by proclamation of the President and by rules and regulations prescribed hereunder."

* * * * *

"SEC. 6. (a) Commissioned officers, warrant officers, pay clerks, enlisted men, and aviation cadets of the Regular Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Coast and Geodetic Survey and the Public Health Service; cadets, United States Military Academy; midshipmen, United States Navy; cadets, United States Coast Guard Academy; midshipmen, Merchant Marine Reserve, United States Naval Reserves; students enrolled in an officer procurement program at military colleges the curriculum of which is approved by the Secretary of Defense; members of the reserve components of the Armed Forces, the Coast Guard, and the Public Health Service, while on active duty * * * shall not be required to be registered under section 3 and shall be relieved from liability for training and service under section 4 * * *."

* * * * *

"(k) No exception from registration, or exemption or deferment from training and service, under this title, shall continue after the cause therefor ceases to exist."

* * * * *

"SEC. 10. * * *

(b) The President is authorized—

(1) to prescribe the necessary rules and regulations to carry out the provisions of this title;"

* * * * *

"(5) to utilize the services of any or all departments and any and all officers or agents of the United States, and to accept the services of all officers and agents of the several States, Territories, and possessions, and subdivisions thereof, and the District of Columbia, and of private welfare organizations, in the execution of this title;"

* * * * *

"SEC. 15. (a) Every person shall be deemed to have notice of the requirements of this title upon publication by the President of a proclamation or other public notice fixing a time for any registration under section 3."

* * * * *

WHEREAS on the twentieth day of July 1948, I issued a proclamation calling upon all male persons subject to registration in the several States of the United States, the District of Columbia, the Territories of Alaska and Hawaii, Puerto Rico, and the Virgin Islands to present themselves for and submit to registration; and

WHEREAS no provision heretofore has been made for the registration of male citizens of the United States who are in the Canal Zone:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, under and by virtue of the authority vested in me by title I of the Universal Military Training and Service Act, as amended, do proclaim the following:

1. The registration of male citizens of the United States who shall have attained the eighteenth anniversary of the day of their birth and who shall have not attained the twenty-sixth anniversary of the day of their birth shall take place in the Canal Zone between the hours of 8:00 A. M and 5:00 P. M. on the day or days hereinafter designated for their registration, as follows:

(a) Persons born on or after September 7, 1925, but not after September 6, 1933, shall be registered on Thursday, the 6th day of September, 1951.

(b) Persons who were born after September 6, 1933, shall be registered on the day they attain the eighteenth anni-

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THE PRESIDENT

EXECUTIVE AGENCIES

FEDERAL REGISTER

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

versary of the day of their birth, or within five days thereafter.

2. (a) Every male citizen of the United States other than persons excepted by section 6 (a) of title I of the Universal Military Training and Service Act, as amended, and those previously registered pursuant to the said Proclamation of July 20, 1948, who is within the Canal Zone and who shall have attained the eighteenth anniversary of the day of his birth and who shall have not attained the twenty-sixth anniversary of the day of his birth on the day or any of the days fixed herein for his registration is required to and shall on that day or any of those days present himself for and submit to registration before a duly designated registration official or selective service local board having jurisdiction in the area in which he has his permanent home or in which he may happen to be on that day or any of those days.

(b) A person subject to registration may register after the day or days fixed for registration in case he is prevented from registering on that day or any of those days by circumstances beyond his control or because he is not present in the Canal Zone on that day or any of those days. If he is not in the Canal Zone on the day or any of the days fixed for registration but subsequently enters the Canal Zone, he shall within five days after such entrance present himself for and submit to registration before a duly designated registration official or selective service local board. If he is in the Canal Zone on the day or any of the days fixed for registration but because of circumstances beyond his control is unable to present himself for and submit to registration on that day or any of those days he shall do so as soon as possible after the cause for such inability ceases to exist.

3. Every person subject to registration is required to familiarize himself with the rules and regulations governing registration and to comply therewith.

4. The duty of any person to present himself for and submit to registration in accordance with any previous proclamation issued under said Act shall not be affected by this proclamation.

5. I call upon the Governor of the Canal Zone, all officers and agents of the Canal Zone, and all local boards which, and agents thereof who, are appointed under the provisions of title I of the Universal Military Training and Service Act, as amended, or the regulations prescribed thereunder, to do and perform all acts and services necessary to accomplish effective and complete registration.

6. In order that there may be full cooperation in carrying into effect the purposes of title I of the Universal Military Training and Service Act, as amended, I urge all employers and Government agencies of all kinds—Federal and local—to give those under their charge sufficient time in which to fulfill the obligations of registration incumbent upon them under the said Act and this proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 16th day of August in the year of our Lord nineteen hundred and [SEAL] fifty-one, and of the Independence of the United States of America the one hundred and seventy-sixth.

HARRY S. TRUMAN

By the President:

JAMES E. WEBB,
Acting Secretary of State.

[F. R. Doc. 51-10080; Filed, Aug. 20, 1951; 10:55 a. m.]

PROCLAMATION 2938

REGISTRATION—GUAM

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS title I of the Universal Military Training and Service Act (62 Stat. 604), as amended, contains, in part, the following provisions:

"SEC. 3. Except as otherwise provided in this title, it shall be the duty of every male citizen of the United States, and every other male person now or hereafter in the United States, who, on the day or days fixed for the first or any subsequent registration, is between the ages of eighteen and twenty-six, to present himself for and submit to registration at such time or times and place or places, and in such manner, as shall be determined by proclamation of the President and by rules and regulations prescribed hereunder."

* * * * *

"SEC. 6. (a) Commissioned officers, warrant officers, pay clerks, enlisted men, and aviation cadets of the Regular Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Coast and Geodetic Survey and the Public Health Service; cadets, United States Military Academy; midshipmen, United States Navy; cadets, United States Coast Guard Academy; midshipmen, Merchant Marine Reserve, United States Naval Reserves; students enrolled in an officer procurement program at military colleges the curriculum of which is approved by the Secretary of Defense; members of the reserve components of the Armed Forces, the Coast Guard, and the Public Health Service, while on active duty; and foreign diplomatic representatives, technical attachés of foreign embassies and legations, consuls general, consuls, vice consuls and other consular agents of foreign countries who are not citizens of the United States, and members of their families, and persons in other categories to be specified by the President who are not citizens of the United States, shall not be required to be registered under section 3 and shall be relieved from liability for training and service under section 4, except that aliens admitted for permanent residence in the United States shall not be so exempted."

* * * * *

"(k) No exception from registration, or exemption or deferment from training and service, under this title, shall continue after the cause therefor ceases to exist."

* * * * *

"SEC. 10. • • •

(b) The President is authorized—

(1) to prescribe the necessary rules and regulations to carry out the provisions of this title;"

• • • • • •

"(5) to utilize the services of any or all departments and any and all officers or agents of the United States, and to accept the services of all officers and agents of the several States, Territories, and possessions, and subdivisions thereof, and the District of Columbia, and of private welfare organizations, in the execution of this title;"

• • • • • •

"SEC. 15. (a) Every person shall be deemed to have notice of the requirements of this title upon publication by the President of a proclamation or other public notice fixing a time for any registration under section 3."

• • • • • •

WHEREAS on the twentieth day of July, 1948, I issued a proclamation calling upon all male persons subject to registration in the several States of the United States, the District of Columbia the Territories of Alaska and Hawaii, Puerto Rico, and the Virgin Islands to present themselves for and submit to registration; and

WHEREAS by section 1 (v) of the 1951 Amendments to the Universal Military Training and Service Act, approved June 19, 1951, the definition of the term "United States", when used in a geographical sense in title I of the Universal Military Training and Service Act, as amended, was extended to include Guam:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, under and by virtue of the authority vested in me by title I of the Universal Military Training and Service Act, as amended, do proclaim the following:

1. The registration of male citizens of the United States, and other male persons, now or hereafter in Guam, who shall have attained the eighteenth anniversary of the day of their birth and who shall have not attained the twenty-sixth anniversary of the day of their birth shall take place in Guam between the hours of 8:00 A. M. and 5:00 P. M. on the day or days hereinafter designated for their registration, as follows:

(a) Every citizen of the United States born on or after September 7, 1925, but not after September 6, 1933, shall be registered on Thursday, the 6th day of September, 1951.

(b) Every citizen of the United States born after September 6, 1933, shall be registered on the day he attains the eighteenth anniversary of the day of his birth, or within five days thereafter.

(c) Every person who is not a citizen of the United States shall be registered on the day or any of the days fixed in this paragraph for the registration of a citizen of the United States of his age or on any day within the period of six months following the day on which he entered any of the following: The continental United States, the Territory of Alaska, the Territory of Hawaii, Puerto Rico, the Virgin Islands, and Guam.

2. (a) Every male citizen of the United States and every other male person now or hereafter in Guam, other than persons excepted by or pursuant to section 6 (a) of title I of the Universal Military Training and Service Act, as amended, and those previously registered pursuant to the said Proclamation of July 20, 1948, who is within Guam and who shall have attained the eighteenth anniversary of the day of his birth and who shall have not attained the twenty-sixth anniversary of the day of his birth on the day or any of the days fixed herein for his registration is required to and shall on that day or any of those days present himself for and submit to registration before a duly designated registration official or selective service local board having jurisdiction in the area in which he has his permanent home or in which he may happen to be on that day or any of those days.

(b) If a person subject to registration is in Guam on the day of any of the days fixed for his registration but because of circumstances beyond his control is unable to present himself for and submit to registration on that day or any of those days he shall do so as soon as possible after the cause for such inability ceases to exist. If a citizen of the United States subject to registration is not in Guam on the day or any of the days fixed for his registration but subsequently enters Guam he shall, within five days after such entrance, present himself for and submit to registration before a duly designated registration official or selective service local board. If a person subject to registration who is not a citizen of the United States is not in Guam on the day or any of the days fixed in paragraph numbered 1 hereof for the registration of a citizen of the United States of his age but subsequently enters Guam he shall present himself for and submit to registration before a duly designated registration official or selective service local board within the period of six months following the day on which he entered any of the following: The continental United States, the Territory of Alaska, the Territory of Hawaii, Puerto Rico, the Virgin Islands, and Guam.

3. Every person subject to registration is required to familiarize himself with the rules and regulations governing registration and to comply therewith.

4. The duty of any person to present himself for and submit to registration in accordance with any previous proclamation issued under said Act shall not be affected by this proclamation.

5. I call upon the Governor of Guam, all officers and agents of Guam, and all local boards which, and agents thereof who, are appointed under the provisions of title I of the Universal Military Training and Service Act, as amended, or the regulations prescribed thereunder, to do and perform all acts and services necessary to accomplish effective and complete registration.

6. In order that there may be full cooperation in carrying into effect the purposes of title I of the Universal Military Training and Service Act, as amended, I urge all employers and Government agencies of all kinds—Federal and local—to give those under their charge sufficient time in which to fulfill the obligations of registration incumbent upon them under the said Act and this proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 16th day of August in the year of our Lord nineteen hundred and [SEAL] fifty-one, and of the Independence of the United States of America the one hundred and seventy-sixth.

HARRY S. TRUMAN

By the President:

JAMES E. WEBB,
Acting Secretary of State.

[F. R. Doc. 51-10081; Filed, Aug. 20, 1951; 10:55 a. m.]

PROCLAMATION 2939

NATIONAL EMPLOY THE PHYSICALLY HANDICAPPED WEEK, 1951

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS the Nation needs the services of every person capable of productive work in its gigantic task of mobilizing to meet the requirements of defense and to maintain the civilian economy; and

WHEREAS the physically handicapped of our Nation have demonstrated that they are capable workers when placed in jobs suited to their abilities, training, and experience, and therefore, as a group, constitute a valuable resource of manpower; and

WHEREAS there is a continuing need for public support of informational and educational work in securing employment for the physically handicapped on the basis of their demonstrated abilities; and

WHEREAS the Congress, by a joint resolution approved on August 11, 1945 (59 Stat. 530), designated the first week in October of each year as National Employ the Physically Handicapped Week, and requested the President to issue a suitable proclamation inviting Nation-wide support of programs calling for full opportunity for physically handicapped men and women in employment:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, do hereby call upon the people of our Nation to observe the week beginning October 7, 1951, as National Employ the Physically Handicapped Week, and to cooperate with the President's Committee on National Employ the Physically Handicapped Week in carrying out the purposes of the aforementioned joint resolution of Congress. I also call upon the Governors of States, the mayors of municipalities, and other public officials, as well as leaders of

industry and labor, of civic, veterans', agricultural, women's and fraternal organizations, and of other groups representative of our national life, to lend their assistance and encouragement in the observance of the designated week, in order to enlist public interest in and support of programs for the employment of the physically handicapped.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 17th day of August in the year of our Lord nineteen hundred and [SEAL] fifty-one, and of the Independence of the United States of America the one hundred and seventy-sixth.

HARRY S. TRUMAN

By the President:

JAMES E. WEBB,
Acting Secretary of State.

[F. R. Doc. 51-10082; Filed, Aug. 20, 1951; 10:55 a. m.]

RULES AND REGULATIONS

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter C—Loans, Purchases, and Other Operations

[1951 C. C. C. Grain Price Support Bulletin 1, Amdt. 2 to Supp. 1, Wheat]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART — 1951-CROP WHEAT LOAN AND PURCHASE AGREEMENT PROGRAM

WAREHOUSE CHARGES AND SETTLEMENT

The regulation issued by Commodity Credit Corporation and the Production and Marketing Administration published in 16 F. R. 2777, and 5651, containing the specific requirements for the 1951-crop wheat price support program is hereby amended as follows:

1. Section 601.1219 *Warehouse charges* is amended by changing the first sentence of the last paragraph to include a reference to paragraph (c) (2) of § 601.1220 which provides that the warehouse storage charges will not be deducted from the support price on wheat stored in a warehouse operated by Eastern common carrier and delivered under a purchase agreement if evidence is submitted that the storage charges have been prepaid through April 30, 1952, so that the section reads as follows:

§ 601.1219 *Warehouse charges.* (a) Warehouse receipts and the wheat represented thereby stored in approved warehouses operating under the Uniform Grain Storage Agreement may be subject to liens for warehouse handling and storage charges not to exceed the Uniform Grain Storage Agreement rates from the date the grain is deposited in the warehouse for storage.

(b) Where the date of deposit (the date of the warehouse receipt if the date of deposit is not shown) on warehouse receipts representing wheat stored in warehouses operating under the Uniform Grain Storage Agreement is on or before April 30, 1952, the storage charges shown in the following table shall be deducted in computing the amount of the loan or purchase price.

Date of deposit	Area I Ariz., Calif., Idaho, Minn., Mont., Nev., N. Dak., Oreg., S. Dak., Wash., Utah	Area II Colo., Ill., Iowa, Kan., Mo., Nebr., Wyo., Wis.	Area III Conn., Del., Ind., Ky., Maine, Md., Mass., Mich., N. H., N. J., N. Y., Ohio, Pa., R. I., Vt., Va., W. Va.	Area IV Ala., Ark., Fla., Ga., La., Miss., N. Mex., N. C., Okla., S. C., Tenn., Tex.
	Cents per bushel	*Cents per bushel*	*Cents per bushel*	*Cents per bushel*
Prior to Sept. 3, 1951	10	10½	11	11½
Sept. 3-Sept. 22, inclusive	10	10½	11	11
Sept. 23-Oct. 12, inclusive	10	10	10	10
Oct. 13-Nov. 1, inclusive	9	9	9	9
Nov. 2-Nov. 21, inclusive	8	8	8	8
Nov. 22-Dec. 11, inclusive	7	7	7	7
Dec. 12-Dec. 31, inclusive	6	6	6	6
Jan. 1-Jan. 20, inclusive, 1952	5	5	5	5
Jan. 21-Feb. 9, inclusive	4	4	4	4
Feb. 10-Mar. 1, inclusive	3	3	3	3
Mar. 2-Mar. 21, inclusive	2	2	2	2
Mar. 22-Apr. 10, inclusive	1	1	1	1
Apr. 11-Apr. 30, inclusive	0	0	0	0

(c) Warehouse receipts and the wheat represented thereby stored in approved warehouses operated by eastern common carriers may be subject to liens for warehouse elevation (receiving and delivering) and storage charges from the date of deposit at rates approved by the Interstate Commerce Commission.

(d) For wheat stored in approved warehouses operated by eastern common carriers there shall be deducted in computing the loan or purchase price, except as provided in paragraph (c) (2) of § 601.1220, the amount of the approved tariff rates for storage (not including elevation), which will accumulate from the date of deposit to the program maturity date. The county committee shall request the PMA commodity office to determine the amount of such charges. Where the producer presents evidence showing that the elevation has been prepaid, the amount of the storage charges to be deducted shall be reduced by the amount of the elevation charge prepaid by the producer.

2. Section 601.1220 *Settlement* is amended by incorporating a paragraph relating to warehouse-storage loans not redeemed, and also by changing the paragraph relating to purchase agreements, to provide for refunding to the producer in the case of warehouse-storage loans, and for crediting the producer in the case of deliveries under purchase agreements, at the time of settlement, the storage charges he was required to prepay to the warehouseman at the time the wheat was deposited in the warehouse for storage, so that the section reads as follows:

§ 601.1220 *Settlement*—(a) *Farm-storage loans.* (1) In the case of wheat delivered to CCC from farm-storage under the loan program, settlement shall be made at the applicable support rate for the approved point of delivery. The support rate shall be for the grade and quality of the total quantity of wheat delivered.

(2) If the wheat under farm-storage loan, is, upon delivery, of a grade and/or quality for which no support rate has been established, the settlement value shall be the support rate established for the grade and/or quality of the wheat placed under loan less the difference, if any, at the time of delivery, between the market price for the grade and/or quality placed under loan and the market price of the wheat delivered, as determined by CCC.

(3) If farm-stored wheat is delivered to CCC prior to April 30, 1952, upon request of the producer and with the approval of CCC, the loan settlement shall be reduced as set forth in the table in § 601.1219.

(b) *Warehouse-storage loans.* (1) In the case of warehouse receipts issued on a warehouse approved under the Uniform Grain Storage Agreement, CCC Form 25, if the warehouse loan is not redeemed and the warehouse receipt or the accompanying supplemental certificate contains a statement in substantially the following form "Full storage charges, not including receiving charges, paid through April 30, 1952, $_____," a refund in the amount of the smaller of (i) the storage charges prepaid by the producer, or (ii) the amount of the storage charges deducted at the time the loan was completed, will be made to the producer by the PMA commodity office.

(2) For wheat stored in approved warehouses operated by Eastern common carriers, if the warehouse loan is not redeemed and the supplemental certificate and delivery order contains a statement in substantially the following form "Full storage charges paid through April 30, 1952, $_____," a refund will be made to the producer by the PMA commodity office of the amount of storage deducted at the time the loan was completed plus any elevation charge which was prepaid by the producer and for which he was given credit at the time the loan was completed.

(c) *Purchase agreement.* (1) Wheat delivered to CCC under a purchase agreement must meet the requirements of wheat eligible for loan. The purchase rate per bushel of eligible wheat shall be the support rate established for the approved point of delivery, subject to deduction of warehouse charges in accordance with § 601.1219, except as provided in subparagraph (2) of this paragraph.

In the case of warehouse receipts issued on a warehouse approved under the Uniform Grain Storage Agreement, CCC Form 25, if the warehouse receipt or the accompanying supplemental certificate representing wheat stored in the warehouse contains a statement in substantially the following form "Full storage charges, not including receiving charges, paid through April 30, 1952, $_____," the producer shall be given credit for the smaller of (i) the storage charges prepaid by the producer, or (ii) the amount of the warehouse storage charges determined according to the time of deposit as outlined in § 601.1219 at the time the settlement value of the commodity delivered is determined.

(2) For wheat stored in approved warehouses operated by Eastern common carriers, if the supplemental certificate and delivery order representing wheat stored in the warehouse contains a statement in substantially the following form "Full storage charges paid through April 30, 1952, $_____," no deduction for storage shall be made from the support rate at the time the settlement value of the commodity delivered is determined. The producer shall be given credit for the amount of any elevation charge prepaid at the time the settlement value of the commodity delivered is determined, if he presents evidence showing such prepayment.

(d) *Track-loading.* A track-loading payment of 2 cents per bushel shall be made to the producer on wheat delivered to CCC on track at a country point.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup., 1441, 1421)

Issued this 16th day of August 1951.

[SEAL] JOHN H. DEAN,
Acting Vice President,
Commodity Credit Corporation.

Approved:

HAROLD K. HILL,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 51-9960; filed, Aug. 20, 1951; 8:52 a. m.]

[1951 CCC Cotton Bulletin 1, Amdt. 2]

PART 607—COTTON

SUBPART—1951 COTTON LOAN PROGRAM

SCHEDULE OF BASE LOAN RATES BY COUNTIES FOR FARM-STORED COTTON

The 1951 Cotton Loan Bulletin (1951 CCC Cotton Bulletin 1) is hereby amended by adding § 607.251 to read as follows:

§ 607.251 *Basic loan rates for farm-stored cotton.* The base loan rates applicable to Middling White and Extra White $^{15}/_{16}$-inch upland cotton, under Commodity Credit Corporation's 1951 Cotton Loan Program, are as follows:

[All rates expressed in cents per pound, gross weight, basis Middling, White and Extra White, $^{15}/_{16}$-inch cotton]

ALABAMA	
In all counties east of De Kalb, Marshall, Blount, St. Clair, Shelby, Coosa, Elmore, Macon, Bullock, and Barbour	32.24
In the counties of De Kalb, Marshall, Blount, St. Clair, Shelby, Coosa, Elmore, Macon, Bullock, and Barbour	32.14
In the counties of Madison, Jackson, Morgan, Cullman, Jefferson, Bibb, Chilton, Autauga, Montgomery, Pike, Coffee, Dale, Henry, Geneva, and Houston	32.04
In the counties of Limestone, Lawrence, Winston, Walker, Fayette, Tuscaloosa, Hale, Perry, Dallas, Lowndes, Butler, Crenshaw, and Covington	31.94
In the counties of Lauderdale, Colbert, Franklin, Marion, Lamar, Pickens, Greene, Sumter, Marengo, Choctaw, Wilcox, Monroe, Clarke, Washington, Escambia, and Conecuh	31.84
In the counties of Mobile and Baldwin	31.73
ARIZONA	
In all counties	30.97
ARKANSAS	
In the counties of Craighead, Crittenden, Cross, Greene, Lee, Mississippi, Monroe, Phillips, Poinsett, St. Francis, and Woodruff	31.66
In the counties of Arkansas, Clay, Cleveland, Desha, Jackson, Jefferson, Lawrence, Lincoln, Lonoke, Prairie, Pulaski, and White	31.64
In the county of Chicot	31.63
In all counties not listed above	31.61
CALIFORNIA	
In all counties	30.97
FLORIDA	
In all counties east of Jackson, Liberty, and Franklin	32.15
In the counties of Bay, Calhoun, Franklin, Gulf, Holmes, Jackson, Liberty, and Washington	32.04
In the county of Walton	31.94
In the county of Okaloosa	31.84
In the counties of Santa Rosa and Escambia	31.73
GEORGIA	
In all counties east of Union, Lumpkin, Dawson, Forsyth, Gwinnett, Walton, Morgan, Putnam, Hancock, Jefferson, Glascock, and Burke	32.45
In all counties except Dade and counties having a rate of 32.45, north of Stewart, Webster, Sumter, Dooly, Wilcox, Telfair, Wheeler, Montgomery, Toombs, Tattnall, Evans, and Bryan	32.35
In county of Dade and all counties south of Chattahooche, Marion, Schley, Macon, Houston, Pulaski, Dodge, Laurens, Treutlen, Emanuel, Candler, Bullock, Effingham, and Chatham, and north of Quitman, Randolph, Calhoun, Baker, Mitchell, Colquitt, Cook, Berrien, Atkinson, Ware, Pierce, Brantley, and Glynn	32.25
In all counties south of Stewart, Webster, Terrell, Dougherty, Worth, Tift, Irwin, Coffee, Bacon, Appling, Wayne, and McIntosh	32.15
ILLINOIS	
In all counties	31.67
KENTUCKY	
In all counties	31.72
LOUISIANA	
In the Parishes of East Baton Rouge, East Feliciana, Livingston, Orleans, St. Helena, St. Tammany, Tangipahoa, Washington, and West Feliciana	31.67
In the Parishes of Concordia, East Carroll, Madison, and Tensas	31.63
In the Parish of West Carroll	31.62
In all Parishes not listed above	31.61
MISSISSIPPI	
In the counties of Alcorn, Attala, Benton, Calhoun, Carroll, Chickasaw, Choctaw, Clay, De Soto, Grenada, Itawamba, Kemper, Lafayette, Lauderdale, Leake, Lee, Lowndes, Madison, Marshall, Monroe, Montgomery, Neshoba, Noxubee, Oktibbeha, Panola, Pontotoc, Prentiss, Tate, Tippah, Tishomingo, Union, Webster, Winston, and Yalobusha	31.73
In the counties of Clarke, Copiah, Covington, Forrest, George, Greene, Hinds, Jackson, Jasper, Jefferson Davis, Jones, Lamar, Lawrence, Lincoln, Marion, Newton, Perry, Pike, Rankin, Scott, Simpson, Smith, Stone, Walthall, and Wayne	31.70
In the counties of Adams, Amite, Bolivar, Claiborne, Coahoma, Franklin, Hancock, Harrison, Holmes, Humphreys, Issaquena, Jefferson, Leflore, Pearl River, Quitman, Sharkey, Sunflower, Tallahatchie, Tunica, Warren, Washington, Wilkinson, and Yazoo	31.67
MISSOURI	
In the counties of Dunklin, New Madrid, and Pemiscot	31.66
In the counties of Butler, Mississippi, Scott, and Stoddard	31.64
In all counties not listed above	31.61
NEW MEXICO	
In the county of Lea	31.44
In the county of Eddy	31.38
In the counties of Chaves, Colfax, Curry, De Baca Dona Anna, Guadalupe, Harding, Lincoln, Mora, Otero, Quay, Roosevelt, San Miguel, Sierra, Socorro, Torrance, and Union	31.37
In all counties not listed above	30.97
NORTH CAROLINA	
In all counties west of Granville, Wake, Harnett, Hoke, and Scotland	32.55
In all counties east of Person, Durham, Chatham, Lee, Moore, and Richmond	32.48
OKLAHOMA	
In all counties east of Kay, Noble, Logan, Oklahoma, Cleveland, McClain, Garvin, Murray, Carter, and Love	31.61
In all counties west of Osage, Pawnee, Payne, Lincoln, Pottawatomie, Pontotoc, Johnston, and Marshall; and east of Woods, Woodward, and Ellis	31.54
In all counties west of Alfalfa, Major, Dewey, and Roger Mills	31.52
SOUTH CAROLINA	
In all counties west of Marlboro, Darlington, Lee, Sumter, Calhoun, Orangeburg, and Barnwell	32.55
In all counties east of Chesterfield, Kershaw, Richland, Lexington, and Aiken	32.48

[All rates expressed in cents per pound, gross weight, basis Middling, White and Extra White, 15/16-inch cotton]

TENNESSEE

In all counties east of Marion, Sequatchie, Bledsoe, Cumberland, Morgan, and Scott	32.24
In the counties of Marion, Sequatchie, Grundy, Bledsoe, and Cumberland	32.14
In the counties of Franklin, Coffee, Warren, Van Buren, White, and Overton	32.04
In the counties of Lincoln, Giles, Moore, Bedford, Marshall, Rutherford, Cannon, De Kalb, and Wilson	31.94
In the counties of Lawrence, Wayne, Lewis, Perry, Hickman, Humphreys, Dickson, Davidson, Williamson, and Maury	31.84
In the counties of Hardin, Decatur, Chester, Fayette, Hardeman, Henderson McNairy, Madison, and Shelby	31.73
In the counties of Benton, Stewart, Carroll, Crockett, Dyer, Gibson, Haywood, Henry, Lake, Lauderdale, Obion, Tipton, and Weakley	31.72

TEXAS

In all counties east of Montague, Denton, Dallas, Ellis, Navarro, Anderson, Houston, Trinity, Walker, Grimes, Waller, Wharton, and Matagorda	31.61
In all counties west of Cooke, Collin, Rockwell, Kaufman, Henderson, Cherokee, Angelina, Polk, San Jacinto, Montgomery, Harris, Fort Bend, and Brazoria; and east of Childress, Cottle, Knox, Haskell, Jones, Taylor, Coleman, San Saba, Llano, Gillespie, Kendall, Bexar, Wilson, Karnes, Goliad, Bee, and San Patricio	31.54
In the counties of Childress, Coke, Coleman, Collingsworth, Concho, Cottle, Dickens, Donley, Fisher, Gillespie, Gray, Hall, Haskell, Jones, Kendall, Kent, Llano, Knox, King, McCulloch, Mason, Mitchell, Motley, Nolan, Runnels, San Saba, Scurry, Stonewall, Taylor, Tom Green, and Wheeler	31.52
In the counties of Bee, Bexar, Goliad, Karnes, Nueces, San Patricio, and Wilson	31.50
In all counties west of Gray, Donley, Hall, Motley, Dickens, Kent, Scurry, Mitchell, Coke, Tom Green, Mason, Gillespie, Kendall, Bexar, Wilson, Karnes, Bee, San Patricio, and Nueces; and east of Winkler, Ward, Pecos, Terrell, and Val Verde	31.46
In the counties of Loving, Pecos, Reeves, Terrell, Ward, Winkler, and Val Verde	31.44
In the counties of Brewster, Culberson, Hudspeth, Jeff Davis, and Presidio	31.38
In the county of El Paso	31.37

VIRGINIA

In all counties	32.48

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup. 714b. Interprets or applies sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup. 1441, 1421)

Issued this 16th day of August 1951.

[SEAL] JOHN H. DEAN,
Acting Vice President,
Commodity Credit Corporation.

Approved:

HAROLD K. HILL,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 51-9961; Filed, Aug. 20, 1951; 8:52 a. m.]

TITLE 7—AGRICULTURE

Chapter III—Bureau of Entomology and Plant Quarantine, Department of Agriculture

PART 301—DOMESTIC QUARANTINE NOTICES

SUBPART—BLACK STEM RUST

MISCELLANEOUS AMENDMENTS

On June 1, 1951, there was published in the FEDERAL REGISTER (16 F. R. 5135) a notice of proposed rule making concerning amendments of the Black Stem Rust Quarantine No. 38 (7 CFR Supp. 301.38) and §§ 301.38–1 (b), 301.38–6 (a) (1), 301.38–6 (b) (1), and 301.38–7 (a) of the regulations supplemental to the quarantine (7 CFR Supp. 301.38–1 (b), 301.38–6 (a) (1), 301.38–6 (b) (1), 301.38–7 (a)). After due consideration of all relevant matters presented and pursuant to section 8 of the Plant Quarantine Act of 1912, as amended (7 U. S. C. 161), the Secretary of Agriculture hereby amends §§ 301.38, 301.38–1 (b), 301.38–6 (a) (1), 301.38–6 (b) (1), and 301.38–7 (a) in the following respects:

1. Section 301.38 is amended to read as follows:

§ 301.38 *Notice of quarantine.* Under the authority conferred by section 8 of the Plant Quarantine Act of August 20, 1912, as amended (7 U. S. C. 161), and having held the public hearing required thereunder, the Secretary of Agriculture quarantines each and every State of the continental United States and the District of Columbia, to prevent the establishment of continuous local sources of infection of the destructive disease of small grains known as the black stem rust (Puccinia graminis) in grain-growing areas. Hereafter, plants of berberis, mahonia, or mahoberberis, or parts thereof capable of propagation, shall not be transported by any person, firm, or corporation, from any State of the United States or the District of Columbia into any other State of the United States or the District of Columbia in manner or method or under conditions other than those prescribed in §§ 301.38–1 to 301.38–11: *Provided*, That whenever the Chief of the Bureau of Entomology and Plant Quarantine shall find that facts exist as to the pest risk involved in the movement of one or more of the species of plants to which the regulations in §§ 301.38–1 to 301.38–11 apply, making it safe to modify, by making less stringent, the restrictions contained in such supplemental regulations, he shall set forth and publish such findings in administrative instructions, specifying the manner in which the applicable regulations should be made less stringent, whereupon such modification shall become effective for such period and for such plants or parts thereof capable of propagation as shall be specified in said administrative instructions, and every reasonable effort shall be made to give publicity to such administrative instructions throughout the affected States.

2. Section 301.38–1 (b) is amended to read as follows:

(b) *Barberry, mahonia, and mahoberberis plants.* Plants growing on their own roots or parts of such plants capable of propagation, other than seeds and fruits, of any species, horticultural variety, or hybrid within the genera berberis, mahonia, and mahoberberis.

3. Section 301.38–6 (a) (1) is amended to read as follows:

§ 301.38–6 *Conditions of movement*—(a) *Barberry, mahonia, and mahoberberis plants.* (1) Movement is prohibited of barberry, mahonia, and mahoberberis plants, other than those designated as rust-resistant, except that parts of mahonia plants without roots intended for decorative purposes are hereby exempt from the requirements of the regulations in this subpart. Movement is also prohibited of rust-resistant barberry and mahoberberis plants of less than two seasons' growth, except that such movement is authorized in any case where a nurseryman holding a valid certificate of inspection, upon application to the Chief of the Bureau, is granted authority in writing to receive rust-resistant plants of less than two seasons' growth from another nurseryman holding a valid certificate of inspection, provided the receiving nurseryman shall agree that such plants (i) will be retained for at least two growing seasons and kept separate from plants eligible for movement, (ii) will be available for examination by an inspector prior to their movement to determine their trueness to species and variety, and (iii) will be immediately destroyed by the nurseryman if determined untrue as to species and variety.

4. Section 301.38–6 (b) (1) is amended to read as follows:

(b) *Barberry, mahonia, and mahoberberis seeds and fruits.* (1) Movement of seeds and fruits of barberry, mahonia, and mahoberberis plants into the eradication States is prohibited from any point outside thereof, except that such movement of mahonia seeds is authorized in any case where a nurseryman possessing a valid certificate of inspection, upon application to the Chief of the Bureau, is granted authority in writing to obtain such seeds from sources outside the eradication States under the following conditions:

(i) The receiving nurseryman shall state the location of the plants from which the seeds will be obtained.

(ii) The receiving nurseryman shall agree (*a*) that he will obtain such seeds only from a nurseryman possessing a valid certificate of inspection, (*b*) that such seeds will be used solely for growing commercial stock in his nursery, (*c*) that plants grown from such seeds will be retained for at least one growing season, (*d*) that such plants will be kept separate from plants eligible for movement, (*e*) that such plants will be available for examination by an inspector prior to their movement to determine their trueness as to species and variety, and (*f*) that such plants will be immediately destroyed by the nurseryman if determined untrue as to species and variety.

5. Section 301.38–7 (a) is amended to read as follows:

§ 301.38–7 *Conditions governing the issuance of permits*—(a) *Barberry, ma-*

honia, and mahoberberis plants. Permits will be issued to nurserymen for movement of rust-resistant plants and parts thereof capable of propagation (other than seeds and fruits) after determination by an inspector that no plants other than those which are rust-resistant are growing in the nursery or in the environs thereof. If barberry, mahonia, or mahoberberis plants not designated as rust-resistant are found in the nursery or in the environs thereof, certificates of inspection will be withheld until such plants have been eliminated to the satisfaction of the inspector, except that certificates of inspection may be issued to nurseries having in the nursery or environs thereof varieties of barberry, mahonia, or mahoberberis plants being held by nurserymen under agreement with the Bureau of Entomology and Plant Quarantine pending determination by that Bureau that such plants are rust-resistant.

The purpose of the amendment of § 301.38 is to eliminate the first proviso thereof because the proviso merely duplicates provisions spelled out in greater detail in the supplemental regulations.

The purpose of the amendment of § 301.38–1 (b) is to require that barberry, mahonia, and mahoberberis plants moved in accordance with regulations in this subpart shall be grown on their own roots. The amendment of § 301.38–6 (a) (1) allows the conditional movement of barberry and mahoberberis plants of less than two seasons' growth between approved nurserymen either within or without the eradication States. Section 301.38–6 (b) (1) is amended to allow an approved nurseryman within an eradication State to obtain mahonia seeds from another approved nurseryman outside such State under prescribed safeguards. As amended, § 301.38–7 (a) allows a nurseryman to retain a certificate of inspection while having on the premises varieties of barberry, mahonia, or mahoberberis plants being held under agreement pending determination that they are rust-resistant.

(Sec. 8, 37 Stat. 318, as amended; 7 U. S. C. 161)

These amendments shall be effective September 20, 1951.

Done at Washington, D. C., this 15th day of August 1951.

[SEAL] C. J. McCORMICK,
Acting Secretary of Agriculture.

[F. R. Doc. 51–9930; Filed, Aug. 20, 1951; 8:48 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

[Orange Reg. 384, Amdt. 1]

PART 966—ORANGES GROWN IN CALIFORNIA OR IN ARIZONA

LIMITATION OF SHIPMENTS

Findings. 1. Pursuant to the provisions of Order No. 66 (7 CFR Part 966) regulating the handling of oranges grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendation and information submitted by the Orange Administrative Committee, established under the said order, and upon other available information, it is hereby found that the limitation of the quantity of such oranges which may be handled, 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 amendment until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended, is insufficient; and this amendment relieves restrictions on the handling of oranges grown in the State of California or in the State of Arizona.

Order, as amended. The provisions in paragraph (b) (1) (i) (*b*) of § 966.530 (Orange Regulation 384, 16 F. R. 7926) are hereby amended to read as follows:

(i) *Valencia oranges.* * * *

(b) Prorate District No. 2: 1,250 carloads;

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup., 608c)

Done at Washington, D. C., this 17th day of August 1951.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Branch, Production and Marketing Administration.

[F. R. Doc. 51–9986; Filed, Aug. 20, 1951; 8:51 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

[Regs., Serial No. SR–367]

PART 40—AIR CARRIER OPERATING CERTIFICATION

PART 41—CERTIFICATION AND OPERATION RULES FOR SCHEDULED AIR CARRIER OPERATIONS OUTSIDE THE CONTINENTAL LIMITS OF THE UNITED STATES

PART 42—IRREGULAR AIR CARRIER AND OFF-ROUTE RULES

PART 45—COMMERCIAL OPERATOR CERTIFICATION AND OPERATION RULES

PART 61—SCHEDULED AIR CARRIER RULES

DELEGATION OF AUTHORITY TO CIVIL AERONAUTICS ADMINISTRATOR TO PERMIT AIR CARRIERS UNDER CONTRACT TO MILITARY SERVICES TO DEVIATE FROM PARTS 40, 41, 42, 45, AND 61 OF THE CIVIL AIR REGULATIONS

EDITORIAL NOTE: Federal Register Document 51–8828, published in the Notices Section of the FEDERAL REGISTER of Wednesday, August 1, 1951, page 7522, should have appeared in the Rules and Regulations Section under title, chapter, and parts as set forth above.

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Federal Security Agency

PART 3—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

LABELING OF ANTIBIOTIC DRUGS FOR VETERINARY USE

Pursuant to section 3 of the Administrative Procedure Act (60 Stat. 237, 238; 5 U. S. C. 1002), the following statement of policy is issued:

§ 3.25 *Notice to manufacturers and labelers of antibiotic drugs for veterinary use.* Unless a proper interval of time is allowed following the use of antibiotic drugs for the treatment of mastitis in milk-producing animals, the antibiotic drugs may get into the general milk supply. Because of the specific action of antibiotic drugs on cheese starters, milk containing such drugs is of no value to cheese manufacturers.

The direct or inadvertent addition of antibiotic drugs to milk to be sold for human consumption or for the manufacture of dairy products may constitute an adulteration within the meaning of section 402 of the Federal Food, Drug, and Cosmetic Act (sec. 402, 52 Stat. 1046; 21 U. S. C. 342).

The labeling of antibiotic drugs intended for intramammary use in the treatment of mastitis in milk-producing animals should bear a prominent statement designed to prevent milk from treated portions of the udder from entering the general milk supply. The following statement is recommended for this purpose: "*Important:* Milk from treated segments of udders should be discarded or used for purposes other than human consumption for at least 72 hours after the last treatment."

(Sec. 701, 52 Stat. 1055; 21 U. S. C. 371)

Dated: August 15, 1951.

[SEAL] JOHN L. THURSTON,
Acting Administrator.

[F. R. Doc. 51–9935; Filed, Aug. 20, 1951; 8:55 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter E—Administrative Provisions Common to Various Taxes

[T. D. 5852]

PART 458—INSPECTION OF RETURNS

INSPECTION OF INCOME, EXCESS-PROFITS, DECLARED VALUE EXCESS-PROFITS, CAPITAL STOCK, ESTATE, AND GIFT TAX RETURNS FOR ANY PERIOD TO AND INCLUDING 1950 BY SENATE SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE

PARAGRAPH 1. Pursuant to the provisions of sections 55 (a), 508, 603, 729 (a), and 1204 of the Internal Revenue Code (53 Stat. 29, 111, 171; 54 Stat. 989, 1008; 55 Stat. 722; 26 U. S. C. 55 (a),

508, 603, 729 (a), and 1204), and of the Executive order issued thereunder (Executive Order 10279, 16 F. R. 8227) opening income, excess-profits, declared value excess-profits, capital stock, estate, and gift tax returns for any period to and including 1950 to inspection by the Special Committee to investigate organized crime in interstate commerce, established pursuant to Senate Resolution 202 (81st Cong., 2d Sess.), Treasury Decision 5793, approved by me on June 17, 1950 (26 CFR 458.305), is hereby amended by striking out "1949" and inserting in lieu thereof "1950".

PAR. 2. Because of the immediate need of the said Special Committee to inspect such tax returns for 1950, it is found that it is impracticable and contrary to the public interest to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4 (c) of said act.

PAR. 3. This Treasury decision shall be effective upon its filing for publication in the FEDERAL REGISTER.

(53 Stat. 467; 26 U. S. C. 3791)

JOHN W. SNYDER,
Secretary of the Treasury.

Approved: August 16, 1951.

HARRY S. TRUMAN,
The White House.

[F. R. Doc. 51-10031; Filed, Aug. 17, 1951; 4:40 p. m.]

TITLE 32—NATIONAL DEFENSE

Chapter V—Department of the Army

Subchapter F—Personnel

PART 581—PERSONNEL REVIEW BOARDS

ARMY BOARD ON CORRECTION OF MILITARY RECORDS

Paragraph (a) (3) (i) of § 581.3 is amended to read as follows:

§ 581.3 *Army Board on Correction of Military Records*—(a) *General.* * * *

(3) *Scope of inquiry*—(i) *General.* Unless directed by the Secretary of the Army, the Board shall not review any case:

(*a*) Wherein final action has been taken by the President of the United States, the Secretary of the Army, the Under Secretary of the Army, or an Assistant Secretary of the Army;

(*b*) Involving the sentence of a General Court-Martial;

(*c*) Involving the action of a selection board, or

(*d*) Involving an efficiency report.

No application will be considered until the applicant has exhausted all remedies afforded him by existing law or regulations.

* * * * *

[C1, AR 15-185, Aug. 10, 1951] (Sec. 207, 60 Stat. 837; 5 U. S. C. 191a)

[SEAL] WM. E. BERGIN,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 51-9938; Filed, Aug. 20, 1951; 8:51 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 22, Amdt. 1 to Interpretation 33]

CPR 22—MANUFACTURERS' GENERAL CEILING PRICE REGULATION

INT. 33—NONMETALLIC MINERALS

Interpretation 33 to Ceiling Price Regulation 22 is amended to read as follows:

When the components of a nonmetallic mineral are separated out from the crude mineral solely by mechanical or physical means, such as grinding, washing, leaching, classification, flotation, evaporation, dehydration, and like processes, they are still regarded as nonmetallic minerals within the meaning of paragraph (v) of Appendix A to CPR 22, and are therefore exempt from that regulation (unless specifically excluded from the exemption by name). Derivatives of the crude mineral which are obtained by refining or purification processes involving recrystallization or chemical methods (including carbonation, ionic interchange, or similar methods) are no longer considered minerals and do not fall within the exemption of paragraph (v). Examples of commodities regarded as nonmetallic minerals within this exemption, when derived from the crude minerals, are:

Salt (sodium chloride).
Natural soda (trona, sesquicarbonate).
Crude soda.
Crude soda calcined.
Soda ash (less than 56 percent Na_2O).
Muriate of potash.
Potash salts crude.
Borax crude.
Kernite (rasorite).
Kernite anhydrous.
Tincal.
Tincal anhydrous.
Borax.
Borax anhydrous.
Salt cake crude.
Sodium sulphate crude.

On the other hand, the following commodities are among those regarded as chemicals subject to Ceiling Price Regulation 22 and not as nonmetallic minerals:

Soda ash (56 percent or more Na_2O).
Sodium bicarbonate.
Sulfate of potash.
Boric acid.
Sodium metaborate.
Potassium borate.
Ammonium borate.
Polybor chlorate.
Salt cake.
Sodium sulfate.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

HAROLD LEVENTHAL,
Chief Counsel,
Office of Price Stabilization.

AUGUST 16, 1951.

[F. R. Doc. 51-9994; Filed, Aug. 17, 1951; 8:47 p. m.]

Chapter VI—National Production Authority, Department of Commerce

[NPA Order M-55—Revocation]

M-55—FARM EQUIPMENT

NPA Order M-55 is hereby revoked.

This revocation does not relieve any person of any obligation or liability incurred under NPA Order M-55 nor deprive any person of any rights received or accrued under said order prior to the effective date of this revocation.

This revocation is effective July 1, 1951.

NATIONAL PRODUCTION AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

[F. R. Doc. 51-10051; Filed, Aug. 17, 1951; 5:04 p. m.]

[NPA Order M-56 as Amended August 17, 1951]

M-56—WATERFOWL FEATHERS

This order as amended is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950, as amended. In the formulation of this order, as amended, consultation with industry representatives, including trade association representatives, has been rendered impracticable due to the necessity for immediate action.

Sec.
1. What this order does.
2. Definitions.
3. Restrictions on processing of waterfowl feathers.
4. Restrictions on use of waterfowl feathers.
5. Restrictions on sale and delivery of processed waterfowl feathers.
6. Disposition of rejected processed waterfowl feathers.
7. Prohibited deliveries.
8. Applicability of CMP Regulation No. 5 to waterfowl feathers.
9. Exemptions.
10. Applications for adjustment or exception.
11. Records.
12. Audit and inspection.
13. Reports.
14. Communications.
15. Violations.

AUTHORITY: Sections 1 to 15 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply sec. 101, 64 Stat. 799, as amended; 50 U. S. C. App. Sup. 2071, sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

SECTION 1. *What this order does.* This order applies particularly to dealers, processors, and manufacturers of all waterfowl feathers and down. Its purpose is to conserve waterfowl feathers and down in order to meet military requirements and to serve the interests of the national defense. It places restrictions upon the sale, delivery, and processing of waterfowl feathers and down. It also supplements NPA Reg. 2, but only those provisions of Reg. 2 which are inconsistent with this order are superseded, and all other provisions of Reg. 2 continue to apply to the waterfowl feathers industry. This order also mod-

ifies CMP Regulation No. 5 with respect to waterfowl feathers.

SEC. 2. *Definitions.* As used in this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons and includes any agency of the United States or any other government.

(b) "Waterfowl feathers" means goose or duck feathers and down, separated from the fowl, domestic and imported, new and used, regardless of length; except flight feathers having no natural curl.

(c) "New waterfowl feathers" means waterfowl feathers which have not been previously incorporated into any product.

(d) "Used waterfowl feathers" means waterfowl feathers which have been previously incorporated into any product.

(e) "Processor" means any person who engages in the business of washing, steaming, blowing, or otherwise preparing waterfowl feathers for use, for his own account or for others.

(f) "Processed," with respect to waterfowl feathers, means any such feathers which have been washed, steamed, blown, or otherwise prepared for use.

(g) "NPA" means National Production Authority.

SEC. 3. *Restrictions on processing of waterfowl feathers.* No person shall process any waterfowl feathers except in accordance with the then existing specifications of the Department of Defense, the United States Coast Guard, or the General Services Administration, or except for the purpose of filling any DO rated order received by him.

SEC. 4. *Restrictions on use of waterfowl feathers.* (a) No person shall incorporate into any product or use in manufacture any waterfowl feathers, except to fill DO rated orders.

(b) No person other than a processor shall separate down from any waterfowl feathers.

(c) No person shall mix new waterfowl feathers with used waterfowl feathers, or mix any such feathers with chicken or turkey feathers, except in accordance with the then existing specifications of the Department of Defense, the United States Coast Guard, or the General Services Administration, or except for the purpose of filling any DO rated order received by him.

SEC. 5. *Restrictions on sale and delivery of processed waterfowl feathers.* No person shall sell, deliver, or accept delivery of any processed waterfowl feathers except to fill DO rated orders received by him.

SEC. 6. *Disposition of rejected processed waterfowl feathers.* No person shall dispose of processed waterfowl feathers which have been rejected as unsatisfactory by any person to whom delivery was tendered except as follows:

(a) He may process such feathers in accordance with specifications of the Department of Defense, the United States Coast Guard, or the General Services Administration, or for the purpose of filling any DO rated order received by him, and may dispose of such reprocessed feathers in accordance with the provisions of this order; or

(b) He may deliver such feathers to any other purchaser as permitted by this order; or

(c) He may dispose of such feathers in accordance with specific written authorization by NPA.

SEC. 7. *Prohibited deliveries.* No person shall accept an order for, sell, deliver, or cause to be delivered waterfowl feathers which he knows or has reason to believe will be accepted, held, or used in violation of this order.

SEC. 8. *Applicability of CMP Regulation No. 5 to waterfowl feathers.* Notwithstanding the provisions of CMP Regulation No. 5, the rating symbols DO–MRO or DO–97 may not be applied or extended to any order or contract for waterfowl feathers.

SEC. 9. *Exemptions.* (a) The provisions of sections 3 and 4 of this order shall not apply to waterfowl feathers for personal use by the owner thereof.

(b) The provisions of section 5 of this order shall not apply to deliveries to the General Services Administration for stockpile.

SEC. 10. *Applications for adjustment or exception.* Any person affected by any provision of this order may file with NPA a request for adjustment or exception upon the ground that such provision works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interests of national defense or in the public interest. In examining requests for adjustment which claim that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each such request shall be in writing and shall set forth all pertinent facts, the nature of the relief sought, and the justification therefor.

SEC. 11. *Records.* Each person participating in any transaction covered by this order shall retain in his possession for at least 2 years records of receipts, deliveries, inventories, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

SEC. 12. *Audit and inspection.* All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of NPA.

SEC. 13. *Reports.* Persons subject to this order shall make such records and submit such reports to NPA as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139–139F).

SEC. 14. *Communications.* All communications and reports concerning this order shall be addressed to the National Production Authority, Washington 25, D. C. Ref: M–56.

SEC. 15. *Violations.* Any person who wilfully violates any provision of this order or any other order or regulation of NPA or who wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

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

This order as amended shall take effect on August 17, 1951.

NATIONAL PRODUCTION AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

[F. R. Doc. 51–10052; Filed, Aug. 17, 1951; 5:04 p. m.]

[NPA Order M–62 as Amended August 14, 1951]

M–62—HORSEHIDES, HORSEHIDE PARTS, GOATSKINS, CABRETTAS, SHEEPSKINS, SHEARLINGS, AND KANGAROO SKINS

Correction

In Federal Register Document 51–9804, published at page 8109 of the issue for Thursday, August 16, 1951, the last paragraph of the document should read as follows:

This order shall take effect on August 14, 1951.

Chapter XVI—Production and Marketing Administration, Department of Agriculture

[Defense Food Order 3, Amdt. 2]

DFO 3—AGRICULTURAL IMPORTS

MISCELLANEOUS AMENDMENTS

The administration of Defense Food Order 3, Amdt. 1 (16 F. R. 7934), relating to agricultural imports, heretofore vested by said order in the Director of the Fats and Oils Branch, Production and Marketing Administration, has been delegated to the Director, Office of Requirements and Allocations, Production and Marketing Administration.

This amendment is issued to reflect such change. This amendment makes no change in the substantive provisions of the order, and, therefore, consultation with industry representatives has been omitted.

Defense Food Order 3, Amdt. 1 (16 F. R. 7934) is amended as follows:

1. Delete the provisions of paragraph (b) of section 1, *Definitions* and substitute, in lieu thereof, the following:

(b) "Director" means the Director of the Office of Requirements and Allocations, Production and Marketing Administration, United States Department of Agriculture, and any other officer or employee of that Department authorized to act in his stead.

2. Delete the words "Fats and Oils Branch" appearing in the first sentence in paragraph (a) of sec. 3, *Authorizations,* in the last sentence of paragraph (b) of sec. 9, *Records and reports,* and in sec. 11, *Communications* and substitute, in lieu thereof, the words "Office of Requirements and Allocations."

This order shall become effective upon issuance. With respect to violations, rights accrued, liabilities incurred, or appeals taken with respect to said Defense Food Order 3, Amdt. 1 prior to the effective time of the provisions hereof, all provisions of said Defense Food Order 3, Amdt. 1 shall be deemed to continue in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, liability, or appeal.

(Sec. 704, Pub. Law 774, 81st Cong., as amended)

Done at Washington, D. C., this 20th day of August 1951.

[SEAL] HAROLD K. HILL,
Acting Administrator, Production and Marketing Administration.

[F. R. Doc. 51-10091; Filed, Aug. 20, 1951; 12:26 p. m.]

[Defense Food Order 3, Sub-Order 1, Amdt. 1]

DFO 3—AGRICULTURAL IMPORTS

SO 1—POLICY STATEMENT RE IMPORT AUTHORIZATIONS FOR BROKEN RICE AND RICE STARCH

The administration of Defense Food Order 3, as amended (16 F. R. 7934), has been delegated[1] to the Director of the Office of Requirements and Allocations, Production and Marketing Administration. This amendment of Defense Food Order 3, Sub.-Order 1 (16 F. R. 7936), containing a statement of the policies relating to the issuance of import authorizations for broken rice and rice starch under said Defense Food Order 3, as amended, is issued to reflect such change by indicating the proper person with whom future applications for authorization to import brewers rice or rice starch are to be filed. This amendment makes no change in the substantive provisions of Sub-Order 1, and, therefore, consultation with industry representatives has been omitted.

Defense Food Order 3, Sub-Order 1 (16 F. R. 7936) is amended as follows:

1. Delete the words "Fats and Oils Branch" from paragraph (c) of section 1, *Policy statement re import authorizations for broken rice and rice starch* and substitute, in lieu thereof, the words "Office of Requirements and Allocations."

2. Add a new section to read as follows:

SEC. 2. *Definitions.* Terms used in this order shall have the same meaning as when used in Defense Food Order 3, as amended.

(Sec. 704, Pub. Law 774, 81st Cong., as amended)

Done at Washington, D. C., this 20th day of August 1951 to become effective upon issuance.

[SEAL] F. MARION RHODES,
Director, Office of Requirements and Allocations, Production and Marketing Administration.

[F. R. Doc. 51-10092; Filed, Aug. 20, 1951; 12:26 p. m.]

[Defense Food Order 3, Sub-Order 2, Amdt. 1]

DFO 3—AGRICULTURAL IMPORTS

SO 2—POLICY STATEMENT RE IMPORT AUTHORIZATIONSB FOR CERTAIN DAIRY PRODUCTS

The administration of Defense Food Order 3, as amended (16 F. R. 7934), has been delegated[1] to the Director of the Office of Requirements and Allocations, Production and Marketing Administration. This amendment of Defense Food Order 3, Sub-Order 2 (16 F. R. 7936), containing a statement of the policies relating to the issuance of import authorizations for casein or lactarene, and mixtures in chief value thereof, n. s. p. f., and for cheese under said Defense Food Order 3, as amended, is issued to reflect such change by indicating the proper person with whom future applications for import authorizations for any such products are to be filed. This amendment makes no change in the substantive provisions of Sub-Order 2, and, therefore, consultation with industry representatives has been omitted.

Defense Food Order 3, Sub-Order 2 (16 F. R. 7936) is amended as follows:

1. Delete the words "Fats and Oils Branch" from paragraph (c) of section 1, *Policy statement re import authorizations for certain dairy products* and substitute, in lieu thereof, the words "Office of Requirements and Allocations."

2. Add a new section to read as follows:

SEC. 2. *Definitions.* Terms used in this order shall have the same meaning as when used in Defense Food Order 3, as amended.

(Sec. 704, Pub. Law 774; 81st Cong., as amended)

Done at Washington, D. C., this 20th day of August 1951 to become effective upon issuance.

[SEAL] F. MARION RHODES,
Director, Office of Requirements and Allocations, Production and Marketing Administration.

[F. R. Doc. 51-10093; Filed, Aug. 20, 1950; 12:27 p. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of the Treasury

Subchapter L—Security of Waterfront Facilities

[CGFR 51-33]

PART 125—IDENTIFICATION CREDENTIALS FOR PERSONS REQUIRING ACCESS TO WATERFRONT FACILITIES AND VESSELS

IDENTIFICATION CREDENTIALS

Pursuant to the authority of 33 CFR 6.10-5 in Executive Order No. 10173 (15 F. R. 7007), the Commandant may define and designate those categories of vessels and waterfront facilities wherein any person seeking access thereto shall be required to carry identification credentials as prescribed in 33 CFR 6.10-7 and 125.11. The purpose of the following new regulation, designated as § 125.37, is to define and designate towing vessels or barges engaged in trade on the Great Lakes or the western rivers as two of the categories of vessels which will require persons seeking access thereto by reason of employment as masters or members of the crews of such vessels to carry identification credentials as provided for in 33 CFR 6.10-7 and 125.11. This is the first of a series of similar requirements. Since the security interests of the United States call for the aforesaid application of the provisions of 33CFR 6.10-5 at the earliest practicable date and because of the national emergency declared by the President, and in order that applications for necessary credentials may be filed and considered, and necessary credentials issued, where proper, in advance of the effective date of such application of the provisions of 33 CFR 6.10-5 to towing vessels or barges engaged in trade on the Great Lakes or western rivers, it is hereby found that compliance with the notice of proposed rule making, public rule making procedure thereon, and effective date requirements of the Administrative Procedure Act is impracticable and contrary to the public interest.

By virtue of the authority vested in me as Commandant, United States Coast Guard, by Executive Order No. 10173, as amended by Executive Order No. 10277, the following regulations are prescribed which shall become effective on and after January 1, 1952:

Part 125 is amended by adding a new § 125.37 as follows:

§ 125.37 *Requirements for credentials; towing vessels or barges engaged in trade on the Great Lakes or the western rivers.* (a) On and after January 1, 1952, all persons desiring access to tow-

[1] See F. R. Doc. 51-10091, *supra.*

ing vessels or barges engaged in trade on the Great Lakes or the western rivers by reason of employment as masters or members of the crews of such vessels shall be required to be in possession of one of the identification credentials listed in § 125.11, and the master, operator, or owners of such vessels shall deny access to such vessels to any such persons who are not in possession of one of such identification credentials.

(b) The term "Great Lakes" as used in this section means the Great Lakes and their connecting and tributary waters as far east as Montreal. The term "western rivers" as used in this section means the Red River of the North, the Mississippi River and its tributaries above Huey P. Long Bridge, the Mobile River and its tributaries above Choctaw Point, and that part of the Atchafalaya River above its junction with the Plaquemine-Morgan City alternate waterway.

(c) Where the Coast Guard port security card (Form CG 2514) is to be used as the identification credential required by paragraph (a) of this section, application for such card may be made immediately by persons regularly employed or seeking regular employment on towing vessels or barges engaged in trade on the Great Lakes or the western rivers in accordance with § 125.19. The issuance of the Coast Guard port security card shall be in the form and manner prescribed by § 125.17.

(E. O. 10173, Oct. 18, 1950, as amended by E. O. 10277, Aug. 1, 1951, 15 F. R. 7005, 16 F. R. 7537. Interprets or applies 40 Stat. 220, as amended, 50 U. S. C. 191)

Dated: August 15, 1951.

[SEAL] A. C. RICHMOND,
Rear Admiral, U. S. Coast Guard,
Acting Commandant.

[F. R. Doc. 51-9939; Filed Aug. 20, 1951; 8:51 a. m.]

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans' Administration

PART 4—DEPENDENTS AND BENEFICIARIES CLAIMS

MISCELLANEOUS AMENDMENTS

1. The cross reference immediately following § 4.49 is changed to read as follows:

CROSS REFERENCE: Death due to training, hospitalization, or medical or surgical treatment or examination (sec. 31, Pub. Law 141, 73d Cong., as amended by sec. 12, Pub. Law 866, 76th Cong.), or while pursuing a course of vocational rehabilitation (sec. 2, Pub. Law 16, 78th Cong.; par. 4, Part VII, Veterans Regulation 1 (a), as amended (38 U. S. C. ch. 12)). (See § 3.121 of this chapter, and §§ 4.73 and 4.126.)

2. Section 4.50 is canceled.

§ 4.50 *Concurrent payment of two benefits to the same person.* [Canceled.]

3. Section 4.51 is amended to read as follows:

§ 4.51 *Concurrent payment of two benefits to the same person*—(a) *Periods prior to July 13, 1943.* (1) For the purposes of the General Law, the Service Pension Acts granting pension to widows and children and dependent parents of deceased veterans of the Civil and Indian wars, and the pension laws reenacted by Pub. Law 141, 73d Congress (act of March 28, 1934), and Pub. Law 269, 74th Congress (act of August 13, 1935), not more than one pension shall be allowed at the same time to the same person.

(2) Under the provisions of Pub. Law 2, 73d Congress (act of March 20, 1933), not more than one pension or award of compensation shall be payable to any one individual, except that the receipt of pension or compensation by a widow, child, or parent on account of the death of any person shall not bar the payment of pension or compensation on account of the death of any other person, paragraph XIII, Veterans Regulation 10.

(3) Death compensation or pension under Pub. Law 2, 73d Congress, and death pension under the laws reenacted by Pub. Law 269, 74th Congress, may not be paid concurrently with disability compensation or pension under either of these laws.

(4) Compensation or pension may not be paid concurrently with active duty pay.

(b) *Periods on and after July 13, 1943.* The provisions of this paragraph are applicable to all laws administered by the Veterans Administration. On and after July 13, 1943, not more than one award of pension, compensation, or emergency officers' or regular retirement pay shall be made concurrently to any person based on his own service. The receipt of pension or compensation by a widow, child, or parent on account of the death of any person or receipt by any person of pension or compensation on account of his own service shall not bar the payment of pension or compensation on account of the death or disability of any other person. Pension, compensation, or retirement pay on account of his own service shall not be paid while the person is in receipt of active service pay, but the receipt of active service pay shall not bar the payment of pension or compensation on account of the death of any other person. (Sec. 15, Pub. Law 144, 78th Cong.)

(c) *General.* (1) Compensation or pension may not be paid concurrently to a claimant as unremarried widow of one veteran and as remarried widow of another veteran.

(2) Compensation or pension may be paid on behalf of a child of a veteran concurrently with compensation or pension as a stepchild or adopted child of another veteran.

(d) *Employees compensation.* (1) Where a person is entitled to compensation from the Bureau of Employees' Compensation based upon death due to service in the Armed Forces and is also entitled based upon the same death to compensation or pension under the laws administered by the Veterans' Administration, he shall elect which benefit he shall receive. Compensation or pension may not be paid in such instances by the Veterans' Administration concurrently with compensation from the Bureau of Employees' Compensation.

(2) The provisions of subparagraph (1) of this paragraph are also applicable in those cases in which the veteran's death occurred under the circumstances contemplated by section 31, Pub. Law 141, 73d Congress (act of March 28, 1934), as amended by section 12, Pub. Law 866, 76th Congress (act of October 17, 1940); section 2, Pub. Law 16, 78th Congress (paragraph 4, Part VII, Veterans Regulation 1 (a), as amended (38 U. S. C. ch. 12), act of March 24, 1943).

(50 Stat. 305, Vet. Reg. 10, as amended; 38 U. S. C. ch. 12 note)

4. In § 4.52, paragraph (a) is amended to read as follows:

§ 4.52 *Right of election*—(a) *General.* A person entitled to receive pension or compensation under more than one law on account of the death of the same person may elect to receive the benefit which is most advantageous. Any person who elects to receive pension or compensation under one of two or more laws, places the right under the other law or laws in suspense and may at any time cause the suspension to be lifted by making another election. However, the election by the widow settles the question as to which statute is applicable and her election controls not only her claim but those of the children as well. (See also §§ 3.218 and 3.302 of this chapter.)

* * * * *

(Sec. 5, 43 Stat. 608, as amended, sec. 2, 46 Stat. 1016, sec. 7, 48 Stat 9; 38 U. S. C. 11a, 426, 707)

This regulation is effective August 21, 1951.

[SEAL] O. W. CLARK,
Deputy Administrator.

[F. R. Doc. 51-9926; Filed, Aug. 20, 1951; 8:46 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 35—PROVISIONS APPLICABLE TO THE SEVERAL CLASSES OF MAIL MATTER

ROLL FILM AND FLAT NEGATIVES (ACETATE SAFETY)

In Part 35 (13 F. R. 8096) make the following change:

Insert a new section immediately following § 35.16a, to be designated 35.16b, to read as follows:

§ 35.16b *Roll film and flat negatives (acetate safety)*—(a) *Rolls of film found loose.* Mailings of roll film in lightweight envelopes shall not be permitted.

(b) *Cloth mailing bag.* A cloth mailing bag with a strong address tag sewed to the bottom is a good container for spools of film and its use is recommended wherever possible to prevent inconvenience to mailers and to the postal service. The drawstrings on these bags must be securely tied. Film processing plants should mention the use of such bags in their advertisements and literature.

(c) *When wrapped in paper.* Roll film may be wrapped in sufficient paper to prevent the spool or spools from cutting through and be fastened, and then be placed in a strong kraft or manila mailing envelope, preferably of end flap type.

When several rolls are to be mailed and a cloth mailing bag is not used, they should be placed in a small carton and then wrapped in strong paper and securely fastened. Such parcel must be firm with contents held in a fixed position. In lieu of using a small carton, the film may be placed between full sized sheets of cardboard and tied or taped, or be wrapped in flexible corrugated fiberboard and securely fastened both lengthwise and girthwise, before being wrapped for mailing. If coins are included in the parcel they must be wrapped or securely affixed to a card to prevent loss.

(d) *Coins sent in mailing bags.* If coins are sent in mailing bags containing spools of film, they should be placed at the end of a spool and be wrapped with the roll in strong paper before being placed in the bag. If impracticable to wrap with the film, the money should be wrapped separately in strong paper and fastened, and then be placed at the ends of the spools away from the drawstring opening.

(e) *Flat negatives (safety film).* Flat negatives (safety film) are mailable in good quality strong envelopes. If coins are included with such negatives they must be securely affixed to a card or be enclosed in a paper wrapper securely folded to prevent shifting of coins in transit and which will not cause the envelope to bulge. Coins must not be placed loose in envelopes, packages or mailing bags. A money order or a check should be used when any substantial amount of money is involved, or the parcel should be sent by registered mail.

(f) *Roll film (nitrate).* This film (usually 35 mm. or other small size) has the same hazardous properties as motion picture film except that it is in short lengths. Such film must be packed in a metal container such as the metal cartridge in which it was originally contained provided the cartridge is tightly closed with no exposed end of inflammable film, or be packed in a metal or a substantial fiber carton. Nitrate film, which is not in a metal container, is not acceptable when merely wrapped in paper or enclosed in a cloth mailing bag. These rolls after being processed and printed must also be packed in accordance with the foregoing requirements.

(R. S. 161, 396, sec. 24, 20 Stat. 361, secs. 304, 309, 42 Stat. 24, 25, 62 Stat. 781; 5 U. S. C. 22, 369, 18 U. S. C. 1716, 39 U. S. C. 250)

[SEAL] J. M. DONALDSON,
Postmaster General.

[F. R. Doc. 51-9923; Filed, Aug. 20, 1951; 8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR Part 927]

[Docket No. AO-71-A-20-RO-1]

HANDLING OF MILK IN NEW YORK METROPOLITAN MILK MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED AMENDMENT TO TENTATIVE MARKETING AGREEMENT, AND TO ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of the recommended decision of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to a proposed amendment to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the New York metropolitan milk marketing area. Interested parties may file written exceptions to this recommended decision with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C. not later than the close of the business on the 12th day after its publication in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. The hearing, on the record of which the proposed amendment to the tentative marketing agreement and to the order, as amended, was formulated, began at Elmira, New York, on January 24, 1950, pursuant to notice thereof which was issued on December 28, 1949, (14 F. R. 7940). The hearing was recessed on January 24, 1950 and reconvened during the period February 6–11, 1950 at Elmira, New York. A recommended decision was issued on May 16, 1950 (15 F. R. 3064) and exceptions thereto were filed. No final decision was issued. Pursuant to a notice issued on March 20, 1951 (16 F. R. 2660) the hearing was reopened at Elmira, New York on April 10, 1951 to receive further evidence on all issues previously considered and on certain additional proposals.

The material issues presented on the record of hearing (original and reopened sessions), and on which findings and conclusions are herein set forth, are concerned with:

1. The classification and pricing of surplus milk which presently is classified in Class III, with particular reference to:

(a) Whether all such milk should continue to be classified in a single class and priced, as at present, at the same level, and whether such price should continue to be subject to the present fluid skim and butter-cheese adjustments, or whether different classes and prices should be established for (1) milk which, prior to April 1, 1949, was classified in Class II-C, (2) milk utilized in the manufacture of ice cream, or (3) milk used in the manufacture of American cheddar cheese.

(b) The formula or formulas which should be employed in the pricing of such milk involving determinations as to (1) factors which should be included in such a formula to most accurately reflect changes in the value of surplus milk, and (2) how such factors should be converted to a price for Class III milk.

2. The classification and pricing of milk used in fluid concentrated milk and in frozen concentrated milk.

3. The classification and pricing of fluid milk packed in hermetically sealed cans and exported to foreign countries or delivered to the United States Department of Defense.

4. The classification and pricing of milk used in the manufacture of food products packed in hermetically sealed containers.

5. The classification and pricing of milk utilized at plants within the marketing area in the manufacture of whipped topping mixtures.

6. Treatment under the order of milk obtained from either pool or nonpool sources which, in various forms, enters the marketing area for distribution to various types of outlets.

7. Whether the basis of classifying pool milk moved to nonpool plants should be changed.

8. Revision of the area outside which milk or cream may be shipped and remain eligible for classification other than at the plant from which the milk or cream is shipped.

9. Whether a special additional transportation allowance should be provided for milk moved by tank from plants outside the marketing area to processing plants in Nassau and Suffolk counties.

10. Whether milk received directly from farms at plants in Westchester County should be exempt from equalization.

11. Prohibiting changes in existing freight zones for pool plants or otherwise changing the basis of determining such zones.

12. Acknowledgement by the market administrator of reports filed by handlers.

13. Increasing the amount of the producer-settlement fund reserve.

Proposed findings and conclusions. The following proposed findings and conclusions on the material issues are based upon the evidence introduced at the hearing and the record thereof.

1. (a) *Single class for surplus milk.* It is concluded that surplus milk should continue to be classified in a single class and that a single price should continue to apply to all such milk, with such price subject to a modified plus fluid skim differential and a minus butter-cheese adjustment.

A major problem involved in pricing surplus milk is that of establishing a price to handlers which will result in optimum use of milk in the products which will afford the maximum return to producers. Other factors being equal, the use of surplus milk by handlers will be determined by the net return to be secured by handlers on such milk. The Secretary's decision of March 11, 1949, concluded (with reference to the then existing multiple price system applicable to surplus milk) that changing relationships between product values interfered with realization of the objective of securing a coincidence of the greatest net return to handlers on products which would yield the most to producers. The record of this hearing contains no evidence to support a different conclusion.

Fluid skim differential. The order should be amended by elimination of the fluid skim differential on skim milk for all uses except skim milk as such distributed in the marketing area, skim milk used in cultured milk drinks distributed in the marketing area and for standardization of milk in or shipped to the marketing area.

The Department of Health of the City of New York permits the use of concentrated skim in the preparation of flavored milk drinks, although requiring any fluid skim milk so utilized to be from approved sources. Flavored milk drinks packed in hermetically sealed cans and sterilized are not required to be made from approved skim milk. To some extent handlers have avoided payment of the fluid skim differential by using concentrated, rather than fluid, skim milk in flavored milk drinks made in the marketing area. Such practice is yielding no price advantage to producers, and handlers contend that, because the saving in transportation of the concentrated product fails to offset the added cost of concentration, they are at a competitive disadvantage in the sale of such drinks. The fluid skim differential should no longer apply to skim milk used in flavored drinks.

The amendment as herein provided will also permit the use of skim milk in the marketing area in the standardizing of sweet and sour cream without the payment of the fluid skim differential. Although skim milk so utilized must be from approved sources, the order at the present time does not require the payment of a fluid skim differential unless standardization takes place in the marketing area. Eliminating the fluid skim differential on such skim milk will tend to equalize the costs between handlers standardizing in the marketing area and those standardizing outside of the marketing area. Under the terms of the proposed amendment the burden still rests upon the handler to show that skim milk from Class II and Class III milk is not used as fluid skim milk in the marketing area, in cultured milk drinks, or to standardize whole milk. However, inconsistencies in the application of the fluid skim differential to skim milk used in other products, depending upon whether the product is prepared inside or outside the marketing area, will be eliminated.

Butter-cheese adjustment. A price adjustment for milk used in butter and cheese was provided for in conjunction with the establishment in 1949 of a single class for surplus milk. Such an adjustment was largely in recognition of the apparent necessity for utilizing some surplus milk in these products. Even though substantial shifts in the utilization of surplus milk in higher value product outlets occurred in 1949 and 1950, it appears that the shift in utilization which has taken place or is in prospect is not sufficient to eliminate the necessity of utilizing a significant portion of surplus milk in butter and cheese.

No increase should be granted in the amount of the butter-cheese adjustment. It is concluded rather that a moderate reduction should be made in the adjustment when cheese prices become comparatively high in relation to butter and powder prices. The price paid for milk subject to the butter-cheese adjustment will continue also to be affected by changes in the level of the Class III price.

An increase in the butter-cheese adjustment would result in making the utilization of milk in butter and cheese more advantageous to handlers than at the present time compared with other Class III uses. In other words, the incentive for handlers to find outlets for milk in products other than butter and cheese would be reduced. Such a change is not supported by evidence in the record.

Both butter and cheese manufacturers asserted or implied that their costs are not adequately reflected in the minimum price established for milk utilized in butter and cheese. One factor which butter manufacturers apparently have not considered in appraising the adequacy of the adjustment is the reduction in storage and handling which may be experienced when cream is churned, compared with that necessary when butterfat is disposed of in the form of cream. Data submitted concerning costs incurred in making cheese and churning butter are subject to the same limitations as those set forth hereinafter concerning costs of operating cream and nonfat dry milk solids processing facilities.

Cheese manufacturers proposed that milk used in the manufacture of cheese presently subject to the butter-cheese adjustment be priced on the basis of the price of cheese on the Wisconsin Cheese Exchange for the principal reason that cheese manufacturers invariably sell their cheese on the basis of that cheese price. Although proponents did not portray this proposal as a means of reducing the price of milk used in cheese, the proposed formula would have returned less to producers in each month of 1950 for milk used in cheese in amounts ranging from 16 to 36 cents per hundredweight. During the first three months of 1951 the proposed formula would have increased returns to producers in amounts ranging from 2 to 19 cents because the Wisconsin Cheese Exchange price of cheese during that period was unusually high in relation to prices of other dairy products. However, by the middle of April the price of cheese had declined to a level more in line with the 1950 relationship.

The present arrangement of pricing milk used in butter and cheese at the same level should be continued. That method provides some incentive for increasing cheese production as the price of cheese increases in relation to the price of butter and for increasing butter production when the price of butter increases in relation to the price of cheese, thus tending to permit a higher price to producers than could otherwise be established. Pricing of milk for cheese on cheese prices and milk for butter on butter prices would eliminate that incentive. The freight advantages for cheese and for butter produced in the milkshed over cheese and butter produced in the midwest are about the same on a milk equivalent basis. Unregulated cheese factories and creameries in the important manufacturing milk production areas compete with each other for supplies of milk, and while prices paid to producers at a given time vary, as between areas and between plants in the same area, such prices on a year-round basis average about the same.

Temporarily however, these prices may get somewhat out of line with each other as they did during the first three months of 1951. In order that the increased value of milk for making cheese during such periods may be reflected in the price to producers, it is concluded that the order should be amended to provide a moderate reduction in the butter-cheese adjustment when market prices of butter and nonfat dry milk solids are less than 2.5 times the market price of cheese. It is only during unusual periods that the ratio between these prices is less than 2.5. The proposed amendment would not cause the price of milk to increase as rapidly as its value to cheesemakers. At the present level of support prices, an increase in the price of cheese of 1.43 cents per pound above the price resulting in a 2.5 ratio would bring about a theoretical increase in the value of milk for cheese of about 13 cents per hundredweight. Under the amendment herein provided, however (a reduction in the butter-cheese adjustment of 1 cent per pound of butterfat for each reduction of 1 point in the 2.5 ratio) such an increase in cheese prices would increase the price of milk used in butter and cheese only 3.5 cents per hundredweight. Such a provision recognizes that recovery by handlers of a 9 cent increase in the value of milk as a result of each 1 cent increase in the price of a pound of cheese would be possible only if all of the milk subject to the butter-cheese adjustment were shifted into cheese manufacture. As a practical matter, however, it appears unlikely that that would be the case, but that some of such milk would have to be used for butter and nonfat dry milk solids.

No increase in differential appears necessary when cheese prices become unfavorable since there will remain opportunity to shift surplus milk into butter. The proposed amendment will bring about no change in this connection from the order provisions presently in effect. Butter and nonfat solids values used in

calculating the ratio should be those incorporated in the Class III pricing formula. Cheese values should be reflected by the prices quoted for cheddar cheese, f. o. b. Wisconsin assembly points by the United States Department of Agriculture. This price is recommended because it is established more frequently and on a broader basis than is the quotation from the Wisconsin Cheese Exchange at Plymouth. Trading on the Exchange takes place only one day each week. Volume of sales often is small or non-existent, and price quotations must sometimes be based on offers alone. Price quotations f. o. b. Wisconsin assembly points run slightly higher than those from the Exchange because of extra marketing services represented by the former. This fact has been considered in establishing the 2.5 ratio as contained in the amendment herein provided.

A proposal was considered at the hearing to establish an adjustment (in addition to the present butter-cheese adjustment) to the price of milk used for making cheese to reflect any departure from the normal historical relationship between the price of butter and the price of cheese. Most of the reasons given above for not adopting the proposal for a separate formula for the pricing of milk for cheese also apply to this proposal. Furthermore, the proposal fails to accomplish its apparent purpose of causing the price of milk for cheese to change with the price of cheese, particularly during periods when the Class III price is not based on butter prices.

Other proposals for new classes. Two other proposals for new classes were presented. A proposal was considered at the 1950 session of the hearing to reestablish a class similar to Class II–C as it existed prior to April 1, 1949. It was proposed that the price for this new class be 10 cents per hundredweight above the Class III price. Proponent contended that purchasers of cream which would be in the proposed class would pay a price high enough to justify increasing the return to producers by 10 cents per hundredweight on milk utilized in this manner.

From 1948 to 1950 the disposition of pool milk in the outlets included in the proposed new class about doubled. Important reasons for this increase appear to be (1) the revised surplus milk classification and pricing provisions which became effective on April 1, 1949, and (2) an increase of about 75 percent in the volume of surplus milk.

Most of the increase from 1948 to 1949 in disposition to outlets which would be included in the proposed new class occurred in shipments to northern New Jersey, and that shipments to upstate New York (all of New York State except the marketing area) were about the same in 1949 as in 1948. The record does not show the breakdown of shipments in 1950 between upstate New York and northern New Jersey. Apparently, price affected utilization of cream from pool sources to a greater extent in northern New Jersey than in upstate New York. On that basis, whatever justification exists for establishing the proposed new class appears to be greater with respect to outlets in upstate New York than with respect to outlets in northern New Jersey.

Another proposal considered at the hearing would establish a separate price for milk used to produce ice cream computed on the basis of an additional 2 cent premium over the butter price. In support of this proposal proponent contended that ice cream manufacturers could obtain butterfat from pool source at a lower cost than from other sources. However, in computing the costs of butterfat from various sources, it appears that proponent failed to take into account certain costs associated with the utilization of butterfat from pool sources.

The price which can be obtained from ice cream manufacturers for pool butterfat was one of the important considerations in establishing the present Class III pricing formula and also the one recommended herein, particularly during the spring and summer months when the volume of surplus milk, the production of ice cream, and the storage of butterfat for later use in ice cream and other products are heavy. Evidence in the record provides no basis for establishing a price for milk used for ice cream higher than for milk used for fluid cream.

The provisions of the order which permit a handler shipping milk or cream from his pool plant to a nonpool plant to elect to have classification determined at the pool plant were designed as a means of preventing or minimizing the possibility of classification of milk received from pool plants in classes higher than was contemplated by the purchaser.

Establishment of separate classes or prices for milk used in ice cream and in cream included in the former Class II–C apparently would necessitate (1) determination of the utilization of all butterfat received at any nonpool plant which disposed of butterfat in these outlets, and (2) assignment of butterfat received from various sources to the various utilizations. This could again introduce the possibility of classification of butterfat from pool sources disposed of to a nonpool plant in a class higher than was contemplated when the disposition was made. To the extent that such a possibility would discourage operators of nonpool plants from using milk or cream from pool plants, milk which in the absence of these proposed amendments would return producers the full Class III price might be forced into butter or cheese, thus returning producers less than the Class III price by the amount of the butter-cheese adjustment. Such a shift in utilization would tend to offset increases in returns to producers resulting from the higher class price. Because of these problems and on the basis of other findings and conclusions contained herein concerning a single class for surplus milk, it is concluded that a separate class or price should not be established for milk used in ice cream or for all or any part of the milk formerly classified as Class II–C.

(b) *The Class III formula; market values.* The price of Class III milk should continue to be based primarily on the market prices of nonfat dry milk solids, butter and cream. The present formula employing such market prices to measure changes in the value of Class III milk should be changed, however, in the following respects:

1. The midpoint of any range reported by the United States Department of Agriculture as a daily price quotation for Grade A (92-score) butter in the New York market should be used instead of the highest of such quotations.

2. The formula factor designed to convert the price per pound of butter to a price per pound of butterfat should be changed from 1.24 to 1.22.

3. A weighted average of prices paid for both roller and spray process nonfat dry milk solids f. o. b. manufacturing plants in the Chicago area, as reported by the United States Department of Agriculture, should be substituted in the formula for prices reported in "The Producers' Price-Current" for roller process nonfat dry milk solids.

4. The nonfat dry milk solids yield factor used in the formula should be changed from 7.5 to 7.8.

During times when there are relatively large quantities of surplus milk to be disposed of the butter price quotation at New York appears to be the best available indicator of changes in the value of butterfat for those outlets then available. During 1950 the volume of Class III milk ranged from 90.6 million pounds in November to 413.5 million pounds in May. Approximately 51 percent of the surplus pool milk in May 1950 was utilized in fluid cream, storage cream, cream cheese and ice cream with an additional 20 percent in butter. For the year, ice cream was the largest single outlet. Since most of the users for surplus pool milk have the alternative of obtaining the supplies of butterfat from nonpool sources, the price at which such supplies can be obtained is an important consideration in establishing the price of Class III milk.

Although the quotation of a range in New York butter prices indicates that actual sales were consummated at both extremes of the range, and perhaps at prices between the two extremes, no information is reported concerning the relative volumes sold at various prices within the range. Without such information, it is logical to assume that the midpoint of the range would be more likely to be representative of the average price at which butter was sold. Use of the midpoint as compared with using the highest point would reduce the effect of any attempt to influence the price artificially through sales at a price higher than prices at which other sales are being made. Some opinions were expressed or implied that the New York Mercantile Exchange butter quotations should be used in the formula. Much of the wholesale trading in butter in New York takes place outside of the Exchange. The prices quoted by the United States Department of Agriculture are based on sales made both through the Exchange and outside of it. Prices reported by the Department may be expected to be somewhat more representative than the Exchange prices.

The price of nonfat dry milk solids should be retained as an estimate of

the value of the nonfat portion of the milk. A large share of the skim from surplus milk continues to be marketed in this form. Nonfat dry milk solids represents the residual outlet for surplus skim milk which cannot be marketed in other forms. On the other hand, changes in the production of nonfat dry milk solids from pool milk are less likely to influence market prices for this product than for other skim milk products.

Both butter and nonfat dry milk solids are purchased by the Government in connection with its price support program. Use of these products to reflect market values ties the Class III price indirectly to the Government's price support program.

Revision of some of the formula factors used for reflecting the value of the nonfat portion of Class III milk appears to be desirable in order to bring about appropriate changes in the Class III price with changing market conditions. Approximately one-half of the nonfat dry milk solids for human consumption produced from pool milk during each of the last 3 years was made by the spray process. The difference between spray and roller process nonfat dry milk solids prices averaged a little over one cent in 1947 and 1948, about one and one-half cents in 1949 and increased to about 2 cents in 1950. The difference between the prices at which the United States Department of Agriculture is offering to buy spray and roller process nonfat dry milk solids for price support purposes has been two cents per pound since January 1, 1950, and that difference is scheduled to continue through March 1952.

It is concluded that changes in the value of the skim milk portion of Class III milk would be more accurately reflected by giving some weight in the formula to changes in the price of nonfat dry milk solids produced by the spray process rather than depending upon prices for roller process solids alone. Accordingly, it is concluded that spray and roller process prices should be given weights of 30 and 70 percent respectively. Greater weight is given to the roller process product because it is relatively more important during those months when the volume of surplus milk is the largest. Some handlers are not at present equipped to produce nonfat solids by the spray process. While a somewhat different weighing might be assigned if the record contained more complete information concerning the disposition of skim milk other than that used for nonfat dry milk solids, the 30–70 weighting here assigned will certainly reflect changes in the value of skim milk more accurately than the use of roller process prices alone.

The prices for nonfat dry milk solids, f. o. b. manufacturing plants in the Chicago area, as reported by the United States Department of Agriculture, should be used in place of prices reported in "The Producers' Price-Current." Use of an f. o. b. manufacturing plant price eliminates the necessity for providing an allowance for transportation to market. Changes in the cost of transportation are reflected in changes in the f. o. b. manufacturing plant price.

Evidence in the record indicates that some of the nonfat dry milk solids sold in New York City may not meet the grade and quality requirements for sale to the Department of Agriculture. Substantial quantities of nonfat dry milk solids made from pool milk have been sold to the Department of Agriculture under its price support program. It appears likely that the average quality of nonfat dry milk solids sold in New York City has been lower than the average quality of nonfat dry milk solids produced from pool milk and lower than in years prior to 1949 when nonfat dry milk solids were not purchased by the Department of Agriculture for price support purposes. A price of nonfat dry milk solids sold f. o. b. manufacturing plant may be expected to reflect the average quality of powder produced.

The Boston weighted average cream price should be retained as an alternative basis for establishing the value of butterfat in Class III milk during the months of August through February. While the number of cream transactions represented by this price is not large, particularly in months when locally produced cream is in abundant supply, evidence in the record shows the Boston weighted average cream price to be a reasonably accurate measure of the price of all cream traded in the Boston market. In addition, it appears that the volume of cream traded tends to be largest, and therefore represents a more reliable basis, during the fall and winter months when the Boston cream price may be effective in setting the Class III price.

It was contended by representatives of the ice cream manufacturers that the use of the Boston weighted average cream price in the Class III formula tends to subject them to various uncertainties of supply resulting from local northeastern conditions. It must be recognized, however, that ice cream is not one of the essential uses which must be supplied at all seasons of the year from current milk production. Ice cream is an outlet for surplus milk and should be priced accordingly. Ice cream manufacturers, like others that make use of surplus milk, can expect to obtain pool milk to supply their needs only if adequate surplus milk is available.

When surplus milk becomes short, that which is available should be priced to yield the highest returns to producers by increasing the Class III price in line with increases in the value of those products which provide the most favorable outlets. Buyers of surplus cream who need it for use as cream probably are in a position to pay the most for surplus milk under such market conditions. Unfortunately a usable quotation of prices actually received by New York pool handlers for substantial quantities of cream made from Class III milk is not available. In the absence of such a quotation, the Boston weighted average price appears to be the best available measure of the value of surplus pool butterfat when cream is in relatively short supply. The objective of making the most economical and efficient use of surplus milk would appear to be served best if ice cream manufacturers assure themselves of butterfat supplies through the storage of cream from pool milk during periods of the year when substantial quantities of surplus milk are available. Retention of the present provisions of the order relating to storage cream payments will continue to provide some incentive to handlers to store cream.

It was contended that an unwarranted increase in the price of Boston cream might drive the price of New York surplus milk so high as to discourage its use in production of ice cream. There is nothing in the record to indicate that the price of Boston cream is likely to increase materially when locally produced milk is in abundant supply. It was brought out, on the other hand, that any increase in the price of Boston cream relative to butter prices will increase the margin available to New York handlers from sales of cream in Boston up to the point where butterfat values under the cream formula equal those in the butter formula. Increases in cream prices beyond that point would make butter an increasingly unfavorable outlet relative to cream. In view of the increased incentive which New York handlers would have under these circumstances to sell cream in the Boston market, and considering the small volume of cream traded in Boston in relation to the amount of cream which can be made from surplus milk in the New York pool, it is unlikely that the price of butterfat in Boston cream will advance materially beyond the price of butterfat in butter so long as surplus milk supplies are large. During one month between April and December 1949 Boston cream prices advanced because of supply conditions to the point where they became effective in setting the Class III price. More New York pool cream was included in the Boston weighted average in that month than in any other during this period. Also, during the period August 1950 through February 1951 when the Boston cream price was effective in setting the Class III price the quantity of cream received at Boston from the midwest was relatively large.

Margins available to New York pool handlers on cream sold in Boston were higher, thus providing a larger incentive to ship cream to Boston, during those periods when the Boston cream price was effective in setting the Class III price than during other periods. That handlers were able to dispose of pool milk on relatively favorable terms and to desirable markets during those months when the Boston weighted average set the Class III price is evidenced by the fact that handling charges obtained in sales of fluid milk, as well as percentage utilization of surplus milk in cream and ice cream, were comparatively high during such months. At the same time ice cream makers tended to increase their use of butter due to the reduced supplies of surplus milk and the relatively high market prices for fat in cream.

Conversion of product market values to a Class III price. The above listed recommended changes in existing formula factors are primarily for the purpose of causing more timely and otherwise appropriate changes to be reflected in the Class III price as market values of surplus milk products change. How-

ever, the effect of such changes in the formula on the level of the Class III price must be appraised.

During the 12 months ending in March 1951 the average of the differences between the monthly averages of the highest prices reported for New York 92-score butter and the averages of the midpoints was 0.21 cent. The use of midpoints during that period would have resulted in an average reduction in the Class III price of about 0.9 cent.

It was contended at the hearing that the yield factor for butter should be reduced so as to allow for butterfat losses which occur in the handling and separating of milk. Providing for such a loss allowance in the conversion factor is reasonable since by so doing the actual amount of the loss allowance is caused to vary with the market value of butterfat. By reducing the theoretical conversion factor for butter from 1.24 to 1.22, a loss allowance of about 1.5 percent is provided during the months when the butter price becomes the basis for the Class III butterfat value. The effect of this change on the Class III price would be to reduce it about 5.0 cents per hundredweight (assuming a butter price of 69 cents per pound).

Evidence in the record indicates that about 7.8 pounds of nonfat dry milk solids are actually obtained from a hundredweight of milk after separating out 40 percent cream. Accordingly, it is concluded that the yield of 7.5 pounds which is presently reflected in the Class III formula should be changed to 7.8. At the roller support price of 15 cents per pound for nonfat dry milk solids, this change would result in increasing the Class III price 3.9 cents.

Based on the difference from June 1950 through May 1951 between the weighted average of the f. o. b. Chicago area manufacturing plant prices for roller and spray nonfat dry milk solids and the price of New York roller process nonfat solids (0.28 cent) it is estimated that shifting to the use of the Chicago area quotations for spray and roller nonfat solids will increase the Class III price about 2.2 cents (0.28 x 7.8). Since nonfat dry milk solids prices for months later than March 1951 are not in the hearing record, official notice of such prices is being taken.

The foregoing recommended changes would have the estimated net effect of increasing the Class II price by about 0.2 cent. This increase as calculated represents an average of the effect which would be brought about by the butter formula. During the months from August through February, however, the Class III butterfat value may be determined by the Boston weighted average cream price. Since no change in the conversion factor of 33.48 is recommended, the result would be a somewhat larger increase when cream prices become effective.

The record indicates that the average can of cream included in the Boston weighted average contains slightly less than 33 pounds of butterfat. Use of the 33.48 factor in the formula therefore has the effect of understating the market value of a pound of butterfat as reflected by Boston cream by about 1.5 percent. Since this compares very closely to the loss allowance provided by the use of 1.22 in the butter formula it is concluded that use of the 33.48 factor should be continued. The result will be to lower the price provided by the butter formula as compared to that provided by the cream formula, by about 5 cents. This change appears justified, however, in view of the adequate to excessive handling charges which New York handlers have enjoyed whenever market conditions for cream have been such that the cream formula has become effective. Handling charges have been considerably less favorable most of the time when the butter formula was effective.

It is impossible to predict during what months or how often the Boston weighted average cream price will set the Class III butterfat value. It is estimated, however, that the net aggregate effect of the changes in formula factors herein provided will be to increase the Class III price by an amount averaging about 3 cents. Such changes would have resulted in an average increase of 3.4 cents during the 12 months ended with June 1951.

Having selected the dairy product price quotations which are found to be the best available indicators of changes in the market value of surplus milk and the product yield factors to be used in connection therewith in the Class III pricing formula, the final step in arriving at a price which handlers will be required to pay to producers for Class III milk involves a determination of the amount which should be deducted from the gross market value of the milk, calculated at the market prices of the products selected for use in the formula, as an allowance to handlers for the handling and processing of the milk.

Class III milk constitutes the necessary reserve to insure the maintenance of an adequate supply to meet the requirements of the marketing area for fluid milk and cream. Since it constitutes a substantial proportion of all milk delivered by producers the level of the price established for Class III milk materially affects the uniform price paid for all milk delivered, and thus is a factor influencing both the supply and the level of the Class I–A price which is necessary in order to maintain an adequate supply. The objective then must be to price Class III milk at a level which will yield the maximum return to producers and which, at the same time, will afford reasonable assurance that milk offered by producers will be accepted. A pricing formula which fostered or encouraged inefficiency in handling and processing would be inconsistent with these standards.

The record indicates that no single measure or factor can be relied upon exclusively as a sure-fire method of deciding whether or not the Class III price is at the proper level. A conclusion concerning the amount of the handling allowance and the resulting level of the Class III price which is herein found to be appropriate in relation to the dairy product market prices selected for use in the formula, has been reached on the basis of all of the evidence in the record which appears to provide a reasonable measure or guide.

At the outset it is recognized that since it is not feasible to determine accurately what sales price handlers actually do obtain from all of the products they make from surplus milk, any specific handling allowance provided in a formula must be deducted from an assumed market value as the starting point. Surplus milk is to some extent utilized in products which command a price higher than the market price of products used in the formula. Since the existing Class III formula became effective substantially larger quantities of surplus milk have been marketed in higher value outlets such as cream, cream cheese and other non-cheddar type cheeses. Handlers who have been able to take advantage of these sales have benefitted. The advantage of any shift in utilization can accrue to producers only through increasing the price established for surplus milk. To some extent, ice cream itself is a relatively high value outlet for surplus milk. Some pool butterfat in the form of whole milk and plain condensed milk is used directly in ice cream without incurring the full cost allowed in the Class III formula for manufacture into cream and nonfat dry milk solids. Solids in this form cost substantially less than solids from alternative midwestern sources. The handling allowance specified is only one factor in the formula and, except coincidentally, does not constitute the actual allowance for handling surplus milk.

If a handler is to continue to receive milk from producers, his gross receipts realized from the sale of all products made from such milk must be sufficient, over a long period of time, to cover the minimum prices which the order requires him to pay producers, his costs of processing the milk, and a return on capital invested which will prevent its withdrawal from milk processing facilities.

Calculated costs of handling surplus milk, particularly if presented so as to constitute a means of measuring changes in costs, is one factor which should be considered in establishing the price. It is a factor, however, which is limited by practical considerations. Many difficulties are encountered in attempting to determine an average cost of processing surplus milk. Considerable differences in costs exist among plants because of variations in utilization of surplus milk in different products and in varying proportions. Processing costs vary for different products. The costs shown in the record for different handlers or groups of handlers vary in both the amount and breakdown by items. To some extent, costs tend to adjust themselves to margins.

The volume of surplus milk handled appears to be an important factor affecting both the unit cost of processing and the average market return on products made from surplus milk. Since, as hereinbefore indicated, the market price quotations used in the formula are only approximations of the actual returns to handlers from the sale of products made from surplus milk, the inconsistency of relying solely upon calculated unit cost

data for the determination of a reasonable operating allowance is apparent.

A comparison of cost data submitted for selected manufacturing plants shows no significant change in unit costs between 1949 and 1950. The influence on the cost per hundredweight of increasing volume from 1949 to 1950 appears to have been about offset by increases in certain cost factors including the cost of labor and the transfer from feeder plants of a somewhat larger portion of the milk manufactured. With the expectation of a continuing relatively large volume of surplus milk, at least during 1951, no basis is found in the record for predicting a change in costs in an amount to be significant factor in the determination of the operating allowance to be named in the Class III formula.

Handlers of surplus milk contended that the allowance presently provided in the Class III formula is not adequate to cover their costs of processing surplus milk. If handlers have been experiencing losses in the amount of 30 to 35 cents per hundredweight, which is the approximate amount by which reported costs exceed the present allowance, it is reasonable to expect evidence of reluctance on the part of handlers to continue to maintain adequate processing facilities, or at least that there would be evidence of a tendency for proprietary handlers to shift more of the function of handling surplus milk to cooperative associations. Yet, there is no such evidence in the record. Although some certain types of facilities have been largely withdrawn there is no evidence of an over-all shortage of facilities in the milkshed to handle all of the milk. No cooperative association reported having experienced losses in their over-all operations because of the necessity of handling surplus milk on an inadequate handling allowance or because of inability to collect reasonable handling charges on fluid sales due to distress among handlers in the disposition of surplus milk. During the first half of 1950, when handlers appear to have taken a rather pessimistic view of the market outlook for manufactured dairy products, handling charges for fluid milk in the marketing area were relatively low. During that period a relatively small volume of cream was stored and outlets for surplus milk were generally oversupplied. During 1949 and since the middle of 1950, however, there is evidence that handlers were not experiencing sufficient difficulty in the disposition of surplus milk to impell them to offer milk for fluid distribution at prices less than those affording adequate, and sometimes rather lucrative, handling charges.

Gross margins between the price for surplus milk to New York handlers and market value of products made therefrom increased between 1948 and 1949 and tended to increase further in 1950 for most products manufactured from surplus milk. This was particularly true for milk used for cream outside the marketing area or made into butter. Gross margins on milk used for cheese declined somewhat in 1949 from the exceptionally high levels prevailing during the summer of 1948 but remained during 1949 and 1950 at high levels in relation to other previous years, and then increased to a new high level early in 1951.

Size of margins does not indicate what profit, if any, can be realized by handlers from surplus milk since all expenses must be paid out of this margin. However, variations in gross margins without compensating changes in costs are indicative of changes in net margins available to handlers for disposing of surplus milk. Net margins in turn provide the incentive for handlers to utilize surplus milk for different products.

A comparison of Class III prices with producer prices paid by 18 midwestern condenseries shows that the Class III price averaged 7½ cents lower than the condensery price during the last 9 months of 1949, 13.6 cents lower during 1950 and 44.7 cents lower during the first 3 months of 1951. The Class III price was higher than the condensery price by 8.1 cents during the last 9 months of 1947 and higher by 5.2 cents during the same months of 1948.

A comparison of the Order 27 price of milk for making butter with prices paid for milk for making butter in 12 states for which information is shown in the record indicates that in the months of April through September 1949 the order cost was below any of the prices for the 12 states and in the same months of 1950 prices paid in only one of the 12 states averaged lower than the order price. In the same months of 1947 and 1948, prices in only 2 and 3 states, respectively, of the 12 were above the order price of milk. A similar comparison of the order price of milk for cheese with prices paid for milk for cheese in 21 states shows that in 1947, 1948, 1949, and 1950 prices paid in 20, 10, 9, and 14 states, respectively, of the 21 were higher than the order price of milk for cheese. The order price of milk for making butter was lower in 1949 and 1950 in relation to prices paid for milk similarly used in other states than in the two preceding years. The order price of milk for making cheese was somewhat lower in 1950 in relation to other states than in 1948 and 1949 but was higher than in 1947.

Comparing the Order 27 price of milk for butter and cheese with the Order 41 (regulating the handling of milk in the Chicago marketing area) Class IV (which includes butter and cheese) price in the last 4 years, the price of Order 27 milk for butter has averaged 8, 6, 38, and 25 cents per hundredweight below the Chicago price and the price of Order 27 milk for cheese has averaged 29, 19, 39, and 27 cents below the Chicago price. The Order 27 price of milk for butter and cheese in relation to the Chicago Class IV price declined in 1949 and increased in 1950, but remained substantially below the Chicago Class IV price.

A comparison of the Order 27 price of milk for making butter with prices paid for milk similarly used in the East North Central States and in Minnesota also shows that in 1949 and 1950 the price of pool milk so used had declined substantially since 1947 and 1948 in relation to prices in the East North Central States and in Minnesota. However, in 1949 and 1950 the price of pool milk for making cheese was somewhat higher in relation to prices paid for milk for cheese in the East North Central States and Wisconsin than in 1947 and 1948 and was considerably higher in relation to prices paid at unregulated cheese factories in New York State than in 1948.

In appraising comparisons of prices paid for milk by New York handlers with prices paid by unregulated plant operators in other areas for milk used in the manufacture of the same or similar products, however, certain differences in circumstances and conditions should be taken into account. Various differences in circumstances, such as freight costs, quality of products, concentration of supplies, regularity of supply, and labor wage rates, must be considered in evaluating these comparisons. Conditions surrounding the manufacture of surplus milk under the New York pool differ considerably from those experienced by unregulated plant operators. Unusually wide fluctuations in the supply of surplus milk on different days of the week and from one season to another, make it difficult for handlers to utilize labor and plant equipment efficiently. New York handlers have some advantages on the other hand by virtue of their location near market and because of high quality milk.

The record does not provide sufficient information concerning these differences to permit an adequate appraisal of the need of handlers for price differentials. Changes in price differentials from time to time are significant, however, since they indicate changes in the gross margin obtained by New York handlers relative to the gross margins of unregulated plant operators whose margins are determined competitively. Accordingly, the tendency for the average level of the Class III price to become lower in 1950 and early 1951 than formerly in relation to the average of prices paid for milk at unregulated manufacturing plants constitutes evidence supporting a conclusion that the Class III price is not too high. A comparison of the Class III price with prices for surplus milk established by orders for other markets adds further support to the same conclusion.

It does not follow, however, that the order should be amended to establish the average of the prices paid by the 18 condenseries as the Class III price floor. Evidence submitted at the hearing in connection with such a proposal indicates a pronounced absence of correlation between month to month variations in such pay prices and short-time variations in the market value of products with which pool milk competes and into which Class III milk is manufactured. It is concluded therefore that, while prices paid by unregulated plant operators constitute a reliable guide against which to check trends in the level of the Class III price, they do not constitute as good a basis as the market price quotations of dairy products for making month-to-month changes in the Class III price.

Proposals were considered at the hearing to incorporate in the Class III formula various types of "movers" which would cause automatic increases or decreases in the handling allowance.

The proposed movers designed to reflect changes in costs, even if established as accurate reflectors of such changes, are subject to the same limitations which are inherent in the cost approach. A proposal to relate the amount of the Class III handling allowance to handling charges paid for "spot" purchases of fluid milk in the marketing area possesses the virtue of recognizing such handling charges as being a factor appropriately to be considered but also possesses the fatal weakness of failing to take into account important factors influencing the amount of such handling charges other than level of the Class III price. While there appears to be considerable merit in these proposals for automatic changes in the handling allowance as conditions change, it cannot be found on the evidence in this record that any one or more of the movers considered will reflect such changed conditions with sufficient accuracy to justify their adoption as an alternative or supplement to the hearing and amendment process.

It is concluded that the order should not be amended to provide a separate allowance or set of allowances to be credited to handlers with respect to surplus milk transferred from the plant where received from producers to a plant where it is manufactured into Class III products.

Allowances of this sort were provided for in the order for a number of years ending in 1942. During that time numerous controversies arose as to whether the handler who made claims for the allowances had actually met the conditions requisite to their receipt. Uneconomic movements of milk were made in order that such milk would become subject to the allowances. Although so-called safeguards provided in connection with provision for separate transfer allowances might minimize abuse in isolated or individual instances, it is inconceivable that creation of incentives for increased transfers could be avoided within a large system of plants operated by a single handler or throughout the milkshed. Probably of more importance, however, in connection with transfer allowances than the questions of administerability are questions of principle involved.

Transfer allowances were represented by their proponents as a desirable refinement in the pricing of surplus milk and as constituting a means of correcting existing inequities among handlers in the cost of surplus milk by reason of the existence of wide differences among handlers in the intermittency of manufacturing plan operation and in the proportion of surplus milk which is transferred from receiving plants to manufacturing plants.

It was established, of course, that there are costs involved in the receiving of milk from producers whether at a plant which is equipped for the processing of surplus milk or at a plant not so equipped. It is also recognized that costs are incurred in the transfer of milk from one plant to another and in the maintenance and operation of manufacturing plants. All of such costs were shown to vary widely among plants and among handlers.

Bulkiness and perishability of fluid milk as received from producers are characteristics which provide economic incentives for processing milk into more concentrated forms as near to the source as possible. On the other hand, the economies associated with high volume per plant provide powerful incentives for handlers to centralize operations both for the receiving and processing of milk. There are important offsetting economies involved among various types of facilities and methods of handling surplus milk.

At the present time, with a single allowance employed in fixing a price for Class III which is uniform for all handlers at the plant where the milk is received from producers, all handlers have an equal opportunity so far as the handling allowance is concerned to manufacture surplus milk. Consequently there is an incentive for surplus milk to be handled by those with lowest costs. Whether or not the transfer of milk from receiving plants to manufacturing plants will contribute to greater economy in operation is a matter to be decided by each handler. The quantity of milk which he has or expects to have available for processing after taking into account demands of the market for fluid milk may very well be a factor influencing his decision. Each handler exercises the responsibility of deciding on the method of operation which he considers to be most economical in his situation. The existence of these incentives for handling surplus at the lowest possible cost makes possible the maximum return to producers.

If separate transfer allowances were provided, thus establishing a different allowance for some handlers than for others, special encouragement would be given to those handlers who transfer milk and those who do not would tend to be at an economic disadvantage in the handling of surplus milk. Because of extreme variation among handlers and among plants in actual costs of plant operation and of the interplant transfer of milk, the fixing of separate transfer allowance even though less than compensatory for one handler could readily be more than compensatory for another. Regardless of the amount of the separate allowance, the provision of such an allowance would be in the direction of offsetting those economies associated with high volume per plant operations and change the basis on which handlers would make decisions concerning the location and operation of receiving and processing facilities. The incentives provided would tend to increase the proportion of surplus milk transferred and the aggregate of allowances therefor, and thus tend to reduce the net return to producers.

On the basis of the evidence presented and its appraisal, it is concluded that the handling allowance (70 cents) and the transportation allowance (10 cents) now contained in the Class III pricing formula should be combined into a single allowance of 80 cents. Thus, a total allowance unchanged from the allowances presently provided together with the changes herein set forth in other formula factors may be expected to result in an increase in the level of the Class III price of about 3 cents per hundredweight.

2. *Concentrated milk.* The order should be amended to provide for the classification of concentrated fluid milk in Class I–A, or in Class I–B or I–C if distributed outside the marketing area, in the same manner as ordinary fresh fluid milk and other fluid products now included in those classes.

The term "concentrated fluid milk" should be specifically defined in the rules and regulations issued by the market administrator pursuant to the procedure set forth in the order. In general terms, however, "concentrated fluid milk" is intended to mean the product generally resembling plain condensed milk which in concentrated form, either fluid or frozen but not sterilized, is packaged and distributed in a manner designed primarily to be reconstituted by the consumer into a product resembling fresh whole milk as customarily distributed but which may, as an alternative, actually be used by the consumer as a substitute for fluid cream or for other purposes. It was contended that addition of water to such concentrated milk results in a fluid milk product virtually indistinguishable from regular fluid milk. It has been advertised as a direct and acceptable substitute for the customary type of unconcentrated fluid milk.

The product intended to be included under such a definition is the product which during the past year or so has been distributed for fluid consumption in various markets in 1 quart and ⅓ quart containers. Amendment of the order, however, as herein indicated is not intended to preclude definition of the product in a manner to include the same product in the event of its distribution for fluid consumption in containers of other sizes.

There is no evidence of concentrated fluid milk, as herein described, having been distributed in the New York marketing area. However, there is evidence that it may be so distributed at any time. It is being distributed in other Eastern markets and has been manufactured from New York pool milk. The specific sanitary requirements of marketing area health authorities applicable to concentrated fluid milk are not set forth in the record. However, in view of the nature of the product, it appears unlikely that such requirements will be materially different from those applicable to regular market milk. It is evident therefore, that concentrated milk for fluid consumption will compete directly with other Class I products, and in substantially the same manner, for available supplies of milk approved for fluid distribution. Requirements on a day-to-day basis and seasonally in relation to available supplies are likely to be of the same character.

The term "concentrated fluid milk" should be defined in a manner which does not include condensed or concentrated milk products other than the product herein described. The term should not include the product presently defined as

evaporated milk or the product presently defined as plain condensed whole milk when disposed of in bulk to such outlets as restaurants, bakeries and ice cream manufacturers for other than fluid uses.

It was proposed that concentrated milk be classified in Class III if the product is frozen after being concentrated. It was contended that such a product would be manufactured primarily for export, and could not be expected to compete effectively in domestic markets with regular fluid milk or concentrated fluid milk. The mere act of freezing, however, does not appear to constitute an adequate basis for distinguishing for classification purposes between the frozen and the unfrozen product. It seems unlikely that different sanitary requirements would apply, or that the act of freezing would necessarily preclude domestic distribution of the product for use in the same manner as fluid concentrated milk. Further reference is made to concentrated milk in connection with issue No. 6.

3. *Canned milk.* The order should be amended to provide that milk which would otherwise be classified in a higher priced class shall be classified in Class III if it is packed in hermetically sealed containers and sterilized.

The specific proposal included in the notice of hearing was to classify in Class III all milk packed in hermetically sealed cans which is exported to foreign countries or delivered to any branch of the United States Department of Defense. The product is not being manufactured commercially at least by the proponent or in the New York milkshed. The proponent asserted his intention of establishing processing facilities in a location where adequate supplies of high quality milk are available and where overall costs (including raw material, processing and transportation) are most favorable.

The prospective product is one for which no domestic outlet is anticipated. Its prospective outlet is visualized to be in competition with evaporated and dry milk in foreign countries where supplies of fresh milk are unavailable. It was contended that the price obtainable for the finished product would preclude payment of a price for raw milk higher than that for Class III milk.

Milk used in the product is not likely to be required to be from sources approved by marketing area health authorities as sources of milk for fluid distribution in the marketing area. It is a product which is to be sterilized and not designed for distribution in the marketing area in competition with fresh fluid products. The product, as represented, will be storable without refrigeration and thus unlike fresh fluid milk with respect to the character of its supply requirements. The same considerations apply to other products packed in hermetically sealed containers and sterilized. Approved milk is not now required to be used for evaporated milk or in milk drinks of various sorts currently available within the marketing area in hermetically sealed cans and sterilized. These circumstances dictate a policy of pricing milk utilized in such products at a level competitive with alternative sources of supply.

4. *Milk in manufactured food products.* The order should be amended to classify milk in Class III during the months of March through July which leaves a plant in the form of milk and is delivered in bulk to a food processing establishment outside of the marketing area engaged in the manufacture of food products packed in hermetically sealed containers provided no milk or milk product leaves such establishment in fluid form.

Milk utilized in such manufactured food products is presently classified as Class III if the butterfat from such milk is established as being on hand or to have left the plant at which classification is determined in the form of such manufactured food products, or in the form of other products the classification of which is not established in some other class. However, milk shipped in the form of milk from the plant at which classification is determined to some other establishment (outside Federal marketing areas) not considered to be a plant as defined, and there utilized in manufactured food products is presently classified as Class I–C.

Milk utilized in such manufactured food products appears to constitute a utilization more appropriately considered to be a manufacturing rather than a fluid use. Milk for that purpose is not required to be approved for marketing area distribution and is available from nonpool sources at a price comparable to that fixed under the order for milk for other manufactured product uses. The classification of such milk in Class III only during months when the supply of surplus milk is relatively large not only is consistent with the proposal considered and in conformity with the indicated seasonal character of the demand for such milk, but will also avoid the possibility of creating new demands for milk at the Class III price during periods of the year when requirements for milk for Class I and Class II uses constitute a larger proportion of the available supply.

Restricting a Class III classification to milk delivered only to those food processing establishments from which no milk or milk product leaves in fluid form is designed to alleviate the administrative problem which might otherwise exist in connection with verification of the utilization of milk in various types of manufactured food products. A Class III classification under the amendment, however, will be contingent upon satisfactory establishment by the handler of the fact that delivery is actually made to a food processing establishment of the type indicated and of the fact that no milk product leaves the plant in fluid form.

5. *Whipped topping mixtures.* The order should be amended to provide for the classification at a plant in the marketing area of milk the butterfat from which is shipped to such a plant in the form of cream and there utilized in the manufacture of whipped topping mixtures in the same manner as is presently provided in connection with frozen desserts, homogenized mixtures and cream cheese.

At present butterfat in the form of cream which is used in the manufacture of whipped topping mixtures at a plant located outside of the marketing area is classified as Class III. Butterfat in the form of cream used in the manufacture of such a product at a plant located within the marketing area is classified as Class II. The amendment herein set forth is largely in the interest of uniformity and consistency. The question of whether milk utilized in the manufacture of whipped topping mixtures at a plant outside of the marketing area is properly classified in Class III is an issue which was not within the scope of the hearing.

A consideration which tends to support marketing area classification and the departure from the general rule in the case of whipped topping mixtures is the fact that few plants are now or are likely to be enfranchised to manufacture and sell such mixtures. Furthermore, due to the conditions under which the product is marketed, elements are present which appear to inhibit evasion of the rule. Evidence was also presented to the effect that the manufacture of such mixtures is more suitably and effectively performed at a location in proximity to the area of consumption.

6. *Treatment under the order of milk delivered to docks, ships, warehouses and military establishments.* The order should be amended so as to make it clear that (1) the marketing area, as presently defined includes such establishments as military installations occupying territory within its boundaries and includes also all piers, docks and wharves connected with the land area within its boundaries together with crafts moored at such piers, docks and wharves; and (2) milk delivered to such outlets (as above named) from a plant outside the marketing area is to be classified in Class I–A and subject to compensatory payments (if from nonpool sources) unless the milk, even though physically passing through such outlets, is consigned to and delivered to a purchaser outside the marketing area. Such an amendment involves revision of the definitions of marketing area, Classes I–B and I–C milk and provisions of the order identifying the milk which is subject to compensatory payments.

The proposal considered and the evidence thereon submitted at the hearing with reference to treatment under the order of milk and milk products delivered to outlets of the type here referred to was for the declared purpose of providing a basis for amendment of the order so as to eliminate questions of interpretation resulting from the decision of the Judicial Officer in the Ideal Farms case issued on October 10, 1949 (8 A. D. 1119). In that case it was decided, in the particular circumstances involved, that compensatory payments were not applicable on nonpool milk in the form of packaged frozen milk delivered to ships moored at a dock in the marketing area from a plant located outside the marketing area. Industry representatives contend that the decision was con-

trary, at least in some respects, to the interpretation previously understood and generally accepted in the industry. Specifically, it appears that milk delivered to ships at docks connected with the land area within the boundaries of the political subdivisions named in the marketing area definition was understood to constitute delivery "to a purchaser in the marketing area," regardless of whether such milk was for consumption on the ship or as cargo to be transported by the ship for consumption at some location definitely outside the marketing area. At any rate, there appears to be sufficient uncertainty as to how existing language of the order should be interpreted to justify its clarification.

Some differences of opinion were expressed by industry representatives on the question of distinguishing, for classification and pricing purposes, between milk delivered to ships and other carriers for consumption thereon and milk which is merely loaded on to ships and other carriers as cargo for delivery elsewhere. Evidence in the record is in some respects inconclusive as to the extent of the jurisdiction of marketing area health authorities over milk, in the various forms named in the Class I–A definition, which is delivered to carriers or to Federal installations or reservations within the marketing area. It was established, however, that milk delivered to ships for consumption thereon and to Federal institutions historically has been supplied by pool handlers and from processing plants located within the marketing area. Since such plants are permitted to handle only milk from approved sources, it follows that milk furnished to ships and institutions from marketing area plants can come only from approved sources.

Even though it may not have been definitely established that milk delivered to ships from plants outside the marketing area is equally subject to marketing area health authority regulations, it appears much more logical that such regulations would be applicable to so-called commissary milk than to cargo milk. An indeterminable portion of commissary milk can reasonably be expected to be consumed while the carrier is moored within the legal bounds of the marketing area. That is unlikely to be the case, however, with cargo milk especially packaged for, and expressly consigned to, a foreign or other distant buyer. It is concluded that a reasonable basis exists for the classification in Class I–A of milk (in the various forms named in the Class I–A definition) delivered from out-of-area plants to all types of outlets within the marketing area (including ships and institutions) except that such milk shipped through the marketing area to points outside the marketing area, wherein the carriers are used as a means of transportation only, should not be considered to constitute a delivery in the marketing area. Such cargo milk, therefore, should be classified in I–B or I–C as the case may be, and when originating from nonpool sources, should not be subject to compensatory payments. To classify such cargo milk as Class I–A would constitute an inconsistency in the operation of the order since, under existing provisions of the order, milk transferred, for example, from a railroad car to a motor truck within the marketing area in the process of transporting the milk to an out-of-area plant or purchaser would be classified, if it was pool milk, in Class I–C (or I–B) and would not be subject to compensatory payments if it was nonpool milk. There appears to be no sound basis for a Class I–A classification on other milk consigned to and delivered to an out-of-area plant or purchaser merely by reason of the fact that one of the carriers involved is a ship rather than a motor truck.

Evidence presented indicates that no particular difficulty is likely to be experienced from an administrative standpoint in distinguishing between commissary and cargo milk with the possible exception of deliveries made to such places as docks, wharves, ships or warehouses for the account of the armed services. Even that possibility, however, does not appear to preclude effective administration of the proposed amendment since a lower priced classification than I–A will be contingent upon availability of evidence satisfactorily establishing the fact that the milk was consigned to and delivered to a purchaser outside the marketing area. If that fact could not be established with respect to milk delivered to a ship, dock, wharf, warehouse or other establishment within the marketing area, the milk would be considered to have been delivered to a purchaser in the marketing area and would be classified in Class I–A and, if from a nonpool source, would be subject to compensatory payments.

7, 8. *Basis of classification.* The order should not be amended to provide for the classification at the second nonpool plant of milk which is moved in the form of milk to such plant from the first nonpool plant when neither nonpool plant holds health authority approval.

The rule of establishing classification at the first nonpool plant has existed for a relatively long time and, apparently, to the general satisfaction of interested parties in the New York market. To relax the rule may impose reporting and verification requirements upon additional nonpool plants and in the process subject receipts of milk at such plants to complicated and, of necessity, somewhat arbitrary rules regarding the allocation of such milk between pool and nonpool sources. These considerations outweigh the reason advanced for modification of the rule.

The operations of the two nonpool plants which serve as a basis for the proposal are located within a relatively short distance from each other and are under the direct control and ownership of the proponent handler, thus constituting a situation in which it would seem to be encumbent upon the proponent to avail himself of alternate means by which a classification higher than Class III can be avoided.

Existing provisions of the order defining areas outside of which milk or cream may be shipped and remain eligible for classification other than at the plant from which such shipments are made (§ 927.4 (a) (3) (v) and (vi)) should be amended to provide for classification only at the shipping plant in the case of shipments of either milk or cream more than 65 miles (from the plant where received in the case of milk and from the plant where separated in the case of cream) to a plant outside of New York State, the New England States, the States of New Jersey, Pennsylvania, Maryland, Delaware, Virginia, West Virginia, Ohio, and the District of Columbia. The so-called 65-mile provision should be continued in conjunction with this expanded area of classification in order to permit classification at plants in the vicinity of a plant located outside of the named states but which could become a pool plant by reason of shipments of milk to the marketing area.

Such an expansion of the classification area was not shown to be required due to the inadequacy of manufacturing facilities for the disposition of excess pool milk within the area as now defined. Handlers did contend, however, that existing provisions are unnecessarily restrictive, that desirable outlets for surplus milk in areas adjacent to the milkshed were now available to some handlers and not to others, and that expansion of the area would permit handlers more freedom and flexibility in the selection of the best available outlet for surplus milk. The record contains no evidence from which to conclude that the change would result in a lower return to producers by reason of lower classification.

9. *Special transportation allowance.* The order should not be amended to provide a special transportation allowance on tank-lots of milk shipped from a plant outside the marketing area to a plant in Nassau or Suffolk Counties.

It was the contention of the proponents that extra transportation differentials of 5 cents and 8 cents, respectively, should be allowed on tank milk shipped from county plants to bottling plants in Nassau and Suffolk Counties in recognition of alleged higher costs of transportation to such bottling plants than to other bottling plants in the marketing area, and that such extra differentials were designed to equalize costs among handlers.

Milk is distributed to consumers in Nassau and Suffolk Counties both from bottling plants located in those counties and from bottling plants located in New York City. The point was made that all country plant milk distributed in Nassau and Suffolk Counties has to be hauled through New York City, and that hauling rates from country plants to Nassau and Suffolk Counties tend to be slightly higher than to New York City bottling plants. It was not established, however, that such higher costs more than offset the added costs incurred by handlers who haul bottled milk from New York City pasteurizing plants to distribution points in Nassau and Suffolk Counties.

Moreover, transportation differentials are an integral part of a pricing system which has for its purpose the establishment of uniform minimum prices which all handlers must pay for milk at the same receiving plant. The differentials themselves are designed to reflect differences in the value of milk depending

upon the distance from the marketing area to the plant at which milk is received from producers. Differences among handlers in the various costs of distribution may very well influence resale prices but not properly to be considered in establishing the minimum price to be paid to producers.

10. *Exemption from pooling.* The order should not be amended to exempt from pooling the milk received by direct delivery from farmers at plants located in Westchester County.

The proponents of such a proposal were six handlers who at the time of the hearing operated the only plants in Westchester County at which milk was being received directly from producers. Milk so received constitutes the principal source of milk distributed by these handlers. Sales from such plants constitute less than 17 percent of the total milk sold in Westchester County. Such plants are not approved for the distribution of milk in New York City. The balance of the milk distributed in Westchester County is milk received by other handlers at pool plants located outside the marketing area.

It was contended in support of the proposal that the historical source of supply for the proponent handlers has been from producers located in the so-called Harlem Valley extending north from New York City east of the Hudson River through the counties of Westchester, Putnam, Dutchess and Columbia, and that the payment of higher prices by Connecticut handlers in recent years has resulted in (1) a shift of some of such producers, principally in Westchester County, to Connecticut buyers, (2) the payment by the proponent handlers of substantial premiums to producers in the form of free cans, free hauling and cash in an effort to retain such producers and (3) the necessity for the proponent handlers to acquire new sources of supply, mainly from farms in Orange County. The premiums reported to have been paid by the six handlers averaged 50.7 cents in 1949 and 33.8 cents in 1950.

The order presently establishes a minimum producer price for milk received at plants in the marketing area which is 50 cents per hundred-weight higher than the 201–210 mile zone price, 30 cents of which comes out of the pool. Fundamentally, the question involved is whether the order should be amended (by exemption from equalization) to further enhance the price paid to certain producers at the expense of all other producers. Such an amendment does not appear to be justified by the evidence presented.

It is apparent that the territory from which the proponent handlers historically have obtained their supply has become one in which there is keen competion among buyers for the available supply of milk. It is a territory which is not necessarily indispensible, however, as a source of supply for the marketing area since adequate supplies of approved milk are available from other sources. The proponent handlers have the apparent alternative and may find it more advantageous to purchase bulk supplies of milk received elsewhere in the milkshed. While such purchases may be expected to involve the payment of a handling charge, it seems probable that such a charge would be more than offset by savings in the cost of receiving milk directly from producers together with the elimination of premiums which such handlers pay to producers from whom they obtain their present supply.

The exemption from pooling now provided for in the order for milk received from farms in Nassau and Suffolk Counties parallels the proposal here considered only to a limited extent. The present exemption applies only to milk received from farms located within a specifically defined and definitely isolated portion of the marketing area in which there is no direct competition in the procurement from producers of milk between that which is exempt and that which is not. However, the proposal now presented would apply to the milk from an indefinite number of farms without regard to location and to milk purchased in direct competition with other handlers purchasing milk to which the exemption would not apply. The proposed exemption might very well induce other handlers to receive milk directly from farms at plants in Westchester County, in which event it could apply to virtually all of the milk distributed in Westchester County, a volume roughly 6 times that currently handled by the proponent handlers. At least one other handler was in process at the time of the hearing of equipping his Westchester County processing plant to receive milk directly from producers who at that time were delivering to out-of-area plants.

11. *Freight zones.* The order should not be amended to prohibit the determination of freight zones for pool plants different from the zones currently in effect. The transportation differential provision should be amended, however, for clarification and to provide for the use of "Mileage Guide No. 5" (without supplements) issued by the Household Goods Carriers' Bureau, agent in computing highway mileages. The order should not be amended to require appointment by the market administrator of an advisory committee to recommend revisions in freight zones.

Evidence in the record indicates that failure to reestablish the ban which expired on December 31, 1949 on the determination of new freight zones is likely to result in changing the transportation differentials applicable to milk received at approximately 189 out of a total of 441 pool plants. Out of this total of 189 plants, 180 would be zoned nearer the market and 9 would be zoned farther from the market. Class I prices and the uniform price would be affected at 135 plants. Prices for Class II and III milk would be affected at 111 plants. Changes affecting the Class I and uniform prices would amount to 1 cent per hundredweight at 97 plants, 1½ cents at 33 plants, 2 cents at 2 plants, and 2½ cents at 3 plants. Changes affecting the Class II and Class III prices would amount to 1 cent at 110 plants, and 2 cents at one plant.

Proponents of the proposal to continue to freeze existing zones contended at the hearing that these changes in zones and differentials would disturb producer relationships and serve no useful purpose. The provision of the order freezing existing freight zones through December 1949 was adopted effective April 1, 1949 in response to a previously expressed desire of handlers for further opportunity to formulate a more satisfactory and acceptable method of determining freight zones. Handlers testified at this hearing that they had attempted to devise some system for determining freight zones other than on the basis of railway or highway mileage distances as the order now provides, but that their efforts had been unproductive. The only substitute proposed at the hearing was to freeze existing zones for all except a few plants and that for such few plants and for each new plant a zone be determined by the market administrator, assisted by an advisory committee, equitably on the basis of its distance from New York City and its proximity to other plants for which a zone is now established. To establish freight zones equitably is a laudable objective but by no means constitutes a sufficiently specific or uniform basis to be administratively practical. Railway or highway distances, therefore, constitute as equitable and satisfactory a basis for determining freight zones as has been developed so far and should continue to be used until a more satisfactory method is devised.

The differential changes resulting from full application of the principle of determining zones on the basis of railway and highway distances will be numerous but relatively minor in amount. No justification is found in the record for perpetuating errors and inaccuracies in the mileage zones currently in effect by prohibiting the use of the best available data known to exist in the computation of rail and highway distances. There is no reason to expect that minor changes in freight zones will disturb producer relationships any more than would the knowledge that a provision of the order continues to prevent the adjustment of transportation differentials in accordance with the principles uniformly applied in the milkshed.

One of the objections made to the method now provided for determination of zones was that frequent issuance of supplements to the Mileage Guide would result in changes in zones more frequently than is desirable. In recognition of that objection the amendment herein set forth provides for the computation of mileages on the basis of Mileage Guide No. 5 issued on July 20, 1949 without regard to supplements thereto issued at later dates or to later Guides. While such a provision may also appear to freeze the zones once they are determined, that result is avoidable by subsequent amendment of the order to provide for using a later Guide in the event of sufficient changes in mileages to be of significance.

12. *Acknowledgment of reports filed by handlers.* The proposal to require the market administrator to acknowledge within 48 hours the receipt of each and every report mailed to or filed with him should be adopted only with respect to notices of transfer of storage cream, re-

ports of the storage of cream and the utilization of storage cream.

The contention of proponents was that there have been instances in the past where handlers in good faith have filed the required reports with the market administrator and subsequently discovered that such reports had not been received, with the result that handlers have incurred increased financial obligations or have been denied payments to which the timely filing of the report would entitle them.

Evidence submitted indicates no useful purpose would be served by acknowledgment by the market administrator of those reports which are filed on a delivery period basis such as regular monthly reports of receipts and utilization. Such acknowledgment appears desirable, however, in the case of those reports required to be filed at a time contingent upon some act performed by the handler. Such reports include those required to be filed in connection with the storage of cream, the transfer of cream from one cold storage warehouse to another and the utilization of storage cream. Prompt acknowledgment by the market administrator of the filing with him of such reports will constitute positive evidence available both to the handler and to the market administrator that such forms were received, thus eliminating a point of potential controversy.

13. *Producer-settlement fund reserve.* The amount authorized to be subtracted, in the process of computing the uniform price, as a reserve to provide against the contingency of errors in reports and payments or of delinquencies in payments by handlers should be increased from not less than 4 cents nor more than 5 cents to not less than 8 cents nor more than 9 cents.

The aggregate amount of payments by handlers to the producer-settlement fund has increased materially since 1946. Such payments in total for 1949 were about two and one-half times greater than in 1947 and 1948. Payments into the producer-settlement fund, which formerly averaged about three times the amount of the reserve, averaged roughly six times the amount of the reserve in 1949. Thus, if equalization payments continue at about the 1949 rate, doubling of the rate per hundredweight subtracted for reserve would virtually restore the relationship which prevailed prior to 1949 between the amount of payments to the producer-settlement fund and the amount of the reserve. It was contended at the hearing that the purposes for which the reserve is provided would be more adequately served, particularly under currently existing marketing conditions, by increasing the amount of the reserve. There appears to be merit in this contention.

The possibility of investing money held in the producer-settlement reserve fund was suggested at the hearing. Evidence in this record leaves considerable room for doubt that such investment in a manner to insure immediate availability of the funds, if needed, would be of any significant benefiit to producers. No such provision is justified on this record.

Rulings on proposed findings and conclusions. Several briefs were filed by or on behalf of interested parties in this proceeding. Such briefs contained statements of fact, proposed findings and conclusions, and arguments with respect to the provisions of the proposed amendments. Every point covered in the briefs was carefully considered along with the evidence in the record in making the findings and reaching the conclusions hereinbefore set forth. To the extent that the findings and conclusions proposed in the briefs are inconsistent with the findings and conclusions contained herein, the request to make such findings or to reach such conclusions is denied on the basis of the facts found and stated in connection with the conclusions in this recommended decision.

Recommended marketing agreement and amendment to the order. The following order, as amended and reissued, is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The entire order is being rewritten and reissued to conform with Revised Regulations of the Federal Register Division issued October 12, 1948. A recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be identical with those contained in the recommended order.

DEFINITIONS

DEFINITIONS

§ 927.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended.

§ 927.2 *Secretary.* "Secretary" means the Secretary of Agriculture or any officer or employee of the United States who is, or who may hereafter be, authorized to exercise the powers and to perform the duties of the Secretary of Agriculture.

§ 927.3 *Marketing area.* "New York metropolitan milk marketing area" (hereinafter called the "marketing area") means all territory within the boundaries of the city of New York, the counties of Nassau, Suffolk (except Fisher's Island), and Westchester, all in the state of New York together with all piers, docks and wharves connected therewith and all crafts moored thereat, and including territory within such boundaries which is occupied by government (Federal, State, or Municipal) reservations, installations, institutions or other establishments.

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

§ 927.5 *Dairy farmer.* "Dairy farmer" means any person who produces milk.

§ 927.6 *Producer.* "Producer" means any dairy farmer whose milk is delivered direct from farm to a pool plant.

§ 927.7 *Handler.* "Handler" means (a) any person who engages in the handling of milk, or products therefrom, which milk was received at a pool plant, or at a plant approved by any health authority as a source of milk for the marketing area, (b) any person who engages in the handling of milk, cultured or flavored milk drinks, cream, or skim milk, all or a portion of which is shipped to, or received in, the marketing area, or (c) any cooperative association of dairy farmers with respect to any milk which it causes to be delivered from dairy farmers to a pool plant of any other handler for the account of such association and for which such association receives payment.

§ 927.8 *Plant.* "Plant" means the land, buildings, surroundings, facilities, and equipment, whether owned or operated by one or more persons, constituting a single operating unit or establishment for the receiving, handling, or processing of milk or milk products as determined by the market administrator pursuant to § 927.18 (j).

§ 927.9 *Pool plant.* "Pool plant" means any plant which is designated as a pool plant pursuant to §§ 927.20 through 927.27.

§ 927.10 *Market administrator.* "Market administrator" means the agency, which is described in §§ 927.15 through 927.18, for the administration of this subpart.

§ 927.11 *Northern New Jersey.* "Northern New Jersey" means the following counties in the State of New Jersey:

Bergen.	Morris.
Essex.	Passaic.
Hudson.	Sommerset.
Hunterdon.	Sussex.
Middlesex.	Union.
Monmouth.	Warren.

MARKET ADMINISTRATOR

§ 927.15 *Selection, removal, and bond.* The agency for the administration of this subpart shall be a market administrator who shall be a person selected and subject to removal by the Secretary. The market administrator shall, within 45 days following the date upon which he enters upon his duties, execute and deliver to the Secretary a bond, conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary.

§ 927.16 *Compensation.* The market administrator shall be entitled to such reasonable compensation as shall be determined by the Secretary.

§ 927.17 *Powers.* The market administrator shall have the following powers:

(a) To administer the terms and provisions of this subpart;

(b) To make rules and regulations to effectuate the terms and provisions of this subpart;

(c) To receive, investigate, and report to the Secretary complaints of violations of this subpart; and

(d) To recommend to the Secretary amendments to this subpart.

§ 927.18 *Duties.* The market administrator, in addition to the duties hereinafter described, shall:

(a) Keep such books and records as will clearly reflect the transactions provided for in this subpart;

(b) Submit his books and records to examination by the Secretary at any and all times;

(c) Furnish such information and such verified reports as the Secretary may request;

(d) Obtain a bond with reasonable security thereon covering each employee who handles funds entrusted to the market administrator;

(e) Publicly disclose, after reasonable notice, the name of any person who has not made reports pursuant to §§ 927.50, 927.51 and 927.53, or made payments required by §§ 927.65, 927.66, 927.67, 927.72, 927.75, 927.77, 927.78, and 927.80;

(f) Prepare and disseminate for the benefit of producers, consumers, and handlers such statistics and information concerning the operation of this subpart, as amended, as do not reveal confidential information;

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

(h) Pay out of the funds received pursuant to § 927.80 the cost of his bond and of the bonds of such of his employees as handle funds entrusted to the market administrator, his own compensation, and all other expenses which will necessarily be incurred by him for the maintenance and functioning of his office and the performance of his duties;

(i) Maintain a main office and such branch offices as may be necessary; and

(j) The market administrator shall, from time to time, cause inspections to be made of the buildings, facilities and surroundings of the plant and shall notify handlers of his determination as to what constitutes the plant and its equipment. If any handler makes written request for such determination, the market administrator shall promptly notify such handler of his determination: *Provided,* That if the request is for a revised determination or for affirmation of a previous determination, the handler shall set forth in his request the changed conditions which he believes makes a new determination necessary. Such determination shall be ruling for all purposes under this subpart, and any revision in the determination of which handlers have been notified shall be effective not earlier than the date of notice to handlers of such revised determination.

POOL PLANTS

§ 927.20 *Carryover designation.* Any plant for which the report of milk received from dairy farmers was used in the computation of the uniform price for November 1944 is hereby designated as a pool plant from August 1, 1945, until such designation is cancelled pursuant to § 927.24.

§ 927.21 *Eligible applicants.* Any person who operates a plant which is located in New York State, Vermont, Massachusetts, Connecticut, New Jersey, or Pennsylvania and which is either approved as a source of milk by a health authority in the marketing area at the time of application and under the sanitary supervision of such authority, or was a pool plant during the preceding October, November, and December, may apply to the Secretary prior to July 1 of any year to have such a plant designated as a pool plant: *Provided,* That if 50 percent or more of the dairy farmers delivering milk at such plant deliver such milk for the account of a cooperative association which does not operate the plant but for which milk such association receives payment, an application must be made by such cooperative association as well as by the person operating the plant. Applications shall be addressed to the Secretary and filed at the office of the market administrator.

§ 927.22 *Designation.* Any plant for which an application has been made pursuant to § 927.21 shall be designated as a pool plant upon determination by the Secretary that the requirements of § 927.23 are being met. Such designation shall be effective as of August 1 following the date of application and until cancelled pursuant to § 927,24. If, based upon the information contained in an application filed pursuant to § 927.21, the Secretary determines that the requirements of § 927.23 are not being met, the applicant or applicants shall be so notified. Within 15 days after receipt of such notice, the applicant or applicants may submit additional information and request further consideration. Prior to the issuance of the determination of the Secretary, an application may be withdrawn by written request of the applicant or applicants. In the event that no determination is made by the Secretary prior to August 1, the effective date of the designation, upon written request of the applicant or applicants prior to the issuance of a determination, shall be deferred until the first of the month following the date of such determination. If the application is not so withdrawn, or the effective date of designation is not so deferred, the plant shall be treated as a pool plant as of August 1: *Provided,* That all payments into or out of the producer settlement fund (except such payments which are made on the basis of operations during a month in which a plant meets the requirements of § 927.27) shall be held in reserve by the market administrator until a determination is made.

§ 927.23 *Requirements.* In order to qualify as a pool plant pursuant to §§ 927.20, 927.22, or 927.25, the person operating the plant shall meet each of the following requirements.

(a) Be willing to ship in the form of milk to the marketing area, milk received at the plant from dairy farmers;

(b) Keep such control over the sanitary conditions under which milk received at the plant is produced and handled, that the plant can meet the requirements of a source of milk for the marketing area: *Provided,* That approval by a health authority of the plant as a source of milk for the marketing area shall constitute sufficient evidence that this requirement is being met even though such approval is restricted to prohibit shipment to the marketing area of milk for specified periods during which permission is given by such health authority for receiving unapproved milk or skim milk

at the plant or for shipment of approved skim milk from such plant; and

(c) Have no commitments for disposition of milk that prevent him from utilizing milk as set forth in § 927.24 (g).

§ 927.24 *Suspension and cancellation of designation.* The designation of a pool plant pursuant to §§ 927.20, 927.22, or 927.25 may be suspended or cancelled under any of the following provisions:

(a) The designation shall be cancelled upon application to the market administrator by the handler operating the plant effective at any time during the months of April through July of any year but not sooner than 30 days after receipt of such application: *Provided*, That such applications for cancellation shall be accompanied by proof that the handler, if not a cooperative association qualified pursuant to § 927.76, has notified any qualified cooperative association which has any members who deliver milk to such plant, and has notified individually all producers delivering to such plant who are not members of such qualified cooperative association, of his intention to make such application: *Provided, further*, That if 50 percent or more of the producers delivering milk at such plant deliver such milk for the account of a cooperative association which does not operate the plant, but for which milk such association receives payment, an application must be made by such cooperative association as well as by the handler operating the plant.

(b) The designation of any plant which on June 15 of any year is not approved by a health authority as a source of milk for the marketing area shall be automatically cancelled effective on August 1 of such year unless the absence of such approval is a temporary condition covering a period of not more than 15 days: *Provided*, That the designation of a plant approved by a health authority as a source of milk for the marketing area, even though such approval is restricted to prohibit shipment to the marketing area of milk for specified periods during which permission is given by such health authority for receiving unapproved milk or skim milk at the plant or for shipment of approved skim milk from such plant, shall not be cancelled pursuant to this provision. This provision does not prevent a handler from applying, pursuant to §§ 927.21 and 927.22, for a new designation effective on August 1 of the same year.

(c) The designation of any plant shall be suspended, effective no sooner than 10 days nor later than 20 days after the date of mailing of notice, by registered letter, to the handler, whenever the market administrator, subject to the limitations set forth in paragraph (g) of this section, finds on the basis of available information that the handler operating the plant is not meeting the requirements set forth in § 927.23: *Provided*, That, if the handler operating the plant is not a cooperative association qualified pursuant to § 927.76, the market administrator shall also notify any qualified cooperative association which has any members who deliver milk to such plant, and shall notify individually all producers delivering to such plant who are not members of such qualified cooperative association, of such suspension of designation.

(d) In the case of the suspension, pursuant to this section, of the designation of one or more plants for failure to meet the requirements of § 927.23 (a) or (c), the handler operating such plant may select, prior to the effective date of such suspension, some other pool plant or plants to be substituted for the plant or plants suspended if, during the preceding month, the quantity of milk received from producers at such substituted plant or plants was not less than the quantity of milk received from producers at the suspended plant or plants. The handler may also select the order in which plant designations are to be cancelled in the event of a later determination by the Secretary cancelling the designation of some but not all of the plants suspended.

(e) Not later than 10 days after the effective date of suspension of designation, pursuant to this section, the handler operating the plant may apply to the Secretary for a review. If the handler fails to so apply for such review, the designation of the plant as a pool plant shall be cancelled as of the effective date of the suspension. If the handler does so apply, the Secretary shall, after review, either determine that the requirements set forth in § 927.23 have been met and order the suspension revoked, or determine that such requirements have not been met and order the designation cancelled as of the effective date of the suspension: *Provided*, That, if the Secretary has made no determination within two months after the end of the month in which the suspension was made effective, but later orders the designation cancelled, such cancellation shall be effective as of the first of the month following the date of such determination.

(f) Beginning with the effective date of a suspension pursuant to this section, and until the Secretary has either ordered the designation cancelled or ordered the suspension revoked, the plant shall be treated as a pool plant: *Provided*, That all payments into or out of the producer settlement fund (except such payments on the basis of operations during a month in which the plant meets the requirements of § 927.27), shall be held in reserve by the market administrator until an order is issued by the Secretary, but not longer than two months after the end of the month in which the suspension was made effective.

(g) No pool plant designation shall be suspended for failure to meet the requirements of § 927.23 (a) except under the following conditions:

(1) A meeting has been held, no sooner than three days after notice by the market administrator to all handlers operating reserve pool plants, for consideration of the desirable utilization of milk received from producers during a period ending not later than the end of the second month after the month during which such meeting is held.

(2) There has been issued by the market administrator, following such meeting, and mailed to all handlers operating reserve pool plants the market administrator's determination of the desirable utilization of milk received from producers each month during all or a part of the period set forth in subparagraph (1) of this paragraph. Such determination shall include a schedule setting forth, by months, the desired minimum percentage of milk received from producers to be utilized in specified classes. Such specified classes shall include Class I–A, and Class I–C to the extent of 50 percent of the milk received by a handler from producers which is ultimately distributed in the State of New York, in Northern New Jersey, in Fairfield County, Connecticut, or in Pennsylvania outside the counties of Allegheny, Beaver, Fayette, Greene, Washington, and Westmoreland. In addition, such specified classes may include all or a part of Class II and other I–C.

(3) The market administrator finds on the basis of available information that the handler operating a plant or the cooperative reporting a plant is not utilizing milk received from producers in accordance with the minimum percentage set forth in the determination of the market administrator previously announced pursuant to subparagraph (2) of this paragraph: *Provided*, That the suspension of the pool plant designation of a plant may be made effective during the months of November and December if the market administrator finds that the handler is utilizing any milk received from producers in classes other than those set forth in the determination of the market administrator announced pursuant to subparagraph (2) of this paragraph.

(h) The cancellation of pool plant designations for failure to meet the requirements of § 927.23 (a) shall be subject to the following conditions:

(1) No pool plant designation shall be cancelled if the handler operating the plant utilized the milk received by him at all pool plants from producers during the month in which the suspension is made effective in accordance with the minimum percentage set forth in the determination of the market administrator announced pursuant to paragraph (g) (2) of this section.

(2) No pool plant designation shall be cancelled if the handler operating the plant utilized in the specified classes set forth in the determination of the market administrator announced pursuant to paragraph (g) (2) of this section a percentage of the total milk received by him at all pool plants from producers during the month in which the suspension is made effective which is not less than the percentage of the total milk reported by all handlers to have been received from producers during such month which was reported to have been used in the specified classes: *Provided*, That the limitations as to quantity and area set forth in the determination of the market administrator announced pursuant to paragraph (g) (2) of this section shall apply in computing the utilization percentage of the individual handler but shall not apply in computing the utilization percentage of all handlers.

(3) In the event that all milk received from producers at a plant is reported to the market administrator by a cooper-

ative association qualified pursuant to § 927.76, and such association pays the producers for such milk, the pool plant designation of such plant shall not be cancelled if a percentage of all milk reported by such cooperative association is utilized in accordance with the minimum percentage set forth in the determination of the market administrator announced pursuant to paragraph (g) (2) of this section, or in accordance with the percentage set forth in subparagraph (2) of this paragraph.

(4) Cancellation of designations shall be limited to those plants necessary to result in a utilization of milk received at the remaining pool plants operated by the handler, or reported by the cooperative, as the case may be, in accordance with the minimum percentage set forth in the determination of the market administrator announced pursuant to paragraph (g) (2) of this section.

(i) Loss of approval by health authorities of a plant as a source of milk for the marketing area may in itself constitute adequate reason for the market administrator to suspend the designation of a plant for failure to meet the requirements of § 927.23 (b), only if the absence of such approval continues for more than 15 days.

§ 927.25 *Plant replacements.* In addition to designations pursuant to §§ 927.21 and 927.22, a plant may be designated at any time as a pool plant upon application made by the person operating the plant to the Secretary showing that the plant is a replacement for one or more pool plants operated by him and that substantially all of the dairy farmers delivering milk at the plant previously delivered milk to the pool plant or plants replaced. Upon designation of a plant pursuant to this section, the designation of the plant or plants which it replaced shall be automatically cancelled.

§ 927.26 *Change of operator.* The designation of pool plants pursuant to §§ 927.20 through 927.26 shall be considered as applicable to the plant as such, and subject to cancellation only pursuant to §§ 927.24 and 927.25, regardless of change in the person owning or operating the plant. The market administrator shall be notified, by the handlers involved, if any transfer from one person to another of ownership or operation of a pool plant.

§ 927.27 *Plants shipping Class I–A milk to the marketing area.* For any month a plant from which during such month Class I–A milk, either directly or through other plants, is sold or distributed in or shipped to the marketing area, which quantity of milk during the months of July through March, is equal to more than 25 percent of the milk received directly from dairy farmers, or during the months of April through June is equal to more than 10 percent of the milk received from directly dairy farmers, shall automatically be designated a pool plant: *Provided,* That for the months of April, May, or June no plant at which milk was received from dairy farmers during the preceding period of October, November, and December shall be a pool plant on this basis, unless at least 60 percent of such milk was classified in Class I–A, and either directly, or through other plants, was sold or distributed in or shipped to the marketing area in the form of milk: *Provided further,* That no plant shall be a pool plant on this basis during the months of January through July, if the designation of the plant as a pool plant was cancelled for failure to meet the requirements of § 927.23 (a) during the preceding year. At the time of announcing the uniform price for each month, the market administrator shall make public the location, and name of the operator, of any plant for which a report of receipts from dairy farmers was used, pursuant to this section, in the computation of that uniform price.

CLASSIFICATION

§ 927.30 *Basis of classification.* All milk the butterfat from which is received at a plant at which the classification of milk received from producers is to be determined pursuant to § 927.33, and all milk entering the marketing area in the form of milk, concentrated fluid milk, fluid milk products, cultured or flavored milk drinks, cream, fluid cream products or skim milk, shall be classified in accordance with the form in which it is held at, or moved from, the plant at which classification is determined.

§ 927.31 *Burden of proof.* In establishing the classification of milk received from producers, the burden rests upon the handler who received the milk from producers to show that the milk should not be classified as Class I–A, and that the skim milk in Class II and Class III milk should not be subject to the fluid skim differential. The burden rests upon the handler who receives or distributes in the marketing area milk, concentrated fluid milk, fluid milk products, cultured or flavored milk drinks, cream, fluid cream products, or skim milk to establish the source of all his milk or milk products.

§ 927.32 *Period for establishing classification.* A period ending with the last day of the month following the month during which the milk was received from dairy farmers shall be allowed for handling such milk as a basis for establishing the classification as other than Class I–A: *Provided,* That the holding of milk in the form of cream in a licensed cold storage warehouse for at least 7 days shall constitute that portion of the handling of such cream required pursuant to § 927.37 (e) (2) that is required to be performed during the month following its receipt from dairy farmers.

§ 927.33 *Plant at which classification is to be determined.* Classification shall be determined at the plant at which milk is received from dairy farmers: *Provided,* That if such milk is shipped in the form of milk or cream to another plant or other plants, it shall be classified, subject to the provisions of paragraphs (a) through (e) of this section, at the plant or plants to which it is shipped, and there shall be no limit on the number of interplant movements in the form of milk or cream except as set forth in paragraphs (a) through (e) of this section.

(a) The classification of milk shipped in the form of milk to a plant in the marketing area shall be determined at the plant from which such milk is shipped to the plant in the marketing area.

(b) Except as set forth in paragraph (c) of this section, the classification of milk the butterfat from which is shipped in the form of cream to a plant in the marketing area shall be determined at the plant from which such cream is shipped to the plant in the marketing area.

(c) The classification of milk the butterfat from which is shipped in the form of cream to a plant in the marketing area shall be determined, if such cream is moved in the form of frozen desserts or homogenized mixtures, whipped topping mixtures, or cream cheese either from the plant at which cream is first received in the marketing area or from the first plant to which cream is shipped from the plant where first received in the marketing area, at the first plant from which the frozen desserts or homogenized mixtures, whipped topping mixtures or cream cheese are so moved.

(d) Except as set forth in paragraph (e) of this section, the classification of milk shipped in the form of milk and of milk the butterfat from which is shipped in the form of cream to a non-pool plant shall be determined at the non-pool plant, unless the handler operating the pool plant from which such shipments are made to the non-pool plant elects in writing on his monthly reports to have classification of all milk or cream received during the month at such handler's pool plant and shipped as milk or cream to the non-pool plant determined at the pool plant from which the milk or cream is shipped to the non-pool plant.

(e) The classification of milk shipped in the form of milk more than 65 miles from the plant where received from dairy farmers and of milk the butterfat from which is shipped in the form of cream more than 65 miles from the plant where the milk was separated to a plant outside Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York State, Ohio, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, or the District of Columbia shall be determined at the plant from which the milk or cream is so shipped.

§ 927.34 *Plant loss.* Allowances for plant loss not to exceed 5 percent of the butterfat in the product resulting from any specific plant operation, which plant loss may be classified the same as the milk equivalent of the butterfat in the product, shall be determined by the market administrator pursuant to § 927.36.

§ 927.35 *Accounting procedure.* The accounting procedure for classifying milk pursuant to §§ 927.30 through 927.37 shall be set up by the market administrator pursuant to § 927.36. Such accounting procedure shall include conversion factors to be used in the absence of specific weights and tests, specific definitions of products, and such methods

for assignment of milk to classes according to source and form as may be necessary to effectuate the provisions of §§ 927.30 through 927.37 and which are not inconsistent with the following general principles:

(a) Milk, concentrated fluid milk, fluid milk products, cream, fluid cream products and skim milk received from pool plants or from producers shall be assigned, as far as possible, to Class I–A, Class II, or to skim milk subject to the fluid skim milk differential.

(b) If milk, cream, or skim milk is received at a plant from producers or from pool plants and in like form from dairy farmers not producers or from non-pool plants, the total milk equivalent of such products from producers and pool plants, and the total milk or milk equivalent from dairy farmers not producers and non-pool plants shall be assigned pro rata to the total classification of all such milk or milk equivalent and to all skim milk subject to the fluid skim differential after the assignment in accordance with paragraph (a) of this section.

(c) The milk received from producers which is eliminated from the computation of the handler's net pool obligation pursuant to § 927.60 shall be assigned pro rata to the total classification of all milk from producers and pool plants.

§ 927.36 *Rules and regulations.* The rules and regulations to effectuate the terms and provisions of §§ 927.30 through 927.37 shall be made, and may from time to time be amended by the market administrator in accordance with the procedure set forth in this section: *Provided,* That at any time upon a determination by the Secretary that an emergency exists which requires the immediate adoption of rules and regulations, the market administrator may issue, with the approval of the Secretary, temporary rules and regulations without regard to the following procedure: *Provided, further,* That if any interested person makes written request for the issuance, amendment, or repeal of any rule, the market administrator shall within 30 days either issue notice of meeting pursuant to paragraph (a) of this section or deny such request, and except in affirming a prior denial, or where the denial is self-explanatory, shall state the grounds for such denial.

(a) All proposed rules and regulations and amendments thereto shall be the subject of a meeting called by the market administrator, at which time all interested persons shall have opportunity to be heard. Notice of such meeting shall be given by the market administrator, and a copy of the proposed rules and regulations shall be sent at least five days prior to the date of the meeting to all handlers operating pool plants. A stenographic record shall be made at all such meetings and such record shall be public information available for inspection at the office of the market administrator.

(b) A period of at least five days after the meeting held pursuant to paragraph (a) of this section shall be allowed for the filing of briefs. Such briefs shall be public information available for inspection at the office of the market administrator.

(c) Not later than 30 days after a meeting held pursuant to paragraph (a) of this section, the market administrator shall issue and send to all handlers operating pool plants the tentative rules and regulations or amendments thereto relating to the issues considered at such meeting, or a tentative notice that no rules or regulations or amendments thereto are to be issued prior to further consideration at another meeting. The tentative rules and regulations, or tentative notice, together with copies of the stenographic record and briefs, shall also at the same time be forwarded by the market administrator to the Secretary.

(d) Not later than 30 days after issuance by the market administrator, the Secretary shall either approve the tentative rules and regulations or tentative notice as issued, or direct the market administrator to reconsider. In which latter event, the market administrator shall within 30 days either issue revised tentative rules and regulations or tentative notice, or call another meeting pursuant to paragraph (a) of this section.

(e) The tentative rules and regulations and amendments thereto or tentative notice issued pursuant to paragraph (c) of this section shall be effective as of the first of the month following approval by the Secretary, but not sooner than ten days after issuance by the market administrator.

§ 927.37 *Classes of utilization.* Subject to all of the conditions set forth in §§ 927.30 through 927.36, milk shall be classified at the plant at which classification is to be determined as follows:

(a) Class I–A milk shall be all milk, except as provided in paragraphs (b) and (c) of this section, the butterfat from which leaves or is on hand at the plant in the form of milk, concentrated fluid milk, fluid milk products, or as cultured or flavored milk drinks containing 3.0 percent or more but not more than 5.0 percent of butterfat, and all milk the classification of which is not established in some other class named in this section.

(b) Class I–B milk shall be all milk the butterfat from which leaves the plant in the form of milk, concentrated fluid milk, fluid milk products, or as cultured or flavored milk drinks containing 3.0 percent or more but not more than 5.0 percent of butterfat, and which is delivered to a plant or a purchaser in an area regulated by another order of the Secretary and remains outside the marketing area. This class shall not include milk the butterfat from which leaves the plant in the form of products specified in this paragraph which are delivered to warehouses, piers, docks or wharves in the marketing area or to crafts moored thereat unless such products are consigned to and delivered to a plant or a purchaser in an area regulated by another order of the Secretary.

(c) Class I–C milk shall be all milk the butterfat from which leaves the plant in the form of milk, concentrated fluid milk, fluid milk products, or as cultured or flavored milk drinks containing 3.0 percent or more but not more than 5.0 percent of butterfat, and which is delivered to a plant or a purchaser in an area not regulated by another order of the Secretary and remains outside the marketing area. This class shall not include milk the butterfat from which leaves the plant in the form of products specified in this paragraph which are delivered to warehouses, piers, docks or wharves in the marketing area or to crafts moored thereat unless such products are consigned to and delivered to a plant or a purchaser in an area not regulated by another order of the Secretary.

(d) Class II milk shall be all milk the butterfat from which leaves or is on hand at the plant in the form of cream, sweet or sour, fluid cream products, or in the form of cultured or flavored milk drinks containing less than 3.0 percent or more than 5.0 percent of butterfat, unless such cream fluid cream products, or cultured or flavored milk drinks are established to have been so handled or marketed as to classify such milk in some other class named in this section.

(e) Class III milk shall be all milk which meets the conditions set forth in any one of the following subparagraphs:

(1) All milk the butterfat from which leaves or is on hand at the plant in the form of cultured or flavored milk drinks containing less than 3.0 percent or more than 5.0 percent of butterfat or in the form of cream, or fluid cream products which cream, fluid cream products, or cultured or flavored milk drinks are delivered to a plant or a purchaser outside the marketing area and remain outside the marketing area.

(2) All milk the butterfat from which leaves or is on hand at the plant in the form of cream which is subsequently held in a licensed cold storage warehouse for at least 28 days, and which is subject at all times until utilization of such cream to being inspected by a representative of the market administrator to determine the physical presence of the cream. After the first 7 days, such cream may be moved from one licensed cold storage warehouse to another: *Provided,* That the market administrator receives notice of such removal within 7 days thereafter. Any handler whose report claimed the original classification of milk pursuant to this subdivision shall be liable under the provisions of § 927.75 for the difference between the Class II and Class III prices for the month in which the Class III classification was claimed on any such milk if the storage of cream does not comply with all the requirements of this subparagraph.

(3) All milk the butterfat from which leaves the plant in the form of products named in paragraphs (a), (b), (c), or (d), of this section if such products have been sterilized and leave the plant in hermetically sealed containers.

(4) All milk received during the months of March through July the butterfat from which leaves the plant in the form of milk which is delivered in bulk to an establishment outside the marketing area (other than a plant as defined in § 927.8), at which food products are processed and packed in hermetically sealed containers and at which

establishment there is no disposition of milk or milk products specified in paragraphs (a), (b), (c), or (d) of this section other than milk or milk products received in consumer packages for consumption on the premises.

(5) All milk the butterfat from which leaves or is on hand at the plant in the form of some product the classification of which is not established in some other class named in this section.

MINIMUM PRICES

§ 927.40 *Class prices.* For milk received during each month from producers or cooperative associations of producers, each handler shall pay per hundredweight not less than the prices set forth in this section, subject to the differentials and adjustments in §§ 927.41 through 927.44. Any handler who purchases or receives, during any month, milk from a cooperative association of producers which is also a handler shall, on or before the 15th day of the following month, pay such cooperative association in full for such milk at not less than the minimum class prices applicable pursuant to this section, subject to the differentials and adjustments in §§ 927.41 through 927.44.

(a) For Class I–A milk the price during each month shall be a price computed pursuant to subparagraphs (1) through (11) of this paragraph:

(1) Divide by 164.9 the monthly wholesale price index for all commodities in the second preceding month as reported by the Bureau of Labor Statistics, United States Department of Labor, with the year 1926 as the base period. Express the result to three decimal places.

(2) Multiply the base price of $5.66 by the result determined pursuant to subparagraph (1) of this paragraph. Express the result to the nearest cent.

(3) For each month during the 3-year period ending with the second preceding month, calculate to one decimal place the percentage that the total volume of milk in Classes I–A, I–B, and I–C was of the total volume of reported receipts of milk from producers and from unrevealed sources (these percentages to be referred to as utilization percentages).

(4) Calculate the average of the 36 monthly utilization percentages for the 3-year period ending with the second preceding month.

(5) Calculate the average of the 6 utilization percentages for the second and third preceding months and for the same months of the 2 preceding years.

(6) Divide the result determined pursuant to subparagraph (5) of this paragraph by the result determined pursuant to subparagraph (4) of this paragraph expressing the result to three decimal places.

(7) Calculate the average of the 2 utilization percentages in the second and third preceding months.

(8) Divide the result determined pursuant to subparagraph (7) of this paragraph by the result determined pursuant to subparagraph (6) of this paragraph. Express the result to one decimal place and add 100.

(9) Calculate a utilization adjustment percentage by subtracting the base utilization percentage of 63.6 from the result determined pursuant to subparagraph (8) of this paragraph.

(10) Multiply the result determined pursuant to subparagraph (2) of this paragraph by the utilization adjustment percentage determined pursuant to subparagraph (9) of this paragraph.

(11) Multiply the result determined pursuant to subparagraph (10) of this paragraph by the following seasonal adjustment factor for the month for which the Class I–A price is being determined:

January	1.05	July	0.95
February	1.03	August	1.00
March	1.00	September	1.04
April	0.94	October	1.07
May	0.83	November	1.09
June	0.88	December	1.07

(b) Whenever any of the following conditions exist for 3 consecutive months, the Secretary shall call a public hearing promptly to consider those and other economic conditions, or promptly announce his determination that such a hearing should not be held, together with reasons for such determination:

(1) There is a difference of more than 6 points for each of 3 consecutive months between the index of the cost of production announced pursuant to § 927.46 (a) (6) and the index of wholesale prices (1948 base) announced pursuant to § 927.46 (a) (1).

(2) There is a difference of more than 15 points for each of 3 consecutive months between the index of the cost of production announced pursuant to § 927.46 (a) (6) and the index of the Class I–A price announced pursuant to § 927.46 (a) (7).

(3) The Class I–A price for each of 3 consecutive months is less than $1.00 higher than the condensery price announced pursuant to § 927.46 (a) (8) for such months or more than $2.50 higher than such condensary price.

(c) For Class I–B milk the price during each month shall be the price for Class I–A milk.

(d) For Class I–A milk the price shall be the uniform price computed by the market administrator pursuant to § 926.61 plus 20 cents per hundredweight.

(e) For Class II milk the price during each month shall be the sum of the amounts computed pursuant to subparagraphs (1) and (2) of this paragraph.

U. S. Grade A or U. S. 92-score butter, wholesale, at New York, average price announced pursuant to § 927.46 (a) (4) for the period ending on the 24th of the preceding month (cents per pound)	Class II price	
	March through July	August through February
	Dollars per cwt.	*Dollars per cwt.*
Under 21.5	1.35	1.50
21.5 or over, but under 25.0	1.50	1.65
25.0 or over, but under 28.5	1.65	1.80
28.5 or over, but under 32.0	1.80	1.95
32.0 or over, but under 35.5	1.95	2.10
35.5 or over, but under 39.0	2.10	2.25
39.0 or over, but under 42.5	2.25	2.40
42.5 or over, but under 46.0	2.40	2.55
46.0 or over, but under 49.5	2.55	2.70
49.5 or over, but under 53.0	2.70	2.85
53.0 or over, but under 56.5	2.85	3.00
56.5 or over, but under 60.0	3.00	3.15
60.0 or over, but under 63.5	3.15	3.30
63.5 or over, but under 67.0	3.30	3.45
67.0 or over, but under 70.5	3.45	3.60
70.5 or over, but under 74.0	3.60	3.75
74.0 or over, but under 77.5	3.75	3.90
77.5 or over, but under 81.0	3.90	4.05

Should the average butter price set forth above be 81.0 cents or more, the Class II price shall be the price which would result from further extension of this table at the same rate to cover such average butter price.

(2) Multiply by 7.5 the average of all the hot roller process dry skim milk or nonfat dry milk solids quotations for "other brands, human consumption, carlots, bags, or barrels" (using midpoint of any range as one quotation), published for the delivery period in "The Producers' Price-Current," and subtract 48 cents.

(f) For Class III milk, the price shall be computed as follows: multiply the applicable butterfat value computed pursuant to subparagraph (1) and (2) of this paragraph by 3.5; add an amount obtained by multiplying by 7.8 the weighted average, as computed by the market administrator using a weight of 70 for roller process prices and a weight of 30 for spray process prices, of the prices per pound of roller process and spray process for nonfat dry milk solids, for human consumption in carlot, f. o. b. manufacturing plants in the Chicago area, as published by the United States Department of Agriculture for the period from the 26th day of the immediately preceding month through the 25th day of the current month; and subtract 80 cents. The butterfat value for the months of March through July shall be computed pursuant to subpargaraph (1) of this paragraph, and the butterfat value for the months of August through February shall be computed pursuant to subparagraph (2) of this paragraph: *Provided*, That during the months of August through February the butterfat value shall be no lower than that computed pursuant to subparagraph (1) of this paragraph.

(1) To the simple average of the daily wholesale selling prices per pound (using the midpoint of any price range as one price) reported during such month by the United States Department of Agriculture for Grade A or 92-score bulk creamery butter in the New York City market, add two cents and multiply by 1.22.

(2) Divide the audited weighted average price per 40-quart can of 40-percent bottling quality cream f. o. b. Boston as published by the United States Department of Agriculture for such month by 33.48. In the event that no such price is published, the butterfat value shall be computed pursuant to subparagraph (1) of this paragraph.

§ 927.41 *Butterfat differentials.* The minimum price for Class I–A, Class I–B and Class I–C milk shall be plus or minus four cents for each one-tenth of 1 percent of butterfat therein above or below 3.5 percent. The minimum price for Class II and Class III milk shall be plus or minus, for each one-tenth of 1 percent of butterfat therein above or below 3.5 percent, an amount computed as follows: subtract from the respective class prices an amount computed pursuant to § 927.40 (e) (2), and divide by 35.

§ 927.42 *Transportation differentials.* The market administrator shall determine and publicly announce the freight

zone for each pool plant located outside the marketing area. Such freight zones shall be based on the shorter of (a) the railroad mileage distance from the railway shipping point nearest the plant to New York City terminals and (b) the shortest highway mileage distance from the plant to Columbus Circle, New York City, as computed (without using supplements issued thereto) from Mileage Guide No. 5 issued on July 20, 1949, effective August 21, 1949, by the Household Goods Carriers' Bureau, Agent, Washington, D. C. The freight zone for plants located in the marketing area shall be the 1–10 mile zone. The minimum prices set forth in § 927.40 shall be plus or minus the amounts as set forth in the following schedule:

A	B	C
Freight zone (miles)	Classes I-A, I-B and I-C and skim milk subject to the fluid skim differential	Classes II and III
	Cents per cwt.	*Cents per cwt.*
1–10	+15	+8
11–20	+14	+8
21–25	+13	+8
26–30	+13	+7
31–40	+13	+7
41–50	+10.5	+7
51–60	+10.5	+6
61–70	+9.5	+6
71–75	+8	+6
76–80	+8	+5
81–90	+8	+5
91–100	+7	+5
101–110	+7	+4
111–120	+6	+4
121–125	+5	+4
126–130	+5	+3
131–140	+5	+3
141–150	+3.5	+3
151–160	+2.5	+2
161–170	+2.5	+2
171–175	+1.5	+2
176–180	+1.5	+1
181–190	+1.5	+1
191–200	0	+1
201–210	0	0
211–220	−1	0
221–225	−1	0
226–230	−1	−1
231–240	−2	−1
241–250	−2	−1
251–260	−3.5	−2
261–270	−3.5	−2
271–275	−3.5	−2
276–280	−3.5	−3
281–290	−4.5	−3
291–300	−5.5	−3
301–310	−5.5	−4
311–320	−5.5	−4
321–325	−7	−4
326–330	−7	−5
331–340	−7	−5
341–350	−8	−5
351–360	−8	−6
361–370	−8	−6
371–375	−9	−6
376–380	−9	−7
381–390	−9	−7
391–400	−9	−7
401–410	−10.5	−8
411–420	−10.5	−8
421–425	−10.5	−8
426–430	−10.5	−9
431–440	−11.5	−9
441–450	−11.5	−9
451–461	−11.5	−10
461–470	−12.5	−10
471–475	−12.5	−10
476–480	−12.5	−11
481–490	−14	−11
491–500	−14	−11

§ 927.43 *Butter-cheese adjustment.* For milk received from producers which is classified as Class III pursuant to § 927.37 (e) (3), and which leaves or is on hand at the plant at which classification is determined in the form of butter or Cheddar, American Cheddar, Colby, washed curd, or part skim Cheddar cheese, or is assigned to plant loss which pursuant to § 927.34 is associated with such products, there shall be credited to the handler receiving the milk from producers four cents per pound of butterfat in such milk: *Provided,* That the amount so credited shall be reduced one cent per pound of butterfat for each one-tenth by which the ratio of 2.5 exceeds a ratio computed as follows: Add to the New York 92-score butter price for the month announced pursuant to § 927.46 (b) (6) the amount obtained by multiplying by 1.83 the nonfat dry milk solids price for the period ending with the 25th day of the month as announced pursuant to § 927.46 (b) (8); divide this sum by the price of Cheddar cheese for the month as announced pursuant to § 927.46 (b) (9) and round the result to the nearest tenth: *Provided further,* That for such milk received from producers at a plant in a freight zone farther from New York City than the 321–325 mile zone, there shall be deducted from the amount so credited the following amounts per hundredweight of milk:

Zones of plant:	*Cents per hundredweight*
326–350	1
351–375	2
376–400	3
401–425	4
426–450	5
451–475	6
476–500	7

With respect to each plant at which milk received from producers is reported by the handler operating the plant to have been utilized (either at the plant where received or at another plant), in an amount exceeding an average of 4,000 pounds per day in the manufacture of butter or of Cheddar, American Cheddar, Colby, washed curd or part skim Cheddar cheese, the market administrator shall publicly disclose (a) the location of the plant at which the milk was received from producers, and (b) the name of the handler operating such plant. Such public disclosure shall be made monthly on the basis of handlers' monthly reports, and may be made more frequently on the basis of such other utilization reports as may be required by the market administrator.

§ 927.44 *Fluid skim differential.* For skim milk derived from Class II or Class III milk which skim milk enters the marketing area in the form of milk, fluid skim milk, cultured milk drinks and there utilized or disposed of in one of such forms, and for all other skim milk derived from Class II or Class III milk which is not established to have been otherwise utilized or disposed of the handler shall pay a fluid skim differential per hundredweight computed as follows: Deduct the price of Class II milk computed pursuant to § 927.40 (e) from the price for Class I–A milk computed pursuant to § 927.40 (a), and divide by .9125.

§ 927.45 *Use of equivalent prices.* If for any reason a price (or prices) for milk or any milk product specified in §§ 927.40 through 927.46 for use in computing and announcing class prices and for any other purpose is not reported or published in the manner therein described, the market administrator shall use a price determined by the Secretary to be equivalent to or comparable with the price specified.

§ 927.46 *Announcement of prices.* The market administrator shall publicly announce the following:

(a) Not later than the 25th day of each month, or the next succeeding workday in any month in which the 25th day is a Sunday or holiday:

(1) The monthly wholesale price index for all commodities in the preceding month as reported (with the year 1926 as the base period) by the Bureau of Labor Statistics, United States Department of Labor, and the resulting index obtained by converting the reported index to a 1948 base by dividing it by 164.9.

(2) The utilization adjustment percentage computed pursuant to § 927.40 (a) for the following month.

(3) The preliminary Class I–A price computed pursuant to § 927.40 (a) for the following month.

(4) The average, for the period beginning with the 25th of the immediately preceding month and ending with the 24th of the current month of the highest prices reported daily by the United States Department of Agriculture for U. S. Grade A or U. S. 92-score butter at wholesale in the New York market.

(5) The preliminary calculation for the following month pursuant to § 927.40 (e) (1).

(6) The index of the cost of production for the preceding month computed by the market administrator as follows:

Combine the index numbers for the States of New York, Pennsylvania, and Vermont with weights of 84 for New York, 13 for Pennsylvania, and 3 for Vermont. The index numbers of cost of production for New York shall be index numbers computed by the New York State College of Agriculture at Cornell University (1910–14 base), converted to a 1948 base by dividing by 321.

The index numbers of cost of production for Pennsylvania shall be computed by combining the index (using a base of 54 cents and a weight of 50) of hourly composite wage rates, reported for Pennsylvania by the United States Department of Agriculture; the index (using a base of $4.53 and a weight of 30) of all purchases of mixed dairy feeds, reported for Pennsylvania by the United States Department of Agriculture; and the index (using a base of $23.31 and a weight of 20) of prices received by farmers for all hay, baled per ton, reported for Pennsylvania by the United States Department of Agriculture.

The index numbers of cost of production for Vermont shall be computed by combining the index (using a base of 69 cents and a weight of 50) of hourly composite wage rates, reported for Vermont by the United States Department of Agriculture; the index (using a base of $4.63 and a weight of 30) of all purchases of mixed dairy feeds, reported for Vermont by the United States Department of Agriculture; and the index (using a base of $25.42 and a weight of 20) of prices received by farmers for all hay, baled per ton, reported for Vermont by

the United States Department of Agriculture.

(7) The index computed by dividing the Class I–A formula price, prior to the seasonal adjustment, for the following month by $5.66.

(8) The average of prices paid in the preceding month by 18 midwestern condenseries as reported by the United States Department of Agriculture.

(9) Other statistics relating to economic conditions affecting the market supply and demand for milk.

(b) Not later than the 5th day of each month for the preceding month:

(1) The minimum class prices, pursuant to § 927.40.

(2) The butterfat differentials, pursuant to § 927.41.

(3) The butter and cheese adjustment, pursuant to § 927.43.

(4) The fluid skim differentials, pursuant to § 927.44.

(5) The audited weighted average price per 40-quart can of 40-percent bottling quality cream f. o. b. Boston as published by the United States Department of Agriculture.

(6) The simple average of the daily wholesale selling prices per pound (using the midpoint of any price range as one price) reported by the United States Department of Agriculture for Grade A or 92-score bulk creamery butter in New York City.

(7) The average of the prices (using midpoint of any range as on quotation) reported daily in "The Producers' Price-Current," for hot roller process dry skim milk or nonfat dry milk solids "other brands, human consumption, carlots, bags, or barrels."

(8) The weighted averages of the carlot prices per pound of spray process and of roller process nonfat dry milk solids for human consumption, f. o. b. manufacturing plants in the Chicago area as published for the period from the 26th day of the second preceding month through the 25th day of the preceding month by the United States Department of Agriculture, and the simple average of the two weighted averages.

(9) The average selling prices per pound reported by the United States Department of Agriculture for Wisconsin State Brand Cheddars f. o. b. Wisconsin assembly points.

REPORTS OF HANDLERS

§ 927.50 *Monthly reports.* On or before the 10th day of each month, each handler shall report to the market administrator, for the preceding month, in the manner and on forms prescribed by the market administrator, with respect to milk or milk products received at each of his pool plants, and at each of his plants where milk or milk products subjected to payments under § 927.78 were handled, the following:

(a) The total quantity of milk and of each milk product, with the average butterfat content thereof, received from dairy farmers from other plants, from such handler's own farm, from other handlers, and from other sources:

(b) The total quantity of milk and of each milk product moved out of, or on hand at, such plant, the average butterfat content thereof, and the destination of any milk or milk product the classification of which wholly or partially depends upon its destination, moved out of such plant;

(c) The disposition of milk or milk products at each other plant at which the disposition of any milk or milk products is claimed as the basis of classification, such disposition to be covered by a signed statement of the plant operator if such other plant is not a pool plant;

(d) The computation pursuant to § 927.60 of such handler's net pool obligation; and

(e) The computation of the amount of any payments pursuant to § 927.78.

§ 927.51 *Producer payroll reports.* Each handler shall report with respect to producers as follows:

(a) On or before the 10th day after the end of each month, the information required by the market administrator with respect to producer additions, producer withdrawals, and changes in names of farm operators; and

(b) On or before the last day of each month, such handler's producer payroll for the preceding month, which shall show for each producer:

(1) The total delivery of milk with the average butterfat test thereof,

(2) The amount of payment due such producer,

(3) Any deductions and charges made by the handler,

(4) The net amount of payment to such producer made pursuant to §§ 927.65 through 927.67, and

(5) Such other information with respect thereto as the market administrator may require.

§ 927.52 *Storage cream reports.* On or before the last day of the period for establishing classification pursuant to § 927.32, or, if earlier, not later than 15 days prior to the date of final removal of the cream from storage, each handler who separates milk the cream from which is stored as a basis for Class III classification pursuant to § 927.37 (e) (2) shall report to the market administrator on forms prescribed by the market administrator information with respect to the storage of cream. Failure to make such report shall result in the disallowance of Class III classification pursuant to § 927.37 (e) (2).

The handler who made such reports shall report to the market administrator, not later than the end of the second month following the month during which frozen cream is utilized, information with respect to the utilization of such cream. Failure to make such reports shall result in the disallowance of storage cream payments pursuant to § 927.77.

With respect to notices of transfer of cream filed pursuant to § 927.37 (e) (2) and with respect to storage cream reports filed pursuant to this section, a receipt form acknowledging receipt of such notice or report shall be mailed by the market administrator to the handler within 48 hours after such notice or report is received by the market administrator.

§ 927.53 *Other reports.* At such time as the market administrator may request, each handler shall report to the market administrator in the manner and on forms prescribed by the market administrator:

(a) The total quantity of milk and of each milk product received, at his non-pool plants, with the average butterfat content thereof, from dairy farmers, from other plants, from such handler's own farm, from other handlers, and from other sources;

(b) The total quantity of milk and of each milk product moved out of, or on hand at, his non-pool plants, the average butterfat content thereof, and the destination of any milk or milk product moved out of such plants;

(c) Information concerning land, ings, surroundings, facilities, and equipment at any of his plants;

(d) The current receipts and utilization of milk at each of his pool plants; and

(e) Such other information as may be necessary for the administration of the provisions of this subpart.

§ 927.54 *Verification of reports and payments.* The market administrator shall promptly verify all reports and payments of each handler by audit of such handlers records and of the records of any handler or person upon whose disposition of milk such handler claims classification, and each such handler shall, during the usual hours of business, make available to the market administrator or his representative such records and facilities, of his own or other persons, as will enable the market administrator to:

(a) Verify the receipts and disposition of all milk required to be reported pursuant to §§ 927.50 through 927.53, and, in case of errors or omissions, ascertain the correct figures;

(b) Weigh, sample, and test for butterfat content the milk received from producers and any product of milk upon which classification depends;

(c) Verify the payments to producers prescribed in §§ 927.65 through 927.67; and

(d) Verify all claims for payments pursuant to §§ 927.76 and 927.77.

§ 927.55 *Retention of records.* All books and records required under this subpart to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the calendar month to which such books and records pertain, except that all such books and records pertaining to transactions before August 1, 1946, shall be retained until October 1, 1949: *Provided,* That if, within such three-year period, or before October 1, 1949, whichever is applicable, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the rec-

ords are no longer necessary in connection therewith.

DETERMINATION OF UNIFORM PRICE

§ 927.60 *Net pool obligation of handlers.* Milk received from farms in Nassau or Suffolk Counties, New York, which farms are not approved for sale of milk in New York City, or received from the handler's own farm shall not be included in the determination of the uniform price, and such milk shall be deemed to be excluded by the phrase, "milk received from producers" as such phrase is used in this section, in § 927.61, in § 927.43, in § 927.74, in §§ 927.76 and 927.77, and in § 927.80.

(a) Determine the classification pursuant to §§ 927.30 through 927.37 of milk received from producers at each pool plant;

(b) Subject to adjustment for appropriate differentials pursuant to §§ 927.41 and 927.42, multiply the Class I–C milk by 20 cents per hundredweight, multiply the remaining milk in each class by the class price, multiply the skim milk subject to the fluid skim differential by the fluid skim differential per hundredweight, and add together the resulting values;

(c) Deduct, in the case of each plant where the average butterfat content of all milk received from producers is in excess of 3.5 percent and add, in the case of each plant where the butterfat content of all milk received from producers is less than 3.5 percent, the total value of the butterfat differential applicable pursuant to § 927.67;

(d) Deduct, in the case of each plant nearer New York City than the 201–210 mile zone, and add, in the case of each plant farther from New York City than the 201–210 mile zone, the sum obtained by multiplying the milk received from producers by the zone differential set forth in column B of the schedule in § 927.42 applicable to the plant;

(e) Deduct the total amount of the butter-cheese adjustment computed pursuant to § 927.43;

(f) With respect to milk received from producers, deduct 30 cents per hundredweight at plants in the marketing area; and 20 cents per hundredweight at plants located at Accord, Ellenville, Gardiner, Kyserike, New Paltz, Phinney's Crossing, Wallkill, and West Coxsackie, New York, and in the following counties:

New Jersey counties: Burlington, Essex, Hunterdon, Morris, Passaic, Somerset, Sussex, Union, Warren.
New York counties: Columbia, Dutchess, Orange, Putnam, Rockland.
Connecticut: Litchfield.
Massachusetts: Berkshire.

(g) Add together the handler's net pool obligation for all plants at which milk was received from producers.

§ 927.61 *Computation of the uniform price.* The market administrator shall, on or before the 14th day of each month, audit for mathematical correctness and obvious errors the report submitted for the preceding month by each handler. If the unreserved cash balance in the producer settlement fund to be included in the computation is less than two cents per hundredweight of milk received from producers on all reports, the report of any handler who has not made payment of the last monthly pool debit account rendered pursuant to § 927.71 shall not be included in the computation of the uniform price. The report of such handler shall not be included in the computation for succeeding months until he has made full payment of outstanding monthly pool debits. Subject to the aforementioned conditions, the market administrator shall compute the uniform price in the following manner:

(a) Combine into one total the net pool obligations of all handlers;

(b) Subtract the total of payments required to be made for such month by § 927.76;

(c) Add the total payments required to be made by handlers for such month pursuant to § 927.78;

(d) Add the amount of unreserved cash in the producer settlement fund;

(e) Subtract an amount equal to not less than eight cents nor more than nine cents per hundredweight of milk received from producers to provide against the contingency of errors in reports and payments or of delinquencies in payments by handlers;

(f) Subtract the Class I–C milk of all handlers whose reports are included in this computation from the total milk received from producers by all such handlers; and

(g) Divide the result obtained in paragraph (e) of this section by the result obtained in paragraph (f) of this section. The result shall be known as the uniform price for milk containing 3.5 percent butterfat received from producers at plants in 201–210 mile zone.

§ 927.62 *Announcement of uniform price and weighted average butterfat differential.* The market administrator shall announce not later than the 14th day of each month, the uniform price computed pursuant to § 927.61 and not later than the 5th day of each month, the weighted average butterfat differential pursuant to § 927.67.

PAYMENT BY HANDLERS DIRECTLY TO PRODUCERS

§ 927.65 *Time and rate of payments.* On or before the 25th day of each month each handler shall make payment to each producer for all milk delivered by such producer during the preceding month at not less than the uniform price subject to differentials set forth in §§ 927.66 and 927.67: *Provided,* That each handler which is also a cooperative marketing association determined by the Secretary to be qualified under the Capper-Volstead Act, may, with respect to producers who are members of and under contract with such association, make distribution, in accordance with the contract between the association and such members, of the net proceeds of all its sales in all markets in all use classifications. Whenever verification by the market administrator of the payment to any producer or cooperative association of the payment to any producer or cooperative association of producers for milk delivered to any handler discloses payment of less than is required by this subpart, the handler shall make up such payment to the producer or cooperative association of producers not later than the time of making payment next following such disclosure: *Provided, further,* That if a handler claims that he cannot make the required payment because the producer is deceased or cannot be located, or because the cooperative association or its lawful successor or assignee is no longer in existence, such payment shall be made to the producer settlement fund, and in the event that the handler subsequently locates and pays the producer or a lawful claimant, or in the event that the handler no longer exists and a lawful claim is later established, the market administrator shall make such payment from the producer settlement fund to the handler or to the lawful claimant as the case may be: *Provided, further,* That if not later than the date when such payment is required to be made, legal proceedings have been instituted by the handler for the purpose of administrative or judicial review of the market administrator's finding upon verification as provided above, such payment shall be made to the producer settlement fund and shall be held in reserve until such time as the above-mentioned proceedings have been completed, or until the handler submits proof to the market administrator that the required payment has been made to the producer or association of producers, in which latter event the payment shall be refunded to the handler.

§ 927.66 *Transportation and location differentials.* The uniform price at any plant shall be:

(a) Plus or minus the differential shown in column B of the schedule contained in § 927.42 for the zone of the plant in effect pursuant to § 927.42; and

(b) Plus the differentials, if any, applicable pursuant to § 927.60 (f) plus five cents.

§ 927.67 *Butterfat differential.* The uniform price shall be plus or minus, as the case may be, for each one-tenth of 1 percent above or below 3.5 percent of average butterfat content of milk delivered by any producer during any month, an amount equivalent to the average of the butterfat differentials determined pursuant to § 927.41, for each class weighted by the pounds of butterfat in the milk in each such class used in the computation of the uniform price for the preceding month. Such differential shall be computed to the nearest even tenth of a cent.

PRODUCER SETTLEMENT FUND AND ITS OPERATION

§ 927.70 *Producer settlement fund.* The market administrator shall establish and maintain a separate fund known as "the producer settlement fund" into which he shall deposit all payments and out of which he shall make all payments pursuant to §§ 927.70 through 927.78.

§ 927.71 *Handlers' accounts.* The market administrator shall establish an account for each handler who is required to make payments to the producer settlement fund or who received payments from the producer settlement fund.

After computing the uniform price and each handler's pool debit or credit each month, and at such times as he deems appropriate, the market administrator shall render each handler a statement of his account showing the debit or credit balance, together with all debits or credits entered on such handler's account since the previous statement was rendered.

§ 927.72 *Payment to the producer settlement fund.* On or before the 18th day of each month each handler shall make full payment of the debit balance, if any, of such handler shown on the last statement of account rendered pursuant to § 927.71.

§ 927.73 *Payments out of producer settlement fund.* On or before the 20th day of each month the market administrator shall make payment to each handler of the credit balance, if any, of such handler shown on the last statement of account rendered pursuant to § 927.71. If, at any such time, the balance in the producer settlement fund is insufficient to make full payment due to each handler, the market administrator shall reduce uniformly the payments to each handler and shall complete such payments as soon as the necessary funds are available. No handler who, on the 25th day of the month, has not received such payments in full from the market administrator shall be deemed to be in violation of §§ 927.65 through 927.67 if he reduces his total payments to producers for milk delivered by such producers during the preceding month by not more than the amount of the reduction in payment from the producer settlement fund.

§ 927.74 *Handlers' pool debit or credit.* After computing the uniform price for each month, the market administrator shall compute each handler's pool debit or pool credit as follows:

(a) Add to each handler's net pool obligations the value of his Class I–C milk at the uniform price.

(b) Multiply the quantity of milk received by each handler from producers by the uniform price.

(c) If the result obtained in paragraph (b) of this section is less than the result in paragraph (a) of this section, the difference shall be entered on the handler's producer settlement fund account as such handler's pool debit.

(d) If the result obtained in paragraph (b) of this section is greater than the result in paragraph (a) of this section, the difference shall be entered on the handler's producer settlement fund account as such handler's pool credit.

§ 927.75 *Adjustments of errors in payments.* Whenever verification by the market administrator of reports or payments of any handler discloses errors made in payments to or from the producer settlement fund, the market administrator shall debit the handler's producer settlement fund account for any unpaid amount. Whenever verification discloses that payment is due from the market administrator to any handler, the market administrator shall credit the handler's producer settlement fund account for any such amount.

§ 927.76 *Cooperative payments.* Any cooperative association of producers may apply to the Secretary for a determination of its qualifications to receive payments pursuant to this section by reason of its having and exercising full authority in the sale of the milk of its members; arranging for and supplying, in a manner commensurate with the marketing capacity of the several types of cooperative associations designed in this section, in times of short supply, Class I milk to the marketing area; securing utilization of milk, in times of long supply, in a manner to assure the greatest possible return to all producers; having its entire activities under the control of its members; and complying with all provisions of this subpart applicable to it.

After the Secretary has determined any cooperative to be qualified to receive payments pursuant to this section, such cooperative shall, from time to time, as requested by the market administrator, make reports to the market administrator with respect to services rendered to the market and the use of the sums received under this section. Whenever the market administrator has reason to believe that any cooperative qualified by the Secretary is failing to perform the obligations covered by the payments under this section, he shall suspend and hold in reserve such payments, notifying the Secretary and the cooperative of his action and the reasons therefor. Such suspended payments shall be held in reserve until the Secretary has, after hearing, disqualified such cooperative or ruled upon the performance of the cooperative and either ordered the suspended payments to be paid to the cooperative in whole or in part or disqualified the cooperative, in which event the balance of payments held in reserve shall be returned to the producer settlement fund.

The market administrator shall make the payments authorized by this section, or issue credit therefor, out of the producer settlement fund on or before the 25th day of each month, subject to verification of the reports upon which such payment is based. Such payments shall be made to each cooperative association of producers under the following conditions and at the following rates:

(a) Three-quarters of one cent per hundredweight of milk received from producers at any handler's plant which was caused to be delivered from its members by such associations and on which such handler has made the reports and payments required by this order;

(b) Except as set forth in paragraph (c) of this section, two cents per hundredweight of milk received from producers at plants of other complying handlers which was reported and collected for by such association; and

(c) Four cents per hundredweight of milk received from producers at plants operated by such association and, if, in addition to the other qualifications, such association has been determined by the Secretary to have sufficient plant capacity to receive all the milk of producers who are members and to be willing and able to receive milk from producers not members, four cents per hundredweight of milk received from producers which was caused by it to be delivered to any other complying handler and which is reported and collected for by such association.

§ 927.77 *Storage cream payments.* For milk received from producers which is classified as Class III pursuant to § 927.37 (e) (2) the butterfat from which is subsequently assigned in accordance with the provisions of the rules and regulations issued by the market administrator pursuant to § 927.36 to sour cream or reconstituted cream shipped to, received in, or distributed in the marketing area, or is not established to have been otherwise utilized, or to be still in storage, the handler required to file reports pursuant to § 927.52 shall pay to the producer settlement fund or be issued debits against balances due to such handler from the producer settlement fund an amount equal to 9 cents per pound of butterfat if the milk was separated in the months of March through July, and 10 cents per pound of butterfat if the milk was separated in the months of August through February.

On the basis of reports pursuant to § 927.52 of the utilization of frozen cream and the market administrator's investigation and audit of such reports, the market administrator shall make payment out of the producer settlement fund to the handler filing such reports, or issue credit against balances due from such handler to the producer settlement fund, an amount equal to the butter-cheese adjustment on each pound of butterfat in such cream which was separated in the months of April through September from milk received from producers and was assigned, in accordance with the provisions of the rules and regulations issued by the market administrator pursuant to § 927.36, to butter in the months of January through March.

§ 927.78 *Payments for milk or milk products from other than producer sources.* Payment shall be made by handlers to producers, through the producer settlement fund, for milk and milk products under conditions, in amounts, and by the handler pursuant to paragraphs (a) through (d) of this section.

(a) Payments shall be made for milk, concentrated fluid milk, fluid milk products, cultured or flavored milk drinks, cream, fluid cream products, or skim milk, which milk or milk product meets each of the following provisions:

(1) It was derived from milk received at some plant from dairy farmers (other than the handler operating such plant) who are not producers;

(2) It was received at a plant in, or delivered to a purchaser in the marketing area (including deliveries to warehouses, piers, docks or wharves therein, or to crafts moored thereat), or was received at a pool plant outside the marketing area and assigned either to shipments to the marketing area of milk, concentrated fluid milk, fluid milk products, cultured or flavored milk drinks, cream, fluid cream products, or skim milk, or to plant loss; and

(3) The milk or milk equivalent of the butterfat is classified as Class I–A or

Class II, or the skim milk is subject to the fluid skim differential.

(b) The amount of payment for the products set forth in paragraph (a) of this section shall be as follows:

(1) If the milk, or the milk equivalent of the butterfat, or the skim milk is classified and paid for under another order issued pursuant to the act, the amount of payment on such products except skim milk shall be any plus amount obtained by subtracting the value of the milk or the milk equivalent of the butterfat at the class price or prices under such order from the value computed in accordance with the classification and pricing set forth in this subpart. The amount of payment on skim milk shall be an amount computed pursuant to § 927.44.

(2) If the milk or milk products is derived from milk the handling of which is not regulated by another order issued pursuant to the act, the amount of payment shall be as follows: for milk, concentrated fluid milk, fluid milk products, or for cultured or flavored milk drinks containing 3.0 percent or more but not more than 5.0 percent of butterfat, the difference between the value of such milk, fluid milk products, or cultured or flavored milk drinks at the Class I–A price in the 201–210 mile zone and the Class III price in the 201–210 mile zone; for cream, fluid cream products, or for cultured or flavored milk drinks containing less than 3.0 percent or more than 5.0 percent of butterfat, the difference between the value of the milk equivalent of such cream, or milk drinks at the Class II price and at the value computed at the Class III price (milk equivalent in each case to be computed on the basis of milk containing 3.5 percent of butterfat); and for skim milk (either as skim milk or in cultured milk drinks), the amount computed pursuant to § 927.44.

(3) In the event that the source of such milk or milk product is not revealed, the amount of the payment shall be as follows: on milk, concentrated fluid milk, fluid milk products, or cultured or flavored milk drinks containing 3.0 percent or more but not more than 5.0 percent of butterfat, the value at the Class I–A price in the 201–210 mile zone; on cream, fluid cream products, or cultured or flavored milk drinks containing less than 3.0 percent or more than 5.0 percent of butterfat, the value of the milk equivalent of such product at a rate per hundredweight computed pursuant to § 927.40 (e) (1) (milk equivalent to be computed on the basis of milk containing 3.5 percent of butterfat); and on skim milk in the form of fluid skim milk or cultured milk drinks containing less than 3.0 percent or more than 5.0 percent of butterfat, the value at a rate per hundredweight computed as follows: divide the amount computed pursuant to § 927.40 (e) (2) by 0.9125 and add an amount computed pursuant to § 927.44.

(c) Payment for any milk or milk product pursuant to this section shall be made only once and shall be made by the appropriate handler as set forth in the following provisions:

(1) By the handler first receiving the milk or milk product at a pool plant outside the marketing area;

(2) By the handler operating the plant where the milk or milk product is first received in the marketing area if the milk or milk product is not received at a pool plant outside the marketing area; or

(3) By the handler operating the plant from which the milk or milk product was delivered to a purchaser in the marketing area if such milk or milk product is neither received at a pool plant outside the marketing area nor at a plant in the marketing area.

(d) The amount due pursuant to this section shall be entered on the handler's account as a debit immediately after the filing of the report pursuant to § 927.50.

EXPENSE OF ADMINISTRATION

§ 927.80 *Payment by handlers.* As his pro rata share of the expense of administration of this subpart, each handler shall, on or before the 18th day of each month, pay to the market administrator a sum not exceeding two cents per hundredweight on the total quantity of milk which was received from producers at plants operated by such handler, directly or at the instance of a cooperative association of producers, the exact amount to be determined by the market administrator subject to review by the Secretary. This section shall not be deemed to duplicate any similar payment by any handler under an order issued by the Commissioner of Agriculture and Markets of the State of New York, with respect to the marketing area. Whenever verification by the market administrator discloses an error in the payment made by any handler, such error shall be adjusted not later than the date next following such disclosure on which payments are due pursuant to this section.

MISCELLANEOUS

§ 927.85 *Termination of obligations.* The provisions of this section shall apply to any obligation under this subpart for the payment of money irrespective of when such obligation arose, except an obligation involved in an action instituted before August 1, 1949, under section 8c (15) (A) of the act or before a court.

(a) The obligation of any handler to pay money required to be paid under the terms of this subpart shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such 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 milk, with respect to which the obligation exists, was received or handled; and

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

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

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

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this subpart shall terminate two years after the end of the calendar month during which the milk involved in the claim was received (or with respect to storage cream payments pursuant to § 927.77, two years after the end of the calendar month during which such cream is utilized) if an underpayment is claimed, or two 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 periods of time, files pursuant to section 8c (15) (A) of the act, a petition claiming such money.

§ 927.86 *Continuing obligation of handlers.* Unless otherwise provided by the Secretary in any notice of amendment, termination, or suspension of any or all of the provisions of this subpart, such amendment, termination, or suspension shall not affect, waive, or terminate any right, duty, obligation, or liability which shall have risen or may thereafter arise in connection with any provision of this subpart; release or waive any violation of this subpart occurring prior to the effective date of such amendment, termination, or suspension; or affect or impair any rights or remedies of the Secretary or of any other person with respect to any such violations.

§ 927.87 *Continuing power and duty of market administrator.* The market administrator shall (a) continue in such capacity until discharged by the Secre-

tary; (b) from time to time account for all receipts and disbursements and deliver all funds or property on hand, together with the books and records of the market administrator, to such person as the Secretary shall direct; and (c) if so directed by the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator pursuant to this subpart.

§ 927.88 *Liquidation.* Upon the termination or suspension of this subpart, the market administrator shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid and owing at the time of such termination or suspension. Any funds collected for expenses, pursuant to the provisions of this subpart, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator in liquidating the business of the market administrator's office shall be distributed by the market administrator to handlers in an equitable manner.

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

Filed at Washington, D. C., this 15th day of August 1951.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator.

[F. R. Doc. 51-9931; Filed, Aug. 20, 1951; 8:49 a. m.]

NOTICES

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 10027]

SOUTHERN BELL TELEPHONE AND TELEGRAPH CO.

CORRECTED ORDER DESIGNATING APPLICATION FOR HEARING ON STATED ISSUES

In the matter of the application of Southern Bell Telephone and Telegraph Company for a certificate under section 221 (a) of the Communications Act of 1934, as amended; Docket No. 10027, File No. P-C-2630.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 8th day of August 1951;

The Commission, having under consideration the application filed by Southern Bell Telephone and Telegraph Company for a certificate under section 221 (a) of the Communications Act of 1934, as amended, that the proposed acquisition by Southern Bell Telephone and Telegraph Company of certain telephone plant and property of the Carolina Mountain Telephone Company, located in Buncombe County, North Carolina, will be of advantage to persons to whom service is to be rendered and in the public interest;

It is ordered, That pursuant to the provisions of section 221 (a) of the Communications Act of 1934, as amended, the above application is assigned for public hearing for the purpose of determining whether the proposed acquisition will be of advantage to persons to whom service is to be rendered and in the public interest;

It is further ordered, That the hearing upon the said application be held at the offices of the Commission in Washington, D. C., beginning at 10:00 a. m. on the 21st day of August 1951, and that a copy of the order shall be served on Southern Bell Telephone and Telegraph Company, the Carolina Mountain Telephone Company, the Governor of North Carolina, the North Carolina Public Utilities Commission, and the Postmasters of Enka, Candler, and Leicester, North Carolina;

It is further ordered, That within five days after the receipt from the Commission of a copy of this order, the applicant herein shall cause a copy hereof to be published in a newspaper or newspapers having general circulation in Buncombe County, North Carolina, and shall furnish proof of such publication at the hearing herein.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-9957; Filed, Aug. 20, 1951; 8:51 a. m.]

DEPARTMENT OF COMMERCE

Federal Maritime Board

MEMBER LINES OF ASSOCIATED STEAMSHIP LINES (MANILA) CONFERENCE

NOTICE OF AGREEMENT FILED FOR APPROVAL

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916, as amended.

Agreement No. 5600-18, between the member lines of the Associated Steamship Lines (Manila) Conference (No. 5600), modifies the management provision of the basic agreement of said Conference to provide that Conference Affairs shall be managed by a three-member committee elected from the registered representatives of the member lines of the Conference. The management provision as presently in effect provides that the Chairmanship of the Conference shall rotate among the member lines with no individual or agency serving more than six months and that in the absence of the Chairman his duties shall be assumed by the Chairman of the Finance Committee.

Interested parties may inspect this agreement and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D. C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to this agreement and their position as to approval, disapproval or modification, together with request for hearing should such hearing be desired.

Dated: August 15, 1951.

By order of the Federal Maritime Board.

[SEAL] A. J. WILLIAMS,
Secretary.

[F. R. Doc. 51-9937; Filed, Aug. 20, 1951; 8:51 a. m.]

National Production Authority

[NPA Delegation 6, as Amended August 21, 1951]

CIVIL AERONAUTICS ADMINISTRATION

DELEGATION OF AUTHORITY TO MAKE ALLOTMENTS OF CONTROLLED MATERIALS AND TO APPLY DO RATINGS AND ALLOTMENT NUMBERS

1. Pursuant to the authority of the Defense Production Act of 1950, as amended, Executive Orders 10161 and 10200, and Defense Production Administration Delegation 1, the Civil Aeronautics Administration is hereby delegated the authority (with power of redelegation) to make allotments of controlled materials and to apply or assign to others the right to apply DO ratings and allotment numbers and symbols, as the case may be, with respect to contracts and purchase orders to meet authorized programs of the Civil Aeronautics Administration for which the Secretary of Commerce is claimant under Defense Production Administration Order No. 1, and to meet such other supporting programs as have been, or may be, designated by the National Production Authority.

2. The Civil Aeronautics Administration is also hereby delegated authority (with power of redelegation) to assign the right to apply DO ratings and allotment numbers and symbols to certain contractors on orders for delivery of construction equipment for use on construction outside of the United States (48 States and District of Columbia).

3. The authority herein delegated shall be exercised within the limits of such program determinations or other quantitative restrictions as may be es-

tablished, and in accordance with such instructions, conditions, record-keeping and reporting requirements, and policy directives, as may be issued from time to time by the National Production Authority. The exercise of this authority shall also conform to the terms of the regulations and orders of the National Production Authority and to such priorities and allocations policy directives as may be issued by the Civil Aeronautics Administration to implement policies and procedures issued by the National Production Authority.

4. In making allotments of controlled material and in applying DO ratings and allotment numbers and symbols, as the case may be, the certification prescribed by the appropriate regulation or order of the National Production Authority shall be used. In assigning to others the right to exercise this authority, the following certification shall be used:

> By authority of the National Production Authority, the right is hereby assigned to (description of scope of assignment).

This certification shall be authenticated with the signature of an authorized official of the Civil Aeronautics Administration or its delegate agency.

5. This authority shall not be used for (a) direct procurement or contractors' purchase of construction equipment for use in the United States (48 States and the District of Columbia) or (b) material purchased from exclusively retail establishments except in emergency situations and then only for small amounts to prevent imminent stoppage.

This amended delegation shall take effect on August 21, 1951.

NATIONAL PRODUCTION AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

[F. R. Doc. 51-10084; Filed, Aug. 20, 1951; 5:10 p. m.]

Office of International Trade

[Case No. 107]

MANNING, MAXWELL, & MOORE, INC., ET AL.

ORDER REVOKING AND DENYING LICENSE PRIVILEGES

In the matter of Manning, Maxwell & Moore, Inc., M. H. Edelman, Edward Cacheiro, 405 Lexington Avenue, New York 17, New York; Case No. 107.

This proceeding was instituted on June 28, 1951, by the transmission of a charging letter by the Investigation Staff, Office of International Trade to Manning, Maxwell & Moore, Inc., M. H. Edelman, its general export manager, and Edward Cacheiro, Jr. (inaccurately named in the charging letter as Ed Cacheiro), its assistant general export manager (hereinafter called the respondents), charging respondents with having violated the Export Control Act of 1949 and the regulations issued thereunder.

The letter alleges, in substance, that in May 1950, Manning, Maxwell & Moore, Inc. (hereinafter referred to as the company), filed an application for a license to export a quantity of temperature indicating and recording equipment to a named consignee in Hong Kong; that while this application was pending before the Office of International Trade, respondents were informed by their customer that the commodity was for a different consignee in Tientsin, China; and that respondents failed to divulge this material information to the Office of International Trade, as required by the export control regulations.

The respondents, after receiving the charging letter, conferred, through their counsel and officials of the company, with officials of the Office of International Trade and with the Compliance Commissioner. Thereafter, respondents submitted to the Office of International Trade, with the advice of and through their counsel, a statement dated July 23, 1951, in which they admitted, for the purpose of this compliance proceeding only, the charges made in the charging letter of June 28, 1951, waived all right to a hearing thereon, and consented to the entry of an order the terms of which are set forth below.

The charging letter and above-stated proposal for a consent order have been submitted to the Compliance Commissioner for review, and the Compliance Commissioner has also informally reviewed the evidence presented by the Investigation Staff in support of the charges. Upon the basis of such review the Compliance Commissioner has concluded that the proposed consent is just and fair, and should be approved.

It appears from the Compliance Commissioner's report that the violation was primarily attributable to careless and negligent supervision of the export department of the company by its responsible export officials, respondents Edelman and Cacheiro, general manager and assistant general manager, respectively. Although they had received information about the change of the ultimate consignee and destination while the license application was still pending in the Office of International Trade, they allowed the letter containing this information to be misfiled by a clerk in their export department, and maintained their files in such condition that the information was not available for disclosure when other opportunities arose to inform the Office of International Trade of the facts. It further appears that Edelman has previously committed other careless infractions of export regulations.

While the Compliance Commissioner has properly found and his report shows that the company, as well as these responsible employees, must be held responsible for these negligent actions, he has pointed out certain extenuating factors in this case, in addition to his conclusion that the violation here was not willful or intentional.

When the heads of the company were informed of this case, they took immediate steps to relieve the respondent employees of their positions in charge of the export department, and have reassigned them to other posts removed from responsibility for the conduct of its export trade. The company has also reorganized the operations of its export department, placed it in charge of a responsible, experienced senior officer, and taken other steps to assure compliance with the export control law and regulations in the future. In addition, it may be noted that no export license was issued or shipment made in this case, as prompt investigation prevented such from taking place.

The findings and recommendations of the Compliance Commissioner have been carefully considered, together with the above-mentioned evidentiary material, the charging letter and the proposal for a consent order. It appears that such findings are in accordance with the evidence and that such recommendations are reasonable and should be adopted.

Now, therefore, it is ordered, as follows:

(1) All outstanding export licenses held by or issued to respondents or any of them are hereby revoked and shall be forthwith returned to the Office of International Trade for cancellation.

(2) Respondent Manning, Maxwell & Moore, Inc., is hereby denied the privileges of obtaining or using or participating, directly or indirectly, in the obtaining or using of validated export licenses, for the export to any destination of any commodity on the Positive List, as such list may be constituted at the time of any proposed shipment, for a period of three months from the date of this order; respondents M. H. Edelman and Edward Cacheiro, Jr., are hereby denied, for a period of two years from the date of this order, or until the termination of export control, whichever occurs earlier, the privilege of obtaining or using or participating, directly or indirectly, in the obtaining or using of export licenses, including general as well as validated export licenses, for the export to any destination of any commodity subject to export control. Such denial of export privileges shall be deemed to preclude and prohibit participation, directly or indirectly, by respondents or any of them as a party or as a representative of a party to any export license application or to any exportation under a validated export license in any manner or capacity including the financing, forwarding, transporting, or other servicing of exports, limited as to respondent Manning, Maxwell & Moore, Inc., only for any of the aforesaid Positive List of commodities, for the period and to the extent applicable as above set forth.

(3) Such revocation and denial of export license privileges shall extend not only to the named respondents, but also to any person, firm, corporation or other business association with which they, or any of them, may be now or hereafter related by ownership or control, or in which they or any of them may hold a position of responsibility in the conduct of trade involving exports from the United States or services connected therewith.

(4) This order shall not be deemed to deny to respondent Manning, Maxwell & Moore, Inc., the privilege to file applications for validated licenses, where required, for the export of commodities not on the Positive List at the time of the particular shipment, and to make exportations under general licenses in cases where either validated export licenses are not required or where the export commodities involved are not on

the Positive List at the time of the particular shipment.

Dated: August 15, 1951.

JOHN C. BORTON,
Assistant Director for Export Control.

[F. R. Doc. 51-9934; Filed, Aug. 20, 1951; 8:50 a. m.]

Office of the Secretary

HEADS OF CERTAIN PRIMARY ORGANIZATION UNITS

DELEGATION OF CONTRACTING AUTHORITY

All of the material in § 12.2 *Contracting authority* (11 F. R. 177A-303), is hereby revoked and the following substituted therefor:

1. *Delegation of authority.* Pursuant to the provisions of section 161 R. S. (5 U. S. C. 22), and Reorganization Plan No. 5 of 1950, the head of each primary organization unit of the Department of Commerce is hereby authorized, subject to provisions of applicable laws and regulations, to approve and execute, without submission to the Secretary of Commerce:

(a) All advertised contracts and accompanying bonds, when the amount thereof in any instance is less than $25,000, and any contract supplemental thereto when the amount thereof is less than $10,000; and

(b) All negotiated contracts and accompanying bonds, when the amount thereof in any one instance is $500 or less (for purposes of this notice, a negotiated contract is one entered into without advertising, whether or not it falls within any of the exceptions mentioned in R. S. 3709 (41 U. S. C. 5)).

Any advertised contract and accompanying bond in the amount of $25,000 or more, or any contract in the amount of $10,000 or more which is supplemental to an advertised contract, and any negotiated contract and accompanying bond in an amount in excess of $500 or any contract supplemental thereto, shall be submitted to the Secretary for his approval.

The authority delegated by this notice shall not include authority to execute negotiated contracts under Executive Order 10210 of February 2, 1951, unless and until appropriate regulations relating thereto are issued by the Secretary.

2. *Provision for redelegation.* The head of each primary organization unit may redelegate the authority delegated to him by this notice whenever he deems it necessary or desirable.

3. *Exceptions.* The provisions of this notice shall not apply to the following primary organization units, to the extent specified:

(a) Inland Waterways Corporation: All contracts.

(b) Civil Aeronautics Administration: For grant offers and amendment to grant offers and grant agreements relating to grants-in-aid to municipalities for airport construction under the Federal Aid Airport Program; all contracts chargeable to the following programs regardless of appropriation: Establishment and operation of Federal Airways; Technical Development and Evaluation; all contracts which do not involve expenditure of CAA funds; and concession contracts.

(c) Bureau of Public Roads: Agreements with States and their subdivisions, the Territories and possessions of the United States; direct construction contracts and contracts for road construction and maintenance materials and equipment; agreements for rights-of-way and easements for access road projects; leasing of space in the field for use as offices, storage, and quarters for project employees; foreign purchases in connection with programs for assistance to foreign governments.

(d) Maritime Administration: All contracts chargeable to the following appropriations: Ship construction; Operating-differential subsidies; State Marine schools; Maritime training; Vessel operating functions; Vessel operating revolving fund; Repair of Reserve fleet vessels; Maintenance of shipyard facilities; Operation of warehouses; Maintenance and operation of terminals; Reserve fleet expense; and settlement of prior year obligations; and all contracts which do not involve the expenditure of Maritime Administration funds.

The provisions of this notice shall apply in full to all other primary organization units of the Department of Commerce, except as such provisions may subsequently be modified with respect to any such primary unit by Department order or letter signed by the Secretary.

This notice is effective August 16, 1951.

[SEAL] CHARLES SAWYER,
Secretary of Commerce.

[F. R. Doc. 51-9958; Filed, Aug. 20, 1951; 8:51 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 4863]

CHICAGO AND SOUTHERN AIR LINES, INC., PAN AMERICAN WORLD AIRWAYS, INC.; JOINT APPLICATION FOR EQUIPMENT INTERCHANGE AGREEMENT

NOTICE OF HEARING

In the matter of the joint application of Chicago and Southern Air Lines, Inc., and Pan American World Airways, Inc., for approval by the Civil Aeronautics Board under section 412 and, if such approval is deemed necessary, under section 408 of the Civil Aeronautics Act, of an agreement relating to the interchange of equipment.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, that the above-entitled proceeding is assigned for hearing on September 11, 1951, at 10:00 a. m., e. d. s. t., in Room 5855, Commerce Building, Fourteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner William F. Cusick.

Without limiting the scope of the issues to be considered, particular attention will be directed to the following matters:

(1) Whether the agreement is adverse to the public interest or in violation of the act.

(2) Whether there is substantial control of either carrier by the other to require approval by the Civil Aeronautics Board under section 408 of the act; and if such approval is necessary whether such control is inconsistent with the public interest and whether it would result in creating a monopoly or monopolies and thereby restrain competition or jeopardize another air carrier.

Notice is further given that any person, other than parties of record, desiring to be heard in this proceeding shall file with the Board on or before September 11, 1951, a statement setting forth the issues of fact and law raised by this proceeding which he desires to controvert.

Dated at Washington, D. C., August 15, 1951.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 51-9936; Filed, Aug. 20, 1951; 8:50 a. m.]

[Docket No. 4961]

AIRNEWS, INC.

NOTICE OF HEARING

In the matter of the certificate of public convenience and necessity held by Airnews, Inc.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 401 (h) and 1001 of said act, that a hearing in the above-entitled proceeding is assigned to be held on August 27, 1951, at 10:00 a. m., e. d. s. t., in Room E-214, Temporary Building No. 5, Sixteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner Barron Fredricks.

Without limiting the scope of the issues presented by the order to show cause (Serial Number E-5422) instituting this proceeding, particular attention will be directed to the following matters and questions:

1. Whether the public convenience and necessity require the suspension of the certificate authorizing Airnews, Inc. to engage in air transportation.

2. Whether Airnews, Inc. has intentionally failed to comply with the terms, conditions and limitations of its certificate of public convenience and necessity, and whether the Board should, by reason of such intentional failure, revoke such certificate.

Notice is further given that any person, other than parties of record, desiring to be heard in this proceeding must file with the Board, on or before August 27, 1951, a statement setting forth the allegations of fact or law, pertinent to the issues herein, that he desires to present.

For further details of the issues and of the matters leading to the institution of this proceeding, interested parties are referred to Order Serial Number E-5422 on file with the Civil Aeronautics Board.

Dated at Washington, D. C., August 15, 1951.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 51-9959; Filed, Aug. 20, 1951; 8:52 a. m.]

ECONOMIC STABILIZATION AGENCY

Office of Price Stabilization

[Ceiling Price Regulation 7, Section 43, Special Order 377]

BLUE BELL INC.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Blue Bell Inc., 350 Fifth Ave., New York 1, N. Y. has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the article a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail of boys' jeans, jackets, shirts sold through wholesalers and retailers and having the brand name(s) "Hopalong Cassidy" shall be the proposed retail ceiling prices listed by Blue Bell Inc., 350 Fifth Ave., New York 1, N. Y. hereinafter referred to as the "applicant" in its application dated March 23, 1951 and filed with the Office of Price Stabilization, Washington 25, D. C. (and supplemented and amended in the manufacturer's application dated May 23, 1951).

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than September 10, 1951, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. *Marking and tagging.* On and after October 10, 1951, Blue Bell Inc. must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $--------

On and after November 9, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to November 9, 1951, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60 day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to resellers*—(a) *Notices to be given by applicant.* (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
----------	$----------

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in subparagraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective August 11, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

AUGUST 10, 1951.

[F. R. Doc. 51-9648; Filed, Aug. 10, 1951; 12:37 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 379]

MOTOROLA, INC.

CEILING PRICE AT RETAIL

Statement of consideration. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Motorola, Inc., 4545 Augusta Boulevard, Chicago 51, Illinois, has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the articles a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

This special order also requires applican to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail of car radios, home radios, and television sets sold through wholesalers and retailers and having the brand name(s) "Motorola" shall be the proposed retail ceiling prices listed by Motorola, Inc., 4545 Augusta Boulevard, Chicago 51, Illinois hereinafter referred to as the "applicant" in its application dated April 30, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than September 10, 1951, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. *Marking and tagging.* On and after October 10, 1951, Motorola, Inc., must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $--------

On and after November 9, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to November 9, 1951, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes, the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60 day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to resellers*—(a) *Notices to be given by applicant.* (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after, the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
----------	$----------

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in subparagraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective August 11, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

AUGUST 10, 1951.

[F. R. Doc. 51-9650; Filed, Aug. 10, 1951; 12:38 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 380]

PAPER ART CO., INC.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Paper Art Company, Inc., 3500 N. Arlington, Indianapolis 18, Indiana, has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the articles a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail of napkins, table covers, bridge table sets, plates, cups, hand towels, candles sold through wholesalers and retailers and having the brand name(s) "Paper Art" shall be the proposed retail ceiling prices listed by Paper Art Company, Inc., 3500 N. Arlington, Indianapolis 18, Indiana, hereinafter referred to as the "applicant" in its application dated May 7, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than September 10, 1951, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. *Marking and tagging.* On and after October 10, 1951, Paper Art Company, Inc., must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $--------

On and after November 9, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to November 9, 1951, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60-day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to resellers*—(a) *Notices to be given by applicant.* (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
----------	$----------

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in subparagraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division. Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective August 11, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

AUGUST 10, 1951.

[F. R. Doc. 51-9651; Filed, Aug. 10, 1951; 12:38 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 385]

THE BORG-ERICKSON CORP.

CEILING PRICES AT WHOLESALE AND RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order. The Borg-Erickson Corporation, 469 East Ohio Street, Chicago, 11, Illinois has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the article a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail of bathroom, household, utility and parcel post scales sold through wholesalers and retailers and having the brand name(s) "Borg" shall be the proposed retail ceiling prices listed by The Borg-Erickson Corporation hereinafter referred to as the "applicant" in its application dated June 8, 1951 and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than September 10, 1951, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. *Marking and tagging.* On and after October 10, 1951. The Borg-Erickson Corporation must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $--------

On and after November 9, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to November 9, 1951, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60 day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to resellers.*—(a) *Notices to be given by applicant.* (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
----------	$----------

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in subparagraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months' period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective August 11, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

AUGUST 10, 1951.

[F. R. Doc. 51-9687; Filed, Aug. 10, 1951; 4:53 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 396]

THE LIONEL CORP.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, The Lionel Corporation, 15 East 26th Street, New York 10, N. Y., has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the articles a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail of Toy electric trains and accessories sold through wholesalers and retailers and having the brand name(s) "Lionel" shall be the proposed retail ceiling prices listed by The Lionel Corporation, 15 East 26th Street, New York 10, New York hereinafter referred to as the "applicant" in its application dated July 16, 1951 and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than September 10, 1951, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. *Marking and tagging.* On and after October 10, 1951, The Lionel Corporation must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $ --------

On and after November 9, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to November 9, 1951, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes, the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60 day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to reseller*—(a) *Notices to be given by applicant.* (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
----------	$----------

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in subparagraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective August 11, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

AUGUST 10, 1951.

[F. R. Doc. 51-9698; Filed, Aug. 10, 1951; 4:57 p. m.]

[Ceiling Price Regulation 7, Section 43, Amdt. 1 to Special Order 132]

REED & BARTON CORPORATION

CEILING PRICES AT RETAIL

Statement of considerations. The accompanying amendment to special Order 132 under Section 43 of Ceiling Price Regulation 7 modifies those provisions relating to preticketing usually required by orders of this type. This amendment, designed to meet the particular requirements of the silverware industry, accomplishes the objective of notifying consumers of the uniform prices fixed under the order.

Amendatory provisions. 1. Delete paragraph 3 of the special order and substitute therefor the following:

3. On and after September 17, 1951, Reed & Barton Corporation must furnish each purchaser for resale to whom within two months immediately prior to the effective date the manufacturer had delivered any article covered by paragraph 1 of this special order, with a sign 8 inches wide and 10 inches high, a price book, and a supply of tags and stickers. The sign must contain the following legend:

The retail ceiling prices for Reed & Barton sterling flatware, sterling hollowware, plated hollowware, plate flatware and accessories have been approved by OPS and are shown in a price book we have available for your inspection.

The price book must contain an accurate description of each article covered by paragraph 1 of this special order and the retail ceiling price fixed for each article. The front cover of the price book must contain the following legend:

The retail ceiling prices in this Reed & Barton price book have been approved by OPS under section 43, CPR 7.

The tags and stickers must be in the following form:

Reed & Barton
OPS—Sec. 43—CPR 7
Price $--------

On and after October 17, 1951, no retailer may offer or sell any article covered by this order unless he has the sign described above displayed so that it may be easily seen and a copy of the price book described above available for immediate inspection. In addition, the retailer must affix to each article covered by the order and which is offered for sale on open display (except in show windows or decorative displays) a tag or sticker described above. The tag or sticker must contain the retail ceiling price established by this special order for the article to which it is affixed.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the manufacturer's application or changes the retail ceiling price of a listed article, the applicant named in this special order must within 30 days after the effective date of the amendment, as to each such article, send an insertion stating the required addition or change for the price book described above. After 60 days from the effective date of the amendment, no retailer may offer or sell the article, unless he has received the insertion described above and inserted it in the price book. Prior to the expiration of the 60-day period, unless the retailer has received and placed the insertion in the price book, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

Effective date. This amendment shall become effective on August 14, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

AUGUST 14, 1951.

[F. R. Doc. 51-9805; Filed, Aug. 14, 1951; 4:59 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 397]

DONAHUE SALES CORP.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Donahue Sales Corporation, 420 Lexington Avenue, New York 17, N. Y. (hereafter called wholesaler), has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the articles a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail of slide fasteners sold through wholesalers and retailers and having the brand name(s) "Talon" shall be the proposed retail ceiling prices listed by Donahue Sales Corporation, 420 Lexington Avenue, New York 17, New York, hereinafter referred to as the "applicant" in its application dated May 10, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C. (and supplemented and amended by manufacturer's application dated May 16, 1951). A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than September 14, 1951, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. *Marking and tagging.* On and after October 15, 1951, Donahue Sales Corporation must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $--------

On and after November 13, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to November 13, 1951, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60-day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to resellers*—(a) *Notices to be given by applicant.* (1) After receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or

before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within 15 days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within 2 months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
----------	$----------

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in subparagraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within 2 months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective August 15, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

AUGUST 14, 1951.

[F. R. Doc. 51-9806; Filed, Aug. 14, 1951; 4:59 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 398]

LANDERS, FRARY & CLARK

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Landers, Frary & Clark, New Britain, Connecticut, has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant and intermediate distributors are required to send purchasers of the articles a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. *Ceiling prices.* The ceiling prices for sales at retail of electric blankets, food mixers, choppers, juicers, percolators, heating pads, table stoves, irons, toasters, blenders, combination sandwich grill and waffle makers; vacuum bottles, food jars, lunch kits, vacuum bottle fillers, vacuum pitchers, outing sets, motor luncheon sets, sportsman's sets, ice cube jars, leather carrying cases, jugs, cork packages, health scales, minute timers, corn mills sold through wholesalers and retailers and having the brand name(s) "Universal", "Landers", and "Stanley" shall be the proposed retail ceiling prices listed by Landers, Frary & Clark, New Britain, Connecticut, hereinafter referred to as the "applicant" in its application dated May 21, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C. A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than September 14, 1951, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. *Marking and tagging.* On and after October 15, 1951, Landers, Frary & Clark must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order or attach to the article a label, tag, or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $--------

On and after November 13, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to November 13, 1951, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply as to each such article with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60-day period, unless the article is so ticketed, the retailer must comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

3. *Notification to resellers*—(a) *Notices to be given by applicant.* (1) After

receipt of this special order, a copy of this special order and the notice described below shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within 15 days after the effective date of this special order, the applicant shall send a copy of this special order and the notice described below to each purchaser for resale to whom within 2 months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described below.

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1
.....	$.....

(5) Within 15 days after the effective date of this special order or any amendment thereto, two copies of the ceiling price notice above described must be filed by the applicant with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C.

(6) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order, amendment and notices to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notices to be given by purchasers for resale (other than retailers).* (1) A copy of this special order, together with the annexed notice of ceiling prices described in subparagraph (a) (4) of this section, shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within 15 days of receipt of this special order and the annexed notice, each purchaser for resale (other than retailers) shall send a copy of the order and notice to each of his purchasers to whom, within 2 months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner, annexing to the amendment an appropriate notice as described above.

4. *Reports.* Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the applicant shall file with the Distribution Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

5. *Other regulations affected.* The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it, regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

6. *Revocation.* This special order or any provisions thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

7. *Applicability.* The provisions of this special order are applicable in the United States and the District of Columbia.

Effective date. This special order shall become effective August 15, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

AUGUST 14, 1951.

[F. R. Doc. 51-9807; Filed, Aug. 14, 1951; 4:59 p. m.]

FEDERAL POWER COMMISSION

[Docket No. G-1581]

MISSISSIPPI RIVER FUEL CORP.

FINDINGS AND ORDER ISSUING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

AUGUST 14, 1951.

Findings and order issuing certificate of public convenience and necessity authorizing part of Waterloo Field gas storage facilities and providing for further hearings on remaining Waterloo storage facilities.

On January 5, 1951, Mississippi River Fuel Corporation (Applicant), a Delaware corporation with its principal office at 407 North 8th Street, St. Louis, Missouri, filed an application, and on June 27, 1951, filed a first amended application, for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the construction and operation of certain natural gas underground storage and related facilities, subject to the jurisdiction of the Commission, namely: not more than 25 injection and withdrawal wells; about 2 miles of 4-inch, 3.2 miles of 6-inch, 1.7 miles of 12-inch and 9.3 miles of 24-inch diameter pipeline; an 1800 hp compressor station; a 75,000 Mcf-per-day-capacity dehydration plant; 25 liquid separators; 2 regulating and metering stations; and other incidental facilities, as more fully described in the amended application filed on June 27, 1951, and the data contained in the application supplements filed on June 27 and July 26 and 31, 1951.

Temporary authorization was granted on January 12, 1951, to construct and operate a portion of the facilities covered by the application filed on January 5, 1951, for the purpose of testing the gas storage possibilities of the Waterloo Field in Monroe County, Illinois.

Pursuant to due notice, public hearings were held in Washington, D. C., on July 30, and August 1, 6 and 7, 1951, respecting the matters involved and the issues presented by the amended application as supplemented. No protest to this application has been received.

Applicant proposes, by means of the facilities covered by its amended application, to develop and operate underground natural gas storage facilities in the Waterloo oil field on the Waterloo Anticline in Monroe County, Illinois, approximately 6 miles south and slightly east of Applicant's Columbia measuring station, which is near Applicant's major market area in and near St. Louis, Missouri.

The Waterloo oil field, according to the record herein, was discovered in 1920 with production being from the Trenton (Kimmswick limestone) of Ordovician Age, at a depth of approximately 450 feet; some 60 to 75 wells have been drilled to the Trenton in the field, but at the present time there are no wells in production. By reason of the large number of abandoned wells in the area which were drilled to and formerly produced oil from the Trenton lime, Applicant, pursuant to the temporary authorization granted in this Docket under date of January 12, 1951, tested the St. Peter sandstone (a water bearing sandstone found, in one of the old oil wells drilled in the crestal area of the field, approximately 488 feet below the top of the Trenton limestone) and, after injecting approximately 54,000 Mcf of natural gas into the formation, found there was leakage from the St. Peter sandstone upwards into the Trenton lime and from the Trenton, through some of the old wells, to the surface. Having been unable to stop the leakage from the St. Peter sandstone to the Trenton lime (whether through certain old wells or through faults or fissures in the intervening beds), Applicant, pursuant to the said temporary authorization, has tested the storage possibilities of the apparently highly porous and permeable salt-water bearing Roubidoux and Gasconade dolomites of the lower Ordovician System in the Waterloo field area.

Accordingly to the data presented by Applicant, the Roubidoux dolomite, occurring at an approximate average depth of 1,475 feet, and the Gasconade dolomite, occurring at an approximate average depth of 1,525 feet, appear favorable for gas storage. As of June 17, 1951, Applicant had injected into these lower formations (Roubidoux and Gasconade) a total of approximately 46,553 Mcf of natural gas with no apparent leakage. Tests made to date by Applicant indicate that satisfactory withdrawals of gas can be obtained from these formations. Applicant has expressed the opinion that the existing leakage from the St. Peter sandstone does not warrant its abandonment as a storage reservoir but, because of the urgency of developing storage for meeting peak day requirements during the coming winter, it proposes to proceed immediately with the development of the project for utilization of the lower formations for the storage of gas.

In response to the request for additional data contained in the Commis-

sion's letter dated July 19, 1951, Applicant, in the application supplement filed on July 26, 1951, herein, has estimated the reservoir capacity, cushion gas requirements and gas annually available for market upon completion of the project, as follows:

Formation	Reservoir capacity	Cushion gas	Available for market
	Mcf	*Mcf*	*Mcf*
Roubidoux	1,476,000	148,000	1,328,000
Gasconade	11,808,000	1,181,000	10,627,000
Total	13,284,000	1,329,000	11,955,000

After the reservoir has been filled, Applicant has estimated that a daily deliverability of 50,000 Mcf can be obtained, through the proposed 25 wells, on intermittent occasions, but that continuous withdrawals for periods of time in excess of a few days would no doubt reduce the daily deliverability of the edge wells and possibly all of the withdrawal wells. There is evidence indicating, however, that if the storage reservoir capacity developed approximates the currently estimated potential of about 13.2 billion cubic feet, the daily storage deliverability through the proposed 25 wells will be not less than 100,000 Mcf per day.

According to the record Applicant proposes to construct by December 1951 all of the proposed facilities with the exception of the proposed 24-inch diameter pipeline and the dehydration plant; the latter mentioned line and plant apparently will be constructed sometime during 1952 if the storage project develops satisfactorily to something near the maximum potential storage and delivery capacity now estimated for it. By means of the drilling of the additional wells proposed (18, in addition to the 7 covered by the temporary authorization) and the construction of the proposed compressor station and the pipelines other than the 24-inch diameter line, Applicant estimates that it will be able to store in the Roubidoux and Gasconade formations by December 1951 approximately 1.2 billion cubic feet of gas and that during the forthcoming 1951–52 heating season it will be possible to withdraw from storage an average of approximately 12,500 Mcf per day on approximately 10 intermittent occasions or days.

The estimated cost of the proposed facilities is $2,953,125, which Applicant proposes to finance by means of cash on hand or short-term bank loans. There is evidence indicating that the cost of the project may be less than the estimate. Applicant estimated that total annual charges for the project, including return at 6 percent will approximate $515,568.75, and that, upon the assumption of 2 billion cubic feet of gas in storage and annual sales of approximately 500,000 Mcf therefrom, revenues would approximate $737,000 per annum. Should the Waterloo storage project actually develop capabilities near the maximum potentials currently estimated by Applicant for it, it would appear that much greater revenues can reasonably be anticipated than reflected by Applicant's estimates presented herein. Applicant's stated policy, according to the record herein, is to develop as quickly as possible the proposed Waterloo underground gas storage project to the maximum extent possible within the limits of the physical capacity of the said Waterloo field and to utilize fully such storage facilities for serving its customers and markets.

According to the data and evidence presented by Applicant, it does not presently know whether or not it will be necessary to dehydrate the gas as it is withdrawn from storage. There is an indication in the record that there likely will be no necessity for such dehydration. Applicant states that it plans to defer installation of the dehydration plant until experience gained from withdrawals during 1951–52 heating season indicates that it is or is not required. Applicant estimates the cost of the proposed dehydration plant at approximately $105,000. A somewhat similar situation is presented by the record with reference to the proposed 9.3 miles of 24-inch diameter pipeline, with an estimated cost of approximately $830,000. This 24-inch line, according to the record, is not proposed to be constructed until the summer of 1952 or until such time as Applicant has obtained such experience in the development of the storage project as will indicate clearly that it has actual capabilities near the maximum potentials currently estimated for it, namely, a storage capacity of approximately 13.2 billion cubic feet of gas and daily deliverability of about 100,000 Mcf.

The evidence as presented by Applicant shows that, if the proposed Waterloo field area is capable of storing the approximately 13 billion cubic feet of gas currently estimated therefor as the maximum potential, Applicant will have available from its existing pipeline system during summer months a supply of gas reasonably adequate for filling the storage field at such capacity, beginning in the summer season of 1952. The data presented also shows, by reference to the market data and estimates presented previously in Docket No. G–1281, that there is a market demand and public need for the maximum volumes of gas as are now estimated may be made available by means of the proposed Waterloo storage project.

Convincing evidence has not been presented by Applicant that it would be in the public interest to grant at this time authorization of the proposed 9.3 miles of 24-inch diameter pipeline and of the proposed dehydration plant. It does not appear that the public interest will be adversely affected by postponing a decision on such facilities until more complete data can be obtained by Applicant by its drilling additional wells in the Waterloo field and constructing the facilities hereinafter authorized. The evidence does show that it would be in the public interest to authorize the facilities covered by the amended application herein with the exception of the said 24-inch pipeline and dehydration plant. In the circumstances it appears reasonable to require, among the conditions attached to the certificate hereinafter issued, that Applicant furnish periodic reports of progress and of data developed pertaining to the Waterloo storage project.

Notice is taken of the Commission's findings, orders and authorizations heretofore issued in proceedings involving Applicant. Upon consideration of the foregoing and the record here, the Commission further finds:

(1) Applicant, a Delaware corporation with its principal place of business at St. Louis, Missouri, is engaged in the transportation of natural gas in interstate commerce and the sale in interstate commerce of natural gas for resale for ultimate public consumption, and is a "natural-gas company" within the meaning of the Natural Gas Act, as heretofore found by the Commission in its order of March 1, 1944, In the Matter of Mississippi River Fuel Corporation, Docket No. G–291 (4 FPC 535).

(2) The G–1581 facilities hereinbefore described are proposed to be used in the transportation and sale of natural gas in interstate commerce, subject to the jurisdiction of the Commission, as integral parts of Applicant's existing natural gas pipeline system, and the construction and operation thereof by Applicant are subject to the requirements of subsections (c) and (e) of section 7 of the Natural Gas Act, as amended.

(3) Applicant is able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of the Natural Gas Act, as amended, and the requirements, rules and regulations of the Commission thereunder.

(4) Applicant having requested the omission of the intermediate decision procedure and all the requirements and provisions of § 1.32 (b) of the Commission's rules of practice and procedure (18 CFR 1.32 (b)) having been satisfied, sufficient cause exists for the Commission forthwith to render its final decision in the instant proceeding.

(5) The G–1581 facilities as designed and proposed to be constructed and operated, except for the aforesaid 9.3 miles of 24-inch diameter pipeline and the 75,000 Mcf-per-day-capacity dehydration plant, with respect to which further hearings are hereinafter provided, are reasonably adequate and required for undertaking the proposed Waterloo field natural gas underground storage project.

(6) Construction and operation of the proposed G–1581 facilities, with the exception of the aforesaid 24-inch pipeline and the dehydration plant, and the transportation and sale of natural gas thereby, are required by the public convenience and necessity and a certificate therefor should be issued as hereinafter ordered and conditioned.

The Commission orders:

(A) A certificate of public convenience and necessity be and the same is hereby issued authorizing Applicant, Mississippi River Fuel Corporation, to construct and operate the G–1581 facilities, exclusive of the proposed 9.3 miles of 24-inch diameter pipe line and the proposed dehydration plant, all as more fully described in the amended application and other pleadings in this proceeding and exhibits appended thereto, for the transportation

and sale of natural gas as therein set forth, subject to the jurisdiction of the Commission, upon the terms and conditions of this order.

(B) Unless otherwise ordered by the Commission for good cause shown, the construction of the facilities herein authorized shall be commenced as promptly as possible and such construction shall be completed not later than January 1, 1952.

(C) Applicant shall report to the Commission in writing, under oath, the commencement date of the construction of the facilities herein authorized, thereafter shall submit monthly reports of construction progress until the facilities authorized are completed, and shall report the completion date of the construction of the facilities, together with the date of commencement of operations. Such progress reports shall include, among other things, data pertaining to storage well completions, volumes of gas put into storage by means of the completed wells, volumes of gas withdrawn from storage, together with data as to pressures, temperatures, and other matters pertinent to giving a complete report of progress with respect to the Waterloo field storage project and its ultimate capabilities as to storage and deliverability therefrom.

(D) Applicant shall submit further to the Commission in writing, under oath, on or about May 1, 1952, a full report of the construction and operations by Applicant of the Waterloo field storage project for the 1951–52 winter heating season, including in such report all pertinent engineering and operating data showing the results of Applicant's operations of this storage project and indicating its future potentialities for gas storage operations.

(E) Further hearings in the above-entitled proceeding be held commencing on June 2, 1952 at 10:00 o'clock a. m. e. d. s. t. in the Commission's Hearing Room, 1800 Pennsylvania Avenue NW., Washington, D. C., for the specific purpose of receiving evidence: (i) Showing the necessity for the construction of the proposed 9.3 miles of 24-inch diameter pipeline and the dehydration plant covered by the amended application herein; and (ii) pertaining to any matters pertinent to the issues presented in this proceeding.

(F) If prior to the hearing date fixed by paragraph (E) hereof, Applicant desires to go forward with the presentation of further evidence upon the pertinent issues, Applicant shall file with the Commission a written statement to such effect setting forth therein, among other things, the following: (i) Date that Applicant desires to have fixed for the commencement of the further hearings hereinbefore ordered; (ii) concise statement of the substance of the additional evidence which Applicant proposes to present at further hearings; and if the additional evidence consists of evidence in documentary or written form, or reference to documents or records, there shall be included copies of such documents, records or writings proposed to be offered. Upon the filing by Applicant of such notice and offer of proof, the date and place of further hearings will be fixed by the Commission.

(G) This certificate is not transferable and shall be effective only so long as Applicant continues the operations hereby authorized in accordance with the provisions of the Natural Gas Act, as amended, this order, and any pertinent rules, regulations, or orders heretofore or hereafter issued by the Commission.

Date of issuance: August 15, 1951.

By the Commission.

[SEAL] J. H. GUTRIDE, *Acting Secretary.*

[F. R. Doc. 51-9920; Filed, Aug. 20, 1951; 8:45 a. m.]

[Docket No. G-1764]

TENNESSEE GAS TRANSMISSION CO.

ORDER SUSPENDING PROPOSED RATE SCHEDULES AND CONSOLIDATING PROCEEDINGS

On July 24, 1951, Tennessee Gas Transmission Company (TGT), filed with the Commission FPC Gas Tariff, First Revised Volume No. 1, Rate Schedules CD-4, CD-5, G-4, G-5, S-5, R-4, T-3 and T-4, to take effect as of August 24, 1951, superseding TGT's FPC Gas Tariff, Original Volume No. 1, Rate Schedules CD-4, CD-5, G-4, G-5, S-5, R-4, T-1 and T-4, respectively.[1]

According to information furnished by TGT the rates and charges in TGT's proposed revised rate schedules would increase TGT's revenues for the 12 months ending July 31, 1952 by $4,418,472.

The Commission finds:

(1) TGT's FPC Gas Tariff, First Revised Volume No. 1, Rate Schedules CD-4, CD-5, G-4, G-5, S-5, R-4, T-3 and T-4, proposed to take effect as of August 24, 1951, may be unjust, unreasonable, unduly discriminatory or preferential, and may place an undue burden upon ultimate consumers of natural gas, so that the Commission should enter upon a hearing, pursuant to section 4 of the Natural Gas Act, concerning the lawfulness of the rates, charges, and classifications, including rules, regulations and contracts relating thereto, and that said rate schedules should be suspended pending hearing and decision thereon.

(2) Good cause exists to consolidate the proceedings herein with the proceedings at Docket No. G-1741, involving the suspension and investigation of certain of TGT's rate schedules as therein set forth.

The Commission orders:

(A) TGT's FPC Gas Tariff, First Revised Volume No. 1, Rate Schedule CD-4, CD-5, G-4, G-5, S-5, R-4, T-3 and T-4, proposed to take effect as of August 24, 1951, be and the same are hereby suspended, pursuant to section 4 of the Natural Gas Act, and pending a hearing and decision thereon, their use is deferred until January 24, 1952, and until such further time as such rate schedules may be made effective in the manner prescribed by the Natural Gas Act.

(B) The proceedings herein be and the same are hereby consolidated with the proceedings at Docket No. G-1741.

(C) Pursuant to the authority contained in sections 4 and 15 of the Natural Gas Act, a public hearing be held on such consolidated proceedings upon a date to be fixed by further order of the Commission.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

Date of issuance: August 14, 1951.

By the Commission.

[SEAL] J. H. GUTRIDE, *Acting Secretary.*

[F. R. Doc. 51-9921; Filed, Aug. 20, 1951; 8:45 a. m.]

[1] These latter rate schedules were filed on July 24, 1951, to be effective as of August 15, 1951, and by order issued concurrently herewith are allowed to take effect as therein prescribed.

[Docket Nos. ID-413, ID-958, ID-976, ID-1131]

CARL S. HERRMANN ET AL.

NOTICE OF ORDERS AUTHORIZING APPLICANTS TO HOLD CERTAIN POSITIONS

AUGUST 15, 1951.

In the matters of Carl S. Herrmann, Docket No. I-D413; Arthur E. LaCroix, Docket No. ID-958; Irwin L. Moore, Docket No. ID-976; Edgar H. Dixon, Docket No. ID-1131.

Notice is hereby given that, on August 15, 1951, the Federal Power Commission issued its orders entered August 14, 1951, in the above-entitled matters, authorizing applicants to hold certain positions pursuant to section 305 (b) of the Federal Power Act.

[SEAL] J. H. GUTRIDE, *Acting Secretary.*

[F. R. Doc. 51-9922; Filed, Aug. 20, 1951; 8:45 a. m.]

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

COMMODITY ASSIGNMENTS TO BRANCHES

MISCELLANEOUS CHANGES

In order to reflect the current status of the respective responsibilities of PMA Branches for designated agricultural and food commodities for program and inspection purposes, the following changes are hereby made in the indicated listings of agricultural and food commodity assignments as published in the March 2, 1951, daily issue of the FEDERAL REGISTER (16 F. R. 2007):

1. Delete the branch symbol "FV" in the listing of the commodity "citric acid" appearing under the center heading, "Alphabetical Listing of Agricultural and Food Commodities Assigned to Branches

for Program Purposes," and insert, in lieu thereof, the branch symbol "SU." [1]

2. Delete the branch symbol "DA" in the listing of the commodities shown below, which appear under the center heading, "Alphabetical Listing of Agricultural and Food Commodities Assigned to Branches for Inspection Purposes," and insert, in lieu thereof, the branch symbol "PY." [2]

Eggs (frozen, shell, dried).
Poultry, live and dressed, including chickens, turkeys, ducks, geese, guineas, squabs (fresh and frozen).
Poultry, eviscerated, including chickens, turkeys, ducks, geese, guineas, squabs and domestic rabbits (fresh, frozen, canned).
Rabbits, dressed, domestic.

Issued at Washington, D. C., this 16th day of August 1951.

[SEAL] HAROLD K. HILL,
Acting Administrator, Production and Marketing Administration.

[F. R. Doc. 51-9965; Filed, Aug. 20, 1951; 8:55 a. m.]

GENERAL SERVICES ADMINISTRATION

SECRETARY OF DEFENSE

DELEGATION OF AUTHORITY WITH RESPECT TO CONTRACTS FOR PROCUREMENT OF PUBLIC UTILITY SERVICES (POWER, GAS, WATER) FOR PERIODS NOT EXCEEDING TEN YEARS

1. Pursuant to authority vested in me by the provisions of the Federal Property and Administrative Services Act of 1949, as amended (Pub. Laws 152 and 754, 81st Congress), authority is hereby delegated to the Secretary of Defense to enter into contracts for public utility services for periods extending beyond a current fiscal year but not exceeding ten years, under one or more of the following circumstances:

a. Where there are obtained lower rates, larger discounts or more favorable conditions of service than those available under contracts the firm term of which would not extend beyond a current fiscal year.

b. Where connection or special facility charges payable under contracts the firm term of which would not extend beyond a current fiscal year are eliminated or reduced.

c. The utility refuses to render the desired service except under a contract the firm term of which extends beyond a current fiscal year.

2. Copies of, and other pertinent data and information with respect to such contracts executed by the Department of Defense for such utility services under the authority of this delegation will be furnished to the General Services Administration unless distribution thereof is inadvisable for reasons of security.

3. This authority shall be exercised strictly in accordance with the applicable provisions of the "Statement of areas of understanding between the Department of Defense and General Services Administration" entitled "Procurement of Utility Services" (Power, Gas, Water) (15 F. R. 8227).

4. The authority herein delegated may be redelegated to any officer, official or employee within the Department of Defense.

5. This delegation of authority shall be effective as of the date hereof.

Date: August 14, 1951.

RUSSELL FORBES,
Acting Administrator.

[F. R. Doc. 51-9929; Filed, Aug. 20, 1951; 8:48 a. m.]

[1] This change reflects transfer of responsibility from the Fruit and Vegetable Branch to the Sugar Branch. As set forth in the statement following the "Alphabetical Listing of Agricultural and Food Commodities Assigned to Branches for Program Purposes" (16 F. R. 2008), it is understood with respect to commodity assignments for "program purposes" that each such assignment is subject to existing agreements, or agreements which may hereafter be negotiated affecting the division of responsibility for certain commodities as between major departments or agencies of the Government.

[2] This change reflects transfer of responsibility from the Dairy Branch to the Poultry Branch.

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-2674]

GENERAL PUBLIC UTILITIES CORP.

ORDER AUTHORIZING CAPITAL CONTRIBUTION BY HOLDING COMPANY TO SUBSIDIARY

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 14th day of August A. D. 1951.

General Public Utilities Corporation ("GPU"), a registered holding company, having filed a declaration pursuant to section 12 (b) of the Public Utility Holding Company Act of 1935 ("the act") and Rules U-23 and U-45 thereunder with respect to the following transaction:

GPU proposes to make a $300,000 cash capital contribution to its subsidiary, Northern Pennsylvania Power Company ("North Penn"), which contribution will be credited by North Penn to the stated capital applicable to its Common Stock. GPU will, by this cash contribution, assist North Penn with its construction program which is designed to insure that North Penn will continue to be in a position to meet the demands of its consuming public.

Declarant alleges that no State commission has jurisdiction over the proposed transaction.

Such declaration having been duly filed, and notice of its filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for hearing with respect thereto within the period specified in said notice or otherwise, and not having ordered a hearing thereon; and

The Commission finding with respect to said declaration that the applicable provisions of the act and rules thereunder are satisfied and that no adverse findings are necessary, and deeming it appropriate in the public interest and in the interests of investors and consumers that said declaration be permitted to become effective:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act, and subject to the terms and provisions prescribed in Rule U-24, that said declaration be, and the same hereby is, permitted to become effective forthwith.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 51-9924; Filed, Aug. 20, 1951; 8:46 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 26332]

MALT LIQUORS FROM BELLEVILLE, ILL., AND ST. LOUIS, MO. TO MEMPHIS, TENN.

APPLICATION FOR RELIEF

AUGUST 16, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for Missouri Pacific Railroad Company and other carriers, pursuant to fourth-section order No. 16101.

Commodities involved: Malt liquors, viz: ale, beer, beer tonic, porter or stout, carloads.

From: Belleville, Ill., and St. Louis, Mo.

To: Memphis, Tenn.

Grounds for relief: Circuitous route and competition with rail carriers.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-9932; Filed, Aug. 20, 1951; 8:50 a. m.]

[4th Sec. Application 26333]

MOTOR-RAIL-MOTOR RATES FOR CHICAGO GREAT WESTERN RAILWAY

APPLICATION FOR RELIEF

AUGUST 16, 1951.

The Commission is in receipt of the above-entitled and numbered applica-

tion for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: Middlewest Motor Freight Bureau, Agent, for the Chicago Great Western Railway Company and Merchants Motor Freight, Inc.

Commodities involved: All commodities.

Between: St. Paul, Minn., on the one hand, and Council Bluffs and Des Moines, Iowa, and Kansas City, Mo., on the other.

Grounds for relief: Competition with motor carriers.

Schedules filed containing proposed rates: Middlewest Motor Freight Bureau, Agent, tariff I. C. C. No. 39, Supp. 2.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-9933; Filed, Aug. 20, 1951; 8:50 a. m.]

VETERANS' ADMINISTRATION

DELEGATIONS OF AUTHORITY

MISCELLANEOUS AMENDMENTS

1. The centerhead "Delegation of Authority to Employees To Issue Subpenas" appearing on page 5855 of the issue for Saturday, September 24, 1949, is amended to read as follows: "Delegations of Authority."

2. In the Delegations of Authority, a new section 1.2 is added and former sections 1.2, 1.3, and 1.4 redesignated 1.3, 1.4, and 1.5, respectively.

SEC. 1.2 *Delegation of authority to employees to take affidavits, to administer oaths, etc.* (a) An employee to whom authority is delegated by the Administrator in accordance with Title III, Pub. Law 844, 74th Congress, June 29, 1936, section 616, Pub. Law 801, 76th Congress, and section 1200, Pub. Law 346, 78th Congress, is by virtue of such delegated authority empowered to take affidavits, to administer oaths and affirmations, to aid claimants in the preparation and presentation of claims, and to make investigations, examine witnesses, and certify to the correctness of papers and documents upon any matter within the jurisdiction of the Veterans' Administration. Such employee is not authorized to administer oaths in connection with the execution of affidavits relative to fiscal vouchers and is not authorized to take acknowledgments to policy loan agreements and applications for cash surrender value of United States Government Life Insurance and National Service Life Insurance.

(b) Any such oath, affirmation, affidavit, or examination, when certified under the hand of any such employee by whom it was administered or taken and authenticated by the seal of the Veterans' Administration, as provided by Veterans' Administration procedure, may be offered or used in any court of the United States and, without further proof of the identity or authority of such employee, shall have like force and effect as if administered or taken before a clerk of such court.

(c) The delegated authority from the Administrator to employees to take affidavits, to administer oaths, etc., will be evidenced by VA Form 4505 series.

[SEAL] O. W. CLARK,
Deputy Administrator.

[F. R. Doc. 51-9928; Filed, Aug. 20, 1951; 8:47 a. m.]