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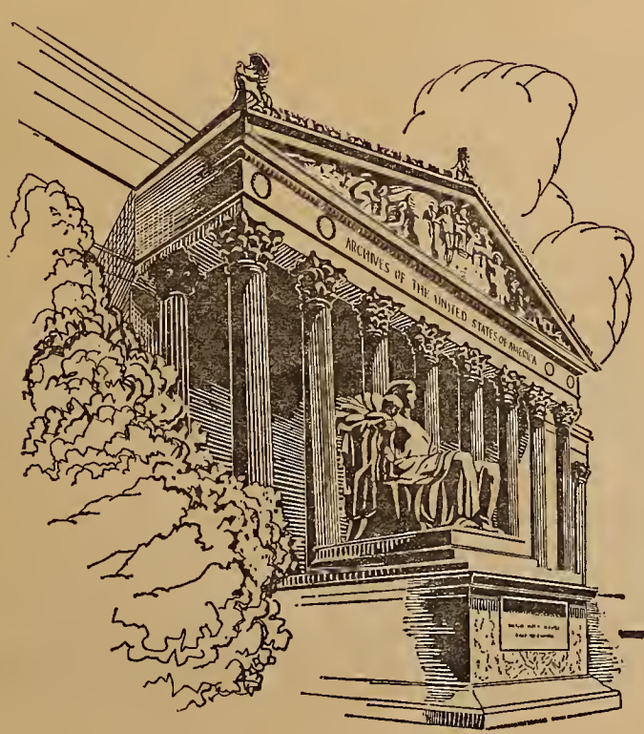

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PART 213—EXCEPTED SERVICE

Treasury Department

Section 213.3105 is amended to reflect the transfer of Bureau of Narcotics functions to the Department of Justice. Effective publication in the FEDERAL REGISTER, paragraph (a) of § 213.3105 is revoked.

(5 U.S.C. 3301, 3302, E.O. 10577, 19 F.R. 7521, 3 CFR 1954–1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 68–12760; Filed, Oct. 18, 1968; 8:49 a.m.]

PART 213—EXCEPTED SERVICE

Department of Justice

Section 213.3110 is amended to show that the Schedule A exception covering certain special agent positions in the former Bureau of Narcotics, Treasury Department, is now available to the Bureau of Narcotics and Dangerous Drugs, and that the number of positions covered by the exception is increased from 50 to 104. Effective on publication in the FEDERAL REGISTER, paragraph (c) is added to § 213.3110 as set out below.

§ 213.3110 Department of Justice.

* * * * *

(c) *Bureau of Narcotics and Dangerous Drugs.* (1) 104 special agent positions for undercover work.

(5 U.S.C. 3301, 3302, E.O. 10577, 19 F.R. 7521, 3 CFR 1954–1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 68–12759; Filed, Oct. 18, 1968; 8:49 a.m.]

PART 213—EXCEPTED SERVICE

Department of the Interior

Section 213.3112 is amended to show that the position of Government Comptroller for the Virgin Islands is no longer in Schedule A. Effective on publication in the FEDERAL REGISTER, subparagraph (3) of paragraph (e) of § 213.3112 is revoked.

(5 U.S.C. 3301, 3302, E.O. 10577, 19 F.R. 7521, 3 CFR 1954–1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 68–12758; Filed, Oct. 18, 1968; 8:49 a.m.]

PART 550—PAY ADMINISTRATION (GENERAL)

Authorization of Hazard Pay Differential; Correction

In F.R. Doc. 68–12332 appearing at page 15199 in the issue of Friday, October 11, 1968, insert the following sentence at the end of the introductory paragraph: "The revised section, which is effective December 10, 1968, reads as follows:".

(5 U.S.C. 5545(d), 5548(b))

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 68–12761; Filed, Oct. 18, 1968; 8:49 a.m.]

Title 7—AGRICULTURE

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

PART 724—BURLEY, FLUE-CURED, FIRE-CURED, DARK AIR-CURED, VIRGINIA SUN-CURED, CIGAR-BINDER (TYPES 51 AND 52), CIGAR-FILLER AND BINDER (TYPES 42, 43, 44, 53, 54, AND 55), AND MARYLAND TOBACCO

Subpart—Tobacco Allotment and Marketing Quota Regulations, 1968–69 and Subsequent Marketing Years

On pages 9178 through 9198 of the FEDERAL REGISTER of June 21, 1968, and on page 14414 of the FEDERAL REGISTER of September 25, 1968, there were published notices of proposed rule making to issue regulations relating to farm acreage allotments, and farm marketing quotas, the issuance of marketing cards, the identification of marketings of tobacco, the collection and refund of penalties, and the records and reports for burley, Fire-cured, dark air-cured, Virginia sun-cured, cigar-binder (types 51 and 52), cigar-filler and binder (types 42, 43, 44, 53, 54, and 55), and Maryland tobacco for the 1968–69 and subsequent marketing years. Interested persons were given 10 days after publication of such notices in which to submit written data, views, and recommendations with respect to the proposed regulations. No data, views, or recommendations were submitted pursuant to said notices. The proposed regulations are adopted with the following changes:

1. Basis and purpose paragraph has been added as § 724.50.
2. Authority clause has been added.
3. Spelling errors in the text of the notices have been corrected.
4. A change has been made in § 724.51 (j) in the percentage of floor sweepings authorized for burley tobacco and Maryland tobacco.
5. The parenthetical statement appearing in § 724.51(q) relating to permanent allotment transfers by sale or by owner of Fire-cured, dark air-cured and Virginia sun-cured has been moved to the end of the definition.
6. The definition of suspended burley tobacco sales in § 724.51(y)(2) has been amended to also list Form MQ–72–1, Report of Tobacco Auction Sale.
7. In § 724.55(b)(3) the date has been changed from October 1 to September 1 by which time a farm operator, for history acreage purposes, may request an adjustment in his planted tobacco acreage because of abnormal weather or disease.
8. In § 724.63(b)(2) a provision has been included to clarify that a new farm allotment shall not be approved for a farm operator who at the time of county committee review and approval of new farm allotments for the county, owns an old farm with a tobacco allotment.
9. In § 724.63(b)(6)(ii) a provision is included to permit approval of a new farm allotment for a low income farm operator without his expecting to earn 50 percent of his income from the farm for which the new farm allotment is approved.
10. In § 724.63(b)(12) a provision is included to deny a new farm tobacco allotment to an operator who received a new farm allotment within the last 3 years.
11. In § 724.70(k), a provision has been included (pursuant to Public Law 90–387 approved July 5, 1968) which makes inapplicable the consent of a lien holder to a transfer by annual lease of a Fire-cured, dark air-cured or Virginia sun-cured tobacco allotment.
12. In the introductory paragraph in § 724.81 provision is made for issuing a burley tobacco marketing card only to

the farm operator in lieu of a prior provision which permitted a card to be issued to a producer who cash rented all the tobacco acreage on part of a farm.

13. A new paragraph (e) is added in § 724.81 to provide for entering data on a producer's marketing card if interim advance loans are made available by the Commodity Credit Corporation to a producer.

14. In § 724.87(e) a provision is included to provide that suspended burley tobacco sales are subject to penalty within 1 week after date of sale or on the date of the closing of the warehouse for the season, whichever comes first.

15. In § 724.89 a new paragraph (c) has been added to include the average marketing price determined by the Crop Reporting Board for the 1967–68 marketings of tobacco and the rates of penalty applicable during the 1968–69 marketing year.

16. Section 724.91(a)(2) has been changed to provide that any tobacco to be sold or offered for sale at auction (producer tobacco or resale tobacco) which is not identified by the appropriate card at time of weigh-in (MQ–76 or MQ–79–2) shall be considered excess tobacco.

17. In § 724.91 a new paragraph (j) is added to provide for, including a warehouseman's and a dealer's carryover tobacco on hand at the end of the season as a resale in determining whether penalty is due.

18. In §§ 724.96(g)(13) and 724.97(g)(13) a new paragraph has been added to provide that a warehouseman shall report on his final MQ–80 for the season the quantity of tobacco on hand and its location, and permit its inspection and weighing by a representative of ASCS.

19. In § 724.97(b) a provision is included which will require a producer's marketing card found at a warehouse to be picked up by a representative of ASCS, if the producer to whom it was issued has no tobacco there for sale or to be settled for.

20. In § 724.99(d)(4) a new provision has added to provide that a dealer shall report on his final MQ–79 for the season the quantity of tobacco on hand and its location, and permit its inspection and weighing by a representative of ASCS.

21. In § 724.99 a new paragraph (f) has been added to provide that a dealer shall make a final report on MQ–79 for the season not later than April 1.

22. A provision is included in § 724.100 which requires a report of tobacco purchased from exempted dealers upon request of the Director or the State committee.

Since the marketing of the 1968 crops of the kinds of tobacco to which the regulations herein relate will begin about November 1, 1968, it is essential that they be made effective at the earliest possible date. Accordingly, this document is being made effective upon the date of its publication in the FEDERAL REGISTER.

Signed at Washington, D.C., October 16, 1968.

H. D. GODFREY,
Administrator, Agricultural Stabilization and Conservation Service.

The regulations are as follows:

GENERAL

ACREAGE ALLOTMENTS, HISTORY ACREAGE AND NORMAL YIELDS FOR OLD FARMS

ACREAGE ALLOTMENT AND NORMAL YIELDS FOR NEW FARMS

MISCELLANEOUS

MARKETING OR OTHER DISPOSITION OF TOBACCO AND PENALTIES

AUTHORITY: The provisions of this subpart issued under 301, 313, 314, 316, 318, 363, 372–375, 377, 378, 52 Stat. 38, as amended, 47 as amended, 48, as amended, 75 Stat. 469, as amended, 80 Stat. 120, as amended, 52 Stat. 63, as amended, 65, as amended, 66, as amended, 70 Stat. 206, as amended, 72 Stat. 995, as amended; 7 U.S.C. 1301, 1313, 1314, 1314b, 1314d, 1363, 1372–1375, 1377, 1378.

GENERAL

§ 724.50 Basis and purpose.

The regulations contained in §§ 724.50 through 724.110 are issued pursuant to and in accordance with the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1281 et seq.) and are applicable to burley, Fire-cured, dark, air-cured, Virginia sun-cured, cigar-binder (types 51 and 52), cigarfiller and binder (types 42, 43, 44, 53, 54, and 55), and Maryland tobacco for the 1968–69 and subsequent

marketing years. They govern the establishment of farm acreage allotments and marketing quotas, the issuance of marketing cards, the identification of marketings of tobacco, the collection and refund of penalties, and the keeping of records and making of reports incident thereto, except that regulations in Part 724 of this chapter in effect prior to the issuance of the regulations herein shall apply to the establishment of farm acreage allotments and marketing quotas for the 1968 crops of the kinds of tobacco covered in this subpart. The applicability of the regulations for any marketing year subsequent to 1968–69 is contingent upon the proclamation of a national marketing quota for such year pursuant to section 312(a) of the Act.

§ 724.51 Definitions.

As used in this subpart and in all instructions, forms and documents in connection therewith, the words and phrases defined in this section shall have the meanings herein assigned to them unless the context or subject matter otherwise requires. References contained herein to other parts of this chapter or title shall be construed as references to such parts and any amendments now in effect or later issued.

(a) The definitions in Parts 718 and 719 of this chapter are hereby incorporated in these regulations unless the context or subject matter or the provisions of these regulations otherwise require.

(b) *Act.* The Agricultural Adjustment Act of 1938, as amended.

(c) *Base period.* The 5 calendar years immediately preceding the year for which farm acreage allotments are currently being established.

(d) *Buyer's corrections account.* The warehouse account of tobacco purchased at auction by the buyer but not delivered to the buyer, or any tobacco returned by the buyer because of rejection by the buyer, lost ticket, or any other valid reason, which is turned back to the warehousemen and supported by an adjustment invoice from the buyer. This account shall include the pounds deducted resulting from returned baskets, short baskets, and short weights, and pounds added resulting from long baskets and long weights, which buyers debit or credit to the warehouseman and support with adjustment invoices.

(e) *Carryover tobacco.* Tobacco produced prior to the current calendar year which has not been marketed or otherwise disposed of prior to the beginning of the marketing year for the current crop.

(f) *Current year.* The calendar year for which acreage allotments are being established, or tobacco history acreage or normal yields are being determined, or the farm is being considered under the provisions of the marketing quota program.

(g) *Dealer or buyer.* A person who engages to any extent in the business of acquiring or selling tobacco in the form normally marketed by producers.

(h) *Director.* The Director, or Acting Director, Farmer Programs Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture.

(i) *Excess tobacco.* For a farm for the current year that quantity of tobacco which is equal to the average yield per acre of the entire acreage of tobacco harvested on the farm times the number of acres harvested in excess of the farm acreage allotment, plus any carryover excess tobacco.

(j) *Floor sweepings.* Scraps of tobacco or leaves other than bundles of tobacco, which accumulate on the warehouse floor in the regular course of business which is sold in the untied form in which acquired and sales and resales of such tobacco: *Provided,* That floor sweepings exceeding the pounds determined by multiplying the total first sales of tobacco at auction for the season for the warehouse shall be deemed to be leaf account tobacco:

Kind of tobacco	*Percentage*
Burley and Maryland	0.24 (0.24 hundredths of 1 percent).
Fire-cured, air-cured, and Virginia sun-cured.	0.02 (two-hundredths of 1 percent).

(k) *Hogshead warehouseman.* A person who engages in the business of receiving and storing Maryland tobacco for producers and who assists producers in the sale of such tobacco.

(l) *Leaf account tobacco.* All tobacco purchased or otherwise acquired by or for the account of a warehouse and shall include, but not be limited to, tobacco from buyers corrections account, and sales and resales of such tobacco, scrap tobacco obtained through grading tobacco for farmers or furnishing farmers curing or stripping space, floor sweepings purchased from another warehouseman or dealer, and floor sweepings deemed to be leaf account tobacco under paragraph (j) of this section.

(m) *Market.* The disposition of tobacco in raw or processed form by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos. "Marketing" and "Marketed" shall have corresponding meanings to the term "market."

(n) *Marketing quota for a farm.* The actual production of tobacco on the farm acreage allotment, which shall be the average yield per acre of the entire acreage of tobacco harvested on the farm times the farm acreage allotment.

(o) *Marketing year.* The period beginning October 1 of the year in which the tobacco is produced and ending September 30 of the following year.

(p) *Marketing recorder or field assistant.* Any employee of the U.S. Department of Agriculture, or any employee of an Agricultural Stabilization and Conservation Service (ASCS) county office, whose duties involve the preparation and handling of records and reports pertaining to the identification of marketings of tobacco.

(q) *New farm.* A farm for which a tobacco allotment is established in the current year, and for which there is no tobacco history acreage in the base period (except an allotment established as a result of a transfer by sale or by owner for fire-cured, dark air-cured or Virginia sun-cured under § 724.70). If, in accordance with applicable law and regulations, no tobacco acreage allotment was determined for the farm for any year of the base period, any production of tobacco on such farm during the base period shall not be considered in determining whether the farm is a new farm. The term "tobacco history acreage" as used in this paragraph is defined in § 724.55.

(r) *Nonauction sale.* Any first marketing of tobacco other than by a sale at auction.

(s) *Old farm.* A farm on which there is tobacco history acreage in 1 or more years of the base period.

(t) *Pound.* The amount of tobacco which, if weighed in its unstemmed form and in the condition in which it is usually marketed by a producer, would equal one pound standard weight.

(u) *Resale.* The disposition by sale, barter, exchange, or gift inter vivos, of tobacco which has been marketed previously.

(v) (1) *Sale.* The first marketing of cigar-filler and a cigar-binder farm tobacco on which the gross amount of the sale price therefor has been or could be readily determined.

(2) *Sale date.* The date on which the gross amount of the sales price of a first marketing of tobacco is determined, except that for 1968–69 or subsequent year for which marketing quotas are in effect for within quota Maryland tobacco at the Baltimore Hogshead Market the term means the date on which such tobacco is received by a warehouse at such market, weighed, recorded in the official records, and graded by Maryland State inspectors.

(w) *Sale day.* The period at the end of which the warehouseman bills to buyers the tobacco purchased by them during such period.

(x) *Scrap tobacco.* The residue which accumulates in the course of preparing tobacco for market, consisting chiefly of portions of tobacco leaves and leaves of poor quality.

(y) (1) *Suspended sale, except burley tobacco.* Any first marketing of tobacco at a warehouse sale for which the sale is not identified by the end of the sale day by the marketing card (including sale memo, where applicable) issued for the farm where the tobacco was produced.

(2) *Suspended burley tobacco sale.* Any marketing of tobacco at auction for which the sale is not identified by a producer's marketing card or a dealer's identification card and Form MQ–72–1, Report of Tobacco Auction Sale, by the end of the sale day on which such marketing occurred.

(z) *Tobacco.* Each one or all, as indicated by the context, of the kinds of tobacco listed in this paragraph, comprising the types specified, as classified in Service and Regulatory Announcement No. 118 (Part 30 of this title) of the former Bureau of Agricultural Economics of the United States Department of Agriculture.

(1) Burley tobacco, type 31;
(2) Fire-cured tobacco, type 21;
(3) Fire-cured tobacco, types 22, 23, and 24;
(4) Dark air-cured tobacco, types 35 and 36;
(5) Virginia sun-cured tobacco, type 37;
(6) Maryland tobacco, type 32;
(7) Cigar-binder tobacco, types 51 and 52;
(8) Cigar-filler and binder tobacco, types 42, 43, 44, 53, 54, and 55.

As used herein "cigar tobacco" means the latter two kinds (subparagraphs (7) and (8) of this paragraph).

(aa) *Tobacco available for marketing.* All tobacco produced on a farm, including carryover tobacco, which has not been marketed or otherwise disposed of.

(bb) *Trucker.* A person who trucks or hauls tobacco for producers, or any other persons.

(cc) *Warehouseman.* A person who engages in the business of holding sales of tobacco at public auction.

(dd) *Warehouse sale.* A marketing of tobacco by a sale at public auction through a warehouse in the regular course of business, including sale of all lots or baskets of tobacco at public auction in sequence at a given time and shall include for Maryland tobacco each marketing of farm tobacco through a hogshead tobacco warehouse to a buyer other than the warehouseman and each marketing of resale tobacco through such a warehouse.

§ 724.52 Extent of determinations, computations and rule for rounding fractions.

(a) *General.* If rounding is prescribed herein, computations shall be carried to two decimal places beyond the number of decimal places required, and digits of 50 or less beyond the required number of decimal places shall be dropped; if 51 or more, the last required decimal place shall be increased by one.

(b) *Allotments.* Farm acreage allotments shall be determined in hundredths and any allotment of less than 0.01 acre shall be increased to 0.01 acre. For example, 2.5536 equals 2.55; 2.5550 equals 2.55; 2.5551 equals 2.56; 2.5582 equals 2.56; and 0.0001 equals 0.01.

(c) *Percent excess.* The percentage of excess tobacco available for marketing from a farm, hereinafter referred to as the "percent excess," shall be expressed in tenths percent and calculations thereof rounded to the nearest tenth percent. For example, 6.732 percent would be 6.7 percent; 6.750 percent would be 6.7 percent; 6.751 percent would be 6.8 percent; and 6.782 percent would be 6.8 percent.

(d) *Converted rate of penalty.* The amount of penalty per pound upon marketings of tobacco subject to penalty, hereinafter referred to as the "converted rate of penalty", shall be expressed in tenths of a cent and calculations thereof rounded to the nearest hundredth of a cent. For example, expressions in tenths calculated at 6.732 cents would be 6.7 cents; 6.750 cents would be 6.7 cents; 6.751 cents would be 6.8 cents; and 6.782 cents would be 6.8 cents and expressions in hundredths calculated at 0.0536 cent would be 0.05 cent; 0.0550 cent would be 0.05 cent; 0.0551 cent would be 0.06 cent; and 0.0582 cent would be 0.06 cent.

(e) *Amount of penalty.* The amount of penalty on any lot of tobacco marketed shall be expressed in dollars and cents and calculations thereof rounded to the nearest cent. For example, $10.5536 would be $10.55; $10.5550 would be $10.55; $10.5551 would be $10.56; and $10.5582 would be $10.56.

§ 724.53 Supervisory authority of ASC State Committee.

The State committee may take any action required by the regulations in this part which has not been taken by a county committee. The State committee may also (a) correct, or require a county committee to correct, any action taken by a county committee which is not in accordance with the regulations in this part, or (b) require a county committee to withhold taking any action which is not in accordance with the regulations in this part.

§ 724.54 Instructions and forms.

The Director shall cause to be prepared and issued such forms as are necessary, and shall cause to be prepared such instructions with respect to internal management as are necessary, for carrying out the regulations in this part. The forms and instructions shall be approved by and the instructions shall be issued by the Deputy Administrator.

ACREAGE ALLOTMENTS, HISTORY ACREAGE AND NORMAL YIELDS FOR OLD FARMS

§ 724.55 Determination of preliminary acreage allotments and tobacco history acreage for old farms.

(a) *Determination of preliminary acreage allotments*—(1) *Farms with history acreage in base period.* A preliminary farm acreage allotment shall be determined for each farm which has tobacco history acreage, as defined and explained in paragraph (b) of this section, in the base period, except that no preliminary farm acreage allotment shall be established in the current year under any one of the following conditions:

(i) The only tobacco history acreage credited to the farm during the entire base period is history acreage restored because the allotment was reduced for violation of the regulations in this part: (*a*) A new farm allotment was established in any prior year but was canceled for such year and the farm had no other tobacco history acreage during the base period; (*b*) an allotment was pooled under Part 719 of this chapter but was canceled; or (c) the county committee determines that the farm has been retired from agricultural production and the farm was not or could not have been acquired under right of eminent domain by the acquiring person or agency. This subdivision shall not preclude the determination of a preliminary acreage allotment for an old farm returned to agricultural production if the allotment for the retired land was not allocated to other land contained in the farm of which the retired land was a part, or for a farm for which an acreage allotment may be determined under the provisions of § 724.60 (a).

(2) *Preliminary farm acreage allotments.* The preliminary farm acreage allotment for the current year for a farm which qualifies for a preliminary farm acreage allotment under subparagraph (1) of this paragraph shall be the same as the allotment (prior to lease and transfer and prior to reduction for violation) for the preceding year: *Provided,* That if the tobacco history acreage for the farm in neither of the two immediately preceding years was as much as 75 percent of the allotment (after any reduction for violation), the preliminary acreage allotment shall be the larger of (not to exceed the allotment for the preceding year): (i) The largest tobacco history acreage in either of the 2 preceding years, or (ii) the average tobacco history acreage for the base period.

(b) *Determination of tobacco history acreage.* Tobacco history acreage shall be determined for each farm for which a tobacco farm acreage allotment has been established for the current year.

(1) *Farm acreage allotment fully preserved.* The farm acreage allotment is fully preserved as tobacco history acreage for any year if:

(i) (*a*) In such year or either of the two immediately preceding years the sum of (*1*) the final tobacco acreage as determined under Part 718 of this chapter, (*2*) acreage leased and transferred from the farm, (*3*) acreage reduced because of insufficient cropland on the farm, and (*4*) acreage regarded as planted under the conservation programs and conservation practices determined pursuant to Part 719 of this chapter, was as much as 75 percent of the allotment after any reduction for violation. If an erroneous notice of allotment was applicable, the smaller of the correct or the erroneous notice shall be used to determine whether 75 percent planting provision has been met; or (*b*) in such year or either of the two immediately preceding years the farm acreage allotment was in the eminent domain pool; or (ii) the farm consists of federally owned land for which a restrictive lease is in effect prohibiting the production of tobacco. (Federally owned land as used in this paragraph means land owned by the Federal Government or any department, bureau, or agency thereof, or by any corporation all of the stock of which is owned by the Federal Government.)

(2) *Computed history agreage.* If the farm acreage allotment is not fully preserved as tobacco history acreage under subparagraph (1) of this paragraph, the tobacco history acreage shall be the sum of the acreages (not to exceed the farm acreage allotment) as follows:

(i) Final tobacco acreage.

(ii) Acreage regarded as planted under the conservation programs and conservation practices determined pursuant to Part 719 of this chapter.

(iii) Acreage leased and transferred from the farm.

(iv) Acreage reduced because of insufficient cropland on the farm.

(v) Acreage reduced for violation of the regulations in this part.

(3) *Adjustment of tobacco history acreage for abnormal weather or disease.* If the county committee determines (with the approval of a representative of the State committee) that for any year the sum of the final tobacco acreage, any acreage transferred from the farm, the acreage allotment reduced because of insufficient cropland acreage, and the acreage regarded as planted to tobacco under the conservation programs and conservation practices, is less than 75 percent of the allotment (after any reduction for violation) because of abnormal weather or disease, the tobacco history acreage for such year shall be adjusted to become the smaller of (i) the allotment (prior to any reduction for violation), or (ii) the sum of the final tobacco acreage for the farm, the additional acreage which the county committee determines (with the approval of a representative of the State committee) would have been included in the final acreage except for abnormal weather or disease, any acreage leased and transferred from the farm, the acreage reduced because of insufficient cropland acreage, the acreage regarded as planted to tobacco under the conservation programs and conservation practices, and the amount of any reduction for violation. Any adjustment in tobacco history acreages because of abnormal weather or disease shall not be considered as acreage devoted to tobacco in determining whether or not 75 percent of the allotment is planted. No adjustment for abnormal weather or disease shall be made unless the farm operator requests such an adjustment in writing to the county committee no later than October 1 of the crop year involved.

(4) *Zero allotment farms.* A farm for which a farm acreage allotment of zero county committee no later than September 1 of the crop year involved.

(5) *Allotments in eminent domain pool.* The farm acreage allotment in the eminent domain pool, as provided in Part 719 of this chapter, shall be considered fully planted during the years in the pool, including any year in which the pooled allotment is released by the displaced owner to the county committee for reapportionment to other farms in the county. The tobacco history acreage shall be the same as the pooled allotment.

(6) *All history acreage is restored history acreage.* A farm shall be considered to have no tobacco history acreage during the base period and shall not be considered an old farm if the only tobacco history acreage computed for the farm during the base period consists of tobacco history acreage restored from a reduction of the farm acreage allotment for violation of the regulations in this part.

(7) *Tobacco history acreage for new farms.* The tobacco history acreage for a farm for the year it received an allotment as a new farm shall be the same as the new farm allotment if as much as 75 percent of the allotment is planted in such year. If less than 75 percent of the new farm allotment is planted, the tobacco history acreage shall be the the same as the planted acreage. No adjustment for abnormal weather or disease shall be made in the tobacco history acreage for the farm for the year it was a new farm.

§ 724.56 Old farm tobacco acreage allotment.

The preliminary allotments determined for all old farms pursuant to § 724.55 shall be adjusted uniformly so that the total of such allotments for old farms plus a reserve acreage available for adjusting inequities in acreage allotments for old farms and for correcting errors in old farm allotments shall not exceed the national acreage allotment less that part of such reserve acreage set aside for establishing new farm allotments: *Provided,* That in the case of burley tobacco, the farm acreage allotment for the current year shall not be less than the smallest of (a) the allotment for the preceding year, (b) fifty-hundredths of an acre, or (c) 10 percent of the cropland in the farm: *Provided further,* That no burley tobacco allotment for any one year of seventy-hundredths of an acre or less shall be reduced more than 0.10 acre, and no burley tobacco farm acreage allotment for any one year of more than seventy-hundredths of an acre shall be reduced to less than 0.60 acre.

§ 724.57 Reduction in farm allotment because of cropland limitation.

The allotment determined for any farm under § 724.56 may be reduced for the current year if the sum of the feed grain base, total allotments, and sugar proportionate shares exceeds the cropland for the farm for the current year and the farm operator requests in writing to reduce the tobacco allotment in lieu of the feed grain base: *Provided,* That such reduction shall not exceed the acreage by which the sum of the feed grain base, total allotments, and sugar proportionate shares exceeds the cropland for the farm: *Provided further,* That such reduction shall be effective for the current year only. For purposes of establishing future State and farm acreage allotments, the acreage not planted under the farm allotment because of a reduction under this paragraph shall be regarded as planted on the farm.

§ 724.58 Correction of errors and adjusting inequities in acreage allotments for old farms.

(a) *General.* Notwithstanding the limitations contained in any other section of this subpart, the farm acreage allotment for each kind of tobacco established for an old farm may be increased to correct an error or adjust an inequity if the county committee determines, with the approval of a representative of the State committee, that the increase is necessary to establish an allotment for such farm which is fair and equitable in relation to the allotment for other old farms in the county in which the farm is located. Not to exceed 1 percent of the national acreage allotment for each kind of tobacco minus that part of the national reserve set aside for establishing new farm allotments shall be made available for adjusting inequities and for correcting errors. The amount of the national reserve acreage available for correcting errors and for adjusting inequities will be announced at the same time the national quota is proclaimed. The reserve acreage for old farms will be allocated to each State based on the relation of each State's preliminary acreage allotment to the preliminary allotments for all States.

(b) *Basis for adjustment.* Acreage increases to adjust inequities in acreage allotments shall be made on the basis of the past farm acreage and past farm acreage allotments of tobacco, making due allowances for drought, flood, hail, other abnormal weather conditions, plant bed and other diseases; land, labor, and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco. The total of all adjustments in old farm allotments under this paragraph shall not exceed the acreage allocated for such purpose. The sum of adjustments for farms in a county owned, operated, or controlled by the State, county and community committeemen and the county office manager, shall not be larger in relation to the sum of the preceding year's allotments for such farms than the sum of the adjustments for other farms in such county in relation to the preceding year's allotments for such farms.

(c) *CR, CCP, and CAP farms.* The allotment for a farm under a conservation reserve contract or a farm under a cropland conversion program agreement, or land under a cropland adjustment agreement shall be given the same consideration under this section as the allotment for any other old farm.

(d) *Approved acreage.* Acreage approved for a farm under this section becomes a part of the farm acreage allotment.

§ 724.59 Time for making reduction of acreage allotment for violation of the marketing quota regulations for a prior marketing year.

Any reduction made with respect to a farm's acreage allotment for the current year for any of the reasons provided for in § 724.97, excluding paragraph (c), shall be made no later than (a) April 1 of the current year in the States of Alabama, Georgia, North Carolina, South Carolina, and Virginia; or (b) May 1 of the current year in all other States. If the reduction cannot be made by such dates for the current year, the reduction shall be made with respect to the acreage allotment next established for the farm, but no later than by corresponding dates in a subsequent year: *Provided, however,* That no reduction shall be made in the acreage allotment for any farm for a violation if the acreage allotment for such farm for any prior year was reduced on account of the same violation.

§ 724.60 Reallocation and release and reapportionment of allotments determined for farms acquired by an agency having the right of eminent domain, or shifted from production of cigar-binder (types 51 and 52) tobacco and cigar-filler and binder (types 42, 43, 44, 53, 54 and 55) tobacco to production of shade-grown cigar-leaf (type 61) wrapper tobacco.

(a) The determination of allotments for farms acquired by an agency having the right of eminent domain, the transfer of such allotments to a pool, and reallocation from the pool shall be administered as provided in Part 719 of this chapter. The normal yield for each farm to which a reallocation is made as provided in this paragraph shall be determined as provided in § 724.62 for determining normal yields for old farms.

(b) The displaced owner of a farm may, not later than April 1 of the current year in the States of Alabama, Georgia, North Carolina, South Carolina, and Virginia, and not later than May 1 of the current year in all other States, release in writing to the county committee for the current year all or part of the acreage for the farm in a pool under Part 719 of this chapter for reapportionment for the current year by the county committee to other farms in the county having allotments for the same kind of tobacco. The county committee may reapportion, not later than May 1 of the current year in the States of Alabama, Georgia, North Carolina, South Carolina, and Virginia, and not later than June 1 of the current year in all other States, the released acreage or any part thereof to other farms in the county on the basis of the past farm acreage and past farm acreage allotments for the same kind of tobacco, land, labor, equipment available for the production of such kind of tobacco, crop rotation practices, and soil and other physical factors affecting the production of such kind of tobacco. The allotment acreage released shall, for tobacco history acreage and future allotment purposes, be considered to have remained in the pool as though it had not been released therefrom. The acreage reapportioned to a farm under this paragraph shall automatically be reduced, where applicable, so as not to exceed the acreage by which the final tobacco acreage on the farm for the current year determined pursuant to Part 718 of this chapter, exceeds the allotment for the current year for the farm prior to being increased by reapportionment of acreage under this paragraph.

(c) The allotment determined or which would have been determined for any land which has been used for the production of cigar-binder (types 51 and 52) tobacco or cigar-filler and binder (types 42, 43, 44, 53, 54, and 55) tobacco, but which will be shifted in the current year to the production of shade-grown cigar-leaf (type 61) wrapper tobacco shall be placed in a State pool and shall be available to the State committee to establish allotments pursuant to § 724.65(a).

(d) No release and reapportionment of allotment acreage hereunder shall be the result of any private negotiations between individuals. Any acreage released shall be released to the county committee and such acreage shall be reapportioned only by the county committee.

§ 724.61 Farms divided or combined.

The provisions of Part 719 of this chapter shall apply to allotments and history acreages for the base period for farms that are reconstituted by division or combination.

§ 724.62 Determination of normal yields for old farms.

The normal yield for any old farm shall be that yield which the county committee determines is normal for the farm taking into consideration (a) the yields obtained on the farm during the 5 years of the base period for which data are available, (b) the soil and other physical factors affecting the production of tobacco on the farm, and (c) the yields obtained on other farms in the locality which are similar with respect to such factors. The normal yield first determined for a farm for any year in accordance with the foregoing provision shall serve as the normal yield for the farm for all purposes in connection with the tobacco marketing quota program for the year for which such normal yield is determined.

ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR NEW FARMS

§ 724.63 Determination of acreage allotments for new farms.

(a) The acreage allotment, other than an allotment made under § 724.60(a), for a new farm shall be that acreage which the county committee, with approval of the State committee, determines is fair and reasonable for the farm, taking into consideration the past tobacco experience of the farm operator, the land, labor, and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided,* That the acreage allotment so determined shall not exceed 50 percent of the average of the acreage allotments established for two or more but not more than five old tobacco farms which are similar with respect to land, labor, and equipment available for the production of tobacco, crop rotation practices, and the soil and other physical factors affecting the production of tobacco: *And provided further,* That if the acreage planted to tobacco on a new tobacco farm is less than 75 percent of the tobacco acreage allotment otherwise established for the farm pursuant to this section, such allotment shall be automatically reduced to the planted tobacco acreage on the farm.

(b) Notwithstanding any other provisions of this section, a tobacco acreage allotment shall not be established for any new farm unless each of the following conditions has been met:

(1) The farm shall be operated by the owner thereof. A person who owns only part of a farm cannot be considered the owner of the farm except that both husband and wife shall be considered the owner of the farm if the farm is jointly owned by such husband and wife.

(2) The farm covered by the application shall be the only farm in the United States owned or operated by the farm operator for which a burley, flue-cured, fire-cured, dark air-cured, Virginia sun-cured, Maryland, cigar-filler (type 41); cigar-binder (types 51 and 52); or cigar-filler and binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotment is established at the time of county committee approval of the allotment.

(3) The farm shall not have an allotment for the current year for any of the kinds of tobacco listed in subparagraph (2) of this paragraph, other than the allotment requested in the application.

(4) The available land, type of soil, and topography of the land on the farm for which the allotment is requested is suitable for the production of the kind of tobacco requested in the application and the production of such kind of tobacco on the farm ordinarily will not result in an undue erosion hazard under continuous production.

(5) The operator shall own, or otherwise have readily available, adequate equipment and other facilities of production (including irrigation water) necessary to the successful production of the kind of tobacco requested on the farm.

(6) (i) The operator shall expect to obtain during the current year more than 50 percent of his income from the production of agricultural commodities or products from the farm for which the new farm allotment application is filed. In making this computation of income from the farm, no value will be allowed for the estimated return from the production of the requested allotment. However, in addition to the value of agricultural products sold from the farm, credit will be allowed for the estimated value of home gardens, livestock and livestock products, poultry, or other agricultural products produced for home consumption or other use on the farm. Where the farm operator is a partnership, each partner must expect to obtain, during the current year, more than 50 percent of his income from agricultural commodities or products from the farm; where the farm operator is a corporation, it must have no major corporate purpose other than operation and ownership where applicable, of such farm, and the officers and general manager of the corporation must expect to obtain more than 50 percent of their income, including dividends and salary, from the corporation.

(ii) When the farm operator is a low income farmer,

(*a*) The county committee may waive the income provision in subdivision (i) of this subparagraph provided they determine that the farm operator's income, from both farm and nonfarm sources, is so low that it will not provide a reasonable standard of living for the operator and his family, and a State committee representative approves such action.

(*b*) The county committee must exercise good judgment to see that their determination is reasonable in the light of all pertinent factors and that this

special provision is made applicable only to those who quailfy.

(c) In making their determination, the county committee shall consider such factors as size and type of farming operations, estimated net worth, estimated gross family farm income, estimated family off-farm income, number of dependents, and other factors affecting the individual's ability to provide a reasonable standard of living for himself and his family.

(7) The farm operator shall have had experience in producing, harvesting and marketing the kind of tobacco requested in the application either as a sharecropper, tenant or farm operator during at least 2 of the 5 years immediately preceding the year for which the new farm allotment is requested. If the applicant was in the armed services during any part or all of the 5-year period, the experience period shall be expanded, year for year, for each year of military service during such 5-year period. The production of tobacco of the kind requested in the application on a farm for which no farm acreage allotment for such kind of tobacco was established, shall not be deemed as experience in growing tobacco for this purpose.

(8) A written application is filed by the farm operator at the office of the county committee on or before February 15 of the calendar year for which the application is made, except that in the case of cigar-binder (types 51 and 52) tobacco and cigar-filler and binder (types 42, 43, 44, 53, 54, and 55) tobacco, the application shall be so filed not later than March 10 of the current year.

(9) The farm shall not include land returned to agricultural production after being acquired by an agency having the right of eminent domain if the entire tobacco allotment for the land was pooled pursuant to Part 719 of this chapter until after a date 5 years from the date the former owner was displaced from the land acquired by eminent domain.

(10) A farm which includes land which has no tobacco allotment because the owner did not designate a tobacco allotment for such land when the parent farm was reconstituted pursuant to Part 719 of this chapter, shall not be eligible for a new farm tobacco allotment for a period of 5 years beginning with the year in which the farm reconstitution becomes effective.

(11) Any farm from which the entire farm allotment for fire-cured, dark air-cured, or Virginia sun-cured tobacco is transferred by sale, lease, or by owner to another farm owned or controlled by him, under § 724.70, shall not be eligible for a new farm tobacco allotment for the kind transferred during the 5 years following the year in which such transfer is made.

(12) The farm operator must not have been approved for a new farm allotment during the preceding 3 years.

(c) The acreage allotments established as provided in this section for each kind of tobacco shall be subject to such downward adjustment as is necessary to bring such allotments in line with the total acreage available for allotment to all new farms. A reserve acreage of not more than one percent of the national acreage allotment for the current year, minus that part of such reserve acreage set aside for adjusting inequities in acreage allotments for old farms and for correcting errors in old farm allotments, shall be available for establishing allotments for new farms.

(d) Any new farm allotment approved under this part which was determined by the county committee on the basis of incorrect information knowingly furnished the county committee by the applicant for the new farm allotment shall be canceled by the county committee as of the date established.

§ 724.64 Determination of normal yields for new farms.

The normal yield for a new farm shall be that yield per acre which the county committee determines is normal for the farm as compared with yields for other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar.

MISCELLANEOUS

§ 724.65 Determination of acreage allotments and normal yields for farms shifted from production of shade-grown cigar-leaf (type 61) wrapper tobacco to production of cigar-binder (types 51 and 52) tobacco or cigar-filler and binder (types 42, 43, 44, 53, 54, and 55) tobacco.

(a) Notwithstanding the foregoing provisions of this part an allotment may be established for a farm for the current year which in the preceding year was producing shade-grown cigar-leaf (type 61) wrapper tobacco but on which cigar-binder (types 51 and 52) tobacco or cigar-filler and binder (types 42, 43, 44, 53, 54, and 55) tobacco will be produced in the current year. The acreage used for such purpose will be limited to that placed in the State pool pursuant to § 724.60(c). Any allotment established pursuant to this paragraph shall, to the extent of available acreage in such pool, be determined by the county committee so as to be fair and equitable in relation to the allotments for other old farms in the community, on the basis of the past acreage of tobacco, making due allowance for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor and equipment available for the production of tobacco, crop rotation practices; and the soil and other physical factors affecting the production of tobacco. Allotments established pursuant to this paragraph shall be eligible for consideration for adjustment under § 724.58.

(b) The normal yield for any farm for which an allotment is established under paragraph (a) of this section shall be that yield per acre which the county committee determines by appraisal, taking into consideration available yield data for the land involved and yields established as provided in § 724.62 for similar farms in the community.

§ 724.66 Approval of allotments and marketing quotas and notice of farm acreage allotments.

(a) All farm acreage allotments and yields shall be determined by the county committee of the county in which the farm is located and shall be reviewed by a representative of the State committee. The State committee may revise or require revision of any determination made under the regulations in this Part. All acreage allotments and yields shall be approved by a representative of the State committee, and no official notice of acreage allotment shall be mailed to a farm operator until such allotment has been so approved, except that revised acreage allotment notices without such prior approval may be mailed in cases (1) resulting from reconstitutions that do not involve the use of additional acreage, or (2) of allotment reductions due to failure to return marketing cards where a satisfactory report of disposition of tobacco is not otherwise furnished as provided in § 724.95.

(b) An official notice of the farm acreage allotment and marketing quota shall be mailed to the operator of each farm shown by the records of the county committee to be entitled to an allotment. The notice to the operator of the farm shall constitute notice to all persons who as operator, landlord, tenant, or sharecropper are interested in the farm for which the allotment is established. All such notices shall bear the actual or fascimile signature of a member of the county committee. The fascimile signature may be affixed by a county committeeman or an employee of the county office. Insofar as practical, all allotment notices shall be mailed in time to be received prior to the date of any tobacco marketing quota referendum. A copy of such notice containing thereon the date of mailing, shall be maintained for not less than 30 days in a conspicuous place in the county office and shall thereafter be kept available for public inspection in the office of the county committee. A copy of such notice certified as true and correct shall be furnished without charge to any person interested in the farm in respect to which the allotment is established.

(c) If the records of the county committee indicate that the allotment established for any farm may be changed because of (1) a violation of the marketing-quota regulations for a prior marketing year, (2) removal of the farm from agricultural production, (3) division of the farm, or (4) combination of the farm, mailing of the notice of such allotment may be delayed: *Provided,* That the notice of allotment for any farm shall be mailed no later than (i) April 1 of the current year in the States of Alabama, Georgia, North Carolina, South Carolina, and Virginia, or (ii) May 1 of the current year in all other States.

(d) If the county committee determines with the approval of the State executive director that (1) the official written notice of the farm acreage allotment issued for any farm erroneously stated the acreage allotment to be larger than the correct allotment, and (2) the error

was not so gross as to place the operator on notice thereof, and that the operator, relying upon such notice and acting in good faith, planted an acreage of tobacco in excess of the correct farm acreage allotment, the acreage allotment shown on the erroneous notice shall be deemed to be the tobacco acreage allotment for the farm for all purposes in connection with the tobacco marketing quota program for the current year, except that in determining whether or not 75 percent of the allotment is planted, the provisions of § 724.55 shall be followed.

§ 724.67 Application for review.

Any producer who is dissatisfied with the farm acreage allotment and marketing quota established for his farm may, within 15 days after mailing of the official notice of the farm acreage allotment and marketing quota, file application in writing with the ASCS county office to have such allotment reviewed by a review committee. The procedure governing the review of farm acreage allotments and marketing quotas is contained in Part 711 of this chapter, which is available at the ASCS county office.

§ 724.68 Lease and transfer of tobacco acreage allotment.

(a) For 1968 and 1969 crops of cigarbinder (types 51 and 52) or Maryland tobacco subject to the limitations provided in this section, the owner and operator (acting together if different persons) of any farm for which an old farm tobacco acreage allotment for cigarbinder (types 51 and 52) or Maryland tobacco is established for the current year may lease and transfer all or any part of such allotment to any other owner or operator of a farm in the same county with a current year's allotment (old or new farm) for the same kind of tobacco for use on such farm. Also, the allotment established for a farm as pooled allotment under Part 719 of this chapter may be leased and transferred during the 3-year life of the pooled allotment. The lease and transfer of allotment acreage shall be recognized and considered valid by the county committee subject to the conditions set forth in this section.

(b) Any lease shall be made on an annual basis and on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree.

(c) The lease and transfer of any allotment or any part thereof shall not be effective until a copy of such lease is filed with and determined by the county committee to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee not later than April 1 of the current year for the States of Alabama, Georgia, North Carolina, South Carolina and Virginia, and not later than May 1 of the current year for all other States. In addition, the lease and transfer of an allotment shall be effective if the State executive director finds that a lease was timely agreed upon and the terms of the lease are reduced to writing and filed no later than July 31 of the current year.

(d) The county committee shall determine a normal yield per acre, in accordance with the provisions of § 724.62 in the case of old farms, and, in the case of new farms, § 724.64 for each farm from which, and for each farm to which, a tobacco acreage allotment or any part thereof is leased. If the normal yield determined by the county committee for the farm to which the allotment acreage is transferred does not exceed the normal yield determined by the county committee for the farm from which the allotment acreage is transferred by more than 10 percent, the lease and transfer shall be approved acre for acre. If the normal yield determined by the county committee for the farm to which the allotment acreage is transferred exceeds the normal yield for the farm from which the allotment acreage is transferred by more than 10 percent, the county committee shall make a downward adjustment in the amount of the allotment acreage transferred by multiplying the normal yield established for the farm from which the allotment acreage is transferred by the acreage being transferred and dividing the result by the normal yield established for the farm to which the allotment acreage is transferred.

(e) The amount of allotment acreage which is leased from a farm (prior to any reduction made under this section) shall be considered for the purpose of determining future allotments (and tobacco history acreage) to have been planted to tobacco on such farm. The amount of allotment acreage which is leased and transferred to a farm shall not be taken into account in establishing allotments for subsequent years for such farms.

(f) The total acreage allotted to any farm after the transfer by lease of tobacco acreage allotment to the farm (the sum of its own allotment and acreage leased and transferred to it after any adjustment in normal yields) shall not exceed 50 percent of the acreage of cropland in the farm.

(g) A new farm allotment shall not be leased or transferred.

(h) Lease and transfer of an allotment from a farm covered by a Conservation Reserve Program (CR), Cropland Adjustment Program (CAP), or Cropland Conservation Program (CCP) shall be subject to the following conditions:

(1) *CR and CCP (1964–65).* Lease and transfer of an allotment may be approved for any farm under a whole or part farm CR contract or CCP Agreement.

(2) *CAP and CCP (1966 and 1967).* (i) Lease and transfer of an allotment shall not be approved if the transferring or receiving farm has the allotment crop base for a kind of tobacco designated under such program agreement.

(ii) Any lease and transfer of an allotment hereunder shall be made subject to an appropriate adjustment in the rates of payment under such contract or agreement but no adjustment shall be made in such contract or agreement on the farm to which a lease and transfer is made.

(i) The pooled tobacco allotment acreage which has been released to the county committee and reapportioned under the provisions of § 724.60(b) shall not be eligible for lease and transfer.

(j) Any leased allotment acreage shall not be subleased.

(k) A revised notice showing the allotment acreage after lease and transfer shall be issued by the county committee to each of the operators of all farms from which or to which tobacco allotment acreage is leased under this section.

(l) If a violation is pending which may result in an allotment reduction for a farm for the current year, the county committee shall delay approval of any lease and transfer of allotment from or to the farm until the violation is cleared or the allotment reduction is made. However, if the allotment reduction in such a case cannot be made effective for the current crop year before the final date for reducing allotments for violations (see § 724.59) the lease may be approved by the county committee. In any case, if, after a lease and transfer of a tobacco acreage allotment has been approved by the county committee, it is determined that the allotment for the farm from which or to which such acreage is leased is to be reduced for a violation, the allotment reduction for such farm shall be delayed until the following year.

(m) Except with respect to the erroneous allotment notice provisions in § 724.66 and the provisions for review in § 724.67, the term "tobacco acreage allotment" as used herein shall mean the allotment without regard to the application of the provisions of this section.

(n) If the allotment for a farm for the current year is reduced to zero, no tobacco allotment acreage for such kind of tobacco may be leased to such farm for the current year.

(o) No lease shall be approved by the county committee for any farm involved in a lease and transfer of allotment acreage until the time for filing an application for review (see § 724.67), as shown on the original allotment notice for the farm, has expired. If an application for review is filed for a farm involved in a lease and transfer agreement, such agreement shall not be approved by the county committee until the allotment for such farm is finally determined pursuant to Part 711 of this chapter.

(p) The acreage allotment finally determined (after lease and transfer) for a farm under the provisions of this section shall be the allotment for such farm for the current year only for the purpose of determining (1) excess acreage, (2) the amount of penalty to be collected on marketings of excess tobacco including absorption of carryover penalty tobacco, (3) eligibility for price support, and (4) the farm marketing quota and the percentage reduction for a violation in the allotment for the farm (see § 724.95). Such percentage reduction determined as applicable when the violation occurred

shall be applied to the allotment being reduced prior to any lease and transfer of allotment.

(q) An agreement for leasing tobacco allotment acreage may be dissolved at the request of all parties to the lease by so notifying the county committee in writing not later than April 1 of the current year in the States of Alabama, Georgia, North Carolina, South Carolina, and Virginia and May 1 of the current year in all other States. In such a case, an official notice of the farm acreage allotment and marketing quota, disregarding lease and transfer, shall be issued by the county committee to each of the operators involved in the leasing agreement. If the request to dissolve the lease is made after the above-specified date(s), the acreage allotments resulting from the lease and transfer shall remain in effect. In addition, the lease and transfer of an allotment may be dissolved if the county committee, with the approval of the State executive director, finds that such dissolution was timely agreed upon and the terms of the dissolution are reduced to writing and filed no later than July 31 of the current year.

(r) Allotments for reconstituted farms shall be divided or combined in accordance with Part 719 of this chapter. For this purpose, the farm acreage allotment being divided or combined for a farm in the current year shall be the allotment after lease and transfer has been made. For the following year, that part of the acreage allotment leased shall revert to the farm from which it was transferred. Notwithstanding the above, in the case of divisions, the county committee may allocate the leased acreage involved to the tracts involved in the division as the farm operators interested in such tracts agree in writing.

§ 724.69 Transfer of farm marketing quota.

There shall be no transfer of farm marketing quotas except as provided in § 724.68 and § 724.70 of this subpart and Part 719 of this chapter.

§ 724.70 Transfer of fire-cured, dark air-cured, and Virginia sun-cured tobacco allotments by lease, sale, or by owner to another of his farms, under section 318 of the act.

Based on the present and future outlook of production and disappearance of fire-cured, dark air-cured, and Virginia sun-cured tobacco, it has been determined that transfer of tobacco allotments by lease, sale, or by the owner will not impair the effective operation of the 1968 and subsequent years' marketing quota or price support programs for such kinds of tobacco. Transfers under section 318 of the act shall be handled in accordance with this section.

(a) *Persons eligible to file applications for transfers*—(1) *Sale or lease.* Effective beginning with the 1968 crop, the owner and operator of any old farm, as defined in § 724.51, for which a fire-cured, dark air-cured, or Virginia sun-cured tobacco allotment is or will be established for the year in which a transfer by sale or lease is to take effect, is eligible to file an application for sale or lease of all or part or the right to all or part of an allotment for any or all of such kinds of tobacco to any other owner or operator of a farm in the same county without regard to whether such farm has a tobacco allotment for the kind to be transferred. If the owner and operator of the farm from which transfer by sale or lease is to be made are different persons, both such persons shall execute the application.

(2) *By owner.* Effective beginning with the 1968 crop, the owner of any old tobacco farm, as defined in § 724.51, for which a fire-cured, dark air-cured, or Virginia sun-cured tobacco allotment is or will be established for the year in which the transfer is to take effect is eligible to file an application to transfer an allotment, for a term of years designated by the owner, or permanently for any or all of such kinds of tobacco from a farm to another farm in the same county owned or controlled by such owner.

(b) *Date for filing application.* Applications shall be filed for transfers to take effect in the current year during the period October 1 of the preceding year and not later than May 1 of the current year.

(c) *Where to file application.* Applications shall be filed with the county committee of the county where the farm is administratively located.

(d) *Maximum period of lease application.* Applicants for transfer of allotments by lease shall not exceed 5 years.

(e) *When application is effective.* An application for transfer shall not be effective until the county committee determines it to be in compliance with the provisions of this section.

(f) *Productivity adjustment* — (1) *Reduction in farm allotments being transferred.* The county committee shall determine a normal yield per acre, in accordance with the provisions of § 724.62 in the case of old farms and § 724.64 in the case of new farms for each farm from which, and for each farm to which, a tobacco acreage allotment or any part thereof is transferred. If the normal yield for the farm to which transfer is made for the year the transfer is to take effect exceeds the normal yield for the farm from which transfer is made for the year the transfer is to take effect by more than 10 percent, the allotment so transferred shall be reduced for differences in farm productivity. The county committee shall determine the amount of allotment to be transferred by sale, lease, and by owner, where productivity adjustment is required under this paragraph as follows: (i) Multiply the normal yield established for the farm from which the allotment is being transferred by the acreage being transferred, then (ii) divide the result by the normal yield established for the farm to which the allotment is transferred. The amount of allotment so transferred from a farm shall be the full amount and the amount of allotment so transferred to a farm shall be the reduced amount. In the case of temporary transfers of allotment for 1 or more years by lease or by owner, the productivity adjustment and amount of allotment so transferred shall be redetermined by the county committee each year the transfer remains in effect.

(2) *Adjustment in farm history acreage.* The farm history acreage for the immediately preceding 5 years on farms from which and to which permanent transfer of allotment is made shall be adjusted by the county committee for each of the base years to correspond with the amount of allotment transferred between the farms. In the case of temporary transfers of allotment for one or more years by lease or by owner, there shall be no reduction in farm history acreage on the farm from which the transfer is made and no farm history acreage shall be transferred to the receiving farm.

(g) *Sale and lease transfers—limit on amount of acreage transferred.* The total of the fire-cured, dark air-cured, or Virginia sun-cured tobacco allotment which may be transferred for each kind of tobacco, by sale, lease, or by owner, to a farm shall not exceed ten acres of allotment: *Provided,* That the total of each acreage for each kind of tobacco allotted to any farm after such transfer (the sum of its own allotment and the acreage transferred after any adjustment in normal yields for the current year) shall not exceed 50 per centum of the acreage of cropland in the farm. The cropland in the farm for the current year for purposes of such transfers shall be the total cropland as defined in Part 719 of this chapter. If the farm to which allotment is to be transferred is made up of two or more separately owned tracts, each separately owned tract shall be considered a farm for the purpose of applying limitations of this paragraph.

(h) *No transfer of new farm allotment.* No transfer of allotment shall be made from a farm for the year in which the farm receives a new farm allotment.

(i) *No transfer by sale from farms to which transfer by sale within 3 years.* No transfer by sale shall be made from any farm to which allotment was transferred by sale within the three immediately preceding crop years.

(j) *Transfer of pooled allotment.* Allotments established for a farm as pooled allotment under Part 719 of this chapter may be transferred (1) on a permanent basis during the 3-year life of a pooled allotment or (2) on a temporary basis for a term of years not to exceed the remaining number of crop years of such 3-year period.

(k) *Consent of lienholder.* No transfer of allotment, other than by annual lease, shall be made from a farm subject to a mortgage or other lien unless the transfer is agreed to in writing by the lienholder.

(l) *New farm eligibility.* Any farm from which the entire farm allotment is transferred shall not be eligible for a new farm tobacco allotment for the kind transferred during the 5 years following the year in which such transfer is made.

(m) *Farms under Long-Term Land Use Programs.* Transfer of an allotment from a farm covered by a Conservation

Reserve Program (CR), Cropland Adjustment Program (CAP), or Cropland Conservation Program (CCP) shall be subject to the following conditions:

(1) *CR, and CCP (1964–65).* A temporary transfer, or permanent transfer by sale or by owner of an allotment may be approved for any farm under a CR contract or CCP Agreement.

(2) *CAP, and CCP (1966 and 1967).* (i) A temporary transfer of an allotment shall not be approved if the transferring or receiving farm has the allotment crop base for a kind of tobacco designated under such program agreement. (ii) A permanent transfer by sale or by owner of an allotment may be approved for any farm under a CAP or CCP agreement.

Any transfer of an allotment hereunder shall be made subject to an appropriate adjustment in the rates of payment under such contract or agreement but no adjustment shall be made in such contract or agreement on the farm to which a transfer is made.

(n) *Subleasing prohibited.* No transfer by lease shall be made from a farm receiving allotment under a transfer by lease for the term of the latter lease.

(o) *Limitation on transfer to and from a farm in the same year.* No transfer of allotment for any year shall be made (1) from a farm receiving allotment by transfer for such year or (2) to a farm which had allotment transferred from it for such year.

(p) *Transfer of history acreage, farm base, and marketing quota.* Transfer of allotment shall have the effect of transferring history acreage, farm base, and marketing quota attributable to such allotment and in the case of a transfer by lease upon the expiration of the lease the transferred allotment shall be considered for purposes of establishing future allotments to have been planted on the farm from which such allotment was transferred.

(q) *Liability of operators of farms receiving transferred acreage by lease.* The acreage allotment for a farm determined after transfer by lease shall be the allotment for such farm for the current year only for the purposes of determining (1) excess acreage, (2) the amount of penalty to be collected on marketings of excess tobacco including absorption of carryover penalty tobacco, (3) eligibility for price support, and (4) the farm marketing quota and the percentage reduction for a violation in the allotment for the farm (see § 724.95). Such percentage reduction determined as applicable when the violation occurred shall be applied to the allotment being reduced prior to any transfer of allotment by lease.

(r) *Reconstituted farms.* Allotments for reconstituted farms shall be divided or combined in accordance with Part 719 of this chapter. For this purpose, the farm acreage allotment being divided or combined for a farm in the current year shall be the allotment after transfer by lease has been made. Notwithstanding the above, in the case of divisions, the county committee may allocate the acreage involved that was transferred by lease to the tracts involved in the division as the farm operators interested in such tracts agree in writing.

(s) *Farm in violation.* The maximum acreage that can be transferred from a farm is the allotment for the current year. If a violation on the transferring farm is determined after the transfer but the operator of the receiving farm was not involved in the violation, the allotment so transferred shall not be subject to a reduction: *Provided,* That if the transfer was by lease, when the allotment is restored to the transferring farm the allotment reduction shall be effected.

(t) *Approval of transfers.* The county committee shall approve transfers of allotment only if it determines that a timely filed application has been received and that the transfer complies with the requirements of this section. No transfers shall be effective until approval as provided under this paragraph is obtained.

(u) *Notice of revised allotments.* The county committee shall issue revised notices of farm allotment for each farm affected by the transfer of allotment.

(v) *Cancellation, revision, or dissolution of transfers*—(1) *Cancellation.* If the county committee obtains evidence that the conditions applicable to any transfer of allotment under this section have not been met, the committee on the basis of such evidence shall determine whether such conditions have been met and if not met, shall cancel the transfer of allotment. Where the transfer of an allotment is canceled, the county committees shall issue revised notices of allotment showing the reasons for the cancellation. Any cancellation made with respect to a farm's acreage allotment for the current year shall be made no later than May 1 of the current year. If the cancellation is not made by such date for the current year, the cancellation shall be made with respect to the acreage allotment next established for the farm, but no later than by corresponding date in a subsequent year.

(2) *Revision or dissolution.* An agreement to transfer an allotment may be dissolved at the request of all parties to the agreement by so notifying the county committee in writing not later than the close of business on May 1 of the current year.

§ 724.79 Identification of kinds of tobacco.

(a) Any tobacco (1) that has similar appearance and growth characteristics while growing in a field on a farm, or (2) any cured tobacco that has the same characteristics and corresponding qualities, colors, and lengths of a kind and type designated under the definition of "tobacco" shall be considered such kind and type without regard to any factors of historical or geographical nature which cannot be determined by examination of the tobacco.

(b) For the purpose of discovering and identifying tobacco subject to marketing quotas, the term "tobacco" with respect to any farm located in an area in which one or more of a kind and type of tobacco named in the definition of "tobacco" is normally produced shall include all acreage of tobacco on a farm, unless the county committe with the approval of the State committee (1) determines that all or a part of such acreage should not be considered as either one of such kinds of tobacco under paragraph (a) of this section, or (2) determines from satisfactory proof furnished by the operator of the farm that a part or all of the production of such acreage has been certified by the Agricultural Marketing Service under the Tobacco Inspection Act (7 U.S.C. 511), and regulations issued pursuant thereto, as a kind of tobacco not subject to marketing quotas. Any amount of tobacco so determined as a kind and type of tobacco not subject to marketing quotas shall be converted to acres on the basis of the average yield per harvested acre of tobacco grown on the farm for the purpose of determining the harvested acreage of such kind of tobacco produced on the farm.

(c) Maryland tobacco in hogsheads which at the close of business on the last day of any marketing year for which marketing quotas are not in effect was on such date physically in the State Tobacco Warehouse, Baltimore, Md., and which was produced in a prior year, shall not be considered to be "tobacco" within the meaning of this subpart if such warehouse has furnished the report required by § 724.98.

§ 724.80 Disposition of excess tobacco.

(a) *Where tobacco acreage exceeds the allotment.* (1) The farm operator may dispose of excess tobacco prior to the marketing from the farm of any of the same kind of tobacco by furnishing to the county committee proof satisfactory to the committee that such excess tobacco will not be marketed. Such disposition of excess tobacco, subject to the provision of subparagraph (2) of this paragraph, may take place before harvesting, during harvesting, or after completion of harvesting of the kind of tobacco involved from the farm.

(2) No credit toward liquidating excess acreage shall be given for any excess tobacco disposed of after harvest, but prior to marketing, unless the county committee determines that such tobacco is representative of the entire crop from the farm of the kind of tobacco involved.

(b) *Harvested acreage.* The harvested acreage from a farm shall not include harvested acreage disposed of under this section.

§ 724.81 Issuance of producer marketing cards.

A marketing card for use in identifying each kind of tobacco shall be issued for the current year for each farm having tobacco available for marketing. The kind of card to be issued shall be determined pursuant to this section. Cards shall be issued in the name of the farm operator, except that cards issued for tobacco grown for experimental purposes only shall be issued in the name of the experiment station; cards issued to a successor-in-interest shall be issued in the name of the successor-in-interest; and

(except for burley tobacco) where a part of a farm which includes all the tobacco acreage on the farm is cash rented to one producer, cards shall be issued in the name of the one producer.

(a) *Person authorized to issue marketing cards.* The county office manager shall be responsible for the issuance of marketing cards. Each marketing card, except cards issued to identify burley tobacco, shall bear the actual or facsimile signature of the county office manager who issued the card.

(b) *Rights of producers and successors-in-interest.* (1) Each producer having a share in the tobacco available for marketing from a farm shall be entitled to the use of the marketing card for marketing his proportionate share.

(2) Any person who succeeds, other than as a dealer, in whole or in part to the share of a producer in the tobacco available for marketing from a farm shall, to the extent of such succession, have the same rights to the use of the marketing card and assume the same liability for penalties as the original producer.

(c) *Issuance of within quota and excess cards, except burley tobacco producer cards*—(1) *Within quota marketing card.* (i) A within quota marketing card, MQ–76 (eligible for price support), shall be issued for each kind of tobacco for which there is no excess tobacco available for marketing, or the percent excess is zero, except that an excess marketing card, MQ–77 (ineligible for price support), showing zero penalty, shall be issued if at the time of the issuance of the marketing card: (*a*) There is excess tobacco of another kind of tobacco which was produced on the same farm in the same current year; (*b*) all excess tobacco has been disposed of in accordance with § 724.80, and in compliance with the time of notification provisions of and in the manner prescribed in Part 718 of this chapter, but not before harvest, unless the county committee determines that the producer's failure to dispose of his excess tobacco prior to harvest was because of conditions beyond his control; or (*c*) any kind of tobacco produced on land owned by the Federal Government is within the allotment for the farm, but in violation of a lease restricting the production of tobacco.

(ii) A within quota marketing card (MQ–76) shall be issued to identify tobacco grown for experimental purposes only by a publicly owned experiment station.

(2) *Excess marketing card.* An excess marketing card, MQ–77 (ineligible for price support), showing the converted rate of penalty shall be issued for each kind of tobacco for which there is excess tobacco available for marketing and the percent excess exceeds zero percent. The percent excess and the converted rate of penalty shall be determined in accordance with § 724.82, except that an excess marketing card showing the full rate of penalty shall be issued:

(i) For each kind of tobacco for which no farm acreage allotment was established, or for which an allotment was established and later canceled, or,

(ii) For each kind of tobacco for which the farm operator or another producer on the farm prevents the county committee from obtaining information necessary to determine the correct acreage of tobacco on the farm.

(d) *Issuance of producer burley cards.* (1) A Form MQ–76 (burley) (eligible for price support) shall be issued:

(i) If there is no excess tobacco available for marketing, or the percent excess is zero;

(ii) To identify tobacco grown for experimental purposes only by a public owned experiment station.

(2) A Form MQ–76 (burley) bearing the notation "No Price Support" shall be issued:

(i) Showing zero penalty, if at the time of the issuance of the marketing card: (*a*) There is excess tobacco of another kind of tobacco which was produced on the same farm in the same current year; or (*b*) all excess burley tobacco has been disposed of in accordance with § 724.80, and in compliance with the time of notification provisions of and in the manner prescribed in Part 718 of this chapter, but not before harvest unless the county committee determines the producer's failure to dispose of his excess tobacco prior to harvest was because of conditions beyond his control; or (*c*) any burley tobacco was produced on land owned by the Federal Government is within the allotment for the farm, but in violation of a lease restricting the production of tobacco.

(ii) Showing the converted rate of penalty, if the percent excess exceeds zero percent.

(iii) Showing the full rate of penalty if: (*a*) No burley farm acreage allotment was established or a burley allotment was established and later canceled, or (*b*) the farm operator or another producer on the farm prevents the county committee from obtaining information necessary to determine the correct acreage of tobacco on the farm.

The percent excess and the converted rate of penalty shall be determined in accordance with § 724.82.

(e) *Farm marketing quota and interim advance data entered on marketing card and supplemental card.* If, under Part 1421 of this chapter, a producer requests and obtains from the county committee an interim advance of Commodity Credit Corporation funds on part or all of his tobacco crop prior to marketing thereof, the estimated quantity of tobacco upon which the interim advance was made shall be entered in parenthesis on the reverse side of the marketing card in the space for recording sales.

Marketing or Other Disposition of Tobacco and Penalties

§ 724.82 Extent to which marketings from a farm are subject to penalty.

(a) *Farms having no carryover tobacco.* Marketing of tobacco from a farm having no carryover tobacco shall be subject to penalty by the percent excess determined by dividing the excess acreage of tobacco by the harvested acreage of tobacco for the farm.

(b) *Farms having carryover tobacco.* Marketings of tobacco from a farm having carryover tobacco shall be subject to penalty by the percent excess determined as follows:

(1) (i) Determine the number of "carryover" acres by dividing the number of pounds of carryover tobacco from the prior year by the normal yield for the farm for that year.

(ii) Reduce such "carryover" acres by the amount determined by subtracting the harvested acreage from the allotment in the current year.

(iii) If the "carryover" acres is entirely offset by the underharvested acreage, no penalty will be due on marketings, and the remainder of paragraph (b) of this section will be inapplicable.

(2) Determine the number of "within quota carryover acres" by multiplying the "carryover acres" (subparagraph (1) (i), or (ii), when determined, of this paragraph) by the "percent within quota" (i.e., 100 percent minus the percent excess) for the year in which the carryover tobacco was produced.

(3) Determine the "total acres" of tobacco by adding the "carryover acres" (subparagraph (1) of this paragraph) and the acreage of tobacco harvested in the current year.

(4) Determine the "excess acres" by subtracting from the "total acres" (subparagraph (3) of this paragraph) the sum of the current year's allotment and the "within quota carryover acres" (subparagraph (2) of this paragraph).

(5) Determine the percent excess by dividing the "total acres" into the "excess acres" (subparagraph (4) of this paragraph).

(c) *Converted rate of penalty.* For the purpose of determining the penalty due on each marketing by a producer of tobacco subject to penalty, the converted rate of penalty per pound shall be determined by multiplying the applicable rate of penalty for the current crop by the percent excess obtained under paragraph (a) or (b) of this section.

§ 724.83 Claim stamping and replacing marketing cards.

(a) Stamping to show indebtedness. (1) If any producer on a farm is indebted to the United States and such indebtedness is listed on the county debt record, any Form MQ–76 issued for the farm shall bear the notation "U.S. Claim" on the front cover (including sales memos where the card contains such forms). Except as to burley cards, the amount and type of the indebtedness and the name of the debtor shall be entered on the inside back cover of the card. For burley tobacco, the amount shall follow the claim notation and the name of the indebted producer, if different from the farm operator, shall be recorded directly under the claim notation. A notation showing indebtedness to the United States shall constitute notice to any warehouseman, hogshead warehouseman, or loan organization that, subject to prior liens, the net proceeds from any price support loan due the debtor shall be

paid to the United States to the extent of the indebtedness shown. The acceptance and use of a marketing card bearing a notice and information of indebtedness to the United States shall not constitute a waiver by the producer of any right to contest the validity of such indebtedness by appropriate administrative appeal or legal action and shall not necessitate a producer accepting a price support advance from which such indebtedness would be deductible. As claim collections are made, the amount of the claim shown on the card shall be revised to show the claim balance, and the floor sheet shall show the amount collected. Upon request of the producer to whom the card was issued a claim-free marketing card shall be issued when the claim has been entirely paid.

(2) Any marketing card may be stamped for the purpose of notifying warehousemen, hogshead warehousemen, or loan organizations, that the tobacco being marketed pursuant to such card is subject to a lien held by the United States.

(b) *Replacing, exchanging, or issuing additional marketing cards.* Subject to the approval of the county office manager, two or more marketing cards may be issued for any farm. Upon the return to the ASCS county office of a marketing card which has been used in its entirety and before the marketing of tobacco from the farm has been completed, a new marketing card of the same kind, bearing the same name, information and identification as the used card shall be issued for the farm. A new marketing card of the same kind shall be issued to replace a card which has been determined by the county office manager who issued the card to have been lost, destroyed, or stolen.

§ 724.84 Invalid cards.

(a) *Reasons for being invalid.* A marketing card shall be invalid if:

(1) It is not issued or delivered in the form and manner prescribed;

(2) An entry is omitted or is incorrect;

(3) It is lost, destroyed, stolen, or becomes illegible; or

(4) Any erasure or alteration has been made and not properly initialed by the county office manager or marketing recorder.

(b) *Validating invalid cards.* If any entry is not made on a marketing card as required, either through omission or incorrect entry, and the proper entry is made and initialed by the county office manager who issued the card, or by a marketing recorder, then such card shall become valid.

(c) *Returning invalid cards.* In the event any marketing card becomes invalid (other than by loss, destruction or theft, or by omission, alteration, or incorrect entry, which has not been corrected by the county office manager who issued the card, or by a marketing recorder), the farm operator, or the person having the card in his possession, shall return it to the ASCS county office at which it was issued.

§ 724.85 Misuse of marketing card.

Any information which causes a marketing recorder, a member of a State, county, or community committee, or an employee of an ASCS State or county office to believe that any tobacco which actually was produced on one farm has been or is being marketed under the marketing card issued for another farm, shall be reported immediately by such person to the ASCS county or State office.

§ 724.86 Identification of marketings, excluding burley tobacco and cigar tobacco.

(a) *Sale memo and bill of nonauction sale.* Subject to paragraph (b) of this section, each marketing of tobacco from a farm shall be identified by an executed sale memo from the marketing card issued for the farm. In addition, each nonauction sale, except sales through a hogshead warehouse, shall be identified by an executed bill of nonauction sale, and such bills of nonauction sale shall be delivered to a marketing recorder or other person who is authorized to issue sale memos.

(b) *Suspended sales and sales without marketing cards.* Any suspended sale, which is not identified by a properly executed sale memo on or before the last warehouse sale day of the marketing season, or within 4 weeks after the date of marketing, whichever comes first, shall be identified by MQ–82, Sale Without Marketing Card, as a marketing of excess tobacco. Form MQ–82 shall be executed only by a marketing recorder or other representative of the State executive director.

(c) *Other persons authorized to execute sale memos.* (1) A warehouseman or a hogshead warehouseman, who has been authorized during the current marketing year on MQ–78, Tobacco Warehouse Organization, may issue a sale memo to identify a sale by a farmer if a marketing recorder is not available at the warehouse when the marketing card is presented. Each such sale memo issued by him shall be presented promptly by him to the marketing recorder for verification with the warehouse records.

(2) In the case of Maryland tobacco, a tobacco dealer who buys tobacco direct from farmers, who resells such tobacco through a hogshead tobacco warehouse, and who has been authorized on MQ–78–Tobacco to issue sale memos, may issue the form covering a purchase of such tobacco only if the bill of nonauction sale has been executed.

(3) Any warehouseman, hogshead warehouseman, or dealer, who engages in the business of acquiring scrap tobacco from farmers, and who has been authorized on MQ–78, may issue a sale memo covering a purchase of scrap tobacco if the bill of nonauction sale has been executed.

(d) *Verification of sale memos.* Any person authorized on MQ–78 to act as a marketing recorder shall promptly present to a marketing recorder, for verification, any sale memos executed by him in the absence of a marketing recorder.

(e) *Withdrawal of approval to act as marketing recorder.* The authorization on MQ–78 for persons to act as marketing recorders may be withdrawn by the State executive director if such action is determined to be necessary to properly enforce the regulations in this subpart.

(f) *Verification of penalty by warehousemen or dealers.* Each sale memo for excess tobacco issued by a marketing recorder shall be verified by a warehouseman or dealer to determine whether the amount of penalty shown to be due has been correctly computed and such warehouseman or dealer shall not be relieved of any liability with respect to the amount of penalty due because of any error which may occur in executing the sale memo.

(g) *Recording of serial number.* The serial number of the floor sheet(s) shall be recorded by the warehouseman on the check register or check stub for the check written covering the auction sale of tobacco by a producer.

(h) *Separate display of producer tobacco on auction warehouse floor.* Each basket of fire-cured, dark air-cured, Virginia sun-cured, and Maryland producer's tobacco placed on a warehouse floor shall be displayed on baskets separate from tobacco produced on any other farm and shall be identified on the warehouse bill (floor sheet) covering such baskets by the number of the marketing card for the kind of tobacco issued for the farm on which the tobacco was produced. Such kinds of tobacco not so displayed shall not be eligible for price support.

(i) *Identification of returned first sale (producer) tobacco.* When resold at auction, tobacco which has been previously sold and returned to a warehouse by the buyer is resale tobacco. When such tobacco is resold by the warehouseman, it shall be identified as leaf account resale tobacco.

§ 724.87 Identification of burley tobacco marketings.

(a) *Identification of producer marketings.* Each auction and nonauction marketing of burley tobacco from a farm in the current year shall be identified by a marketing card, Form MQ–76, issued for the farm. The reverse side of the marketing card shall show pounds sold and date of sale. Also, each producer sale at auction shall be recorded on Form MQ–72–1, Report of Tobacco Auction Sale, and each producer sale at nonauction shall be recorded on Form MQ–72–2, Report of Tobacco Nonauction Purchase.

(b) *Verification of penalty by warehousemen or dealers.* Each sale of tobacco by a producer which is subject to penalty and which has been recorded by a marketing recorder shall be verified by a warehouseman or dealer to determine whether the amount of penalty shown to be due has been correctly computed. Such warehousemen or dealer shall not be relieved of any liability for the amount of penalty due because of any error which may occur in computing the penalty and recording the sale.

(c) *Check register.* The serial number of the floor sheet(s) shall be recorded

by the warehouseman on the check register of check stub for the check written covering the auction sale of tobacco by a producer.

(d) *Identification of dealer marketing of resale tobacco.* Each auction and nonauction marketing of resale tobacco in the current year shall be identified when sold by a Form MQ–79–2, Dealer Identification Card, issued to the dealer. Also, each resale at auction shall be recorded on Form MQ–72–1, Report of Tobacco Auction Sale, and each resale at nonauction shall be recorded on Form MQ–72–2, Report of Tobacco Non-Auction Purchase.

(e) *Separate display of producer tobacco on auction warehouse floor.* Each basket of burley tobacco placed on a warehouse floor shall be displayed on baskets separate from tobacco produced on any other farm and shall be identified on the warehouse bill (floor sheet) covering such baskets by the marketing card for the kind of tobacco issued for the farm on which the tobacco was produced. Burley tobacco not so displayed shall not be eligible for price support.

(f) *Identification of returned first sale (producer) tobacco.* When resold at auction, burley tobacco which has been previously sold and returned to the warehouse by the buyer is resale tobacco. When such tobacco is resold by the warehouseman, it shall be identified as leaf account resale tobacco.

(g) *Suspended sale.* Any suspended sale (producer sale or dealer sale) which is not identified by MQ–72–1 and MQ–76 (or MQ–79–2) within 1 week from date of sale or on the last warehouse sale day for the season, whichever comes first, shall be subject to penalty at the full rate per pound. The warehouseman shall remit the penalty.

§ 724.88 Identification of marketings of cigar tobacco.

(a) *Marketing card and sale memo for cigar tobacco.* If a sale of producer's cigar tobacco to a buyer is not identified with a marketing card (MQ–76 or MQ–77) issued for the farm, including a sale memo from MQ–77, where such card was issued, by the end of the sale date and recorded and reported on MQ–79 (CF&B), Buyer's Record, by the tenth day of the calendar month next following the month during which the sale date occurred, the marketing shall be identified on MQ–79 (CF&B) as a marketing of excess tobacco and reported not later than the tenth day of the calendar month next following the month during which the sale date occurred.

(b) Each excess sale memo issued by a buyer shall be verified by the buyer to determine whether the amount of penalty shown to be due has been correctly computed and such buyer shall not be relieved of any liability with respect to the amount of penalty due because of any error which may occur in issuing the sale memo.

§ 724.89 Rate of penalty.

(a) *Basic rate.* The basic penalty rate shall be equal to seventy-five (75) percent of the average market price for the kind of tobacco for the immediately preceding marketing year as determined by the Crop Reporting Board, Statistical Reporting Service, U.S. Department of Agriculture. The rate of penalty will be determined for each marketing year and announced by amendment to the regulations of this subpart.

(b) *Average market price and rate of penalty.* These data will be issued annually in May or early June (October for Maryland tobacco).

(c) (1) *1967–68 average market price.* The average market price for the kinds of tobacco listed below as determined by the Crop Reporting Board, Statistical Reporting Service, U.S. Department of Agriculture, for the 1967–68 marketing year was:

AVERAGE MARKETING PRICE

Kinds of tobacco	Cents per pound
Burley	71.8
Fire-cured (type 21)	40.9
Fire-cured (types 22, 23, 24)	46.2
Dark air-cured	40.8
Virginia sun-cured	45.2
Cigar-filler and binder (types 42, 43, 44, 53, 54, and 55)	33.3
Cigar-binder (types 51 and 52)	54.5

(2) *1968–69 rate of penalty per pound.* The penalty rate per pound for the kinds of tobacco listed below upon marketings of excess tobacco subject to marketing quotas during the 1968–69 marketing year shall be:

RATE OF PENALTY

Kinds of tobacco	Cents per pound
Burley	54
Fire-cured (type 21)	31
Fire-cured (types 22, 23, 24)	35
Dark air-cured	31
Virginia sun-cured	34
Cigar-filler and binder (types 42, 43, 44, 53, 54, 55)	25
Cigar-binder (types 51 and 52)	41

§ 724.90 Persons to pay penalty.

The persons to pay the penalty due on any marketing of tobacco subject to penalty shall be determined as follows:

(a) *Auction sale.* The penalty due on marketings by a producer through an auction sale shall be paid by the warehouseman who may deduct an amount equivalent to the penalty from the price paid to the producer.

(b) *Nonauction sale.* (1) The penalty due on marketings by a producer through a hogshead warehouse shall be paid by the hogshead warehouseman who may deduct an amount equivalent to the penalty from the price paid to the producer, and (2) the penalty due on tobacco purchases directly from a producer, other than through a hogshead warehouse or by an auction sale, shall be paid by the purchaser of the tobacco who may deduct an amount equivalent to the penalty from the price paid to the producer.

(c) *Cigar tobacco sold without excess sale memo or within quota card identification.* The penalty due on marketings of cigar tobacco by a producer which, as to excess tobacco, are not identified by a valid sale memo, and, as to within quota tobacco, a within quota card, by the end of the sale date shall be presumed, subject to rebuttal, to be marketings of excess tobacco. The penalty thereon shall be paid by the buyer who may deduct an amount equivalent to the penalty from the amount due the producer.

(d) *Marketings outside the United States.* The penalty due on marketings by a producer directly to any person outside the United States shall be paid by the producer.

§ 724.91 Penalties considered to be due from warehousemen, hogshead warehousemen, dealers, buyers and others excluding the producer.

Any marketing of tobacco under any one of the following conditions shall be considered to be a marketing of excess tobacco.

(a) (1) *Auction sale without memo of sale (not applicable to burley).* Any warehouse sale of tobacco by a producer which is not identified by a valid sale memo on or before the last warehouse sale day of the marketing season, or within 4 weeks following the date of marketing, whichever comes first, shall be identified by an MQ–82, and shall be presumed, subject to rebuttal, to be a marketing of excess tobacco. The penalty thereon shall be paid by the warehouseman.

(2) *Auction sale of burley tobacco without identifying card (MQ–76 or MQ–79–2).* Any marketing of burley tobacco at an auction sale by a producer or dealer which is not identified by a valid card (MQ–76 or MQ–79–2, as applicable) at time of weigh-in and at time of marketing by MQ–72–1 shall be considered to be a marketing of excess tobacco, and the penalty thereon shall be collected and remitted by the warehouseman.

(b) (1) *Nonauction sale of burley tobacco.* Any nonauction sale of burley tobacco which (i) is not identified by a valid marketing card and recorded at the time of purchase on MQ–79, Dealer's Report; or, (ii) if purchased prior to the opening of the local auction market for the current year, is not identified by a valid marketing card and recorded on MQ–79 not later than the end of the calendar week which includes the first sale day of the local auction markets, shall be considered a marketing of excess tobacco. The penalty thereon shall be collected by the purchaser of such tobacco, and remitted with MQ–79.

(2) *Nonauction sale (not applicable to burley tobacco).* Any nonauction sale of tobacco, except cigar tobacco and sales by producers of Maryland tobacco sold through the hogshead market, which (i) is not identified by a valid bill of nonauction sale; (ii) is not also identified by a valid sale memo and recorded on MQ–79, Dealer's Record, not later than the end of the calendar week in which the tobacco was purchased; or (iii) if purchased prior to the opening of the local auction market for the current year, is not identified by a valid sale memo and recorded on MQ–79 not later than the end of the calendar week which includes the first day of the local auction markets, shall be presumed, subject to rebuttal, to be a marketing of excess

tobacco. The penalty thereon shall be paid by the purchaser of such tobacco.

(c) *Leaf account tobacco.* The part or all of any marketing of tobacco by a warehouseman which such warehouseman represents to be a leaf account resale, but which when added to prior leaf account resales is in excess of prior leaf account purchases, recognizing and including appropriate adjustments for returned baskets, short baskets and short weights and long baskets and long weights from the Buyers' Corrections Account, shall be considered to be a marketing of excess tobacco, unless and until such warehouseman furnishes proof acceptable to the State committee showing that such marketing is not a marketing of excess tobacco. The penalty thereon shall be paid by the warehouseman.

(d) *Dealer's tobacco.* The part or all of any marketing of tobacco, except cigar tobacco, by a dealer, including purchases and resales at a hogshead warehouse, which such dealer represents to be a resale, but which when added to prior resales by such dealer is in excess of the total of his prior purchases, shall be considered to be a marketing of excess tobacco, unless and until such dealer furnishes proof acceptable to the State committee showing that such marketing is not a marketing of excess tobacco. The penalty thereon shall be paid by the dealer.

(e) *Resales not reported.* Any resale of tobacco which is required to be reported by a warehouseman or dealer, but which is not so reported within the time and in the manner required, shall be considered to be a marketing of excess tobacco, unless and until such warehouseman or dealer furnishes a report of such resale, which is acceptable to the State executive director. The penalty thereon shall be paid by the warehouseman or dealer who fails to make the report as required.

(f) *Unrecorded sale of cigar tobacco.* Any sale of cigar tobacco which is not recorded on MQ–79 (CF&B), Buyer's Record Book, by the 10th day of the month next following the month during which the sale date occurred shall be presumed, subject to rebuttal, to be a marketing of excess tobacco. The penalty thereon shall be paid by the buyer who fails to make the record.

(g) *Marketings falsely identified by a person other than the producer.* If any marketing of tobacco by a person other than the producer thereof is identified by a marketing card other than the marketing card issued for the farm on which such tobacco was produced, such marketing shall be presumed, subject to rebuttal, to be a marketing of excess tobacco. The penalty thereon shall be paid by such person.

(h) *Excess resale rule.* Where an analysis of an auction warehouse or dealer account shows excess resales for the season to be less than 100 pounds, the State executive director may accept the account as being satisfactory and no penalty due on account of excess resales.

(i) *Failure to obtain an MQ–77, Sale Memo, and failure to record a sale on MQ–76.* Any sale of cigar tobacco for which a dealer (1) if within quota, fails to record the sale on the marketing card issued for the farm, or (2) if the tobacco was produced on a farm for which an excess marketing card was issued, fails to obtain a valid sale memo by the end of the sale date, shall be presumed, subject to rebuttal, to be subject to penalty. The penalty thereon shall be paid by the buyer who fails to make the required record.

(j) *Carryover tobacco (except cigar tobacco).* Any tobacco on hand and reported or due to be reported under § 724.96 or § 724.97 for warehousemen and § 724.99 for dealers shall be included as a resale in determining whether an account has excess resales. Unless the warehouseman furnishes proof acceptable to the State committee and unless the dealer furnishes proof acceptable to the State executive director, showing that such account does not represent excess tobacco, penalty at the full rate shall be paid thereon by such warehouseman or dealer.

§ 724.92 Producers penalties; false identification; failure to account; canceled allotments.

(a) *Penalties for false identification or failure to account.* (1) If any producer falsely identifies or fails to account for the disposition of any tobacco produced on a farm, an amount of tobacco equal to the normal yield of the number acres harvested in the current year in excess of the farm acreage allotment shall be deemed to have been marketed as excess tobacco from such farm.

(2) If any producer who manufactures tobacco products from tobacco produced by or for him fails to make the reports or makes a false report required under § 724.95(g), he shall be deemed to have failed to account for the disposition of tobacco produced on the farm(s) involved. The filing of a report by a producer under § 724.95(g), which the State committee finds to be incomplete or incorrect, shall constitute a failure to account for the disposition of tobacco produced on the farm.

(b) *Canceled allotment.* If part or all of the tobacco produced on a farm has been marketed, and the allotment for the farm is canceled, any penalty due on the marketings shall be paid by the producer.

(c) *Person to pay penalty when erroneous rate is shown on card.* If an erroneous penalty rate is shown on a marketing card and tobacco is identified by such card, the producer shall remit any additional penalty due for the sale.

§ 724.93 Payment of penalty.

(a) *Date due.* Penalties shall become due at the time the tobacco is marketed, except that (1) in the case of tobacco removed from storage under bond penalty shall be due on the date of such removal from storage, or (2) in the case of false identification or failure to account for disposition of tobacco, the penalty shall be due on the date of such false identification or failure to account for disposition. The penalty shall be paid by remitting the amount thereof to the ASCS State office not later than the end of the calendar week in which the tobacco becomes subject to penalty, except that for cigar tobacco, the penalty shall be paid not later than the 10th of the calendar month next following the month in which the tobacco becomes subject to penalty. A draft, money order, or check drawn payable to the Agricultural Stabilization and Conservation Service, may be used to pay any penalty, but any such draft or check shall be received subject to payment at par.

(b) *Auction sale—net proceeds.* If the penalty due on any auction sale of tobacco by a producer is in excess of the net proceeds of such sale (gross amount for all lots included in the sale less usual warehouse charges), the amount of the net proceeds accompanied by a copy of the warehouse bill covering such sale may be remitted as the full penalty due. Usual warehouse charges shall not include (1) advances to producers, (2) charges for hauling, or (3) any other charges not usually incurred by producers in marketing tobacco through a warehouse.

(c) *Nonauction sale—converted penalty rate.* Nonauction sales shall be subject to the converted rate of penalty for the farm on which the tobacco was produced and shall be paid in full even though the penalty may exceed the proceeds for the sale of tobacco.

§ 724.94 Request for return of penalty.

Any producer of tobacco, after the marketing of all tobacco available for marketing from the farm and any other person who bore the burden of the payment of any penalty, may request the return of the amount of such penalty which is in excess of the amount required to be paid. Such request shall be filed on MQ–85 with the ASCS county office within 2 years after the payment of the penalty. Approval of return of penalty to producers shall be by the county committee, subject to the approval of the State executive director.

Records and Reports

§ 724.95 Producer's records and reports.

(a) *Report of tobacco acreage.* The farm operator or any producer on the farm shall execute and file a report with the ASCS county office or a representative of the county committee on Form ASCS–578, Record of Measurement Service, or Report of Acreage, showing all fields of tobacco on the farm in the current year. If any producer on a farm files or aids or acquiesces in the filing of any false report with respect to the acreage of tobacco grown on the farm, even though the farm operator or his representative refuses to sign such report, the allotment next established for such farm and kind of tobacco shall be reduced, except that such reduction for any such farm shall not be made if it is established to the satisfaction of the county and State committees that (1) the filing of, aiding, or acquiescing in the filing of, such false report was not intentional on the part of any producer on the farm,

and that no producer on the farm could reasonably have been expected to know that the report was false, provided the filing of the report will be construed as intentional unless the report is corrected and the payment of all additional penalty is made, or (2) no person connected with such farm for the year for which the allotment is being established caused, aided, or acquiesced in the filing of the false acreage report.

(b) *Report of tobacco grown for experimental purposes.* For farms on which tobacco is being grown for experimental purposes only, the Director of a publicly owned agricultural experiment station shall furnish, each current year, the ASCS State office, prior to the beginning of the harvesting of tobacco from any farm on which experimental tobacco is being grown, a report showing the following information with respect to each kind of tobacco and farm on which tobacco is grown for experimental purposes only:

(1) Name and address of the publicly owned experiment station;

(2) Name of the owner, and name of the operator, if different from the owner, of each farm on which tobacco is grown for experimental purposes only;

(3) The amount of acreage of tobacco grown on each farm for experimental purposes only; and

(4) A certification signed by the Director of the publicly owned agricultural experiment station to the effect that such acreage of tobacco was grown on each farm for experimental purposes only, the tobacco was grown under his direction, and the acreage on each plot was considered necessary for carrying out the experiment.

(c) *Harvesting second crop tobacco from same acreage.* If, in the same calendar year more than one crop of tobacco was grown from (1) the same tobacco plants, or (2) different tobacco plants, and is harvested from the same acreage of a farm and is marketed, the acreage allotment next established for such farm shall be reduced by an amount equivalent to the acreage from which more than one crop of tobacco was so grown and harvested.

(d) *Cancellation of new farm allotment.* Any new farm allotment approved under this subpart which was determined by the county committee on the basis of incorrect information knowingly furnished the county committee by the applicant for the new farm allotment shall be cancelled by the county committee as of the date the allotment was established.

(e) *False identification.* If tobacco was marketed or was permitted to be marketed in any marketing year as having been produced on the acreage allotment for any farm which, in fact, was produced on a different farm, the acreage allotments next established for both such farms and kind of tobacco shall be reduced, except that such reduction for any such farm shall not be made if it is established to the satisfaction of the county and State committees that (1) no person on such farm intentionally participated in such marketing or could have reasonably been expected to have prevented such marketing: *Provided,* That marketing shall be construed as intentional, unless all tobacco from the farm is accounted for and payment of all additional penalty is made, or (2) no person connected with such farm for the year for which the allotment is being established caused, aided, or acquiesced in such marketing.

(f) *Report on marketing card.* The operator of each farm on which tobacco is produced shall return to the ASCS county office each marketing card issued for the farm whenever marketings from the farm are completed, and, in no event, later than (1) June 1 of next calendar year after issuance of the card in the case of cigar tobacco, (2) October 1 of next calendar year after issuance of the card in the case of Maryland tobacco, and (3) for all other kinds of tobacco, not later than 30 days, in the year of issuance of the card, after the close of the tobacco auction markets for the locality in which the farm is located. Failure to return the marketing card within 15 days after written request by certified mail from the county office manager shall constitute failure to account for disposition of all tobacco marketed from the farm unless disposition of tobacco marketed from the farm is otherwise accounted for to the satisfaction of the county committee. Upon failure to satisfactorily account to the county committee for disposition of tobacco marketed from the farm, the allotment next established for such farm and kind of tobacco shall be reduced, except that such reduction for any such farm shall not be made if it is established to the satisfaction of the county committee and a representative of the State committee that the failure to furnish such proof of disposition was unintentional and no producer on such farm could reasonably have been expected to furnish such proof of disposition: *Provided,* That such failure will be construed as intentional unless such proof of disposition is furnished and payment of all additional penalty is made, or no person connected with such farm for the year for which the allotment is being established caused, aided, or acquiesced in the failure to furnish such proof. As to each MQ–76 issued for Maryland tobacco and for each MQ–77 issued for any kind of tobacco, at the time the marketing card is returned to the ASCS county office, there shall be shown on each card the quantity of tobacco on hand, if any, including the crop year it was produced and its location. The card shall be signed by the farm operator. As to each MQ–76 for cigar tobacco, at the time the marketing card is returned to the ASCS county office, the Record of Sales form on the card shall be signed by the farm operator.

(g) *Reports by producer-manufacturers.* (1) Each producer who manufactures tobacco products from tobacco produced by or for him as a producer shall report, as to each farm on which such tobacco is produced, to the ASCS State Office as follows with respect to such tobacco.

(i) If the harvested acreage is within the allotment, the producer-manufacturer shall furnish the ASCS State Office a report, as soon as all the tobacco from the farm has been weighed, showing the total pounds of tobacco produced, the date(s) on which such tobacco was weighed, the farm serial number of the farm on which it was produced, and the estimated value of such tobacco.

(ii) If the harvested acreage is in excess of the allotment, the producer-manufacturer shall furnish the ASCS State Office a report as soon as all the tobacco from the farm has been weighed, showing the total pounds of tobacco produced on the farm, the date(s) on which the tobacco was weighed, the farm serial number of the farm on which it was produced, the estimated value of the tobacco, and the location of the tobacco. If the required reports are not made, penalty shall be paid on the tobacco by the producer-manufacturer, at the converted rate of penalty shown on the marketing card issued for the farm, when it is moved from the place where it can be conveniently inspected by the county committee at anytime separate and apart from any other tobacco.

(2) If the producer-manufacturer has excess tobacco and does not pay the penalty thereon at the converted rate of penalty shown on the marketing card, he shall notify in writing the buyer of the manufactured product or the buyer of any residue resulting from processing the tobacco, at time of sale of such product or residue, of the precise amount of penalty due on such manufactured product or residue. In such event, the producer-manufacturer shall immediately notify the State executive director and shall account for the disposition of such tobacco by furnishing the State executive director a report on a form to be furnished by him, showing the name and address of the buyer of the manufactured products or residue, a detailed account of the disposition of such tobacco and the exact amounts of penalty due with respect to each such sale of such products or residue, together with copies of the written notice of the exact amounts of the penalty due given to the buyer of such products or residue. Failure to file such report, or the filing of a report which is found by the State committee to be incomplete or incorrect, shall be considered failure of the producer-manufacturer to account for the disposition of tobacco produced on the farm and the allotment next established for the farm shall be reduced for such failure, except that such reduction for any such farm shall not be made if it is established to the satisfaction of the county and State committees, that (i) the failure to furnish such report of disposition was unintentional and the producer-manufacturer on such farm could not reasonably have been expected to furnish That such failure will be construed as such report of disposition: *Provided:* intentional unless such report of disposition is furnished and payment of all additional penalty is made, or (ii) no person connected with such farm for the year for which the allotment is being

established caused, aided, or acquiesced in the failure to furnish such report. The producer-manufacturer shall be liable for the payment of penalty.

(h) *Report of production and disposition.* In addition to any other reports which may be required by this subpart, the operator on each farm, or any producer on the farm (even though the harvested acreage does not exceed the acreage allotment or even though no allotment was established for the farm) shall, upon written request by certified mail from the State executive director within 15 days after deposit of such request in the U.S. mail, addressed to such person at his last known address, furnish the Secretary on MQ–108, Report of Production and Disposition, a written report of the acreage production and disposition of all tobacco produced on the farm by sending the same to the ASCS State office showing, as to the farm at the time of filing such report, (1) the number of fields (patches or areas) from which tobacco was harvested, the acres of tobacco harvested from each such field, and the total acreage of tobacco harvested from the farm, (2) the total pounds of tobacco produced, (3) the amount of tobacco on hand and its location, (4) as to each lot of tobacco marketed, the name and address of the warehouseman, dealer, or other person to or through whom such tobacco was marketed, the gross price and the date of the marketing, and (5) complete details as to any tobacco disposed of other than by sale. Failure to file the MQ–108 as requested, the filing of a false MQ–108, or the filing of an MQ–108 which is found by the State committee to be incomplete or incorrect, shall constitute failure of the producer to account for disposition of tobacco produced on the farm and the allotment next established for such farm and kind of tobacco shall be reduced, except that such reduction for any such farm shall not be made if it is established to the satisfaction of the county and State committees that (i) the failure to furnish such proof of disposition was unintentional and no producer on such farm could reasonably have been expected to furnish such proof of disposition: *Provided,* That such failure will be construed as intentional and unless such proof of disposition is furnished and payment of all additional penalty is made, or (ii) no person connected with such farm for the year for which the allotment is being established caused, aided, or acquiesced in the failure to furnish such proof.

(i) *Amount of allotment reduction.* The amount of reduction in the allotment for the current year for a violation described in paragraphs (a), (e), (f), (g), or (h) of this section shall be that percentage which the amount of tobacco involved in the violation is of the respective farm marketing quota for the farm for the year in which the violation occurred. Where the violation equals or exceeds the amount of the farm marketing quota, the amount of reduction shall be 100 percent. The quantity of tobacco determined by the county committee to have been falsely identified, or produced on acreage falsely omitted from an ASCS–578 as filed, or for which the county committee determines that proof of disposition has not been furnished, shall be considered as the amount of tobacco involved in the violation. If the actual quantity of tobacco falsely identified, or produced on acreage falsely omitted from ASCS–578, or for which proof of disposition has not been furnished is known, such quantity shall be determined by the county committee to be the amount of tobacco involved in the violation. If (1) the actual quantity of tobacco produced on acreage falsely omitted from an ASCS–578, or for which proof of disposition has not been furnished is not known, or (2) if the actual total production of tobacco on the farm is not known, the county committee shall determine such actual quantity or such total production and the farm marketing quota in the following manner. The yield per acre and the total production of tobacco on the farm shall be determined by taking into consideration the condition of the tobacco crop during production, if known, and the actual yield per acre of tobacco on other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar: *Provided,* That the determination of the total production of tobacco on the farm shall not exceed the harvested acreage of tobacco on the farm multiplied by the average actual yield on farms in the locality on which the soil and other physical factors affecting production of tobacco are similar. The yield per acre and the total production of tobacco for the farm as so determined by the county committee shall be deemed to be the actual yield per acre and the actual total production of tobacco for the farm. The actual yield per acre of tobacco on the farm as so determined by the county committee multiplied by the farm acreage allotment shall be deemed to be the actual production of the acreage allotment and the farm marketing quota. Where the actual quantity of tobacco for which proof of disposition has not been furnished is not known, such quantity shall be determined by the county committee to be the quantity of tobacco remaining after deducting from the total production of tobacco on the farm determined as aforesaid, the quantity of tobacco for which proof of disposition has been furnished. Where the actual quantity of tobacco produced on acreage falsely omitted from an ASCS–578 is not known, such quantity shall be determined by the county committee to be the quantity resulting from multiplying the yield per acre for the farm determined as aforesaid by the acreage falsely omitted from the ASCS–578 as filed.

(j) *Allotment reductions for combined farms.* If the farm involved in the violation is combined with another farm prior to the reduction, the reduction shall be applied as heretofore provided in this section to that portion of the allotment for which a reduction is required.

(k) *Allotment reduction for divided farms.* If the farm involved in the violation has been divided prior to the reduction, the reduction shall be applied as heretofore provided in this section to the allotments for the divided farms required to be reduced.

(l) *County administrative hearings in connection with violations.* Except for the failure to return a marketing card to the county office, the allotment for any farm shall not be reduced for a violation under this section until after the operator of the farm has been notified in writing by the county office manager of the time and place of a hearing to determine the nature and extent of the violation. The notice of the hearing shall request the farm operator to bring to the hearing warehouse bills (floor sheets) and other relevant supporting documents. At least two members of the county committee shall be present at the hearing. The hearing shall be held at the time and place named in this notice and any action taken on the violation shall be taken after the hearing. If the farm operator does not attend the hearing, or is not represented, the county committee may take whatever action it deems proper.

§ 724.96 Warehouseman's records and reports, except burley tobacco.

(a) *Record of marketing*—(1) *Auction sale.* Each warehouseman shall keep such records as will enable him to furnish the ASCS State office with respect to each auction sale and for each kind of tobacco made at his warehouse the following information:

(i) The name of the operator of the farm on which the tobacco was produced and the name of the seller, in the case of a sale by a producer, and in the case of a resale, the name of the seller.

(ii) Date of sale.

(iii) Number of pounds sold.

(iv) Amount of any penalty and the amount of any deduction on account of penalty from the price paid the producer(s); and, in addition, with respect to each individual basket or lot of tobacco constituting the auction sale, the following information:

(v) Name of purchaser.

(vi) Number of pounds sold.

(2) *Record for separate accounts.* Records of all purchases and resales of tobacco by the warehouseman shall be maintained to show a separate account for:

(i) Nonauction sales by farmers of tobacco purchased by or on behalf of the warehouseman.

(ii) Purchases and resales of leaf account tobacco.

(iii) Resales of floor sweepings.

(3) *Buyers corrections account.* Each warehouseman shall keep such records as will enable him to furnish the ASCS State office on Form MQ–71, Summary of Buyers Corrections Account, the total pounds of the debits (for returned baskets, short baskets and short weights of tobacco) and credits (for long baskets and long weights of tobacco) to the Buyers Corrections Account. Where the warehouseman returns to the seller

tobacco debited to the Buyers Corrections Account, the warehouseman shall prepare an adjustment invoice to the seller. This invoice shall be the basis for a credit entry for the warehouse in the Buyers Corrections Account and a corresponding purchase (debit entry) in the case of a dealer on his MQ–79, Dealer's Record. If an auction warehouse maintains a daily summary of bill-outs, the balancing figure reflected thereon, if any, shall not be included in the Buyers Corrections Account.

(4) *Scrap tobacco acquired from grading producers' tobacco.* Any warehouseman or any other person who grades tobacco for farmers shall maintain records which will enable him to furnish the ASCS State office the name of the farm operator and the approximate amount of scrap tobacco obtained from the grading of tobacco from each farm.

(5) *Scrap tobacco acquired from furnishing producers curing and stripping space.* Any warehouseman or any other person who provides tobacco curing space or stripping space for farmers shall maintain records which will enable him to furnish the ASCS State office the name of the farm operator and the approximate amount of scrap tobacco obtained from each farm resulting from providing such space.

(6) *Resales.* In the case of resales for dealers, the name of the dealer making each resale, and in the case of resales for the warehouse, the name of the applicable warehouse account shall be shown on the warehouse records so that the individual lots of tobacco sold can be identified, and the word "Resale" shall be clearly shown on each warehouse bill (floor sheet) covering such tobacco.

(b) *Identification of producer sales of tobacco*—(1) *Floor sheet.* The serial number of the Form MQ–76 or Form MQ–77 on which tobacco is to be marketed at auction shall be recorded by the warehouseman on his office copy of the warehouse bill (floor sheet) prior to the time the tobacco is offered for sale. The letters "NA" shall be shown on each line of a warehouse bill (floor sheet) on which there is recorded tobacco purchased by or for the warehouse at nonauction sale and there shall be recorded on all such warehouse bills (floor sheets) the serial number of the Form MQ–76 or Form MQ–77 on which the tobacco is marketed at the time the tobacco is purchased at nonauction sale. A copy of the warehouse bill (floor sheet) bearing the letters "NA" shall be furnished the producer for any lot or basket of such tobacco purchased by the warehouseman.

(2) *Check register.* The serial number of the warehouse bill (floor sheet) shall be recorded by the warehouseman on the check register or check stub for the check written covering an auction sale of tobacco by a producer.

(3) *Marketing card cover.* The serial number of the warehouse bill (floor sheet) shall be recorded on the inside front cover of the marketing card by the market recorder or warehouseman for each sale memo issued covering a sale of tobacco by a producer.

(c) *Sale memo and bill of nonauction sale.* A record in the form of a valid sale memo from a Form MQ–76 or Form MQ–77 or Form MQ–82, Sale Without Marketing Card, shall be obtained by a warehouseman to cover each marketing of tobacco from a farm through a warehouse and each nonauction sale of tobacco purchased by or for the warehouseman, including scrap tobacco obtained as a result of providing curing space or stripping space for farmers. Each sale memo shall be executed as follows:

(1) *Auction sale.* A sale memo issued from a Form MQ–76 to cover an auction sale shall show in the spaces provided therefor, the bill (floor sheet) number and pounds sold. Sale memo issued from a Form MQ–77 to cover an auction sale shall show on the first page thereof in all of the spaces provided therefor, the warehouse bill(s) number(s), the pounds sold, and the amount of penalty due.

(2) *Nonauction sale to a warehouseman who does not prepare a warehouse bill (floor sheet).* A sale memo issued to cover a nonauction sale of tobacco to a warehouseman who does not prepare a warehouse bill (floor sheet) to cover the sale, shall show in Item 2 of a sale memo from Form MQ–76 or on the reverse side of a sale memo from Form MQ–77 the pounds sold and the amount of penalty due on a sale memo from Form MQ–77. The signature of the producer shall be obtained in the space provided.

(3) *Nonauction sale to a warehouseman who prepares a warehouse bill (floor sheet).* (i) Where a warehouseman purchases all the delivery of a producer's tobacco at a nonauction sale and prepares a warehouse bill (floor sheet) to cover the purchase, item 2 of a sale memo from Form MQ–76 or the reverse side of a sale memo from Form MQ–77, shall be completed as specified in subdivision (2) of this subparagraph and in addition, in the spaces provided in item 1 of the sale memo from Form MQ–76 or on the first page of a sale memo from Form MQ–77 the number of pounds purchased shall be shown in the spaces provided therefor and the amount of penalty due on a sale memo from Form MQ–77. The signature of the producer shall be obtained in the space provided.

(ii) Where a warehouseman purchases at a nonauction sale part of a delivery of tobacco by a producer and the remainder of the tobacco is sold at auction: (*a*) Item 1 of a sale memo from Form MQ–76 shall be completed to show the warehouse bill (floor sheet) number and the total number of pounds covered by the entire delivery under "Lbs. Sold." The first page of a sale memo from a Form MQ–77 shall be completed to show the warehouse bill(s) (floor sheet) number in the space provided therefor, the total number of pounds covered by the entire delivery under "Lbs. Sold," and the amount of penalty due. (*b*) Item 2 of a sale memo from Form MQ–76 shall show the number of pounds under "Lbs. Sold" at nonauction sale. The reverse side of a sale memo from a Form MQ–77 shall show the number of pounds sold at nonauction sale in the space provided therefor.

(d) *Suspended sale record.* Any warehouse bills covering first marketing of farm tobacco for which sale memos have not been issued at the end of the sale day shall be presented to a market recorder who shall stamp such bills "Suspended" and write thereon the serial number of the suspended sale, and record the bills on MQ–80, Daily Auction Warehouse Report: *Provided,* That if a market recorder is not available, the auction warehouseman may stamp such bills "Suspended" and deliver them to a market recorder when one is available.

(e) *Warehouseman's entries on dealer's record.* Each warehouseman shall record, or have the dealer record, on MQ–79 the total purchases and resales made by each such dealer or other warehouseman during each sale day at a warehouse. If any tobacco resold by the dealer is tobacco bought by him from a crop produced prior to the current crop, entry on MQ–79 shall clearly show such fact.

(f) *Record and report of purchases and resales.* Each warehouseman shall keep a record and make reports on MQ–79, Dealer's Record, showing:

(1) All nonauction purchases of tobacco except nonauction purchases for which a warehouseman prepares a floor sheet.

(2) All purchases and resales of tobacco at public auction through warehouses other than his own.

(3) All purchases of tobacco from dealers other than warehousemen and resales of tobacco to dealers other than warehousemen.

(4) Resales of floor sweepings separately from leaf account tobacco. MQ–79 shall be prepared and a copy forwarded to the ASCS State office not later than the end of the calendar week in which such tobacco was purchased or resold: *Provided,* That if tobacco is purchased prior to the opening of the local auction market, an MQ–79 shall be prepared and a copy forwarded to the ASCS State office not later than the end of the calendar week which would include the first sale day of the local auction markets. A remittance for all penalties shown by the entries on MQ–79 and on the sale memos to be due, shall be forwarded to the ASCS State office with the original copy of MQ–79.

(g) *Daily report of auction warehouse business.* Each warehouseman shall prepare and promptly forward at the end of each sale day to the ASCS State office a report on MQ–80, Daily Auction Warehouse Report, showing for each sale day, unless otherwise stated below.

(1) For each dealer or buyer as originally billed, the total pounds of tobacco purchased at auction and resales at auction on the warehouse floor.

(2) For any association as originally billed, the total pounds and gross amount of loan tobacco acquired at auction, and resales at auction, if any, on the warehouse floor.

(3) (i) The total pounds of leaf account purchases at auction on the warehouseman's own floor, (ii) the total pounds of leaf account purchases at nonauction sale for which a floor sheet is prepared, and (iii) the total pounds of all leaf account resales at auction on the warehouseman's own floor, including resales of tobacco from the warehouseman's buyers corrections account. (*a*) the total pounds of leaf account purchases at auction on the warehouseman's own floor, (*b*) the total pounds of leaf account purchases at nonauction sale for which a floor sheet is prepared, and (c) the total pounds of all leaf account resales at auction on the warehouseman's own floor, including resales of tobacco from the warehouseman's buyers corrections account.

(4) The total pounds of all resales at auction on the warehouseman's own floor of floor sweepings which accumulated on the warehouseman's own floor.

(5) The sum of the totals for subparagraphs (1), (2), (3), and (4) of this paragraph.

(6) The computed total of first sales at auction on the warehouse floor.

(7) (i) The warehouse gross sale pounds for the day, as billed to buyers (sum of subparagraphs (1), (2), and (3) of this paragraph), (ii) the pounds on warehouse check register if shown thereon, and (iii) the total pounds of the resales (sum of subparagraphs (1), (2), (3), and (4) of this paragraph).

(8) On the report for the last sale day for the season, the pounds of all tobacco on hand whether such tobacco represents leaf account tobacco or floor sweepings which accumulated on the warehouseman's own floor.

(9) For each warehouse sale of excess tobacco from a farm, the applicable sale memo and numbers thereof with remittance of the penalty due as shown thereon.

(10) As to the information required to be entered on MQ–80, Daily Auction Warehouse Report, by the marketing recorder, the warehouseman shall keep and make available such records as will enable the marketing recorder to enter thereon: (i) For each sale identified by a sale memo or MQ–82, Sale Without Marketing Card, the pounds sold; (ii) for each sale suspended, the warehouse bill(s) number and pounds sold; and (iii) for each sale cleared from suspension, the sale memo number and the date of clearance.

(11) Where a producer rejects the sale of a basket or a lot of tobacco, the warehouseman shall not change (i) the applicable sale memo, and (ii) the MQ–80 on which is reported the sale, if such tobacco has been billed out and the bills have been presented to the buyer.

(12) In balancing first sales (represented by marketing recorder's total sales memos) with computed first sales (bill-out total minus resales as reported by the warehouseman) the State executive director is authorized to approve reports with variance not to exceed one half of one percent of such pounds.

(13) At the end of the season, each warehouseman shall, for each kind of tobacco: (i) Report on his final MQ–80 for the season the quantity of leaf account tobacco and floor sweeping tobacco, if any, on hand and its location, and (ii) permit its inspection and weighing by a representative of ASCS, and furnish him at that time a certification of the quantity of such tobacco. Separate data shall be reported for floor sweeping tobacco.

(h) *Daily report of data from buyers corrections account.* For fire-cured, dark air-cured, Virginia sun-cured, and Maryland tobacco for the marketing year beginning October 1, 1968, and subsequent marketing years when quotas are in effect, each warehouseman shall keep a record and make reports on MQ–71, Summary of Buyers Corrections Account, showing for each sale day and for each buyer the total pounds of debits for the warehouse for short baskets, short weights, and returned baskets and the total pounds of credits for the warehouse for long baskets and long weights, as shown by the buyers corrections account, excluding billing errors, kept by the warehouseman.

(i) *Producer tobacco.* Producer tobacco (first sale) in possession of a warehouseman, resulting from long weights and long baskets, which has not previously been identified by a sale shall be recorded and reported in the same manner as a nonauction sale to a warehouseman who does not prepare a warehouse bill (floor sheet) and shall be reported on MQ–79, Dealer's Record.

§ 724.97 Warehouseman's records and reports for burley tobacco.

(a) *Record of marketing*—(1) *Auction sale.* Each warehouseman shall keep such records as will enable him to furnish the ASCS State office with respect to each auction sale of burley tobacco made at his warehouse the following information:

(i) The name of the operator of the farm on which the burley tobacco was produced and the name of the seller, in the case of a sale by a producer, and in the case of a resale, the name of the seller.

(ii) Date of sale.

(iii) Number of pounds sold.

(iv) Amount of any penalty and the amount of any deduction on account of penalty from the price paid the producer(s); and, in addition, with respect to each individual basket or lot of tobacco constituting the warehouse sale, the following information:

(v) Name of purchaser.

(vi) Number of pounds sold.

(2) *Record for separate accounts.* Records of all purchases and resales of burley tobacco by the warehouseman shall be maintained to show a separate account for:

(i) Nonauction sales by farmers of burley tobacco purchased by or on behalf of the warehouseman.

(ii) Purchases and resales of leaf account tobacco.

(iii) Resales of floor sweepings.

(3) *Buyers corrections account.* Each warehouseman shall keep such records as will enable him to furnish weekly to the ASCS State office on Form MQ–71, Summary of Buyers Corrections Account, the total pounds of the debits (for returned baskets, short baskets, and short weights of burley tobacco) and the credits (for long baskets and long weights of burley tobacco) to the buyers corrections account. Where the warehouseman returns to the seller burley tobacco debited to the buyers corrections account, the warehouseman shall prepare an adjustment invoice to the seller. This invoice shall be the basis for a credit entry for the warehouse in the buyers corrections account and a corresponding purchase (debit entry) in the case of a dealer on his MQ–79, Dealer's Record. If an auction warehouse maintains a daily summary of bill-outs, the balancing figure reflected thereon, if any, shall not be included in the buyers corrections account.

(4) Any warehouseman or any other person who grades burley tobacco for farmers shall maintain records which will enable him to furnish the ASCS State office the name of the farm operator and the approximate amount of scrap tobacco obtained from the grading of tobacco from each farm.

(5) Any warehouseman or any other person who provides burley tobacco curing space or stripping space for farmers shall maintain records which will enable him to furnish the ASCS State office the name of the farm operator and the approximate amount of scrap tobacco obtained from each farm resulting from providing such space.

(6) In the case of resales for dealers, the name of the dealer making each resale, and in the case of resales for the warehouse, the name of the applicable warehouse account shall be shown on the warehouse records so that the individual lots of tobacco sold can be identified, and the word "Resale" shall be clearly shown on each warehouse bill (floor sheet) covering such tobacco.

(7) *Warehouse bill and daily warehouse sales summary.* Each warehouseman shall use a warehouse bill (floor sheet) to record the tobacco being offered for sale. The warehouseman shall not weigh in any tobacco for sale unless a card (MQ–76 for producers, MQ–79–2 for dealers) is furnished the weighman. Each of such cards shall be retained until the tobacco is sold or removed from the floor. A copy of the executed MQ–80, Daily Warehouse Sales Summary, shall be furnished the marketing recorder for the Kansas City Data Processing Center (KCDPC).

(b) *Identification of producer sales of tobacco*—(1) *Warehouse bill (floor sheet).* The State and county codes and the farm serial number on the marketing card identifying the tobacco to be marketed at auction shall be recorded by the warehouseman on the warehouse bill (floor sheet) at the time the tobacco is weighed in and the warehouseman shall retain the marketing card where tobacco is to be sold at auction until the producer has been paid for the sale of the tobacco or the tobacco is removed from the warehouse by the producer. In any case where a producer's marketing card is found in the possession of a warehouseman and no producer on the

farm for which the card is issued has tobacco on the floor for sale or to be settled for such card will be picked up be an ASCS representative for return to the producer.

The warehouseman shall be responsible for the safekeeping and proper use of the marketing card during his retention of it. Each warehouse bill (floor sheet) issued to cover an auction sale of tobacco from a farm for which a marketing card is issued bearing the notation "No Price Support" shall bear the same notation. The letters, "NA" shall be shown on each line of a warehouse bill (floor sheet) on which there is recorded tobacco purchased by or for the warehouse at nonauction sale and there shall be recorded on all such warehouse bills (floor sheet) the farm serial number on the marketing card identifying the tobacco marketed at the time the tobacco is purchased at nonauction sale. A copy of the warehouse bill (floor sheet) bearing the letters "NA" shall be furnished the producer for any lot or basket of such tobacco purchased by the warehouseman.

(2) *Check register.* The serial number of the warehouse bill (floor sheet) shall be recorded by the warehouseman on the check register or check stub for the check written covering an auction sale of tobacco by a producer.

(c) *Marketing card.* Each marketing of burley tobacco from a farm shall be identified by a marketing card issued for the farm. The card shall be executed as follows:

(1) *Auction sale.* A marketing card used to cover an auction sale shall show on the reverse side the pounds sold and date of sale. The warehouse bill (floor sheet) shall show the pounds on which penalty is due, and the amount of the penalty.

(2) *Nonauction sale to a warehouseman at a warehouse.* A marketing card used to cover a nonauction sale of tobacco to a warehouseman shall show on the reverse side the pounds sold and date of sale. If the tobacco sale bill includes both an auction sale and a nonauction sale such combined pounds shall be shown on the reverse side. The tobacco sale bill shall show the pounds on which penalty is due and the amount of the penalty.

(3) *Nonauction sale (country purchase) to a warehouseman.* A marketing card used to cover a nonauction sale (country purchase) at the farm shall show on the reverse side the pounds and date of sale. Each warehouseman shall record each nonauction purchase of tobacco made by him on MQ–79.

(d) *Suspended sale record.* Any warehouse bill (floor sheet) covering a sale of tobacco for which a valid marketing card or dealer identification card was not presented shall be given to a marketing recorder who shall stamp such bills, "Suspended." Such tobacco sale data shall be made available to the KCDPC after the sale is cleared.

(e) *Warehouseman's entries on other dealer's report.* Each warehouseman shall record or have the dealer record on MQ–79 the total purchases and resales made by each such dealer or other warehouseman during each sale day at the warehouse. If any tobacco resold by the dealer is tobacco bought by him and carried over by him from a crop produced prior to the current crop, the entry on MQ–79 shall clearly show such fact.

(f) *Record and report of purchases and resales.* Each warehouseman shall keep a record and make reports on MQ–79, Dealer's Record, showing:

(1) All nonauction purchases of tobacco, except nonauction purchases at his warehouse for which a warehouseman prepares a floor sheet and reports on MQ–80, Daily Warehouse Sales Summary.

(2) All purchases and resales of tobacco at public auction through warehouses other than his own.

(3) All purchases of tobacco from dealers other than warehousemen and resales of tobacco to dealers other than warehousemen.

(4) Resales of floor sweepings separately from leaf account tobacco. MQ–79 shall be prepared and a copy, including copies of Form MQ–72–2, Report of Tobacco Nonauction Purchase, forwarded to the ASCS State office not later than the end of the calendar week in which such tobacco was purchased or resold: *Provided,* That if tobacco is purchased prior to the opening of the local auction market, an MQ–79 shall be prepared and a copy, together with copies of MQ–72–2, forwarded to the ASCS State office not later than the end of the calendar week which would include the first sale day of the local auction markets. A remittance for all penalties shown by the entries on MQ–79 and Form MQ–72–2 to be due shall be forwarded to the ASCS State office with the original copy of Form MQ–79.

(g) *Daily warehouse sales summary.* Each warehouseman shall prepare at the end of each sale day a report on MQ–80, Daily Warehouse Sales Summary, showing for each sale day:

(1) For each manufacturer, buyer, order buyer and burley tobacco cooperative (pool), pounds of tobacco purchased at auction (consigned in the case of the pool), resales at auction, and the total of all such pounds.

(2) The sum of the total pounds purchased for subparagraph (1).

(3) For each dealer subject to reporting purchases and resales on MQ–79, as originally billed, the total pounds of tobacco purchased at auction, resales at auction, and the total of all of such pounds.

(4) The total pounds purchased at auction for the leaf account.

(5) The total pounds purchased at nonauction at the warehouse for the leaf account.

(6) The sum of the total pounds purchased for subparagraphs (4) and (5).

(7) The sum of the total purchases for subparagraphs (2), (3), and (6) of this paragraph.

(8) The total leaf account resales at auction.

(9) The total resales of floor sweepings which accumulated on the warehouseman's own floor.

(10) The sum of the total resales for subparagraphs (1), (3), (8), and (9).

(11) On the report for the last sale day for the season, the pounds of all tobacco on hand and whether such tobacco represents leaf account tobacco, or floor sweepings which accumulated on the warehouseman's own floor.

(12) As to the information required to be entered on MQ–80, Daily Warehouse Sales Summary, by the marketing recorder, the warehouseman shall keep and make available such records as will enable the marketing recorder to enter thereon: (i) The total number of Forms MQ–72–1 for the sale day and the sum of pounds sold shown on Forms MQ–72–1; (ii) the total number of suspended warehouse bills (floor sheets) and the sum of such pounds sold.

(13) At the end of the season, each warehouseman shall, for each kind of tobacco: (i) Report on his final MQ–80 for the season the quantity of leaf account tobacco and floor sweeping tobacco, if any, on hand and its location, and (ii) permit its inspection and weighing by a representative of ASCS, and furnish him at that time a certification of the quantity of such tobacco. Separate data shall be reported for floor sweeping tobacco.

(h) Each warehouseman shall make available such records as will enable the marketing recorder to enter on Form MQ–72–1, Report of Tobacco Auction Sale, showing for each sale day:

(1) Crop year;

(2) Type code 31;

(3) Warehouse identification code number;

(4) Name of person selling the tobacco as shown by MQ–76, Tobacco Marketing Card, for a producer and MQ–72–2, Tobacco Dealer Identification Card, for a dealer;

(5) Pounds sold;

(6) Amount of penalty collected, if any;

(7) Amount of U.S. debt collected, if any; and

(8) Date of sale.

§ 724.98 Hogshead warehouseman's records and reports.

(a) *Record of marketing.* A hogshead warehouseman shall keep such records as will enable him to furnish the ASCS State office the report specified in this section.

(b) *Identification of producer sales.* (1) Except for sales identified by an MQ–82, Sale Without Marketing Card, a hogshead warehouseman shall record the marketing card serial number on the ledger account for each sale by a producer through the warehouse.

(2) A record in the form of a valid sale memo or an MQ–82, Sale Without Marketing Card, shall be obtained by a hogshead warehouseman to cover each marketing of tobacco from a farm through the warehouse. A bill of nonauction sale shall not be required to identify a first sale of tobacco through a hogshead warehouse. Any hogshead warehouseman or any other person who obtains possession of any scrap tobacco in the course of grading tobacco for any farm and any

hogshead warehouseman who obtains possession of any scrap tobacco as a result of providing curing space or stripping space for farmers shall obtain a bill of nonauction sale and a sale memo to cover the amount of such scrap tobacco.

(c) *Report of hogshead tobacco warehouse business.* (1) Each hogshead tobacco warehouseman shall furnish the ASCS State office a report each quarter, unless requested earlier by the State executive director, of all leaf account tobacco purchased or sold and all floor sweepings sold, if any, through the warehouse including an MQ–79, Dealer's Record, to show his purchases at the hogshead warehouse when he is requested to so report by the State executive director.

(2) A hogshead tobacco warehouseman shall submit a report each quarter, unless requested earlier by the State executive director, showing for each buyer who purchased tobacco through the warehouse during the period for which the report is submitted, a copy of the bill-out to the buyer together with the following:

(i) Name of farm operator (and name of seller, if different from operator) for each sale of farm tobacco;

(ii) Farm serial number of the farm for each such sale of farm tobacco;

(iii) Serial number of sale memo executed by the hogshead warehouseman, or MQ–82, Sale Without Marketing Card, executed by a representative of the State committee with respect to each sale of farm tobacco;

(iv) Date of sale;

(v) Hogshead serial number;

(vi) Number of pounds of tobacco in the hogshead;

(vii) Designation as to the year the tobacco in the hogshead was produced;

(viii) A sale memo or an MQ–82, Sale Without Marketing Card, for each sale of farm tobacco;

(ix) A remittance of the penalty due as shown on all sale memos (MQ–77 and MQ–82);

(x) Designation by the word "Resale" on supporting statement denoting a resale and the name of the person reselling the tobacco entered on the bill-out for tobacco resold through the hogshead warehouse.

(3) A hogshead tobacco warehouseman shall furnish the ASC State committee, not later than October 20 of the beginning of each marketing year, when marketing quotas are effective, a report showing the producer's name (or the name of the dealer in the case of tobacco received from a dealer), hogshead number, and pounds of tobacco in each hogshead received but which is on hand and unsold as of the close of business on September 30 of each such marketing year. When such report is required to be made it shall include tobacco produced prior to the current marketing year and tobacco produced in the current year and all tobacco shall be identified as to the year in which it was produced.

§ 724.99 Dealer's record and reports, excluding cigar tobacco buyers.

Each dealer, except as provided in § 724.100, or any other person as provided in paragraph (e) of this section, shall keep by kinds of tobacco the records and make the reports as provided by this section.

(a) *Report of dealer's name and address.* Each dealer shall properly execute and the marketing recorder (or the dealer if the tobacco is to be marketed through a hogshead tobacco warehouse) shall detach and forward to the ASCS State office "Receipt for Dealer's Record" contained in MQ–79, which is issued to the dealer.

(b) *Record of marketing.* Each dealer shall keep such records as will enable him to furnish the ASCS State office with respect to each lot of tobacco purchased by him the following information:

(1) (i) The name of the warehouse through which the tobacco was purchased in the case of an auction sale or hogshead warehouse sale, (ii) the name of the operator of the farm on which the tobacco was produced, and the name of the seller in the case of a nonauction sale, including the records and reports for farm scrap tobacco, and (iii) the name of the seller in the case of nonauction purchases from warehousemen and dealers.

(2) Date of purchase.

(3) Number of pounds purchased.

(4) Amount of any penalty and the amount of any deduction on account of penalty from the price paid the producer and as to each lot of tobacco sold by him the following information:

(5) Name of the warehouse or hogshead warehouse through which the tobacco was sold in the case of a warehouse sale, and the name of the purchaser if other than an auction warehouse sale.

(6) Date of sale.

(7) Number of pounds sold.

(8) Amount of any penalty and the amount of any deduction on account of penalty from the price paid the producer(s).

(9) In the event of a resale of tobacco bought by him and carried over from a crop produced prior to the current crop, the fact that such tobacco was so bought and carried over.

(c) *Nonauction sale (country purchase) to a dealer*—(1) *Fire-cured, dark air-cured, Virginia sun-cured, and Maryland tobacco.* Each purchase of tobacco by a dealer from a producer, other than through an auction sale or hogshead warehouse sale, including farm scrap tobacco obtained from grading tobacco for farmers or as a result of furnishing farmers curing space or stripping space, shall be identified by a sale memo from the marketing card issued for the farm on which the tobacco was produced. The producer's signature shall be obtained in item 3 on the sale memo from a Form MQ–76 or in the space provided on the bill of nonauction sale on the reverse side of a sale memo from a Form MQ–77. Any sale of producer's tobacco which is not identified by a marketing card (Form MQ–76 or Form MQ–77) shall be identified by a Form MQ–82 executed by a marketing recorder or other representative of the State executive director. The dealer shall record or have a marketing recorder record each purchase of nonauction tobacco made by him on Form MQ–79, Dealer's Record.

(2) *Burley tobacco.* (i) Each purchase of burley tobacco from a producer shall be identified by an MQ–76, Tobacco Marketing Card, issued for the farm on which the tobacco was produced. The reverse side of the marketing card shall show the pounds sold and the date of sale. (ii) In addition, Form MQ–72–2, Report of Tobacco Nonauction Purchase, shall be prepared and shall show (*1*) date of purchase, (*2*) identification number of buyer, (*3*) identification of producer selling the tobacco, as shown on Form MQ–76, including his name and address and complete farm number, (*4*) type code 31, (*5*) pounds purchased, and (*6*) amount of penalty collected, if any.

The dealer shall record or have a marketing recorder record each nonauction purchase of burley tobacco made by him on MQ–79.

(d) *Record and report of purchases and resales.* (1) Except as provided in subparagraph (2) of this paragraph, each dealer shall keep a record and make reports on MQ–79, showing all purchases and resales of tobacco made by or for the dealer, and in the event of purchase or resale of tobacco bought from a crop produced prior to the current crop, the fact that such tobacco was bought by him and carried over from a crop produced prior to the current crop.

(2) MQ–79 shall be prepared and a copy forwarded to the ASCS State office not later than the end of the calendar week in which such tobacco was purchased or resold, including the original copy of any spoiled reports, except as follows: (*i*) If tobacco is purchased prior to the opening of the local auction market, an MQ–79 shall be prepared and a copy (together with executed copies of Form MQ–72–2 for all nonauction purchases of burley tobacco) forwarded to the ASCS State office not later than the end of the calendar week which would include the first sale day of the local auction markets; (*ii*) if tobacco is resold in a State other than where produced and the auction markets at such location open earlier than those where the tobacco would normally be sold at auction by farmers, reports shall be prepared and forwarded (together with executed copies of Form MQ–72–2 for all nonauction purchases of burley tobacco) not later than the end of the calendar week which would include the first sale day of the local auction market where the resale takes place; (*iii*) purchases and resales by dealers at the Baltimore hogshead market shall be reported on MQ–79 whenever the Maryland State executive director determines such to be necessary to enforce the provisions of these regulations.

(3) The data for burley tobacco to be entered on MQ–72–2, Report of Tobacco Nonauction Purchase, for purchases from producers shall be that enumerated under subparagraph (2) of paragraph

(c). For nonauction purchases of burley tobacco from dealers, the data to be entered on MQ–72–2 shall be the following: (i) Date of purchase; (ii) identification number of buyer; (iii) identification number of dealer making the sale; (iv) type code 31; and (v) pounds purchased.

(4) At the end of the marketing operations of each dealer he shall for each kind of tobacco: (i) Report on his final MQ–79 for the season the quantity of tobacco on hand and its location, and (ii) permit its inspection and weighing by a representative of ASCS, and at that time furnish him a certification of the quantity of such tobacco.

(e) *Daily report to warehouseman for buyers corrections account of tobacco received.* Notwithstanding the provisions of § 724.100, any dealer, buyer, or any other person receiving tobacco from or through a warehouseman at an auction sale or otherwise, which is not invoiced to him or which is incorrectly invoiced to him by the warehouseman, shall furnish the warehouseman on a daily sales basis an invoice or an adjustment invoice correctly setting forth the pounds for which he has not been invoiced or for which he has been invoiced incorrectly. Such reports shall be furnished daily, if practicable, otherwise they shall be furnished at the end of each week.

(f) *Final report for season.* Not later than April 1, each dealer who bought, sold or had tobacco available for marketing during the current marketing year shall file a final report for the season. The report shall bear the notation "Final" and shall show the quantity of any tobacco on hand and its location.

§ 724.100 Dealers exempt from regular records and reports, excluding cigar tobacco buyers.

Any dealer or buyer who acquires tobacco only at an auction sale or hogshead warehouse sale and resells in the form in which tobacco ordinarily is sold by farmers, 5 percent or less of any such tobacco shall not be subject to the provisions of § 724.99: *Provided,* That where deemed necessary the Director, Farmer Programs Division, or the State committee may require a report of all tobacco purchased by the dealer without regard to the 5-percent exemption. Any dealer or buyer is required to report on MQ–79 (and for burley tobacco on MQ–72–2) nonauction purchases from producers and nonauction purchases from other sources.

§ 724.101 Cigar tobacco buyer's records and reports.

(a) *Report of buyer's name and address.* Each buyer shall properly execute, detach, and promptly forward to the ASCS State office "Receipt for Buyer's Record" contained in MQ–79 (CF&B), which is issued to the buyer.

(b) *Record of marketing.* (1) Each buyer, as to each kind of tobacco, shall keep such records as will enable him to furnish the ASCS State office with respect to each sale of tobacco made by producers to such buyer, including tobacco obtained under subparagraph (2) of this paragraph, the following information:

(i) The name of the operator of the farm on which the tobacco was produced and the name and address of the seller, in the case of a sale by a person other than the farm operator;

(ii) Date of sale;

(iii) The serial number of the MQ–76 marketing card, or sale memo from an MQ–77, used to identify the sale;

(iv) Number of pounds sold; and

(v) Amount of any penalty and the amount of any deduction on account of penalty from the price paid the producer.

(2) Any buyer or any other person who grades tobacco for farmers, or who furnishes farmers curing space or stripping space, shall maintain records which will enable him to furnish the ASCS State office the name of the farm operator and the amount of each grade of tobacco obtained from each farm from furnishing such services.

(c) *Identification of sale on marketing card, sale memo, and buyer's record.* Each MQ–76 and each sale memo from an MQ–77 used to identify each sale of tobacco by a producer, including tobacco obtained under paragraph (b)(2) of this section, shall be properly executed by the buyer. The serial number of the MQ–76 marketing card or sale memo from an MQ–77 to identify such tobacco, shall be recorded on the buyer's copy of the MQ–79 (CF&B) and on the check register or check stub for the check written with respect to such tobacco.

(d) *Record and report of purchases of tobacco from producers.* (1) Each buyer shall keep a record and make reports on MQ–79 (CF&B), Buyer's Record, showing by kinds all tobacco purchased by or for him from producers, including tobacco obtained under subparagraph (b)(2) of this section. Such record and report shall show for each sale the sale date, the name of the farm operator (and the name and address of the person selling the tobacco if other than the farm operator), the serial number of the within quota marketing card (MQ–76), and from each excess card (MQ–77), the sale memo number used to identify the sale, the pounds of tobacco represented in the sale, the rate of penalty shown on the sale memo (MQ–77), and the amount of penalty. If no marketing card is presented by the producer, the buyer shall record and report the purchase as provided above except that the buyer shall enter the word "None" in the space for the serial number of the marketing card (MQ–76) or sale memo (MQ–77), the applicable rate of penalty per pound shown in § 724.89 in the space for rate of penalty, and shall show the name and address of the seller in the space for the seller's name.

(2) The original of MQ–79 (CF&B), excess sale memos (MQ–77), and a remittance for all penalties shown by the entries on MQ–79 (CF&B) and on the excess sale memos (MQ–77) to be due shall be forwarded to the ASCS State office not later than the 10th day of the calendar month next following the month during which the sale date occurred.

(e) *Record of Buyer's disposition of cigar tobacco.* Each buyer shall maintain records which will show, by kinds of tobacco, the disposition made by him of all tobacco purchased by or for him from producers, including tobacco obtained under paragraph (b)(2) of this section.

§ 724.102 Cigar tobacco buyers and loan organizations not exempt from regular records and reports.

No buyer shall be exempt from keeping the records and making the reports required in this part. Any "loan" organization which receives tobacco from producers for the purpose of (a) selling it for the producer or (b) placing it under the Commodity Credit Corporation price support program shall keep the records, make the reports, and remit penalties in case of receiving such tobacco for sale.

§ 724.103 Records and reports of truckers and persons redrying, prizing, or stemming tobacco.

(a) Each trucker shall keep such records, by kinds of tobacco, as will enable him to furnish the ASCS State office a report with respect to each lot of tobacco received by him showing:

(1) The name and address of the producer;

(2) The date of receipt of the tobacco;

(3) The number of pounds received; and

(4) The name and address of the person to whom it was delivered.

(b) Each person engaged to any extent in the business of redrying, prizing, or stemming tobacco for producers shall keep, by kinds of tobacco, such records as will enable him to furnish the Director a report showing:

(1) The information required above for truckers; and, in addition,

(2) The purpose for which the tobacco was received;

(3) The amount of advance made by him on the tobacco; and

(4) The disposition of the tobacco.

§ 724.104 Separate records and reports from persons engaged in more than one business.

Any person who is required to keep any record or make any report as a warehouseman, processor, dealer, buyer, trucker, or as a person engaged in the business of sorting, redrying, prizing, stemming, packing, or otherwise processing tobacco for producers, and who is engaged in more than one such business, shall keep such records as will enable him to make separate reports for each such business in which he is engaged to the same extent for each such business as if he were engaged in no other business.

§ 724.105 Failure to keep records and make reports or making false report or record.

(a) *Failure to keep records or make reports.* Under the provisions of section 373(a) of the act, any warehouseman, hogshead warehouseman, processor, dealer, buyer, trucker, or person engaged in the business of sorting, redrying, prizing, stemming, packing, or otherwise

processing tobacco for producers who fail to make any report or keep any record as required, or who makes any false report or record, is guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine of not more than $500 for each offense. In addition, any tobacco warehouseman, dealer, or buyer who fails, upon being requested to do so, to remedy a violation(s) by submitting complete reports and keeping accurate records shall be subject to an additional fine not to exceed $5,000.

(b) *False representations.* The penalties designated in paragraph (a) of this section are in addition to penalties prescribed by other criminal statutes including U.S. Code, Title 18, section 1001, which provides for a fine of not more than $10,000, or imprisonment for not more than 5 years, or both, for a person convicted of knowingly and willingly committing such acts as making a false certification on a new farm application or application for transfer of an allotment, false acreage report, altering a marketing card, falsely identifying tobacco or filing a false dealer or warehouse report.

(c) *Failure to obtain sale memo.* The failure of any dealer or warehouseman to obtain and deliver to a representative of the county committee a properly executed sale memo to cover a sale of producer tobacco shall constitute a failure to make a report.

(d) Failure to obtain, for burley tobacco, producer's marketing card or dealer identification card. (1) The failure of any dealer or warehouseman to obtain a producer's marketing card, MQ–76, to identify a sale of producer tobacco and (2) the failure of any dealer or warehouseman to obtain a dealer identification card, MQ–79–2, to cover a resale of tobacco, shall constitute a failure to make a report.

§ 724.106 Registration of warehousemen and dealers.

Any dealer or warehouseman dealing in burley tobacco shall be registered with the U.S. Department of Agriculture. Such registration will be handled by the North Carolina ASCS State Office, Raleigh, N.C. Any person desiring to register as a dealer or warehouseman shall complete an "Application for Dealer Identification Card" and submit it to the State office. Warehousemen will be assigned a five-digit identification number and dealers will be assigned a four-digit identification number. Persons requesting it will be issued a dealer identification card, Form MQ–79–2.

§ 724.107 Duties of Kansas City ASCS data processing center.

Numerous recordkeeping and reporting provisions required of these regulations are the responsibility of Kansas City ASCS Data Processing Center (also referred to as KCDPC). The duties of KCDPC are set forth in writing in frequent issuances of internal procedure.

§ 724.108 Examination of records and reports.

(a) *Examination.* For the purpose of ascertaining the correctness of any report made or record kept or of obtaining information required to be furnished in any report but not so furnished, any warehouseman, hogshead warehouseman, processor, dealer, buyer, trucker, or person engaged in the business of sorting, redrying, prizing, stemming, packing, or otherwise processing tobacco for producers, shall make available at one place for examination by representatives of the State executive director and by employees of the Office of the Inspector General and of the Farmer Programs Division, and Producer Association Division of the Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, upon written request by the State executive director all such books, papers, records, basket tickets, floor sheets, buyer adjustment invoices, accounts, canceled checks, check registers, check stubs, correspondence, contracts, documents, and memoranda as the State executive director or the Director has reason to believe are relevant and are within the control of such person.

(b) *Orderly retention of records.* The records and reports required by this subpart including buyer invoices (bill-outs) and basket tickets, shall be kept in an orderly manner by sale day to facilitate examination and verification.

§ 724.109 Length of time records and reports are to be kept.

Records required to be kept and copies of the reports required to be made by any person under this subpart shall be on a marketing year basis and shall be retained by him for 2 years after the end of the marketing year. Records shall be kept for such longer period of time as may be requested in writing by the State executive director or the Director.

§ 724.110 Information confidential.

All data reported to or acquired by the Secretary pursuant to this subpart shall be kept confidential by all officers and employees of the U.S. Department of Agriculture, by all members of county and community committees, and all ASCS county office employees, and only such data so reported or acquired as the Deputy Administrator deems relevant shall be disclosed by them, and then only in a suit or administrative hearing under Title III of the act.

[F.R. Doc. 68–12772; Filed, Oct. 18, 1968; 8:50 a.m.]

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

[Lemon Reg. 343]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 910.643 Lemon Regulation 343.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons, as hereinafter provided, will tend to effectuate the declared policy of the act by tending to establish and maintain such orderly marketing conditions for such lemons as will provide, in the interest of producers and consumers, an orderly flow of the supply thereof to market throughout the normal marketing season to avoid unreasonable fluctuations in supplies and prices, and is not for the purpose of maintaining prices to farmers above the level which it is declared to be the policy of Congress to establish under the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held, the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on October 15, 1968.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period October 20, 1968, through October 26, 1968, are hereby fixed as follows:

(i) District 1: Unlimited movement;
(ii) District 2: 88,350 cartons;
(iii) District 3: 116,250 cartons.

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

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

Dated: October 17, 1968.

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

[F.R. Doc. 68–12806; Filed, Oct. 18, 1968; 8:50 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Airworthiness Docket No. 68–WE–34–AD; Amdt. 39–672]

PART 39—AIRWORTHINESS DIRECTIVES

Hughes Model 269A, 269A–1, 269A–2, and 269B Helicopters

There have been failures of the main rotor drive shaft bearings, Hughes P/N 269A5050–50 and 269A5050–51, that have resulted in fatal accidents. Since this condition is likely to exist or develop in other helicopters of these models, an airworthiness directive is being issued to require inspection and replacement of the main rotor drive shaft bearings in the affected helicopters.

Since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impractical and good cause exists for making this amendment effective in less than 30 days.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (31 F.R. 13697), section 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

HUGHES. Applies to Model 269A Helicopter Serial Nos. 0011 through 0979 (except TH–55A helicopters), 269A–1 Helicopter Serial Nos. 0001 through 0041, 269A–2 Helicopter Serial No. 0001, 269B Helicopter Serial Nos. 0001 through 0370 with P/N 269A5050–50 or –51 Main Rotor Thrust Bearing installed.

Compliance required within 25 hours of helicopter operations after the effective date of this airworthiness directive, unless previously accomplished, and at 150 hours in service following initial inspection.

To preclude failures of the main rotor thrust bearing (Hughes P/N 269A5050–50 and 269A5050–51) by assuring the physical integrity of the bearing cage assembly, bearing freedom of rotation, adequacy of lubrication and proper drainage of bearing cavity in rotor mast:

(a) Determine the time in service of the main rotor thrust bearing Hughes P/N 269A5050–50 or 269A5050–51.

1. If time in service exceeds 300 hours retire the bearing from service before further flight.

2. If the time in service exceeds 275 hours retire the bearing from service not later than 300 hours time in service.

3. Replace bearings retired from service in accordance with Step I of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA approved revisions.

(b) Inspect the bearing in accordance with Step IIb. 1 and 2 of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA-approved revisions, or any equivalent inspection approved by the Chief, Aircraft Engineering Division, Western Region.

1. If bearing roughness, corrosion, inadequate lubrication, physical damage, or evidence of excessive zinc chromate paste or moisture are found during this inspection, retire the bearing from service and replace with a new bearing.

2. If new bearing is installed, conduct inspection in (b) above after 150 hours' time in service.

3. If no roughness, corrosion, lack of lubrication, physical damage, excessive zinc chromate, or moisture are found, return the bearing to service and repeat the inspection in (b) above after additional 150 hours' time in service.

NOTE: The service life limits of (a) must be observed.

(c) Inspect the thrust bearing nut for corrosion, physical damage and accomplishment of modification in accordance with Step IIb. 3 and 4 of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA-approved revisions, or any equivalent inspection approved by the Chief, Aircraft Engineering Division, Western Region.

1. If corrosion and/or physical damage is found, replace with a new thrust bearing nut which has been modified in accordance with Step IIIj. of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA-approved revisions.

2. If main rotor thrust bearing nut has not been modified, accomplish Step IIIj. of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA-approved revision, or any equivalent modification approved by Chief, Aircraft Engineering Division, Western Region.

(d) Inspect the interior of the main rotor mast for corrosion, physical damage, accumulation of foreign material, evidence of zinc chromate paste and presence of drain hole in accordance with Step IIb. 4 and 5 of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA-approved revision or any equivalent inspection approved by Chief, Aircraft Engineering Division, Western Region.

1. If drain hole is not present, accomplish Step III d. through i., and k. of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA-approved revision, or any equivalent modification approved by Chief, Aircraft Engineering Division, Western Region.

2. If interior of rotor mast shows presence of foreign material and/or zinc chromate paste, clean the affected areas with a suitable solvent as described in Step IIf. of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA-approved revision.

3. If physical damage and/or corrosion is found, retire mast from service and replace with new mast that has been modified in accordance with Step III of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA-approved revision.

(e) Rework the main rotor mast and thrust bearing nut in accordance with Step III of Hughes Service Information Notice No. N–59, dated October 9, 1968, or later FAA-approved revisions, or any equivalent rework approved by the Chief, Aircraft Engineering Division, Western Region.

This amendment becomes effective October 19, 1968.

(Secs. 313(a), 601, and 603 of the Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1421, and 1423)

Issued in Los Angeles, Calif., on October 11, 1968.

ARVIN O. BASNIGHT,
Director, FAA Western Region.

[F.R. Doc. 68–12724; Filed, Oct. 18, 1968; 8:46 a.m.]

[Airspace Docket No. 68–CE–84]

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

Deletion of Glasgow, Mont., AFB Transition Area and Alteration of Wolf Point, Mont., Transition Area

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to rescind the Glasgow, Mont., AFB transition area and to alter the Wolf Point, Mont., transition area.

The Glasgow, Mont., AFB has been closed with the result that the Glasgow, Mont., transition area which was designated for the protection of aircraft arriving and departing Glasgow AFB is no longer required and must be deleted. Since a portion of the Glasgow transition area protects aircraft arriving and departing Wolf Point, Mont., airport and the off-airway direct route between Wolf Point Airport and Glasgow, Mont., International Airport, such airspace will be retained and included in the Wolf Point transition area alteration when the Glasgow AFB transition area is rescinded.

Since the deletion and alteration will reduce the existing total designated airspace in the Glasgow, Mont., AFB and Wolf Point transition areas, it will not impose any additional burden on any person. Therefore, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0901 G.m.t., December 12, 1968, as hereinafter set forth:

(1) In § 71.181 (33 F.R. 2137), the following transition area is deleted:

Glasgow AFB, Mont.

(2) In § 71.181 (33 F.R. 2137), the following transition area is amended to read:

WOLF POINT, MONT.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Wolf Point Airport (latitude 48°05'40'' N., longitude 105°34'45'' W.); and within 2 miles each side of the 314° bearing from Wolf Point Airport, extending from the 5-mile radius area to 10½ miles northwest of the airport; and that airspace extending upward from 1,200 feet above the surface within 5 miles northeast and 8 miles southwest of the 314° bearing from Wolf Point Airport, extending from the airport to 14½ miles northwest of the airport; and within 5 miles each side of the 280° bearing from Wolf Point Airport, extending from the airport to the Glasgow,

Mont., International Airport (latitude 48°12'-50'' N., longitude 106°37'10'' W.), excluding the Glasgow, Mont., transition area.

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

Issued at Kansas City, Mo., on October 2, 1968.

DANIEL E. BARROW,
Acting Director, Central Region.

[F.R. Doc. 68-12725; Filed, Oct. 18, 1968; 8:46 a.m.]

[Airspace Docket No. 68-CE-65]

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

Alteration of Federal Airway

On August 20, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 11782) stating that the Federal Aviation Administration was considering an amendment to Part 71 of the Federal Aviation Regulations that would extend V-159 from Yankton, S. Dak., 1,200 feet AGL to Mitchell, S. Dak.

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

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., December 12, 1968, as hereinafter set forth.

Section 71.123 (33 F.R. 2009, 6084) is amendcd as follows:

In V-159 "12 AGL Yankton, S. Dak." is deleted and "12 AGL Yankton, S. Dak.; 12 AGL Mitchell, S. Dak." is substituted therefor.

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

Issued in Washington, D.C., on October 10, 1968.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 68-12726; Filed, Oct. 18, 1968; 8:46 a.m.]

[Airspace Docket No. 68-EA-79]

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

Alteration of Federal Airway and Transition Area

On August 20, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 11782) stating that the Federal Aviation Administration was considering amendments to Part 71 of the Federal Aviation Regulations that would revoke the segment of V-97 west alternate from London, Ky., to Lexington, Ky., and that would alter the Somerset, Ky., transition area.

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

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0901 G.m.t., December 12, 1968, as hereinafter set forth.

1. Section 71.123 (33 F.R. 2009) is amended as follows:

a. In V-97 "12 AGL Lexington, Ky., including a 12 AGL west alternate;" is deleted and "12 AGL Lexington, Ky.;" is substituted therefor.

2. Section 71.181 (33 F.R. 2137) is amended as follows:

a. The 1,200-foot AGL floor portion of the Somerset, Ky., transition area is amended to read as follows: "That airspace extending upward from 1,200 feet above the surface bounded on the northwest by V-493, on the north by the Lexington, Ky., transition area, on the east by V-97 and on the south by V-140N, excluding the portion that coincides with the London, Ky., transition area."

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

Issued in Washington, D.C., on October 10, 1968.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 68-12727; Filed, Oct. 18, 1968; 8:46 a.m.]

[Airspace Docket No. 68-WE-43]

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

Alteration of Federal Airways and Designated Low Altitude Reporting Point

On August 20, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 11781) stating that the Federal Aviation Administration was considering amendments to Part 71 of the Federal Aviation Regulations that would change the name of the Long Beach, Calif., VORTAC to Los Alamitos, Calif., wherever it appears in the descriptions of VOR Federal airway Nos. 8, 8N, 21, 23, 25E, 64, 165, and 459, and as a designated low altitude reporting point.

Interested persons were afforded an opportunity to participate in the proposed rule making through the submission of comments. No objections were received.

Subsequent to publication of the notice, it was determined that, as the names Los Alamitos, Los Angeles, and Alameda are similar phonetically, they could be misunderstood in voice communications between Air Traffic Control and pilots of aircraft. To preclude such misunderstanding, it was decided to assign the name Seal Beach to the VORTAC. Such action is taken herein.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., December 12, 1968, as hereinafter set forth.

1. Section 71.123 (33 F.R. 2009, 6708, 9334, 11001) is amended as follows:

a. In the descriptions of V-8, V-8N, V-21, V-23, V-25E, V-64, V-165, and V-459, "Long Beach" is deleted wherever it appears and "Seal Beach" is substituted therefor.

2. In § 71.203 (33 F.R. 2280), "Long Beach, Calif." is deleted and "Seal Beach, Calif." is substituted therefor.

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

Issued in Washington, D.C., on October 10, 1968.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 68-12728; Filed, Oct. 18, 1968; 8:45 a.m.]

[Airspace Docket No. 68-CE-68]

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

Alteration of Transition Area

On page 11547 of the FEDERAL REGISTER dated August 14, 1968, the Federal Aviation Administration published a notice of proposed rule making which would amend § 71.181 of Part 71 of the Federal Aviation Regulations so as to alter the transition area at Sioux Falls, S. Dak.

Interested persons were given 45 days to submit written comments, suggestions, or objections regarding the proposed amendment.

No objections have been received and the proposed amendment is hereby adopted without change and is set forth below.

This amendment shall be effective 0901 G.m.t., December 12, 1968.

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

Issued in Kansas City, Mo., on October 3, 1968.

JOHN A. HARGRAVE,
Acting Director, Central Region.

§ 71.181 (33 F.R. 2137), the following transition area is amended to read:

SIOUX FALLS, S. DAK.

That airspace extending upward from 700 feet above the surface within a 17-mile radius of the Sioux Falls VORTAC; that airspace extending upward from 1,200 feet above the surface within a 25-mile radius of the Sioux Falls VORTAC; and that airspace extending upward from 4,000 feet MSL north of Sioux Falls bounded on the north by V-26S, on the southeast by V-148 and on the southwest by V-15; within a 50-mile radius of Sioux Falls VORTAC, extending from the south edge of V-148S east of Sioux Falls clockwise to the northwest edge of V-148 west of Sioux Falls; and within a 55-mile radius of the Sioux Falls VORTAC, extending from the northwest edge of V-148 west of Sioux Falls, clockwise to the south edge of V-120 west of Sioux Falls.

[F.R. Doc. 68-12729; Filed, Oct. 18, 1968; 8:46 a.m.]

[Airspace Docket No. 68-CE-63]

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

Designation of Transition Area

On pages 11030 and 11031 of the FEDERAL REGISTER dated August 2, 1968, the Federal Aviation Administration published a notice of proposed rule making which would amend § 71.181 of Part 71 of the Federal Aviation Regulations so as to designate a transition area at Manistique, Mich.

Interested persons were given 45 days to submit written comments, suggestions, or objections regarding the proposed amendment.

No objections have been received and the proposed amendment is hereby adopted without change and is set forth below.

This amendment shall be effective 0901 G.m.t., December 12, 1968.

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

Issued in Kansas City, Mo., on September 25, 1968.

EDWARD C. MARSH,
Director, Central Region.

In § 71.181 (33 F.R. 2137), the following transition area is added:

MANISTIQUE, MICH.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Schoolcraft County Airport (latitude 45°58'25'' N., longitude 86°10'35'' W.); and within 2 miles each side of the 099° bearing from Schoolcraft County Airport, extending from the 5-mile radius area to 8 miles east of the airport; and that airspace extending upward from 1,200 feet above the surface within 5 miles south and 8 miles north of the 099° bearing from Schoolcraft County Airport, extending from the airport to 12 miles east of the airport.

[F.R. Doc. 68-12732; Filed, Oct. 18, 1968; 8:47 a.m.]

[Airspace Docket No. 68-CE-70]

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

Designation of Transition Area

On pages 11547 and 11548 of the FEDERAL REGISTER dated August 14, 1968, the Federal Aviation Administration published a notice of proposed rule making which would amend § 71.181 of Part 71 of the Federal Aviation Regulations so as to designate a transition area at Sullivan, Ind.

Interested persons were given 45 days to submit written comments, suggestions, or objections regarding the proposed amendment.

No objections have been received and the amendment as so proposed is hereby adopted, subject to the following change:

The Sullivan County Airport latitude coordinate recited in the Sullivan, Ind., transition area designation as "latitude 39°06'55'' N." is changed to read "latitude 39°07'00'' N."

This amendment shall be effective 0901 G.m.t., December 12, 1968.

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

Issued in Kansas City, Mo. on October 3, 1968.

JOHN A. HARGRAVE,
Acting Director, Central Region.

In § 71.181 (33 F.R. 2137), the following transition area is added:

SULLIVAN, IND.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Sullivan County Airport (latitude 39°07'-00'' N., longitude 87°26'55'' W.); and within 2 miles each side of the 187° bearing from Sullivan County Airport, extending from the 5-mile radius area to 8 miles south of the airport.

[F.R. Doc. 68-12733; Filed, Oct. 18, 1968; 8:47 a.m.]

[Airspace Docket No. 68-EA-73]

PART 75—ESTABLISHMENT OF JET ROUTES

Establishment of Jet Route

On August 7, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 11177) stating that the Federal Aviation Administration was considering an amendment to Part 75 of the Federal Aviation Regulations that would establish the U.S. segment of J-573 from Kennebunk, Maine, direct to St. John, New Brunswick, Canada.

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

In consideration of the foregoing, Part 75 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., December 12, 1968, as hereinafter set forth.

In § 75.100 (33 F.R. 2349) the following is added:

Jet Route No. 573 (Kennebunk, Maine, to the United States/Canadian Border) (joins Canadian High Level Airway No. 573).

From Kennebunk, Maine, to St. John, New Brunswick, Canada, excluding the portion within Canada.

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

Issued in Washington, D.C., on October 10, 1968.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 68-12730; Filed, Oct. 18, 1968; 8:46 a.m.]

[Airspace Docket No. 68-SW-39]

PART 75—ESTABLISHMENT OF JET ROUTES

Establishment of Jet Route

On July 2, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 9622) stating that the Federal Aviation Administration was considering an amendment to Part 75 of the Federal Aviation Regulations that would designate J-131 from San Antonio, Tex., via INT San Antonio 007° and Greater Southwest, Tex., 219° radials; to Greater Southwest. This action was proposed to relieve the congestion of traffic in the vicinity of Austin, Tex.

Interested persons were afforded an opportunity to participate in the proposed rule making through the submission of comments. Due consideration was given to all comments received.

The Air Transport Association of America, in commenting on the notice, offered no objection to the proposal provided the route was not published as a preferential route until clearly justified and satisfactorily coordinated with users. The action taken herein would in no way establish procedural use of the proposed route. No other comments were received.

In consideration of the foregoing, Part 75 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., December 12, 1968, as hereinafter set forth.

In § 75.100 (33 F.R. 2349) J-131 is added as follows:

J-131 (San Antonio, Tex., to Greater Southwest, Tex.).

From San Antonio, Tex., via INT San Antonio 007° and Greater Southwest, Tex., 219° radials; to Greater Southwest.

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

Issued in Washington, D.C., on October 10, 1968.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 68-12731; Filed, Oct. 18, 1968; 8:46 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket No. 7226 o.]

PART 13—PROHIBITED TRADE PRACTICES

Flotill Products, Inc., et al.

Subpart—Discriminating in price under section 2, Clayton Act—Payment for services or facilities for processing or sale under 2(d): § 13.824 *Advertising expenses.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 2, 49 Stat. 1526; 15 U.S.C. 13) [Modified order to cease and desist, Flotill Products, Inc., et al., Stockton, Calif., Docket 7226, Sept. 20, 1968]

In the Matter of Flotill Products, Inc., a Corporation, et al.

Order modifying a cease and desist order against a Stockton, Calif., canner of fruits and vegetables, issued June 26, 1964, 29 F.R. 10582, pursuant to a decree of the U.S. Supreme Court, 389 U.S. 179, dated December 4, 1967, by setting aside

prohibitions against violating section 2(c) of the Clayton Act.

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

Respondent having filed in the U.S. Court of Appeals for the Ninth Circuit a petition to review and set aside the order to cease and desist issued herein on June 26, 1964; and the court having rendered its decision on March 16, 1966, and having entered its final decree on April 1, 1966, modifying said order in part and remanding to the Commission the section 2(c) provision of the order for further hearings to determine whether a majority of the full Commission desired to enter such an order; and the Supreme Court of the United States, on December 4, 1967, having issued its opinion and rendered its judgment reversing the judgment of the Court of Appeals insofar as the section 2(c) provision of the Commission's order was concerned and remanding that matter to the Court of Appeals for the Ninth Circuit with direction to proceed to judgment on the merits; and the Court of Appeals, on May 24, 1968, upon consideration of a joint motion of the parties, and with the consent of both parties, having issued its final decree setting aside the first numbered paragraph of the Commission's order issued on June 26, 1964, relating to section 2 (c) of the Clayton Act, as amended by the Robinson-Patman Act:

Now, therefore, it is hereby ordered, That in accordance with the said final decrees of the Court of Appeals, said order to cease and desist be, and it hereby is, modified to read as follows:

It is ordered, That respondent Tillie Lewis Foods, Inc. (formerly Flotill Products, Inc.), a corporation, its officers, agents, representatives, and employees, directly or indirectly, through any corporate or other device, in or in connection with the sale of canned fruits and vegetables in commerce, as "commerce" is defined in the amended Clayton Act, do forthwith cease and desist from:

1. Paying or contracting for the payment of anything of value to or for the benefit of any customer of respondent as compensation or in consideration for any services or facilities furnished by or through such customer, in connection with the offering for sale, sale, or distribution of any of respondent's products, unless such payment or consideration is made available on proportionally equal terms to all other customers competing in the distribution of such products with the favored customer.

It is further ordered, That respondent Tillie Lewis (formerly Flotill Products, Inc.) shall, within 60 days after entry of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist set forth herein.

Issued: September 20, 1968.

By the Commission. Commissioner Nicholson did not participate.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 68-12717; Filed, Oct. 18, 1968; 8:45 a.m.]

Title 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter I—Federal Power Commission

[Docket No. R-349; Order No. 371]

PART 201—UNIFORM SYSTEM OF ACCOUNTS FOR NATURAL GAS COMPANIES

Uniform System of Accounts, Class A and Class B Natural Gas Companies, and Annual Report, Class A and Class B Natural Gas Companies

OCTOBER 11, 1968.

By this order the Commission amends Account 165, Uniform System of Accounts for Class A and Class B natural gas companies, prescribed by 18 CFR, Part 201, and the Annual Report Form 2, prescribed by 18 CFR, § 260.1. The amendments will clarify the reporting of advance payments and of prepayments.

Natural gas companies normally show monies advanced to their gas suppliers as assets on their balance sheets. These assets are currently being recorded in Account 165 by some companies, and in other asset accounts by other companies. To the extent that such advances are not recorded in Account 165, they are not reported in detail in the Form No. 2. To obtain more consistent accounting and reporting, we have decided to clarify the language in Account 165.

The distinction between "gas prepayments" and "advance payments for gas" is being made by an identifying footnote to Account 165. "Advance payments for gas" are all payments for exploration, development, or production of natural gas which will be repaid by delivery of gas or otherwise and are made prior to Commission certification of the sale.

"Gas prepayments" are payments under an effective gas purchase contract for a sale certificated by the Commission where future make-up of gas not taken in the current period is provided by the contract.

These two categories will be reported separately on the Form 2. A new schedule, "Advance payments for gas prior to initial delivery or Commission certification", is added to Form 2 as page 210B. This page together with revised pages 210 and 210A, is attached.[1]

These changes have been approved by the Bureau of the Budget.

The Commission finds: The changes made herein impose no substantial burden not already imposed by 18 CFR, Part 201, Account 165. Notice and public rulemaking procedure is not necessary under the Administrative Procedure Act, 5 U.S.C., section 553.

Upon consideration of all relevant matters, adoption and promulgation of the changes herein is necessary and appropriate for the purposes of the Natural Gas Act.

The Commission, acting under authority granted by the Natural Gas Act, as amended, particularly sections 8(a), 10(a), and 16, 52 Stat. 825, 826, 830; 15 U.S.C. 717g(a), 717i(a), and 717o, orders: That Account 165, Uniform System of Accounts for Natural Gas Companies, Class A and Class B, 18 CFR, Part 201, be amended to read:

165 Prepayments.

This account shall include all payments for undelivered gas, whether prepayments or advance payments, and other prepayments for insurance, rents, taxes, interest, and miscellaneous items, and shall be kept or supported in such a manner as to disclose the amount of each class of prepayments or advance payments.

NOTE: Gas prepayments are amounts paid to a gas seller under take or pay provisions of an effective gas purchase contract for a sale certificated by the Commission where future make-up of the gas not taken in the current period is provided by the contract.

Advance payments for gas (whether called "advance payment," "contribution," or otherwise) are amounts paid to others, including affiliated companies, for exploration, development, or production of natural gas: Such amounts to be repaid by delivery of gas or otherwise. Such payments are made prior to any delivery of gas by payee under an effective gas purchase contract with payer, or prior to Federal and/or State authorization as appropriate. Noncurrent advance payments shall be reclassified and transferred to Account 124, Other Investments, for balance sheet purposes.

That pages 210, 210A and 210B, attached,[1] be substituted for the present pages 210 and 210A in Form 2, Annual Report for Natural Gas Companies (Class A and Class B), and that 18 CFR § 260.1 be amended by striking out of the list of schedules "Prepaid Gas Purchases Under Purchase Agreements", and adding to the list of schedules, "Gas Prepayments Under Purchase Agreements" and "Advance Payments for Gas Prior to Initial Deliveries or Commission Certification".

The amendments and revisions set forth above shall become effective 30 days after the date of issuance of this order, and shall be used in accounting and reporting for any fiscal or reporting year beginning on or after January 1, 1968.

The Secretary shall cause prompt publication of this order in the FEDERAL REGISTER.

By the Commission.

[SEAL] GORDON M. GRANT, *Secretary.*

[F.R. Doc. 68-12716; Filed, Oct. 18, 1968; 8:45 a.m.]

[1] Filed as part of the original document.

Title 22—FOREIGN RELATIONS

Chapter V—U.S. Information Agency

PART 502—WORLDWIDE FREE FLOW (EXPORT-IMPORT) OF AUDIO-VISUAL MATERIALS

Miscellaneous Amendments

Part 502 of Title 22, Chapter V, of the Code of Federal Regulations is amended as follows:

1. In § 502.4, paragraph (b) is revised to read as follows:

§ 502.4 Consultation of experts.

* * * * *

(b) In addition to such ad hoc consultation of experts, a regular group of advisors exists as a standing committee to advise this program, both as to broad policy and to evaluate specific materials; this is the Interdepartmental Committee on Visual and Auditory Materials for Distribution Abroad, and its Attestation Subcommittee. The Committee is composed of members representing the U.S. Information Agency, Department of State, Defense Department (including Department of the Army, Department of the Navy, Department of the Air Force, and the Marine Corps), Agriculture Department, Department of Health, Education, and Welfare (including U.S. Office of Education and the National Institutes of Health), Department of Transportation (including Federal Aviation Administration, Federal Highway Administration, and the Coast Guard), Commerce Department (including the National Bureau of Standards and the Environmental Science Services Administration), Interior Department (including Bureau of Mines), Treasury Department, Post Office Department, General Services Administration (including National Archives and Records Service), Atomic Energy Commission, Veterans Administration, Library of Congress, National Aeronautics and Space Administration, National Gallery of Art, and the National Science Foundation.

2. In § 502.6, paragraph (b) (3) and (4) are revised, and subparagraphs (5), (6), (7), (8), and (9) are added to paragraph (c), as follows:

§ 502.6 Substantive criteria.

* * * * *

(b) * * *

(3) The Agency does not certify or authenticate materials which by special pleading attempt generally to influence opinion, conviction or policy (religious, economic, or political propaganda), to espouse a cause, or conversely, when they seem to attack a particular persuasion. Visual and auditory materials intended for use only in denominational programs or other restricted organizational use in moral or religious education and which otherwise meet the criteria set forth under paragraph (a) of this section and subparagraph (5) of this paragraph, may be determined eligible for certification in the judgment of the Agency.

(4) Audiovisual material intended for personnel training or commodity servicing is usually eligible even though it is clearly keyed to a particular organization or product. However, the Agency does not certify or authenticate materials the purpose or effect of which is to stimulate the use of a special process or products to advertise a particular organization or individual, or to raise funds. The Agency considers that an incidental appeal of this sort does not invalidate the educational character of material, such as when the appeal is for service or help in noncompetitive, voluntary cooperative participation in public services and does not involve contributions of money or marketable commodities. Normal credits or mention of a sponsor or product are usually deemed "incidental" in this sense; the degree and purpose of advertising may be considered in this connection. In no event, however, will materials be considered eligible which make categorical claims of exclusivity.

* * * * *

(c) * * *

(5) When images and sounds are carried on film, transparencies, tape, records, and the like, the latter are known to the U.S. audiovisual industry as "software" and are eligible hereunder. Conversely, the projectors, tape-machines, record players, etc. by which the audio/visual impulses are brought to the audience, are known as "hardware"; hardware is not eligible.

(6) When properly differentiated from toys and games (see subparagraph (7) of this paragraph) there can be no doubt as to the eligibility of a variety of teaching aids which fall generally in the broad designation of "charts". These items, some of which are described as display cut-outs, flannel-graphs, and the like, may be eligible by themselves and may be found as components in a variety of "kits" (see subparagraph (9) of this paragraph).

(7) Following the practice of the U.S. educational community, the Agency considers, as a matter of definition, that an educational "model" is a simulated object, less than, a mock-up of, or a depiction of, the real item; for these purposes, "realia" are considered the antithesis of "model", and thus are ineligible. One test is whether the article in question could perform the regular function of the real item (for example, pilot-training planes and driver-training autos qualify as realia and therefore are not certifiable as models). Moreover, such objects or machines, being designed for or used in the development of manipulative or tactile skills (e.g. aircraft pilot or automobile driver training devices, typewriters adapted for training purposes, etc.) as distinguished from educational and informational material designed primarily for instruction by seeing or hearing, come more properly under the category of "hardware" (see subparagraph (5) of this paragraph). When components of a mock-up are themselves realia, interchangeable with comparable components in the real items, the mock-up article will be certifiable only if the aggregate value of the realia components is a minimal portion of the value of the complete article (the model). Frequently, in order to consider the certification question for a model it will be necessary to do so in the context of its use. This is especially true where there will be home use of toys or games with obvious informational/educational values, as distinguished from models for formal instructional use. Toys and games are not certifiable even though the technical quality may be very high, as may the cost. Certain sets or objects popularly called "models" (e.g. model airplanes, ships, railways) do not qualify for certification under the terms of the "Agreement" when their principal intended uses are as collectors' items, toys, or decorations. A model, like other classes of material, to be eligible under the "Agreement" must have as its purpose or effect to "instruct or inform through the development of a subject or aspect of a subject". This element of continuity can readily be found if the model shows a step-by-step development of a concept, system or process, or if the visual representation is accompanied by a sound recording describing the subject illustrated, or in a variety of other ways. In general, the following characteristics will frequently support the qualification of a model for certification under the "Agreement": when it is a scale or proportional representation of a concept, system, or processes; when it meets professional standards of authenticity and accuracy; when it illustrates through continuity a subject or aspect of a subject; when, being functional or "moving", it operates with simple batteries, electric outlet, by hand, or otherwise not dependent on a self-contained power unit; when it is accompanied by evidence, such as teaching guides or instructional materials, that the intended use is informational or educational.

(8) With respect to planetaria, the Agency considers most models of planets, solar systems and the like, intended for classroom display or similar instructional or informational use, to be eligible for certification; planetaria which include projectors, domes, and screens are ineligible for certification.

(9) The Agency is called upon increasingly to consider for certification "kits" of materials intended for instructional or informational purposes. Such kits usually consist of several items of audiovisual materials of the types and forms listed in Article II of the "Agreement," and may include one or more related items (sometimes hardware) intended for use with the audiovisual materials. It has been found that Governments of some importing countries are willing to admit these kits when certified as visual and auditory materials within the terms of the "Agreement." Ideally, the kits will be clearly certifiable when: (i) The principal component(s) are audiovisual materials of the types and forms listed in Article II of the "Agreement"; (ii) the collateral components, if any, are necessary to the effective realization of the educational or informational purpose of the kit (but usually are not major cost items); (iii) the collateral

components are not projectors, viewers, or similar hardware equipment; and (iv) when it is recited that such certificates may cover the entire kit, or the audiovisual components of the kit separately, but not the collateral component materials separately.

* * * * *

3. In § 502.7, paragraph (e) is revised as follows:

§ 502.7 History and background.

* * * * *

(e) Beirut program countries are as follows:

(1) *Formally participating.*

United States of America.	Malagasy Republic.
Brazil.	Norway.
Cambodia.	Pakistan.
Canada.	The Philippines.
Denmark.	El Salvador.
Ghana.	Syria.
Greece.	Yugoslavia.
Haiti.	Trinidad and Tobago.
Iran.	Malawi.
Iraq.	

(2) *Informally participating.* (USIA has reason to believe—judging from actual practice reported—that U.S.A. certificates have a significantly salutary effect upon the waiver of duties and expediting of imports into these countries.)

Ceylon.	New Zealand.
Costa Rica.	Nicaragua.
Dominican Republic.	Nigeria.
Surinam.	Panama.
Ecuador.	Rhodesia.
Guatemala.	Spain.[1]
India.	Sweden.
Ireland.	Taiwan.
Italy.[1]	Turkey.
Liberia.	Uruguay.

(5 U.S.C. 301; 19 U.S.C. 2051, 2052; 22 U.S.C. 1431, et. seq.; E.O. 11311; 3 CFR, 1966 Comp.)

Additionally, the U.S. Government is regularly recognizing foreign certificates on exports received from a number of other countries, including:

Germany.	France.
United Kingdom.	Japan.

Dated: October 15, 1968.

ROBERT W. AKERS,
Deputy Director.

[F.R. Doc. 68-12754; Filed, Oct. 18, 1968; 8:48 a.m.]

[1] Limited participation.

Title 39—POSTAL SERVICE

Chapter I—Post Office Department

SUBCHAPTER C—INTERNATIONAL MAIL

APPENDIX—DIRECTORY OF INTERNATIONAL MAIL

Colombia and Indonesia

In the appendix to Subchapter C—Directory of International Mail, amend the individual country regulations as follows:

A. In the country item *Colombia* make the following changes under Parcel Post, Prohibitions:

1. In the second sentence thereof strike out "clothing" and "footwear".

2. Insert as the first paragraph in *Prohibitions* the following:

New and used clothing, except for used clothing addressed to educational institutions, and for clothing mailed as unaccompanied baggage, which must have a certificate of disinfection enclosed.

B. In the country item *Indonesia,* make the following changes under Parcel Post Prohibitions:

1. In the second paragraph thereof change "Latin" to "English."

2. Insert as the first paragraph in *Prohibitions* the following:

Tobacco products, including cigarettes and cigars.

(5 U.S.C. 301, 39 U.S.C. 501, 505)

TIMOTHY J. MAY,
General Counsel.

OCTOBER 15, 1968.

[F.R. Doc. 68-12744; Filed, Oct. 18, 1968; 8:47 a.m.]

Title 50—WILDLIFE AND FISHERIES

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

PART 33—SPORT FISHING

Long Lake National Wildlife Refuge, N. Dak.

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge areas.

NORTH DAKOTA

LONG LAKE NATIONAL WILDLIFE REFUGE

Sport fishing on the Long Lake National Wildlife Refuge, Moffit, N. Dak., is permitted on all refuge waters. These open areas, comprising 3,625 acres, are delineated on maps available at refuge headquarters and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, 1006 West Lake Street, Minneapolis, Minn. 55408. Sport fishing shall be in accordance with all applicable State regulations subject to the following special conditions:

(1) The open season for winter sport fishing on the refuge extends from December 15, 1968, to March 15, 1969.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuges generally which are set forth in Title 50, Part 33, and are effective through March 15, 1969.

MARVIN MANSFIELD,
Refuge Manager, Long Lake National Wildlife Refuge, Moffit, N. Dak.

OCTOBER 10, 1968.

[F.R. Doc. 68-12718; Filed, Oct. 18, 1968; 8:45 a.m.]

Proposed Rule Making

DEPARTMENT OF THE INTERIOR

National Park Service

[36 CFR Part 7]

GREAT SMOKY MOUNTAINS NATIONAL PARK, N.C. AND TENN.

Consumption of Beer and Alcoholic Beverages

Notice is hereby given that pursuant to the authority contained in section 3 of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 3), the Act of April 29, 1942 (56 Stat. 258; 16 U.S.C. 403h), 245 DM–1 (27 F.R. 6395), National Park Service Order No. 34 (31 F.R. 4255), Regional Director, Southeast Regional Order No. 4 (31 F.R. 8135), as amended, it is proposed to amend § 7.14 of Title 36 of the Code of Federal Regulations as set forth below.

The purpose of this amendment is to establish a regulation governing the possession of beer and alcoholic beverages in the Park and Foothills Parkway. The city of Gatlinburg, Tenn., has recently enacted an ordinance legalizing the sale of whisky and other distilled spirits, but the ordinance prohibits the possession of opened containers of beer or distilled spirits in any vehicle. The combined effect of these ordinances is that the Park and Foothills Parkway have become known as a place to drink alcoholic beverages, which is to the detriment of park values and meaningful visitor experiences.

It is the policy of the Department of the Interior, whenever practicable, to afford the public an opportunity to participate in the rulemaking process. Accordingly, interested persons may submit comments, suggestions, or objections to the Superintendent, Great Smoky Mountains National Park, Gatlinburg, Tenn. 37738, within 30 days of the publication of this notice in the FEDERAL REGISTER.

Section 7.14 is amended as follows:

§ 7.14 Great Smoky Mountains National Park.

(a) * * *

(b) *Beer and Alcoholic Beverages.* (1) The possession of beer or any alcoholic beverages in an open or unsealed container, except in designated picnic, camping, or overnight lodging facilities, is prohibited.

(2) The possession of beer or any alcoholic beverage, in any motor vehicle, in an open or unsealed container is prohibited everywhere within the park or Foothills Parkway.

GEORGE W. FRY,
Superintendent, Great Smoky Mountains National Park.

[F.R. Doc. 68–12721; Filed, Oct. 18, 1968; 8:45 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service

[7 CFR Part 717]

HOLDING OF REFERENDA

Notice of Proposed Rule Making

Notice is hereby given that pursuant to the authority contained in the applicable provisions of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1312(c), 1314c (c) and (d), 1336, 1343, 1344b(b)(ii), 1354(b), 1358 (b), 1375(b)), the Department proposes to reissue the regulations in Part 717 of Title 7 (28 F.R. 13249, as amended). The reissuance would accomplish the following objectives:

(a) Consolidation of amendments previously issued;

(b) Elimination of obsolete provisions;

(c) Clarification of language; and

(d) Grouping of provisions relating to holding of referenda by mail ballot and at polling places.

The use of a subpart would be discontinued and the heading of the part would be changed to "Part 717—Holding of Referenda".

Prior to the issuance of the regulations referred to herein, any data, views, or recommendations pertaining thereto which are submitted in writing to the Director, Farmer Programs Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington, D.C. 20250, will be given consideration, providing such submissions are postmarked not later than 30 days from the date of publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice will be made available for public inspection at such times and places and in a manner convenient to the public business (7 CFR 1.27(b)).

The proposed regulations would read as follows:

PART 717—HOLDING OF REFERENDA

GENERAL

HOLDING REFERENDA AT POLLING PLACES

HOLDING REFERENDA BY MAIL BALLOT

MISCELLANEOUS

AUTHORITY: The provisions of this Part 717 issued under secs. 312(c), 317 (c) and (d), 336, 343, 344a(b)(ii), 354(b), 358(b), 375(b), 52 Stat. 46, as amended, 79 Stat. 66, 52 Stat. 55, as amended, 56, as amended, 79 Stat. 1197, 52 Stat. 61, as amended, 55 Stat. 88, as amended, 52 Stat. 66, as amended; 7 U.S.C. 1312(c), 1314c (c) and (d), 1336, 1343, 1344b(b)(ii), 1354(b), 1358(b), 1375(b.)

GENERAL

§ 717.1 Definitions.

In determining the meaning of the provisions in this part, unless the context indicates otherwise, words importing the singular include and apply to several persons or things, words importing the plural include the singular, words importing the masculine gender include the feminine as well, and words used in the present tense include the future as well as the present.

(a) *General terms.* The definitions in Part 719 of this chapter shall apply to this part. The provisions of Part 720 of this chapter concerning the expiration of time limitations shall apply to this part.

(b) *Act.* The Agricultural Adjustment Act of 1938 and any amendments or supplements thereto.

(c) *Referendum community.* A referendum community shall conform with the community established by the State committee for purposes of elective areas under the regulations in the subpart—Selection and Functions of Agricultural Stabilization and Conservation County and Community Committees, in Part 7, Subtitle A, of this Title 7 (§ 7.7, 33 F.R. 12955), as amended from time to time: *Provided,* That a referendum community may be composed of an area differing from the community so established in the following cases: (1) A referendum community may be established by the county

committee, with the approval of a representative of the State committee, to conform to a political township, a local voting precinct for purposes of general elections, or a combination of such townships or precincts; (2) a referendum community may be established by the county committee, if it determines eligible producers will be given a convenient place to vote, which consists of a combination of a community with less than 25 farms on which there are producers eligible to vote, with one or more communities; and (3) in counties with less than 100 farms on which there are eligible producers, the county committee, with the approval of the State committee, may establish the entire county as a referendum community.

The county committee shall maintain in the county office, and make available for public inspection, a descriptive list of the referendum communities established for the county.

§ 717.2 Supervision of referenda and prescribed method of balloting.

(a) *Supervision of referenda.* The Deputy Administrator shall be in charge of and responsible for conducting each referendum required by the Act. Each State committee shall be in charge of and responsible for conducting such referendum in its State. Each county committee shall be responsible for the proper holding of such referendum in its county. It shall be the duty of the Deputy Administrator and of each committee to conduct each referendum by secret ballot in a fair, unbiased, and impartial manner in accordance with this part.

(b) *Prescribed method of balloting.* Each referendum held under this part shall be by mail ballot unless the Administrator, ASCS, or the Deputy Administrator prescribes that a particular referendum shall be held at polling places.

§ 717.3 Voting eligibility.

(a) *Statutory requirements*—(1) *Tobacco quotas proclaimed on an acreage basis under section 312(a) of the Act.* Within 30 days after the proclamation under section 312(a) of the Act of national marketing quotas on an acreage basis for any kind of tobacco for the next 3 succeeding marketing years, there shall be a referendum under section 312(c) of the Act of farmers engaged in the production of the crop of such tobacco harvested immediately prior to the holding of the referendum to determine whether such farmers are in favor of or opposed to such quotas for the 3-year period. If more than one-third of the farmers voting oppose such quotas, the quotas so proclaimed for the 3-year period shall not be in effect: *Provided,* That such referendum result shall not preclude the proclamation of national marketing quotas for such kind of tobacco for the next 3 succeeding marketing years subject to a referendum as required under this subparagraph. If the referendum results in approval of quotas for the 3-year period, no further referendum applicable to such quotas shall be held (i) unless a new proclamation during the 3-year period is made pursuant to subdivision (3) of section 312(a) of the Act in which case a referendum shall be held as provided in this subparagraph, or (ii) unless quotas on an acreage-poundage basis are established pursuant to section 317(c) of the Act, in which case a special referendum shall be held as provided in subparagraph (2) of this paragraph.

(2) *Tobacco quotas proclaimed on an acreage-poundage basis under section 317(c) of the Act.* During the first or second marketing year of the 3-year period for which marketing quotas for any kind of tobacco are in effect on an acreage basis, if the Secretary, under section 317(c) of the Act, determines that marketing quotas on an acreage-poundage basis would result in a more effective program, at the time of the next announcement of the amount of the marketing quota on an acreage basis, the Secretary shall also announce the national acreage allotment and national average yield goal. Within 45 days after such announcement of acreage-poundage quotas there shall be a special referendum under section 317(c) of the Act of farmers engaged in the production of the kind of tobacco of the most recent crop to determine whether such farmers favor the establishment of marketing quotas on an acreage-poundage basis for the next 3 marketing years. If more than two-thirds of the farmers voting in the special referendum favor marketing quotas on an acreage-poundage basis, such quotas shall be in effect for the next 3 marketing years and the marketing quotas on an acreage basis shall cease to be in effect at the beginning of such 3-year period and no further special referendum applicable to such 3-year period shall be held. If marketing quotas on an acreage-poundage basis are not favored by more than two-thirds of the farmers voting in the special referendum, marketing quotas on an acreage basis as previously proclaimed shall continue in effect.

(3) *Tobacco quotas proclaimed on an acreage-poundage basis under section 317(d) of the Act.* If marketing quotas on an acreage-poundage basis have been made effective for a kind of tobacco, the Secretary shall proclaim a national marketing quota for such kind of tobacco for the next 3 succeeding marketing years if the marketing year is the last year of 3 consecutive years for which marketing quotas previously proclaimed will be in effect. Such proclamation may be on an acreage-poundage basis or on an acreage basis. Within 30 days after such proclamation, there shall be a referendum under section 312(c) of the Act of farmers engaged in the production of the crop of such kind of tobacco harvested immediately prior to the holding of the referendum to determine whether such farmers are in favor of or opposed to such quotas for the next 3 succeeding marketing years. If more than one-third of the farmers voting oppose such quotas, the quotas so proclaimed for the 3-year period shall not be in effect: *Provided,* That such referendum result shall not preclude the proclamation of national marketing quotas for such kind of tobacco for the next 3 succeeding marketing years under section 312(a) of the Act subject to a referendum thereon as provided in subparagraph (1) of this paragraph. If a referendum results in approval of quotas for 3 marketing years on an acreage basis, no further referendum applicable to such 3 marketing years shall be held except as may be required under section 317(c) of the Act. If a referendum results in approval of quotas for 3 marketing years on an acreage-poundage basis, no further referendum applicable to such 3 marketing years shall be held.

(4) *Tobacco quotas proclaimed but disapproved in 3 successive years.* Under section 312(a)(4) of the Act, if producers have disapproved national marketing quotas for a kind of tobacco in referenda held in 3 successive years subsequent to 1952, a national marketing quota shall not be proclaimed for any marketing year within the 3-year period for which quotas were disapproved unless prior to November 10 of the marketing year, one-fourth or more of the farmers engaged in the production of the crop of tobacco harvested in the calendar year in which such marketing year begins petition the Secretary to proclaim a national marketing quota for each of the next 3 succeeding marketing years.

(5) *Wheat quotas.* Not later than August 1 of the calendar year in which a national marketing quota for wheat for 1, 2, or 3 marketing years is proclaimed there shall be a referendum under section 336 of the Act of producers who have a farm acreage allotment for wheat of the first crop for which the referendum is held to determine whether such producers favor or oppose marketing quotas for the marketing year or years for which proclaimed. If more than one-third of the producers voting in the referendum oppose such quotas, the quota with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held shall not be in effect: *Provided,* That such referendum result shall not preclude the proclamation of quotas for years following the year for which the quota is not in effect subject to a referendum as required under this paragraph. If two-thirds or more of the producers voting in a referendum favor quotas for a period of 2 or 3 marketing years, no further referendum with respect to such period shall be held. Under section 332(d) of the Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 through 1970.

(6) *Cotton quotas.* Not later than December 15 following the proclamation of a national marketing quota for upland cotton and a national marketing quota for extra long staple cotton there shall be a referendum under section 343 of the Act for each commodity of farmers engaged in the production of the commodity covered by the referendum in the calendar year in which the referendum is held to determine whether such farmers

are in favor of or opposed to the respective quotas for the next marketing year. If more than one-third of the farmers voting in the referendum oppose the quota for the commodity, such quota shall not be in effect.

(7) *Upland cotton transfers.* Under section 344a(b)(ii) of the Act, special county referenda are required to permit transfers of upland cotton farm allotments by sale or lease to a farm in another county of the same State. Such referenda are by producers of upland cotton in the county from which transfer is to be made. If two-thirds or more of the producers voting in the county referendum favor such transfers, the transfers out-of-county may be approved for the next 3 years or such shorter period of years for which section 344a of the Act is in effect: *Provided,* That if such transfers are not favored, a county referendum shall be held in the next calendar year for the next succeeding period of years.

(8) *Rice quotas.* Within 30 days after the proclamation of a national marketing quota for rice there shall be a referendum under section 354(b) of the Act of farmers engaged in the production of the immediately preceding crop of rice to determine whether such farmers are in favor of or opposed to the quota for the next marketing year. If more than one-third of the farmers voting in the referendum oppose the quota, such quota shall not be in effect.

(9) *Peanut quotas.* Not later than December 15 of each calendar year there shall be a referendum under section 358 (b) of the Act of farmers engaged in the production of peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to marketing quotas with respect to the crops of peanuts produced in the 3 calendar years immediately following the year in which the referendum is held. If more than one-third of the farmers voting in the referendum oppose such quotas, the quotas so proclaimed shall not be in effect: *Provided,* That such referendum result shall not preclude the proclamation of quotas in the next calendar year for a 3-year period subject to a referendum as required under this subparagraph. If quotas are favored, no further referendum with respect to the 3-year period shall be held.

(b) *Farmers engaged in the production of a commodity.* For purposes of referenda with respect to marketing quotas for tobacco, cotton, rice and peanuts the phrase "farmers engaged in the production of a commodity" includes any person who is entitled to share in a crop of the commodity, or the proceeds thereof, because he shares in the risks of production of the crop as an owner, landlord, tenant, or sharecropper (landlord whose return from the crop is fixed regardless of the amount of the crop produced is excluded) on a farm on which such crop is planted in a workmanlike manner for harvest: *Provided,* That any failure to harvest the crop because of conditions beyond the control of such person shall not affect his status as a farmer engaged in the production of the crop. In addition, the phrase "farmers engaged in the production of a commodity" also includes each person who was an owner or an operator of a farm for which a farm allotment for the crop of the commodity was established and no acreage of the crop was planted but an acreage of the crop was regarded as planted for history acreage purposes under the applicable commodity regulation.

(c) *Special conditions applicable to peanuts and rice*—(1) *Peanuts.* In the case of a referendum for marketing quotas for peanuts, farmers engaged in the production of peanuts as determined under paragraph (b) of this section shall not be eligible to vote in the referendum if the farm does not have any production of peanuts subject to marketing quotas. Under section 359(b) of the Act, marketing quotas are not applicable to peanuts produced on any farm on which the acreage harvested for nuts is 1 acre or less provided the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm. Under section 359(b) of the Act, marketing quotas are not applicable to peanuts which it is established (i) were not picked or threshed either before or after marketing from the farm, or (ii) were marketed by the producer before drying or removal of moisture from such peanuts either by natural or artificial means for consumption exclusively as boiled peanuts.

(2) *Rice.* In the case of a referendum for a marketing quota for rice, farmers engaged in the production of rice as determined under paragraph (b) of this section shall not be eligible to vote in the referendum if the farm is not subject to marketing quotas. Under section 353(d) of the Act, marketing quotas are not applicable (i) to nonirrigated rice produced on any farm on which the acreage planted to nonirrigated rice does not exceed 3 acres, or (ii) to rice produced outside the continental United States.

(d) *Wheat producers.* For purposes of any wheat referendum, any producer on a farm with a farm allotment for wheat shall be eligible to vote in the referendum. Such producer is any person who as owner-operator, landlord, tenant, or sharecropper on a farm for which a farm allotment greater than zero is established for wheat of the first crop for which the referendum is held, will share in such first crop, or the proceeds thereof, produced on the farm; or in the absence of production of such first crop, would be entitled to share in the crop, or the proceeds thereof, if it were produced. Each person shown on the notice of farm allotment so established as the owner or operator of the farm shall be presumed to be eligible to vote in the referendum, subject to any challenge for cause as not being eligible to vote. A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall not be eligible to vote in the referendum.

(e) *One vote limitation.* Each person eligible to vote in a particular marketing quota referendum shall be entitled to only one vote in such referendum regardless of the number of farms in which such person is interested or the number of communities, counties, or States in which farms are located in which farms such person is interested: *Provided,* That—

(1) The individual members of a partnership shall each be entitled to one vote, but the partnership as an entity shall not be entitled to vote;

(2) An individual eligible voter shall be entitled to one vote even though he is interested in an entity (including but not limited to a corporation) which entity is also eligible to vote;

(3) A person shall also be entitled to vote in each instance of his capacity as a fiduciary (including but not limited to a guardian, administrator, executor or trustee) if in such fiduciary capacity he is eligible to vote but the person for whom he acts as a fiduciary shall not be eligible to vote.

(f) *Joint and family interest.* Where several persons, such as members of a family, have participated or will participate in the production of a commodity under the same lease or cropping agreement, only the person or persons who signed the lease or agreement, or agreed to an oral lease or agreement, shall be eligible to vote. Where two or more persons have produced or will produce a commodity as joint tenants, tenants in common, or owners of community property, each such person shall be entitled to one vote if otherwise eligible. The eligibility of one spouse does not affect the eligibility of the other spouse.

(g) *Minors.* A minor shall be entitled to one vote if he is otherwise eligible and is 18 years of age or older when he votes.

(h) *Upland cotton transfer referenda.* For purposes of the special county referenda with respect to transfers of upland cotton allotments, the farmers engaged in the production of upland cotton in the calendar year in which the county referendum is held, as determined under paragraphs (b), (e), (f), and (g) of this section, shall be eligible to vote: *Provided,* That, notwithstanding the provisions of such paragraphs:

(1) A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall be eligible to vote if otherwise eligible; and

(2) An eligible voter shall be entitled to one and only one vote in each county in which he is eligible to vote regardless of the number of farms in such county in which he is interested.

(i) *Interpretations.* (1) In the case of upland cotton of the 1966–70 crops, on a farm where an acreage of upland cotton is actually planted, persons having an interest in the farm for the particular crop who are not entitled to share in the cotton produced on the farm, or the proceeds thereof, and are entitled only to share in diversion payments for the farm under section 103(d) of the Agricultural Act of 1949, as amended, shall not be eligible to vote in the referendum by reason of such sharing in diversion payments.

(2) In the case of any commodity on a farm where no acreage of the commodity is actually planted but an acreage of the commodity is regarded as planted under applicable regulations of

the Department, only the owner and operator on the farm shall be eligible to vote in the referendum.

§ 717.4 Register of eligible voters.

Prior to the date of the referendum a register shall be prepared by the county office manager listing the name and address of each known eligible voter. For referenda conducted at polling places a register shall be prepared for each referendum community. For referenda conducted by mail ballot the entire county is considered to be the referendum community and one register shall be prepared for the county.

HOLDING REFERENDA AT POLLING PLACES

§ 717.5 Community referendum committees.

(a) *Where one referendum is to be conducted.* Except where the entire county is to be considered a referendum community, the county committee shall designate a community referendum committee for each referendum community. Each referendum committee shall consist of at least three regular members and one alternate. The membership of the referendum committee shall be chosen from among the farmers who reside in the community and who are eligible to vote in the referendum or who are community committeemen elected pursuant to the regulations in the subpart—Selection and Functions of Agricultural Stabilization and Conservation County and Community committees (Part 7 of this title). The county committee shall name one member of the community referendum committee as chairman and another member thereof as vice chairman. The vice chairman shall act as the chairman in the event of the absence or incapacity of the chairman and the alternate shall serve on the committee in the place of any regular member who cannot serve. The community referendum committee shall be responsible for the proper holding of the referendum in its community in a fair, unbiased and impartial manner in accordance with this part. In counties where the entire county is treated as one referendum community, the county committee shall perform, in addition to its other duties, the duties of the community referendum committee.

(b) *Where two or more referenda are to be conducted.* Where two or more referenda are to be held in the county on the same day, the provisions of paragraph (a) of this section shall be applicable except that (1) the total number of farms on which there are producers eligible to vote in any one or more of such referenda shall be used to determine whether there are 100 or more farms on which there are producers who are eligible to vote in the referenda, and (2) each community referendum committee shall be chosen from among the farmers who reside in the community and who are eligible to vote in any of such referenda or who are community committeemen elected pursuant to the regulations in the subpart—Selection and Functions of Agricultural Stabilization and Conservation County and Community committees (Part 7 of this title).

§ 717.6 Place for balloting.

The county committee shall designate only one polling place for balloting in each referendum community. The polling place shall be one well known to and readily accessible to the persons in the community and shall be equipped and arranged so that each voter can mark and cast his ballot in secret and without coercion, duress, or interference of any sort whatsoever. Subject to the provisions of § 717.9(c) for absentee ballots, a farmer or producer eligible to vote, for all commodities except wheat, shall vote only at a polling place designated for the referendum community in which he was engaged in the production of the commodity for which the referendum is held, and in the case of wheat shall vote only at a polling place designated for the referendum community in which the farm on which he is a wheat producer is located.

§ 717.7 Time of voting.

There shall be no voting except on the day fixed for the holding of the referendum (except as provided in § 717.9(c) in the case of absentee ballots) and the day fixed for the holding of the referendum shall be the same in all neighborhoods, communities, counties, and States. The date for holding the referendum shall be determined by the Secretary in accordance with the provisions of law applicable thereto and stated in the notice of the referendum prescribed by him. The time that polls shall be opened and closed on the date fixed for holding the referendum in the States and Puerto Rico is as follows:

State	Polls to open a.m.	Polls to close p.m.
Alabama	7:00	7:00
Alaska	8:00	6:00
Arizona	8:00	6:00
Arkansas	8:00	6:30
California	8:00	6:00
Colorado	7:00	7:00
Connecticut	8:00	6:00
Delaware	8:00	6:00
Florida	7:00	7:00
Georgia	7:00	7:00
Idaho	8:00	8:00
Illinois	8:00	6:00
Indiana	8:00	6:00
Iowa	8:00	8:00
Kansas	8:00	8:00
Kentucky	8:00	6:00
Louisiana	8:00	6:00
Maine	8:00	6:00
Maryland	8:00	6:00
Massachusetts	8:00	6:00
Michigan	8:00	8:00
Minnesota	8:00	8:00
Mississippi	8:00	6:00
Missouri	8:00	6:00
Montana	8:00	7:00
Nebraska	8:00	8:00
Nevada	8:00	6:00
New Hampshire	8:00	6:00
New Jersey	8:00	6:00
New Mexico	8:00	6:00
New York	8:00	6:00
North Carolina	7:00	7:00
North Dakota	8:00	9:00
Ohio	8:00	6:00
Oklahoma	8:00	6:00
Oregon	8:00	8:00
Pennsylvania	8:00	9:00
Rhode Island	8:00	6:00
South Carolina	7:00	7:00
South Dakota	8:00	8:00
Tennessee	8:00	7:00
Texas	8:00	7:00
Utah	8:00	6:00
Vermont	8:00	6:00
Virginia	7:00	7:00
Washington	8:00	8:00
West Virginia	8:00	8:00
Wisconsin	8:00	8:00
Wyoming	8:00	8:00
Puerto Rico	8:00	6:00

The times listed in this section shall be the local time in effect for the area in which the polling place is located.

§ 717.8 Notice of referendum.

(a) *Posting a notice.* The county committee shall give public notice of the referendum in each referendum community by posting a notice at one or more places open to the public within such community prior to the date of the referendum. Such notice shall be on a form prescribed by the Deputy Administrator and shall state the commodity or commodities and marketing year, or years, or crops for which the referendum is to be held, the location of the polling place in the community, the date of the referendum, and the hours when the polls will be opened and closed. The county office manager is authorized to sign such notice on behalf of the county committee.

(b) *Use of agencies of public information.* The county committee and community referendum committees shall utilize, to the extent practicable (without advertising expense), all available agencies of public information, including newspapers, radio, television and other means, to give persons in the county public notice of the day and hours of voting, the location of polling places, and the rules governing eligibility to vote. Such notice should be given as soon as practicable after the arrangements for holding the referendum in the county have been made.

§ 717.9 Manner of voting.

(a) *Secret ballot.* The voting in the referendum shall be by secret ballot. Each voter shall, at the time he is handed the form on which to cast his ballot, be instructed to mark his ballot form so as to indicate clearly how he votes and in such manner that no one else shall see how he votes and then to fold his ballot and place it in the ballot box without allowing anyone else to see how he voted. A suitable place where each voter may mark and cast his ballot in secret and without coercion, duress, or interference of any sort whatever, shall be provided in each polling place. Every unchallenged ballot shall be placed in the ballot box by the person who voted it. The fact that a voter fails to fold a ballot placed in the ballot box shall not invalidate it. It shall be the duty of each community referendum committee to see that no device of any sort whatever is used whereby any voter's ballot may be identified except as provided in this part in the case of a challenged ballot or an absentee ballot.

(b) *Voting by proxy prohibited.* There shall be no voting by proxy or agent, or in

any manner except by the eligible voter (or the challenged voter under paragraph (d) of this section) personally depositing in the ballot box his ballot as marked by him (except as provided in the case of an absentee ballot), but a duly authorized officer of a corporation, association, or other legal entity, may cast its vote.

(c) *Absentee ballots.* Any person who will not be present on the day of the referendum in the county in which he is eligible to vote or who will be prevented from voting in person on the day of the referendum because of physical incapacity, or whose religious belief forbids him from voting on the day of the referendum, may obtain prior to the date of the referendum, one ballot from a State or county ASCS office conveniently situated for him, or from the Farmer Programs Division, ASCS, Department of Agriculture, Washington, D.C., and cast an absentee ballot. The office so issuing the ballot form shall endorse on the reverse side thereof a statement in substantially the following form identifying the place in which it was issued and the county to which it will be mailed or delivered, initialed and dated by the person issuing such form.

Issued in _____ County _____ State, or by _____ State ASCS Office, or by _____ Division, ASCS, Washington, D.C., for use in _____ County, _____ State.

The issuing office shall keep a register showing for each ballot form so issued by it to be voted absentee, the name and address to whom issued, the date of issuance, and the county and State in which the ballot is to be voted, and the name and title of the person who issued the ballot. The person to whom the ballot is issued shall mark the ballot so as to indicate clearly how he votes and place the ballot in a plain envelope which shall be marked clearly with the words "Absentee Ballot," sealed and inserted in another envelope which shall be marked clearly with the voter's name and return address, sealed and delivered, or mailed, postage paid, to the county committee for the county in which he is eligible to vote. All absentee ballots must, in order to be accepted, reach the county office for the county in which the voter is eligible to vote by not later than the hour for closing the polls in the county on the day of the referendum. No such ballot shall be counted unless the voter's name and address appear on the envelope and it is determined that he is eligible to vote.

(d) *Challenged ballots.* The community referendum committee or any member thereof shall challenge the eligibility of any person to vote in the referendum where (1) the community referendum committee or any member thereof is unable to determine that the person is eligible to vote in the referendum in the community, or (2) the community referendum committee or any member thereof has reason to believe that such person has previously voted in the referendum in another community in the same or another county in person or by mail, or (3) the person's name and address have not been entered on the register of eligible voters, prior to its delivery to the referendum committee, unless the referendum committee is satisfied that the person is eligible to vote. In every case where the eligibility of the voter is challenged, his ballot form, after being marked by the challenged person so as to show how he votes, but in such manner that no one else sees how he votes, shall be folded and placed by him (or by a member of the committee if he refuses) in an envelope, which shall then be sealed and placed in another envelope, identified with his name and address, the word "Challenged" and a statement of the reason for the challenge, and shall then be placed in the ballot box. The county committee shall make an investigation in each case of controversy or dispute regarding the eligibility of a voter to vote in the referendum. In each case of a challenged ballot the eligibility of the person to vote in the referendum shall be determined by the county committee as soon as may be possible after the polls are closed and before the time for forwarding to the State committee the county summary of ballots. If it is determined that the person whose vote was challenged is eligible to vote, the sealed envelope containing the ballot shall be placed with the challenged ballot of every other person found to be eligible to vote until all challenged ballots have been passed upon by the county committee. If it is determined that the person whose vote was challenged is not eligible, the sealed envelope shall be marked "Not eligible" and signed by a member of the county committee and shall not be opened. When all of the challenged ballots have been passed upon by the county committee, the challenged ballots which were cast by eligible voters shall be opened and tabulated on the county summary of ballots, but no disclosure shall be made as to how any particular person voted.

(e) *Ballot box.* Each polling place shall be furnished with a suitable ballot box. Any container of sufficient size so arranged that no ballot can be read or removed without breaking seals on the container will be suitable. When strip adhesive paper or corresponding seals are used on the ballot box, such seals shall be signed or initialed by the chairman or a member of the community referendum committee so that breaking or replacing the seal will so destroy or affect the identifying marks as to show that the seal has been tampered with.

§ 717.10 Local arrangements for holding the referendum.

The county committee shall make all arrangements for the proper holding of the referendum in accordance with this part prior to the date of the referendum. The county committee shall instruct each community referendum committee concerning its duties so that each member of the committee understands his duties and the duties of the committee in all respects, with particular emphasis as to (a) issuing ballot forms, (b) challenged ballots, (c) recording votes, (d) tabulating ballots, and (e) certifying results of the referendum in the referendum community. The county office manager shall furnish each community referendum committee an adequate supply of forms prior to the time the polls in the county are opened for the acceptance of ballots, by delivering the ballot forms and the forms for the community summary of ballots to each chairman of the several community referendum committees.

§ 717.11 Issuing ballots.

The community referendum committee shall open the polling place for the issuance of ballot forms and the casting of ballots at the time designated and shall thereafter until the time when the polls are required to be closed and the casting of ballots discontinued issue a ballot to each person who is eligible to vote and applies for a ballot and to each person who claims to be eligible to vote and insists upon voting even though his eligibility to vote is challenged by a member of the committee. The community referendum committeeman who issued the ballot form shall imediately enter on the register of voters opposite the name and address of the person voting, a record of the issuance of the ballot, the casting of the ballot, and any challenge of the eligibility of the person casting the ballot. Ballot forms shall be issued and ballots placed in the ballot box while at least two members serving on the community referendum committee are physically present in the polling place and in position to see each ballot form as it is issued and each ballot as it is placed in the ballot box.

§ 717.12 Community referendum committee's canvass of ballots.

Immediately after the polls are closed, the community referendum committee shall open the ballot box and canvass the ballots cast. The canvas of the ballots shall be kept open to the pubic. A ballot shall be considered as a spoiled ballot if it is mutilated or marked in such a way that it is not possible to determine with certainty how the ballot was intended to be counted on a particular question. The envelope containing the challenged ballots shall not be opened. The total number of ballots issued as shown on the register of voters shall be determined and the total number of ballots cast, including the spoiled and challenged ballots, shall be determined. The number of ballots cast in favor of and the number of ballots cast in opposition to the question on which the referendum was held shall be determined. The spoiled ballots and challenged ballots shall not be considered in favor of or against the question. If any member of the community referendum committee should see or learn how any person besides himself voted, whether or not the ballot was challenged, spoiled, or otherwise, he shall not disclose such knowledge to a fellow committeeman or any other person except in an investigation conducted under this part.

§ 717.13 Community committee's reporting and record of results of referendum.

The community referendum committee shall notify the county committee by telephone, telegraph, messenger, or in person of the preliminary count of the votes on each question and of the number of spoiled and challenged ballots, as soon as may be possible. All the spoiled ballots shall be placed in an envelope and sealed and marked with the initials of the chairman (or vice chairman) of the community referendum committee and the designation "Spoiled Ballots" followed by the number of spoiled ballots and the names of the community, the county and the State. The community referendum committee shall execute the certification as to the accuracy of the register of eligible voters and ballots cast. The community referendum committee shall then prepare and execute the community summary of ballots and post one copy thereof, as soon as it is executed, in a conspicuous place at the polling place, so that it will remain posted and accessible to the public for at least 3 calendar days after the holding of the referendum. The community referendum committee shall seal the voted ballots, including those challenged and spoiled, the register of eligible voters and ballots cast, and the community summary of ballots, in one or more envelopes appropriately identified by the names of the community, the county, and the State, and the nature of the referendum and the date on which it was held, and deliver them to the county committee not later than 9 a.m., local time, on the second calendar day after the date of the referendum, together with the unused ballot and other forms. The chairman (or vice chairman) of the community referendum committee shall be responsible for the safe delivery of such reports, ballots, and forms to the county committee.

§ 717.14 County committee's canvass of ballots.

The county committee, after the closing of the polls, shall open and canvass the absentee ballots received and determine the eligibility of each voter. If any person voting absentee is found to be ineligible to vote, or the ballot is so mutilated or marked that it is not possible to determine with certainty how the person intended to vote, such ballot shall not be counted as for or against the question in the referendum. The county committee shall meet and pass upon the challenged ballots as soon as may be reasonably possible after the challenged ballots are received from the community referendum committees, but not later than 4 calendar days after the day of the referendum. The result of the referendum in each community shall be reviewed and summarized as soon as may be reasonably possible after the records, ballots, and forms are received from the several community referendum committees. Every meeting of the county committee for the purpose of canvassing the ballots cast and reviewing and tabulating the results of the referendum shall be open to the public. No member of the county committee who learns how any person besides himself voted, whether the ballot was an absentee ballot, challenged, spoiled, or otherwise, shall disclose such knowledge to any fellow committeeman or other person except in an investigation conducted under this part.

§ 717.15 County committee's reporting and record of results of the referendum.

The county committee shall notify the State committee by telephone, telegraph, or messenger (who may be a member of the county committee), as to the preliminary count of the votes on each question and the number of challenged ballots by the several community referendum committees as soon as possible. The county committee shall, as soon as may be reasonably possible, but in no event later than 4 calendar days after the date of the referendum, have prepared and certified the county summary of ballots. Such summary shall be prepared and certified in triplicate, one copy of which shall be sent to the State committee, one copy posted for 30 calendar days in a conspicuous place accessible to the public in or near the office of the county committee, and one copy filed in the office of the county committee and kept available for public inspection. One copy of each community summary shall likewise be posted for 30 calendar days in a conspicuous place accessible to the public in or near the office of the county committee.

§ 717.16 Investigation as to correctness of summary of the referendum.

The county committee shall make an investigation in each case of a dispute or challenge regarding the correctness of the summary of the referendum in a community. No dispute or challenge shall be investigated by the county committee unless it is brought to its attention within 3 calendar days after the date on which the referendum was held. The county committee shall promptly decide the dispute or the challenge and report its findings to the State committee within 5 calendar days after the holding of the referendum and send by certified mail, or deliver in person, to the office of the State committee all voted ballots, register forms, and community summary sheets involved in the dispute or challenge.

§ 717.17 State committee's reporting and record of result of the referendum.

The State committee for each State shall notify the Deputy Administrator by telegraph or telephone as to the preliminary count of the votes in the State as soon as the preliminary results of the referendum are made known to the State committee. The county summaries of ballots shall be summarized on the State summary of ballots as soon as possible, but in no event later than 7 calendar days after the date of the referendum, unless there is a dispute or challenge regarding the correctness of the summary for any county, in which case the State committee shall complete its investigation thereof, decide the dispute or challenge, and prepare the State summary accordingly within 14 calendar days after the date of the referendum. The State summary shall be prepared in triplicate and certified to by the State executive director. The original and one copy of the State summary shall be forwarded to the Director, Policy and Program Appraisal Division, ASCS. One copy of the State summary shall be filed for a period of 5 years in the office of the State committee available for public inspection.

HOLDING REFERENDA BY MAIL BALLOT

§ 717.17 Issuing ballots.

The county committee shall furnish each person who is eligible to vote in a particular referendum a ballot suitable for mailing back to the office of the county committee. If a person who is eligible to vote in a particular referendum is not furnished a ballot, he may obtain one during the referendum period from the office of the county committee for the county in which he is eligible to vote or from any other ASCS office where ballots are available, including the Farmer Programs Division, ASCS, Department of Agriculture, Washington, D.C. When a ballot is issued from an ASCS office other than the ASCS office in the county in which the producer is eligible to vote in a particular referendum, the issuing office shall keep a register showing to whom it was issued, the person's address, the county and State in which the ballot is to be voted, and the name and title of the person who issued the ballot.

§ 717.19 Manner of voting.

Each person to whom a ballot is issued by mail or in person may vote in the referendum by marking the ballot so as to indicate clearly how he votes, placing the ballot in a plain envelope, sealing the plain envelope, inserting it in a postage paid envelope which shall be marked clearly with the voter's name and return address, signing the certification on such envelope or making his mark thereto (which mark shall be witnessed), sealing the postage paid envelope, and delivering or mailing it to the office of the county committee for the county in which he is eligible to vote.

§ 717.20 Receiving and tabulating voted ballots.

Ballots received at the county ASCS office during the referendum period shall be placed immediately in a ballot box provided by the county office manager and so arranged that ballots cannot be read or removed without breaking the seal on the container. Voted ballots received by the county committee of the county in which the voter is eligible to vote during the period established for holding a particular referendum, shall be tabulated by the county committee. A ballot shall be considered to have been received during the referendum period if (a) in the case of a ballot delivered to the county committee, it was received in the

office prior to the close of the work day on the final day of the referendum period, or (b) in the case of a mailed ballot, it was postmarked not later than midnight of the final day of the referendum period and was received in the county office prior to the start of canvassing the ballots. However, no such ballot shall be counted unless the voter signs the certification or his mark is witnessed on the postage paid envelope, and it is determined that he is eligible to vote in the particular referendum.

§ 717.21 Canvassing voted ballots.

(a) *Time of canvassing.* The canvassing of voted ballots shall take place at the opening of the county office on the fifth day after the close of the referendum period. Ballots received after the start of tabulation, even though contained in envelopes that were postmarked prior to midnight of the final day of the referendum period, shall not be counted.

(b) *Canvassing by county committee.* The canvassing shall be in the presence of at least two members of the county committee and open to the public: *Provided,* That if two or more counties have been combined and are served by one county office, the canvassing of ballots shall be conducted by at least one member of the county committee from each county served by the county office.

(c) *Manner of canvassing.* The canvassing of ballots shall follow the following procedure:

(1) The ballot box shall be opened;

(2) The envelopes from the ballot box shall be separated into three groups consisting of (i) unopened certification envelopes which do not have a proper signed certification, (ii) unopened certification envelopes from ineligible voters, and (iii) unopened certification envelopes from eligible voters;

(3) The unopened certification envelopes from eligible voters shall be opened and plain envelopes removed and then shuffled to preserve the secrecy of the ballots contained in such plain envelopes;

(4) The ballots shall be removed from such plain envelopes and tabulated. A ballot shall be considered as a spoiled ballot if it is mutilated or marked in such a way that it is not possible to determine with certainty how the ballot was intended to be counted on a particular question. The spoiled ballots shall not be considered in favor of or against the question.

(5) The unopened certification envelopes which do not have a proper signed certification shall not be opened and shall not be considered in favor of or against the question.

(6) The unopened certification envelopes from ineligible voters shall be considered as challenged ballots. The county committee shall determine the eligibility of the person to vote in the referendum. If determined to be eligible such envelopes shall be handled as provided under subparagraphs (3) and (4) of this paragraph. If determined not to be eligible, such envelopes shall not be opened and shall not be considered in favor of or against the question.

§ 717.22 County committee's reporting and record of result of the referendum.

The county committee shall notify the State committee by telephone, telegraph, or messenger (who may be a member of the county committee), as to the preliminary count of the votes on each question and the number of challenged ballots as soon as possible. The county committee shall, as soon as may be reasonably possible, but in no event later than 4 calendar days after canvassing of the ballots, have prepared and certified the county summary of ballots. Such summary shall be prepared and certified in triplicate, one copy of which shall be sent to the State committee, one copy posted for 30 calendar days in a conspicuous place accessible to the public in or near the office of the county committee, and one copy filed in the office of the county committee and kept available for public inspection.

MISCELLANEOUS

§ 717.23 Applicability of this part to Puerto Rico.

The Caribbean Area Agricultural Stabilization and Conservation Committee shall be in charge of and responsible for conducting in Puerto Rico each referendum required by the Act. Insofar as applicable, the Caribbean Area ASC Committee shall perform all the duties and assume all the responsibilities otherwise required of State and county committees as provided in this part, except that (1) the Director, Agricultural Stabilization and Conservation Caribbean Area Office shall nominate for appointment by the Caribbean Area ASC Committee the members and alternates to serve on community referendum committees and shall establish the boundaries of referendum communities in such a manner that polling places therein will be conveniently located for the farmers eligible to vote in the referendum, and (2) following the canvass of the ballots, results of the referendum shall be reported to the Caribbean Area ASC Committee.

§ 717.24 Result of referendum.

(a) *Proclamation of result.* The final and official tabulation of the votes cast in the referendum shall be made by the Deputy Administrator and the result of the referendum will be publicly proclaimed and published in the FEDERAL REGISTER. The State summaries and related papers shall be filed with such tabulation for a period of 5 years available for public inspection in the Department of Agriculture.

(b) *Unofficial announcements of result.* Each county committee is authorized to issue unofficial reports of the total "Yes" and "No" votes in its county to the press and the public. Each State committee is authorized to issue to the press and the public the unofficial result of the referendum in its State by counties as rapidly as the votes in the various counties are reported to it.

(c) *Investigations.* If the Deputy Administrator or the Secretary deems it necessary, the report of any community referendum committee, county committee, or State committee shall be reexamined and checked by such persons or agents as may be designated.

§ 717.25 Disposition of ballots and records.

The county committee shall seal the voted ballots, challenged ballots found to be ineligible, spoiled ballots, unopened certification envelopes, register sheets, and community summaries for the county in one or more envelopes or packages, plainly marked with the identification of the referendum, the date, and the names of the county and State, and place them under lock in a safe place under the custody of the county office manager for a period of 30 calendar days after the date of the referendum. If no notice to the contrary is received by the end of such time, the voted ballots, challenged ballots, spoiled ballots, and unopened certification envelopes shall be destroyed, but the registers and community and county summary sheets and the register of absentee ballots shall be filed for a period of 5 years in the office of the county committee.

§ 717.26 Applicability.

The regulations contained in this part shall be applicable to all referenda held pursuant to the Agricultural Adjustment Act of 1938, as amended.

Signed at Washington, D.C., on October 15, 1968.

H. D. GODFREY,
Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 68-12749; Filed, Oct. 18, 1968; 8:48 a.m.]

[7 CFR Part 730]

RICE

Notice of Determinations To Be Made With Respect to Marketing Quotas, National, State, and County Acreage Allotments, County Normal Yields, and Date or Period for Conducting a Referendum on Marketing Quotas for 1969 Crop

Pursuant to the authority contained in applicable provisions of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301, 1352, 1353, 1354, 1377), the Secretary of Agriculture is preparing to determine whether marketing quotas are required to be proclaimed for the 1969 crop of rice, to determine and proclaim the national acreage allotment for the 1969 crop of rice, to apportion among States and counties the national acreage allotment for the 1969 crop of rice, to establish county normal yields for the 1969 crop of rice, and to establish a date or period for conducting a referendum on marketing quotas in the event quotas are proclaimed for the 1969 crop of rice.

Section 354 of the act provides that whenever in the calendar year 1968 the Secretary determines that the total supply of rice for the 1968–69 marketing year will exceed the normal supply for such marketing year the Secretary shall, not later than December 31, 1968, proclaim such fact and marketing quotas shall be in effect for the crop of rice produced in 1969. Within 30 days after the issuance of such proclamation, the Secretary shall conduct a referendum by secret ballot of farmers engaged in the production of the immediately preceding crop of rice to determine whether farmers are in favor of or opposed to such quotas.

Section 352 of the act, as amended, provides that the national acreage allotment of rice for 1969 shall be that acreage which the Secretary determines will, on the basis of the national average yield of rice for the 5 calendar years 1964 through 1968, produce an amount of rice adequate, together with the estimated carryover from the 1968–69 marketing year, to make available a supply for the 1969–70 marketing year not less than the normal supply. The Secretary is required under this section of the act to proclaim such national acreage allotment not later than December 31, 1968.

Section 353(c)(6) of the act, as amended, provides that the national acreage allotment of rice for 1969 shall be not less than the national acreage allotment for 1956, including the 13,512 acres apportioned to States pursuant to paragraph (5) of section 353(c) of the act. Under this provision, the national acreage allotment of rice for 1969 will be not less than 1,652,596 acres.

As defined in section 301 of the act, for purposes of these determinations, "total supply" for any marketing year is the carryover of rice for such marketing year, plus the estimated production of rice in the United States during the calendar year in which such marketing year begins and the estimated imports of rice into the United States during such marketing year; "normal supply" for any marketing year is the estimated domestic consumption of rice for the marketing year ending immediately prior to the marketing year for which normal supply is being determined, plus the estimated exports of rice for the marketing year for which normal supply is being determined, plus 10 per centum of such consumption and exports, with adjustments for current trends in consumption and for unusual conditions as deemed necessary; and "marketing year" for rice is the period August 1–July 31.

Section 353 (a) and (c)(6) of the act requires that the national acreage allotment of rice for the 1969 crop, less a reserve of not to exceed 1 per centum thereof for apportionment to farms receiving inadequate allotments because of insufficient State or county allotments or because rice was not planted on the farm during all the years of the base period, be apportioned among the several States in which rice is produced in the same proportion that they shared in the total acreage allotted to States in 1956 (State acreage allotments, plus the additional acreage allocated to States under section 353(c)(5) of the act, as amended).

The State acreage allotment of rice for the 1969 crop would be apportioned to producers in "producer States" and to farms in "farm States" in accordance with the Regulations for Determination of Acreage Allotments for 1969 and Subsequent Crops of Rice (§§ 730.61 to 730.87, 33 F.R. 14520).

Section 301(b)(13)(D) of the act provides that the "normal yield" of rice for 1969 for any county shall be the average yield per acre of rice for the county during the 5 calendar years 1964 through 1968 adjusted for abnormal weather conditions and trends in yields. Provision is made therein that if for any such year data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations of the Secretary, taking into consideration the yields obtained in surrounding counties during such year and the yield in years for which data are available, shall be used as the actual yield for such year.

Section 301(b)(13)(F) of the act provides that if on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield for any county for any year during the years 1964 through 1968 is less than 75 per centum of the average, 75 per centum of such average shall be substituted therefor in calculating the normal yield per acre; and if on account of abnormally favorable weather conditions, the yield for any county for any year during the years 1964 through 1968 is in excess of 125 per centum of the average, 125 per centum of such average shall be substituted therefor in calculating the normal yield per acre.

Section 353(c)(7) of the act, as amended, provides that, if the national acreage allotment for rice for 1969 is less than the national acreage allotment of rice for 1965, the Secretary shall formulate and carry out an acreage diversion program for rice for such year designed to support the gross income of rice producers at a level not lower than that for 1965, minus any reduction in production costs resulting from the reduced rice acreage.

Prior to making any of the foregoing determinations with respect to marketing quotas and national, State, and county acreage allotments, and county normal yields for the 1969 crop of rice, including national, State, and county reserves, and announcing the date or period of the referendum, if marketing quotas are required, consideration will be given to data, views, and recommendations pertaining thereto which are submitted in writing to the Director, Policy and Program Appraisal Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington, D.C. 20250. All written submissions must be postmarked not later than 15 days after the date of publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice will be made available for public inspection at such times and places and in a manner convenient to the public business (7 CFR 1.27(b)).

Signed at Washington, D.C., on October 14, 1968.

E. A. JAENKE,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 68–12750; Filed, Oct. 18, 1968; 8:48 a.m.]

Consumer and Marketing Service

[7 CFR Part 913]

GRAPEFRUIT GROWN IN THE INTERIOR DISTRICT IN FLORIDA

Proposed Handling

Notice is hereby given that the Department is giving consideration to a proposed suspension of the operation of certain provisions of the marketing agreement and Order No. 913 (7 CFR Part 913), regulating the handling of grapefruit grown in the Interior District of Florida. This regulatory program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

On September 24, 1968, the U.S. District Court for the Middle District of Florida, Orlando Division, ordered and adjudged paragraph (e), dealing with assignment of bases and allotments to "new" handlers, of § 913.43 of Order No. 913 to be invalid after September 24, 1968. The proposed suspension would be on the basis that, in such circumstances, said § 913.43(e), and certain related provisions hereinafter specified, do not tend to effectuate the declared policy of the act.

The proposal is to suspend for an indefinite period the operation of the provisions of § 913.43(e), and the following related provisions in § 913.43(d) and § 913.47(a):

A. In the second sentence of § 913.43(d): "Except as provided in paragraph (e) of this section,".

B. In the first sentence of § 913.47(a):

1. ", except a new handler,"; and

2. "to whom allotments have also been issued".

C. The second sentence in § 913.47(a).

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

Dated: October 15, 1968.

JOHN C. BLUM,
Deputy Administrator, Regulatory Programs.

[F.R. Doc. 68–12751; Filed, Oct. 18, 1968; 8:48 a.m.]

[7 CFR Part 966]

TOMATOES GROWN IN FLORIDA

Notice of Proposed Expenses and Rate of Assessment

Consideration is being given to the approval of the expenses and rate of assessment, hereinafter set forth, which were recommended by the Florida Tomato Committee, established pursuant to Marketing Agreement No. 125 and Order No. 966, both as amended (7 CFR Part 966).

This marketing order program regulates the handling of tomatoes grown in designated counties in the State of Florida, and is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

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

The proposals are as follows:

§ 966.205 Expenses and rate of assessment.

(a) The reasonable expenses that are likely to be incurred during the fiscal period beginning August 1, 1968, and ending July 31, 1969, by the Florida Tomato Committee for its maintenance and functioning, and for such purposes as the Secretary determines to be appropriate will amount to $123,750.

(b) The rate of assessment to be paid by each handler in accordance with the Marketing Agreement and this part shall be three-fourths of a cent ($0.0075) per 40-pound container of tomatoes, or equivalent quantity, handled by him as the first handler thereof during said fiscal period.

(c) Unexpended income in excess of expenses for the fiscal period ending July 31, 1969, may be carried over as a reserve.

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

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

Dated: October 15, 1968.

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

[F.R. Doc. 68–12752; Filed, Oct. 18, 1968; 8:48 a.m.]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 39]

[Docket No. 9197]

AIRWORTHINESS DIRECTIVE

British Aircraft Corp. Model BAC 1–11 400 Series Airplanes

The Federal Aviation Administration is considering amending Part 39 of the Federal Aviation Regulations by adding an airworthiness directive (AD) applicable to British Aircraft Corp. Model BAC 1–11 400 Series Airplanes. Cracks have been found in the nose landing gear sustaining ram P/N AK44 A103 on BAC 1–11 400 Series Airplanes that could result in ram failure. Since this condition is likely to exist or develop in other airplanes of the same type design, the proposed AD would require periodic inspection of the nose landing gear sustaining ram for cracks, the repair or replacement of cracked rams and the discontinuance of the inspections after the incorporation of BAC Modification PM 3509 rams.

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the docket number and be submitted in duplicate to the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket GC–24, 800 Independence Avenue SW., Washington, D.C. 20590. All communications received on or before November 18, 1968, will be considered by the Administrator before taking action upon the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

This amendment is proposed under the authority of sections 313(a), 601, and 603 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, 1423).

In consideration of the foregoing, it is proposed to amend § 39.13 of Part 39 of the Federal Aviation Regulations by adding the following new airworthiness directive:

BRITISH AIRCRAFT. Applies to Model BAC 1–11 400 Series Airplanes

Compliance required as indicated.

To detect cracks in the nose landing gear sustaining ram P/N AK44 A103 accomplish the following:

(a) For airplanes with nose landing gear sustaining rams P/N AK44 A103 that have accumulated less than 4,000 landings on the effective date of this AD, inspect in accordance with paragraph (c) before the accumulation of 4,500 landings and thereafter at intervals not to exceed 1,000 landings from the last inspection.

(b) For airplanes with nose landing gear sustaining rams P/N AK44 A103 that have accumulated 4,000 or more landings on the effective date of this AD, inspect in accordance with paragraph (c) within the next 500 landings after the effective date of this AD, and thereafter at intervals not to exceed 1,000 landings from the last inspection.

(c) Inspect nose landing gear sustaining rams P/N AK44 A103 for cracks, using a permanent magnet and detection ink, or an FAA approved equivalent, in accordance with British Aircraft Corp., Alert Service Bulletin No. 32–A–PM 3509, Issue 2, dated August 20, 1968, or later ARB-approved issue or an FAA-approved equivalent.

(d) If cracks that exceed a 2½-inch continuous length around the circumference are detected during the inspection specified in paragraph (c), before further flight replace the ram P/N AK44 A103 with a serviceable ram of the same part number or with BAC Modification PM 3509 ram. If premodification PM 3509 rams are used as replacements, inspect the replacement rams in accordance with paragraph (c) before the accumulation of 4,500 landings and thereafter at intervals not to exceed 1,000 landings from the last inspection.

(e) If cracks that do not exceed a 2½-inch continuous length around the circumference are detected during the inspection specified in paragraph (c), the cracks may be removed by blending, provided that the ram wall thickness is not reduced to less than 0.125 inches; and the cracks are removed and the ram is reprotected in accordance with BAC Alter Service Bulletin No. 32–A–PM 3509, Issue 2, dated August 20, 1968, or later ARB-approved issue or an FAA-approved equivalent. Continue the inspections specified in paragraph (c) at intervals not to exceed 1,000 landings since the last inspection.

(f) The repetitive inspections required by paragraphs (a), (b), (d), and (e) may be discontinued after the incorporation of BAC Modification PM 3509 rams.

(g) For the purpose of complying with this AD, subject to acceptance by the assigned FAA maintenance inspector, the number of landings may be determined by dividing each airplane's hours' time in service by the operator's fleet average time from takeoff to landing for the airplane type.

Issued in Washington, D.C., on October 11, 1968.

R. S. SLIFF,
Acting Director, Flight Standards Service.

[F.R. Doc. 68–12734; Filed, Oct. 18, 1968; 8:47 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 68–CE–81]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations so as to alter the Olathe, Kans., control zone and the Grandview, Mo. transition area.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, Attention:

Chief, Air Traffic Division, Federal Aviation Administration, Federal Building, 601 East 12th Street, Kansas City, Mo. 64106. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Regional Air Traffic Division Chief.

Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposals contained in this notice may be changed in the light of comments received.

A public docket will be available for examination by interested persons in the Office of the Regional Counsel, Federal Aviation Administration, Federal Building, 601 East 12th Street, Kansas City, Mo. 64106.

A new public use instrument approach procedure has been developed for the Johnson County Airport, Olathe, Kans., utilizing a county-owned VOR as a navigational aid. Consequently, it is necessary to alter the Olathe, Kans., control zone and the Grandview, Mo., transition area to provide controlled airspace for the protection of aircraft executing the new approach procedure. This new approach procedure will become effective concurrently with the alteration of the control zone and transition area. IFR traffic into and out of Johnson County Airport will be controlled through the Kansas City TRACON facility.

In consideration of the foregoing, the Federal Aviation Administration proposes to amend Part 71 of the Federal Aviation Regulations as hereinafter set forth:

(1) In § 71.171 (33 F.R. 2058), the following control zone is amended to read:

OLATHE, KANS.

Within a 5-mile radius of NAS Olathe (latitude 38°50'00" N., longitude 94°53'30" W.); within 2 miles each side of the 180° bearing from the NAS Olathe RBN, extending from the 5-mile radius zone to 12 miles south of the RBN; within a 5-mile radius of Johnson County Airport (latitude 38°51'05" N., longitude 94°44'15" W.); and within 2 miles each side of the 188° bearing from Johnson County Airport, extending from the 5-mile radius zone to 8 miles south of the airport, excluding the portion which overlies the Grandview, Mo., control zone.

(2) In § 71.181 (33 F.R. 2137), the following transition area is amended to read:

GRANDVIEW, MO.

That airspace extending upward from 700 feet above the surface within an 8-mile radius of Richards-Gebaur AFB (latitude 38°50'50" N., longitude 94°33'20" W.); within 2 miles each side of the Richards-Gebaur AFB ILS localizer south course, extending from the 8-mile radius area to 12 miles south of the LOM; within 2 miles each side of the Richards-Gebaur AFB TACAN 195° radial, extending from the 8-mile radius area to 12 miles south of the TACAN; within 2 miles west and 6 miles east of the Richards-Gebaur AFB Runway 36 centerline extended, extending from the 8-mile radius area to 10 miles north of the north end of the runway, excluding the portion which overlies the Kansas City, Mo., transition area; within an 8-mile radius of NAS Olathe Airport (latitude 38°50'00" N., longitude 94°53'30" W.); and within a 6-mile radius of Johnson County Airport (latitude 38°51'05" N., longitude 94°44'15" W.); and that airspace extending upward from 1,200 feet above the surface within the area bounded on the south by latitude 38°00'00" N., on the west by the east edge of V–12, on the north by the arc of a 10-mile radius circle centered on the Kansas City, Mo., Municipal Airport (latitude 39°07'20" N., longitude 94°35'30" W.), and on the east by the west edge of V–159, excluding the portion which overlies the Emporia, Kans., and Wichita, Kans., transition areas.

These amendments are proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued at Kansas City, Mo., on September 25, 1968.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 68–12735; Filed, Oct. 18, 1968; 8:47 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 68–WE–49]

CONTROL AREA

Proposed Designation

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations that would designate an additional control area with a 1,200-foot AGL floor from Baker, Oreg., VORTAC via Walla Walla, Wash., VOR to the Ephrata, Wash., VOR. This additional control area would provide controlled airspace for instrument flight rule air traffic operating between Baker and Ephrata via Walla Walla.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Western Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, 5651 West Manchester Avenue, Post Office Box 90007, Airport Station, Los Angeles, Calif. 90009. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. The proposals contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C. 20590. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

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

Issued in Washington, D.C., on October 10, 1968.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 68–12736; Filed, Oct. 18, 1968; 8:47 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 68–CE–82]

TRANSITION AREA

Proposed Designation

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations so as to designate a transition area at Sikeston, Mo.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, Federal Building, 601 East 12th Street, Kansas City, Mo. 64106. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Regional Air Traffic Division Chief.

Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

A public docket will be available for examination by interested persons in the Office of the Regional Counsel, Federal Aviation Administration, Federal Building, 601 East 12th Street, Kansas City, Mo. 64106.

A new public use instrument approach procedure has been developed for the Sikeston, Mo., Memorial Airport, utilizing a city-owned radio beacon as a navigational aid. Consequently, it is necessary to provide controlled airspace protection for aircraft executing this new approach procedure by designating a transition area at Sikeston, Mo. The new procedure will become effective concurrently with the designation of the transition area. The Memphis, Tenn. Air Route Traffic Control Center, through the Cape Girardeau, Mo., Flight Service Station, will control IFR air traffic into and out of Sikeston Memorial Airport.

In consideration of the foregoing, the Federal Aviation Administration proposes to amend Part 71 of the Federal Aviation Regulations as hereinafter set forth:

In § 71.181 (33 F.R. 2137), the following transition area is added:

SIKESTON, MO.

That airspace extending upward from 700 feet above the surface within a 6-mile radius of Sikeston Memorial Airport (latitude 36°53'45" N., longitude 89°33'45" W.); and within 2 miles each side of the 016° bearing from Sikeston Memorial Airport, extending from the 6-mile radius area to 8 miles north of the airport; and that airspace extending upward from 1,200 feet above the surface within 5 miles west and 8 miles east of the 016° bearing from Sikeston Memorial Airport, extending from the airport to the south edge of V-178S.

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

Issued at Kansas City, Mo., on September 27, 1968.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 68-12737; Filed, Oct. 18, 1968; 8:47 a.m.]

Federal Railroad Administration

[49 CFR Part 410]

[FRA Docket No. 1]

PROCEDURES FOR PRESCRIBING REGULATIONS

Notice of Extension of Time To File Comments

On September 21, 1968, there was published in the FEDERAL REGISTER (33 F.R. 14327) a notice of proposed rule making giving interested parties an opportunity to present data, views, or information as to rule-making rules and procedures proposed for use in prescribing regulations under the statutes administered by the Federal Railroad Administration.

Upon consideration of requests to extend the time to file comments beyond October 24, 1968, the time to file such comments is hereby extended to the close of business on November 26, 1968.

Issued in Washington, D.C., on October 16, 1968.

A. SCHEFFER LANG,
Administrator.

[F.R. Doc. 68-12771; Filed, Oct. 18, 1968; 8:50 a.m.]

Federal Highway Administration

[23 CFR Part 257]

[Docket No. 30; Notice 1]

MANUFACTURERS AND DISTRIBUTORS OF MOTOR VEHICLES AND MOTOR VEHICLE EQUIPMENT

Certification Regulations

Section 114 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1403) specifies that (1) a manufacturer or distributor of a motor vehicle or motor vehicle equipment shall furnish to the distributor or dealer at the time of delivery of the vehicle or equipment the certification that the vehicle or item of motor vehicle equipment conforms to all applicable Federal Motor Vehicle Safety Standards; (2) in the case of an item of motor vehicle equipment the certification may be in the form of a label or tag on the item or on the outside of a container in which the item is delivered; and (3) in the case of a motor vehicle the certification shall be in the form of a label or tag permanently affixed to such motor vehicle.

By notice published in the FEDERAL REGISTER, November 4, 1967 (32 F.R. 15444), it was requested that manufacturers of motor vehicles and manufacturers of items of motor vehicle equipment inform the Bureau of the procedure being followed to effectuate the certification requirements of the statute. Upon analysis of the information received in response to that request it has been determined that a certification regulation is essential to provide adequate consumer notice and an effective program of enforcement of Federal Motor Vehicle Safety Standards.

In order to formulate a uniform method of certification the following regulations are proposed. The proposed regulations require, among other things, that the date of manufacture of the vehicle or item of motor vehicle equipment be included in the information contained in the certification label or tag. This requirement is necessary to enable the Administrator and the distributor or dealer to determine which of the Federal Motor Vehicle Safety Standards are applicable to the vehicle or equipment and to provide this information to the consumer.

The Act defines manufacturers to include "any person importing motor vehicles or motor vehicle equipment for resale." The certification requirements imposed on manufacturers apply to each manufacturer "[e]xcept for an importer." The purpose of this exception is to require that motor vehicles and items of motor vehicle equipment bear a certification label or tag prior to importation into the United States, as provided by § 12.80(b) of the import regulations issued jointly with the Department of the Treasury (19 CFR 12.80(b)) which states that each vehicle or item of equipment must bear "a valid certification as required by section 114 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1403) and regulations issued thereunder by the Secretary of Transportation." The proposed regulations would therefore impose the burden of furnishing the certification label on the exporting manufacturer.

Proposed § 257.6 states that "A distributor of a motor vehicle who receives a completed motor vehicle from a manufacturer and sells or distributes the motor vehicle to a dealer may satisfy the certification requirements by allowing the manufacturer's label to remain affixed to the vehicle." The Administrator is considering including in the final rule a separate certification requirement which would provide that a distributor who alters a vehicle in a manner that affects compliance with applicable motor vehicle safety standards must furnish the dealer with a separate certification that the vehicle as altered conforms to such standards.

In addition to comments on the general question of the appropriateness of distributor certification requirements, commenters are specifically requested to submit information as to—(1) the need for a separate distributor certification; (2) the kinds of alterations made by distributors; (3) the volume of alterations made by distributors, particularly alterations that affect compliance with applicable standards; (4) the number, size, test facilities, the relationship to manufacturers, of distributors who alter completed motor vehicles; and (5) a description of the kinds of alterations which would obligate the distributor making such alterations to issue a certificate of compliance with applicable motor vehicle safety standards.

Interested persons are invited to participate in the making of these regulations by submitting written data, views, or arguments. Comments should contain supporting statements and data to justify all conclusions and recommendations. Comments must identify the docket number and be submitted in 10 copies to the National Highway Safety Bureau, Attention Rules Docket Room 512, Federal Highway Administration, U.S. Department of Transportation, Washington, D.C. 20591. All comments received on or before the close of business November 19, 1968, will be considered by the Administrator before issuing certification regulations. It is proposed that these regulations will be effective January 1, 1969, so that as many 1969 model vehicles as possible will contain the prescribed certification information.

All comments will be available in the Rules Docket Room for examination.

This notice is issued under the authority of sections 112, 114, and 119 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1401, 1403, and 1407) and under the Delegation of Authority contained in § 1.4(c) of Part 1 of the Regulations of the Office of the Secretary of Transportation (49 CFR Part 1).

Issued in Washington, D.C., on October 17, 1968.

LOWELL K. BRIDWELL,
Federal Highway Administrator.

Subchapter C—Motor Vehicle Safety Regulations

PART 257—CERTIFICATION REGULATIONS

Sec.

§ 257.1 Purpose and scope.

The purpose of this part is to specify the content and location of the certification label or tag required under section 114 of the National Traffic and Motor Vehicle Safety Act of 1966 (as used hereinafter "the Act") and to make clear to the consumer which of the Federal Motor Vehicle Safety Standards (Part 255 of this chapter) ("Standards") are in effect at the time of certification.

§ 257.2 Definitions.

All terms that are defined in the Act and the Standards are used as defined therein. For the purposes of this part anyone assembling a used body to a new chassis, chassis-cowl or chassis-cab is considered to be a manufacturer of a motor vehicle, and anyone asembling a new body to a used chassis, chassis-cowl or chassis-cab is considered to be a manufacturer of a vehicle.

§ 257.3 Requirements for manufacturers of passenger cars, multipurpose passenger vehicles, trucks, and buses.

Except for an importer, each manufacturer of passenger cars, multipurpose passenger vehicles, trucks, or buses shall:

(a) Place on each passenger car, multipurpose passenger vehicle, truck, and bus a metal or plastic label or tag riveted, welded, or bonded to the hinge pillar or door latch post closest to the driver's door. The label or tag must be of a color that contrasts with that of the part of the vehicle to which it is affixed. The label or tag shall contain the following information lettered in the English language in not less than 12 point type:

(1) Name of manufacturer;

(2) Place of manufacture;

(3) Month and year of manufacture;

(4) Vehicle identification number;

(5) Type of motor vehicle, i.e., passenger car, multipurpose passenger vehicle, truck or bus; and

(6) A statement that the manufacturer certifies that the motor vehicle meets all applicable Federal Motor Vehicle Safety Standards in effect on the date of manufacture.

(b) Affix to the windshield or side window a label containing the information required by paragraph (a) of this section.

§ 257.4 Requirements for manufacturers of motorcycles.

Each manufacturer of motorcycles shall place on a permanent member of the vehicle, in an easily visible location as close as is practicable to the intersection of the steering post with the handlebars, a label or tag as described, and containing the information specified, in § 257.3(a).

§ 275.5 Requirements for manufacturers of chassis-cabs.

Each manufacturer of chassis-cabs shall affix securely to the windshield or side window a label containing the following information lettered in the English language in not less than 12 point type:

(a) Name of manufacturer;

(b) Place of manufacture;

(c) Month and year of manufacture;

(d) A statement that identifies the vehicle as a chassis-cab and gives the principal end use or uses for which it is intended;

(e) A statement that the chassis-cab may be used on the public highways for the purpose of transit from its place of manufacture to subsequent manufacturers and for no other purpose, until completed in a manner such that it complies with all Federal Motor Vehicle Safety Standards applicable to an end use of the vehicle.

§ 257.6 Requirements for distributors of motor vehicles.

A distributor of a motor vehicle who receives a completed motor vehicle from a manufacturer and sells or distributes the motor vehicle to a dealer may satisfy the certification requirements by allowing the manufacturer's label to remain affixed to the vehicle.

§ 257.7 Requirements for manufacturers of motor vehicle equipment.

(a) Except as provided in paragraphs (b) and (c) of this section, a manufacturer of an item of motor vehicle equipment (hereinafter "equipment") required to conform to an applicable Standard must affix a label or tag to the equipment, or to the outside of the container in which the equipment is packed, containing the following information lettered in the English language in not less than 8 point type:

(1) Name of manufacturer;

(2) Place of manufacture;

(3) Month and year of manufacture; and

(4) A statement that the equipment conforms to the applicable Federal Motor Vehicle Safety Standards in effect on the date of manufacture, giving the number and title of applicable Standards.

(b) Prime manufacturers of glazing material may comply with § 257.7(a) or may use certification alternatives established by S3.4 of Standard No. 205 (33 F.R. 14163).

(c) Manufactuers of new pneumatic tires for use on passenger cars manufactured after 1948 shall comply with this part by meeting the labeling requirements in S4.3 of Standard No. 109.

§ 257.8 Requirements for distributors of items of motor vehicle equipment.

(a) A distributor of equipment to which is affixed, or to the container of which is affixed, a manufacturer's label or tag conforming to this Part, may satisfy the requirements of this Part by allowing the label or tag to remain affixed to the equipment or its container when it is sold or distributed to a dealer.

(b) A distributor of equipment who sells or distributes the equipment without the manufacturer's conforming certification label or tag affixed to the equipment or to the container in which the equipment is packaged shall meet the requirements for manufacturers in § 257.7.

[F.R. Doc. 68-12813; Filed, Oct. 18, 1968; 8:50 a.m.]

INTERSTATE COMMERCE COMMISSION

[49 CFR Parts 1206, 1240, 1249]

[No. 35045]

MOTOR CARRIERS OF PASSENGERS

Classification

Correction

In F.R. Doc. 68-12552 appearing at page 15346 of the issue for Wednesday, October 16, 1968, in the definitions for Class I, Class II, and Class III, the reference to "property motor carrier operations" should read "passenger motor carrier operations".

Notices

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[C–0126850]

COLORADO

Order Providing for Opening of Public Lands

OCTOBER 11, 1968.

1. In an exchange of lands made under the provisions of section 8 of the Act of June 28, 1934 (48 Stat. 1269), as amended (43 U.S.C. 315g), the following described lands have been reconveyed to the United States:

SIXTH PRINCIPAL MERIDIAN, COLORADO

T. 3 N., R. 93 W.,
Sec. 17, SW¼NE¼, SE¼NW¼, E½SW¼, SE¼;
Sec. 20, N½.

The areas described aggregate 640 acres.

2. The lands are located in Moffat and Rio Blanco Counties, 25 miles southwest of Craig, Colo., and 18 miles north-northeast of Meeker, Colo. Topography is gently to moderately sloping and rolling. Soils are fine sandy loams. Vegetation consists of oakbrush and associated shrubs, sagebrush, mixed grasses, and weeds.

3. Subject to valid existing rights, the provisions of existing withdrawals, and the requirements of applicable law, the lands are hereby opened to application, petition and selection. All valid applications received at or prior to 10 a.m. on November 15, 1968, shall be considered as simultaneously filed at that time. Those received thereafter shall be considered in the order of filing.

4. The mineral rights in the lands were not exchanged. Therefore, the mineral status of the lands is not affected by this order.

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Federal Building, 1961 Stout Street, Denver, Colo. 80202.

E. I. ROWLAND,
State Director.

[F.R. Doc. 68–12741; Filed, Oct. 18, 1968; 8:47 a.m.]

[New Mexico 4827]

NEW MEXICO

Notice of Proposed Classification

OCTOBER 14, 1968.

Pursuant to section 2 of the Act of September 19, 1964 (43 U.S.C. 1412), notice is hereby given of a proposal to classify the lands described below for disposal through exchange, under section 8 of the Act of June 28, 1934 (48 Stat. 1269; 43 U.S.C. 315g), as amended, for lands within Hidalgo County, N. Mex.

The District Advisory Board, local governmental officials and other interested parties have been notified of this application. Information derived from discussions and other sources indicates that these lands meet the criterion of 43 CFR 2410.1–3(c)(4), which authorizes classification of lands "for exchanges under appropriate authority where they are found to be chiefly valuable for public purposes because they have special values, arising from the interest of exchange proponents, for exchange for other lands which we need for the support of a Federal program." Information concerning the lands, including the record of public discussions, is available for inspection and study in the Land Office, Bureau of Land Management, U.S. Post Office and Federal Building, Santa Fe, N. Mex. 87501; Las Cruces District Manager, Bureau of Land Management, Post Office Box 1420, Las Cruces, N. Mex. 88001; and Roswell District Manager, Bureau of Land Management, Post Office Box 1397, Roswell, N. Mex. 88201.

For a period of 60 days from the date of this publication, interested parties may submit comments to the District Manager of the Las Cruces or Roswell District Office.

The lands affected by this proposal are located in Eddy, De Baca, Guadalupe, and Lea Counties, N. Mex., and are described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

T. 5 N., R. 16 E.,
Sec. 11, E½SE¼;
Sec. 12, S½;
Sec. 13;
Sec. 14, E½E½;
Sec. 24, E½, N½NW¼, and SW¼NW¼.
T. 4 N., R. 17 E.,
Sec. 11, SE¼SE¼;
Sec. 12, S½S½SW¼.
T. 5 N., R. 17 E.,
Sec. 17, S½;
Sec. 20;
Sec. 21, W½E½W½ and W½W½.
T. 2 N., R. 19 E.,
Sec. 26, S½N½ and S½;
Sec. 35.
T. 4 N., R. 19 E.,
Sec. 6, lots 3, 4, 5, 6, and E½SW¼;
Sec. 7;
Sec. 10, W½;
Sec. 11, S½;
Sec. 13, NE¼;
Sec. 14, E½;
Sec. 15, W½;
Sec. 17;
Sec. 20, NE¼ and E½NW¼;
Sec. 22, E½SW¼, SW¼SW¼, and SE¼;
Sec. 23, E½;
Sec. 24, NW¼;
Sec. 25, N½S½;
Sec. 26;
Sec. 27, NW¼NW¼.
T. 1 N., R. 20 E.,
Secs. 5 and 6;
Sec. 7, lots 1, 2, NE¼, and E½NW¼;
Sec. 8;
Sec. 10, SW¼NW¼;
Sec. 17, E½ and E½W½;
Sec. 20, E½ and E½W½;
Sec. 21, SE¼NE¼ and N½S½;
Sec. 28, S½N½ and S½;
Sec. 29, E½ and E½W½.
T. 2 N., R. 20 E.,
Sec. 31, lots 1, 2, 3, 4, W½E½, and E½W½.
T. 4 N., R. 20 E.,
Sec. 7, lots 3, 4, E½SW¼, and SE¼;
Secs. 19 and 20;
Sec. 29, W½ and NW¼SE¼;
Sec. 30, lots 1, 2, 3, 4, and E½W½;
Sec. 31, lots 1, 2, NE¼, and E½NW¼.
T. 1 S., R. 20 E.,
Sec. 4;
Sec. 6, lot 5;
Sec. 7, lot 6;
Sec. 9, N½ and N½S½;
Sec. 10;
Sec. 19, lot 1.
T. 1 S., R. 22 E.,
Sec. 27, W½NE¼ and SE¼SE¼;
Sec. 28, SW¼SW¼;
Sec. 33, S½NW¼.
T. 2 S., R. 22 E.,
Sec. 9;
Sec. 11, NW¼NE¼, NE¼NW¼, and SW¼SW¼;
Sec. 12, S½N½.
T. 17 S., R. 29 E.,
Sec. 24, SW¼NE¼SE¼, SE¼NW¼SE¼, N½NE¼SW¼SE¼, and N½NW¼SE¼SE¼.
T. 17 S., R. 32 E.,
Sec. 21, E½SE¼SW¼, E½E½NW¼SE¼SW¼, and W½W½SW¼SE¼;
Sec. 28, NW¼NW¼NW¼NE¼ and N½NE¼NE¼NW¼.
T. 19 S., R. 32 E.,
Sec. 19, W½NW¼NE¼, N½NE¼NW¼, and N½S½NE¼NW¼.
T. 23 S., R. 37 E.,
Sec. 29, S½.

The areas described aggregate 19,625.92 acres.

R. BUFFINGTON,
Acting State Director.

[F.R. Doc. 68–12720; Filed, Oct. 18, 1968; 8:45 a.m.]

[OR 1112]

OREGON

Order Providing for Opening of Public Lands

OCTOBER 14, 1968.

1. In an exchange of lands made under the provisions of section 8 of the Act of June 28, 1934 (48 Stat. 1272), as amended June 26, 1936 (49 Stat. 1976; 43 U.S.C. 315g), the following lands have been reconveyed to the United States:

WILLAMETTE MERIDIAN

T. 13 S., R. 44 E.,
Sec. 8, W½SW¼SW¼;
Sec. 17, NE¼NW¼.

The areas described aggregate 60 acres.

2. The lands are located in Baker County. They are semiarid in character and are not suitable for farming.

3. Subject to valid existing rights, the provisions of existing withdrawals, and the requirements of applicable law, the lands are hereby open to application, petition, location and selection. All valid applications received at or prior to 10 a.m., November 19, 1968, shall be considered as simultaneously filed at that time. Those received thereafter shall be considered in the order of filing.

4. Inquiries concerning the lands should be addressed to the Chief, Division of Lands and Minerals, Program Management and Land Office, Post Office Box 2965, Portland, Oreg. 97208.

VIRGIL O. SEISER,
Chief, Branch of Lands.

[F.R. Doc. 68-12719; Filed, Oct. 18, 1968; 8:45 a.m.]

National Park Service

[Order No. 53]

DEPUTY DIRECTOR

Delegation of Authority

SECTION 1. *Delegation.* The Deputy Director, National Park Service, Washington, D.C., is hereby designated as the representative of the Director, National Park Service for the purpose of exercising all of the authority of the Director in his capacity as Executive Director of the Advisory Council on Historic Preservation, said Council having been established in accordance with Title II of the Act of October 15, 1966 (80 Stat. 915).

SEC. 2. *Redelegation.* The authority delegated by this order may not be redelegated.

(Sec. 205(a), Act of Oct. 15, 1966 (80 Stat. 915, 919))

GEORGE B. HARTZOG, Jr.,
Director, National Park Service.

OCTOBER 14, 1968.

[F.R. Doc. 68-12722; Filed, Oct. 18, 1968; 8:46 a.m.]

Office of the Secretary

MAXWELL S. McKNIGHT

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past 6 months:

(1) None.
(2) None.
(3) None.
(4) None.

This statement is made as of October 26, 1968.

Dated: October 8, 1968.

MAXWELL S. MCKNIGHT.

[F.R. Doc. 68-12723; Filed, Oct. 18, 1968; 8:46 a.m.]

DEPARTMENT OF AGRICULTURE

Forest Service

ARKANSAS

Corrected Description of Certain Lands Designated as Part of the Ozark National Forest

The Secretary of Agriculture pursuant to the authority vested in him by section 11 of the act of March 1, 1911 (36 Stat. 961), ordered under date of June 14, 1950 (15 F.R. 3970), that lands then or thereafter acquired within certain described areas be administered as part of the Ozark National Forest.

Corrected base maps show the above order erroneously included a certain area and omitted a certain other area.

As provided in paragraph 1 above, the order of June 14, 1950, is hereby amended to delete reference to sec. 6, T. 16 N., R. 20 W., and to include as lands described therein that part of sec. 5 of T. 16 N., R. 20 W., lying south of the Buffalo River.

Effective date: This order shall become effective on the date of its publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 15th day of October 1968.

JOHN A. BAKER,
Assistant Secretary of Agriculture.

[F.R. Doc. 68-12753; Filed, Oct. 18, 1968; 8:48 a.m.]

DEPARTMENT OF COMMERCE

Patent Office

STUDY OF COMPUTER PROGRAM PROTECTION

Request for Comments

The President's Commission on the Patent System, established by Executive Order No. 11215 on April 8, 1965, submitted its final report to the President on November 17, 1966. Included among the recommendations of the Commission is the following regarding computer programs:

A series of instructions which control or condition the operation of a data processing machine, generally referred to as a "program," shall not be considered patentable regardless of whether the program is claimed as: (a) An article, (b) a process described in terms of the operations performed by a machine pursuant to a program, or (c) one or more machine configurations established by a program.

The Patent Reform Act of 1967, S. 1042 and H.R. 5924, included the Commission's recommendation and excluded computer programs from patentable subject matter. After a review of the comments submitted, the Department of Commerce withdrew its support of this provision of the Patent Reform Act for further study and evaluation of the subject.

Because of the significance of the computer programing industry to the economy and the interest evidenced by the public and private sectors in commenting on this provision of the Patent Reform Act, the Patent Office has initiated a comprehensive study of the need for the protection of computer programs. The study is intended to encompass all aspects of the question, including that as to whether there is, or is not, a need for some kind of protection for programs. The study will investigate which of various types of protection would best satisfy any need for protection, including systems based either on originality or novelty. Problems relating to the question of the protection of computer programs will be considered; for example, the nature of the disclosure and other requirements relating to applications for protection, the merits of examination and registration systems, the duration of protection, and the administration and enforcement of the various plans of protection.

The views of interested persons are solicited on the various aspects of the Patent Office study, the recommendation of the President's Commission and any related matters. These views should be submitted in writing to the Commissioner of Patents, Washington, D.C. 20231 by December 15, 1968.

EDWARD J. BRENNER,
Commissioner of Patents.

Approved: October 15, 1968.

JOHN F. KINCAID,
Assistant Secretary for Science and Technology.

[F.R. Doc. 68-12801; Filed, Oct. 18, 1968; 8:50 a.m.]

Office of the Secretary

[Dept. Order 177]

ASSISTANT SECRETARY FOR SCIENCE AND TECHNOLOGY

Delegation of Authority and Functions

The following order was issued by the Acting Secretary of Commerce on October 1, 1968. This material supersedes the material appearing at 27 F.R. 7748-49 of August 4, 1962, 31 F.R. 6746 of May 5, 1966, and 32 F.R. 3110 of February 21, 1967.

SECTION 1. *Purpose.* The purpose of this order is to prescribe the scope of authority and the duties and responsibilities of

the Assistant Secretary for Science and Technology.

SEC. 2. *Administrative designation.* The position of Assistant Secretary of Commerce, established by the Act of February 16, 1962 (Public Law 87–405; 15 U.S.C. 1507), shall continue to be designated as the Assistant Secretary for Science and Technology. The Assistant Secretary is appointed by the President by and with the advice and consent of the Senate.

SEC. 3. *Scope of authority.* .01 The Assistant Secretary for Science and Technology shall exercise policy direction and general supervision over the Environmental Science Services Administration, the National Bureau of Standards, the Patent Office, and the Office of State Technical Services. He shall exercise direct supervision over the Office of Telecommunications and the Office of Standards Policy.

.02 Pursuant to the authority vested in the Secretary of Commerce by law, the following authorities of the Secretary are hereby delegated to the Assistant Secretary for Science and Technology:

a. To approve regulations established by the Commissioner of Patents for the conduct of proceedings in the Patent Office (35 U.S.C. 6);

b. To issue procedural regulations necessary for the development and promulgation of flammability standards and regulations (including labeling), and amendments thereto, pursuant to chapter 25 of title 15, United States Code, as amended, and for the prescribing and publication of standards for household refrigerator safety devices, pursuant to chapter 26 of title 15, United States Code;

c. To make determinations as to the possible need for, and to institute the proceedings for the determination of, a new or amended flammability standard or other regulation, including labeling, pursuant to 14 U.S.C. 1193(a), as amended;

d. To issue procedural regulations providing for the development and publication of voluntary product standards by the Department of Commerce, pursuant to chapter 7 of title 15, United States Code;

e. To issue regulations necessary to implement the provisions of sections 5 (d) and 5(e) of the Fair Packaging and Labeling Act (15 U.S.C. 1454(d–e)), and to make determinations under these sections (1) as to whether the reasonable ability of consumers to make value comparisons has been impaired by undue proliferation of the weights, measures, or quantities in which retail commodities are packaged, (2) as to whether a standard will not be published, and (3) as to the nonobservance of a published standard;

f. To certify that an invention, for which a patent is being applied, is used or likely to be used in the public interest (35 U.S.C. 266);

g. To approve and issue royalty-free licenses for the use of patents owned or controlled by the Department; and

h. To provide guidance to contracting officers on patent right clauses to be used in research and development contracts, to allocate rights in inventions made under contracts having a deferred patents rights clause, and to determine whether and to what extent contractors shall be required to grant licenses under inventions made in the performance of contracts with the Department.

SEC. 4. *Duties and responsibilities.* .01 The Assistant Secretary for Science and Technology shall serve as the principal adviser to the Secretary on all scientific and technological matters related to the physical and natural sciences which are of concern to the Department. In this capacity, he shall serve as adviser to all other Commerce officials with respect to matters involving the physical and natural sciences and related technology, and shall maintain cognizance over all scientific and technological research and development activities in such areas conducted or supported by all organization units of the Department.

.02 In the discharge of his responsibilities, the Assistant Secretary shall:

a. Coordinate and evaluate existing scientific and technological programs of the Department relating to the physical and natural sciences;

b. Facilitate the expansion of such programs which are considered essential to meeting national needs;

c. Develop and assist in the initiation and implementation of new research and development programs in furtherance of the Department's objectives:

d. Represent the Department on the Federal Council for Science and Technology and other policy-level scientific committees and groups; and

e. Coordinate the Department's scientific and technological programs in the physical and natural sciences, and its related research and development activities, with programs of other agencies of the Federal Government and, as appropriate with the activities of State and local governments, universities, nonprofit institutions, and private industry.

SEC. 5. *Deputy Assistant Secretary for Science and Technology.* The Deputy Assistant Secretary for Science and Technology shall be the principal assistant to the Assistant Secretary for Science and Technology and shall assume full responsibilities for carrying out the functions of the Assistant Secretary during the latter's absence. The Assistant Secretary may delegate his authorities, except the authority to issue or approve regulations, to the Deputy Assistant Secretary for Science and Technology.

Effective date: October 1, 1968.

DAVID R. BALDWIN,
Assistant Secretary for Administration.

[F.R. Doc. 68–12711; Filed, Oct. 18, 1968; 8:45 a.m.]

[Dept. Order 181]

ASSISTANT SECRETARY OF COMMERCE FOR DOMESTIC AND INTERNATIONAL BUSINESS

Delegation of Authority

The following amendment to the order was issued by the Secretary of Commerce on October 3, 1968. This material further amends the material appearing at 30 F.R. 11070 of August 26, 1965, and 32 F.R. 3110 of February 21, 1967.

Department Order 181, dated August 12, 1965, as amended, is hereby further amended as follows:

In Section 3. *Scope and delegation of authority,* paragraph .05 is amended to read:

".05 Pursuant to the authority vested in the Secretary of Commerce by law, the Assistant Secretary of Commerce for Domestic and International Business is hereby delegated, with power to redelegate, the functions, authorities, and responsibilities given to the Secretary of Commerce under Executive Order 11322, dated January 5, 1967, and under Executive Order 11419, dated July 29, 1968, as relate to carriage by vessel of commodities or products involving Southern Rhodesia. This delegation includes the power to amend or revoke the regulations issued by the Secretary on January 26, 1967, as Part 11 of Subtitle A, Title 15 of the Code of Federal Regulations."

Effective date: October 3, 1968.

DAVID R. BALDWIN,
Assistant Secretary for Administration.

[F.R. Doc. 68–12712; Filed, Oct. 18, 1968; 8:45 a.m.]

[Dept. Order 182–A, Amdt. 2]

BUREAU OF INTERNATIONAL COMMERCE

Delegation of Authority

The following amendment to the order was issued by the Secretary of Commerce on October 3, 1968. This material amends the material appearing at 29 F.R. 5412 of April 22, 1964, and 33 F.R. 8553 of June 11, 1968.

Department Order 182–A of April 2, 1964, is hereby further amended as follows:

In section 3, *Delegation of authority,* the following subparagraph is added to paragraph .01:

"9 Executive Order 11322, dated January 5, 1967, and Executive Order 11419, dated July 29, 1968, as relate to exportation from the United States of commodities and products to or on behalf of Southern Rhodesia."

Effective date: October 3, 1968.

DAVID R. BALDWIN,
Assistant Secretary for Administration.

[F.R. Doc. 68–12713; Filed, Oct. 18, 1968; 8:45 a.m.]

[Dept. Order 90–A]

NATIONAL BUREAU OF STANDARDS

Organization and Functions

The following order was issued by the Acting Secretary of Commerce on October 1, 1968. This material supersedes the material appearing at 31 F.R. 7713 of May 28, 1966, 32 F.R. 11811 of August 16, 1967, and 32 F.R. 17550 of December 7, 1967.

SECTION 1. *Purpose.* The purpose of this order is to delegate authority to the Director of the National Bureau of Standards, hereinafter referred to as the Director, and to prescribe the functions of the National Bureau of Standards, hereinafter referred to as the Bureau.

SEC. 2. *General.* .01. The National Bureau of Standards, established by Act of March 3, 1901 (31 Stat. 1449; 15 U.S.C. 271), is hereby continued as a primary operating unit of the Department of Commerce.

.02 The Director, who is appointed by the President by and with the advice and consent of the Senate, is the head of the Bureau. The Director shall report and be responsible to the Assistant Secretary for Science and Technology.

.03 The Director shall be assisted by a Deputy Director, who shall be the principal assistant to the Director and shall perform the functions of the Director during the latter's absence or disability. He shall also serve as Acting Director whenever the position of Director is vacant, unless and until the Secretary shall make a further designation. In the absence of both the Director and Deputy Director, an employee of the Bureau designated in writing by the Director shall act as Director.

SEC. 3. *Delegation of authority.* .01 Pursuant to authority vested in the Secretary of Commerce by law (including Reorganization Plans No. 3 of 1946, No. 5 of 1950, and No. 2 of 1965), and subject to such policies and directives as the Secretary of Commerce or the Assistant Secretary for Science and Technology may prescribe, and with the exceptions set forth in paragraph .02 of this section, the Director is hereby delegated the authority to perform the functions vested in the Secretary of Commerce by the following chapters of title 15, United States Code:

a. Chapter 6 (Weights and Measures);

b. Chapter 7 (The Bureau of Standards, except for those activities pertaining to electromagnetic and sound wave propagation phenomena and geoacoustics which have been assigned to the Environmental Science Services Administration);

c. Chapter 23 (Dissemination of Technical, Scientific, and Engineering Information);

d. Chapter 25 (Flammable Fabrics);

e. Chapter 26 (Household Refrigerators); and

f. Chapter 39 (Fair Packaging and Labeling).

.02 The above delegations of authority are subject to the following limitations:

a. The Director may issue such regulations as he considers necessary to carry out his responsibilities, except that procedural regulations pertaining to the formulation, adoption or publication of voluntary or mandatory product standards, as provided for or authorized by chapters 7, 25, 26, and 39 of title 15 United States Code, are to be issued by the Assistant Secretary for Science and Technology.

b. With respect to chapter 25 of title 15, United States Code, the authorities to adopt final flammability standards, to appoint members of, and deal with, the National Advisory Committee for the Flammable Fabrics Act, and to transmit an annual report of the results of the Department's activities in carrying out the Flammable Fabrics Act, as amended, are reserved to the Secretary. The authority to make determinations of possible need for, and to institute proceedings for the determination of, a flammability standard or other regulation is delegated to the Assistant Secretary for Science and Technology by Department Order 177.

c. The authority to prescribe and publish commercial standards, pursuant to section 1213, chapter 26, title 15, United States Code, is reserved to the Secretary.

d. With respect to chapter 39 of title 15, United States Code, the authority delegated in this order excludes the authority to make determinations of (1) an undue proliferation of weights, measures, or quantities, pursuant to 15 U.S.C. 1454(d), and (2) the nonadoption of standards or the nonobservance of adopted standards, pursuant to 15 U.S.C. 1454(e), which authorities have been delegated to the Assistant Secretary for Science and Technology. The authorities to submit reports to the Congress concerning nonadoption or failure to observe voluntary product standards, pursuant to 15 U.S.C. 1454(e), and to transmit an annual report to the Congress, as required by 15 U.S.C. 1457, are reserved to the Secretary.

.03 The Director is further delegated the authority to perform the functions assigned to the Secretary by section 759 (f), chapter 16, title 40, United States Code, pertaining to the conduct of research and the provision of scientific and technological advisory services relating to automatic data processing (ADP) and related systems, except that recommendations to the President concerning the establishment of uniform Federal ADP standards will be submitted by the Secretary.

.04 The Director is further delegated the authority to perform the functions vested in the Secretary by:

a. Public Law 90–396 (82 Stat. 339), called the Standard Reference Data Act; and

b. Public Law 90–472 (82 Stat. 693) authorizing a metric system study to be made, except that submission of reports and recommendations thereon to the Congress shall be reserved to the Secretary.

.05 Pursuant to the authority delegated to the Secretary by the Administrator of the General Service Administration (Temporary Regulation E–10, July 11, 1967, Federal Property Management Regulations), and subject to such policies and directives as the Secretary or the Assistant Secretary for Science and Technology may prescribe, the Director is hereby delegated authority to operate an automatic data processing service center.

.06 The authority delegated to the Secretary by the Administrator of the General Services Administration, dated August 15, 1967 (32 F.R. 11969), to appoint uniformed guards as special policemen and to make all needful rules and regulations for the protection of those parcels of property at National Bureau of Standards installations which are not protected by GSA guards, and over which the Federal Government has exclusive or concurrent jurisdiction, is hereby redelegated to the Director. This authority shall be exercised in accordance with the requirements of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, and the Act of June 1, 1948 (62 Stat. 281), as amended, and policies, procedures, and controls of the General Services Administration.

.07 The Director of the National Bureau of Standards may redelegate his authority to appropriate officials of the National Bureau of Standards, subject to such conditions in the exercise of such authority as he may prescribe.

SEC. 4. *Functions.* .01 The National Bureau of Standards shall perform the following functions:

a. Develop and maintain the national standards of measurement, and provide means for making measurements consistent with those standards;

b. Determine the physical constants and properties of materials;

c. Develop methods for testing materials, mechanisms, and structures, and conduct such tests thereof as may be necessary, with particular reference to the needs of Government agencies;

d. Cooperate with and assist industry, business, consumers, and governmental organizations in the establishment, technical review, determination of acceptability, and publication of voluntary standards, recommended specifications, standard practices, and model codes and ordinances;

e. Provide advisory service to Government agencies on scientific and technical problems;

f. Conduct a program for the collection, compilation, critical evaluation, publication, and dissemination of standard reference data;

g. Invent and develop devices to serve special scientific and technological needs of the Government;

h. Conduct programs, in cooperation with United States business groups and standards organizations, for the development of international standards of practice;

i. Conduct a program of research, investigation, and training with respect to

the flammability characteristics of textiles and fabrics;

j. Maintain a clearinghouse for the collection and dissemination of scientific, technical, and engineering information;

k. Conduct research and provide technical services designed to improve the effectiveness of use by the Federal Government of computers and related techniques; and

l. Conduct a national fire research and safety program (as provided for by Public Law 90–259 (82 Stat. 34–39) amending chapter 7 of title 15, United States Code).

.02 The Bureau shall perform the following functions, pursuant to the Fair Packaging and Labeling Act (chapter 39, title 15, United States Code):

a. Ascertain the number and other characteristics of the weights, measures, and quantities in which commodities are packaged for retail sale;

b. Conduct studies of the relationship between the weights, measures, and quantities in which commodities are packaged and the ability of consumers to make value comparisons;

c. Conduct studies concerning the extent to which voluntary product standards adopted pursuant to 15 U.S.C. 1454 are being followed by industry;

d. Distribute copies of regulations and standards promulgated under this chapter, and provide information and assistance to appropriate State officials, to promote uniformity in State and Federal regulation of the labeling of consumer commodities;

e. Provide reports and recommendations to the Assistant Secretary for Science and Technology, and perfom such other activities as he may request to facilitate discharge of his responsibilities under the Act; and

f. Conduct such other studies, investigations, and standards development activities as are necessary to achieve the objectives of the Act.

.03 The Bureau, as appropriate, will request the views of, and provide an opportunity for participation by, the Business and Defense Services Administration in the development and execution of its responsibilities for conducting investigations and analyses, and for developing or appraising product standards, under the Flammable Fabrics Act, the Fair Packaging and Labeling Act, or other Bureau authorities.

Effective date: October 1, 1968.

DAVID R. BALDWIN,
Assistant Secretary for Administration.

[F.R. Doc. 68–12714; Filed, Oct. 18, 1968; 8:45 a.m.]

[Dept. Order 16]

OFFICE OF STANDARDS POLICY

Organization and Functions

The following order was issued by the Acting Secretary of Commerce on October 1, 1968. This material revokes the material appearing at 19 F.R. 4584 of July 24, 1954, and supersedes the material appearing at 32 F.R. 7876 of May 30, 1967.

SECTION 1. *Purpose.* .01 The purpose of this order is to prescribe the nature and functions of an Office of Standards Policy, and to describe its responsibilities.

.02 The Office of Standards Policy is established to strengthen the ability of the Department to contribute to the solution of national and Federal policy issues concerning:

a. The types of industrial or consumer product standards to be established;

b. The responsibilities of the Federal Government and its various agencies in developing or aiding in the development of standards;

c. The forms of participation in standards-setting activities by government, industry, the scientific community, and the general public;

d. The means of participation by the United States in international standards activities;

e. The legal, economic, and other aspects of assuring adherence to or compliance with standards; and

f. Other problems relating to the development and use of standards.

SEC. 2. *General.* .01 The Office of Standards Review, established by directive of the Assistant Secretary for Science and Technology on May 24, 1967 is hereby redesignated the Office of Standards Policy and continued as a constituent operating unit of the Department of Commerce. The Office shall be headed by a Director who shall report and be responsible to the Assistant Secretary for Science and Technology (hereinafter called the "Assistant Secretary"). The Director shall be assisted by a Deputy Director who shall perform the functions of the Director during the latter's absence.

.02 In the exercise of his supervisory responsibility over the Office of Standards Policy, the Assistant Secretary shall ensure that matters handled by the Office for his action or that of the Secretary are fully coordinated with the Assistant Secretary for Domestic and International Business and other Secretarial Officers to the extent their areas of responsibility and interest are involved, and he shall otherwise ensure that the Director of Standards Policy directly coordinates the work of the Office of Standards Policy with Secretarial Officers and operating unit heads whose responsibilities are involved.

SEC. 3. *Functions.* .01 The Office of Standards Policy shall provide staff assistance to the Assistant Secretary for Science and Technology in the following areas:

a. Developing, or advising on, all procedural regulations pursuant to chapters 6, 7, 25, 26, and 39 of title 15, United States Code, which are issued by the Assistant Secretary and which deal with the development, adoption, or publication of voluntary product standards or of mandatory standards;

b. Advising on the issuance of all mandatory product standards or any other standards which are to be adopted or published, or reviewed prior to publication, by the Secretray or the Assistant Secretary; and

c. Providing analyses and recommendations to the Assistant Secretary with respect to all determinations he is required to make under sections 5 (d) and (e) of the Fair Packaging and Labeling Act (15 U.S.C. 1454 (d) and (e)), and assisting in the development of any report and recommendations to the Congress resulting therefrom.

.02. The Office shall provide staff assistance and advice to the Assistant Secretary in the formulation of policies dealing with standards activities, and the coordination of Commerce standards programs and policies with those of other Federal Departments and Agencies, trade and professional associations, and individuals, including:

a. Provision of secretariat services and assistance to the Interagency Committee on Standards Policy, and other inter- or intra-Departmental or public or industry advisory committees dealing with standards policies;

b. Participation by the U.S. Government in the activities of international organizations or conferences concerned with the formulation or adoption of international standards; and

c. Cooperation with the Executive Office of the President and with other Federal agencies to assure that their interests, and the interests of groups for which they are responsible, are given proper consideration.

.03 In performing the above functions, the Office shall obtain, where applicable, the findings and views of the National Bureau of Standards, the Business and Defense Services Administration, other Commerce units, other Federal agencies, the affected industry, and the general public so as to identify and analyze interrelated technical, economic, social, and legal factors bearing on standards policies or other matters at issue.

SEC. 4. *Definitions.* As used in this order, the term "standards" includes formal stipulations as to the qualities of processes, products, goods, or commodities (including raw or semi-finished materal) with respect to their purity, performance, or other objective characteristics. The term includes specifications of the means of measurement or other observation to determine the extent to which a substance conforms to a standard. The term excludes, however, quantifications of the laws or facts of nature, such as the nuclear characteristics of pure elements, or the speed of light.

SEC. 5. *Administrative services.* The Office of Standards Policy will obtain necessary personnel, financial, and administrative services from the Office of the Assistant Secretary for Administration.

Effective date: October 1, 1968.

DAVID R. BALDWIN,
Assistant Secretary for Administration.

[F.R. Doc. 68–12715; Filed, Oct. 18, 1968; 8:45 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

CHLORAMPHENICOL IN CERTAIN ORAL AND PARENTERAL FORMS

Drugs for Human Use; Drug Efficacy Study Implementation

The Food and Drug Administration has evaluated reports received from the National Academy of Sciences—National Research Council, Drug Efficacy Study Group, on the following oral and parenteral forms of chloramphenicol:

1. Chloromycetin (chloramphenicol); capsules—50 and 100 milligrams, kapseals—250 milligrams, solution for intravenous infusion—0.5 gram per 2 cc., and powder for intramuscular use—1 and 2 grams; Parke, Davis & Co., Joseph Campau at the River, Detroit, Mich. 48232.

2. Chloromycetin Palmitate Oral Suspension containing the equivalent of 125 milligrams of chloramphenicol in 4 cc.; Parke, Davis & Co. (same address).

3. Chloromycetin Sodium Succinate Powder for Injection containing the equivalent of 1 gram of chloramphenicol per vial and Infant Package containing 250 milligrams of chloramphenicol per vial; Parke, Davis & Co. (same address).

4. Chloramphenicol Capsules; 50, 100, and 250 milligrams; Zenith Laboratories, Inc., 150 South Dean Street, Englewood, N.J. 07631.

The Food and Drug Administration concurs in the conclusions of the Academy (1) that this drug is effective for certain indications and (2) that in those indicated serious conditions for which other drugs having less potential for adverse effects are not effective or are contraindicated or not tolerated, the expected benefits to be had from chloramphenicol may justify the risks of its use.

Preparations containing chloramphenicol are subject to the antibiotic certification procedures pursuant to section 507 of the Federal Food, Drug, and Cosmetic Act. Batches of the drug in the forms described above for which certification is requested should provide for labeling information in accord with labeling guidelines developed on the basis of this reevaluation of the drug and published in this announcement. The above-named firms and any other holders of forms 6 approved for a drug of the kind described above are requested to submit, within 60 days following publication of this announcement in the FEDERAL REGISTER, supplements to their antibiotic form 5 or 6 applications to provide for revised labeling. Those parts of the labeling indicated below should be substantially as follows:

CHLORAMPHENICOL FOR ORAL ADMINISTRATION

WARNING

(Should be in boldface type and enclosed in a box.)

Serious and fatal blood dyscrasias (aplastic anemia, hypoplastic anemia, thrombocytopenia, and granulocytopenia) are known to occur after the administration of chloramphenicol. In addition, there have been reports of aplastic anemia attributed to chloramphenicol which later terminated in leukemia. Blood dyscrasias have occured after both short term and prolonged therapy with this drug. Chloramphenicol must not be used when less potentially dangerous agents will be effective, as described in the "Indications" section. *It must not be used in the treatment of trivial infections or where it is not indicated, as in colds, influenza, and infections of the throat, or as a prophylactic agent to prevent bacterial infections.*

Precautions: It is essential that adequate blood studies be made during treatment with the drug. While blood studies may detect early peripheral blood changes, such as leukopenia, reticulocytopenia, or granulocytopenia, before they become irreversible, such studies cannot be relied on to detect bone marrow depression prior to development of aplastic anemia. To facilitate appropriate studies and observation during therapy, it is desirable that patients be hospitalized.

DESCRIPTION

Chloramphenicol is an antibiotic that is clinically useful for, *and should be reserved for,* serious infections caused by organisms susceptible to its antimicrobial effects when less potentially hazardous therapeutic agents are ineffective or contraindicated. Sensitivity testing is essential to determine its indicated use, but may be performed concurrently with therapy initiated on clinical impression that one of the indicated conditions exists (see "Indications" section).

ACTIONS AND PHARMACOLOGY

In vitro chloramphenicol exerts mainly a bacteriostatic effect on a wide range of gram-negative and gram-positive bacteria and is active in vitro against rickettsias, the lymphogranuloma-psittacosis group, and *Vibrio cholerae.* It is particularly active against *Salmonella typhi* and *Hemophilus influenzae.* The mode of action is through interference or inhibition of protein synthesis in intact cells and in cell-free systems.

Chloramphenicol administered orally is absorbed rapidly from the intestinal tract. In controlled studies in adult volunteers using the recommended dosage of 50 mg./kg./day, a dosage of 1 gm. every 6 hours for 8 doses was given. Using the microbiological assay method, the average peak serum level was 11.2 mcg./ml. 1 hour after the first dose. A cumulative effect gave a peak rise to 18.4 mcg./ml. after the fifth dose of 1 gm. Mean serum levels ranged from 8–14 mcg./ml. over the 48-hour period. Total urinary excretion of chloramphenicol in these studies ranged from a low of 68 percent to a high of 99 percent over a 3-day period. From 8 to 12 percent of the antibiotic excreted is in the form of free chloramphenicol; the remainder consists of microbiologically inactive metabolites, principally the conjugate with glucuronic acid. Since the glucuronide is excreted rapidly, most chloramphenicol detected in the blood is in the microbiologically active free form. Despite the small proportion of unchanged drug excreted in the urine, the concentration of free chloramphenicol is relatively high, amounting to several hundred mcg./ml. in patients receiving divided doses of 50 mg./kg./day. Small amounts of active drug are found in bile and feces. Chloramphenicol diffuses rapidly, but its distribution is not uniform. Highest concentrations are found in liver and kidney, and lowest concentrations are found in brain and cerebrospinal fluid. Chloramphenicol enters cerebrospinal fluid even in the absence of meningeal inflammation, appearing in concentrations about half of those found in the blood. Measurable levels are also detected in pleural and in ascitic fluids, saliva, milk, and in the aqueous and vitreous humors. Transport across the placental barrier occurs with somewhat lower concentration in cord blood of newborn infants than in maternal blood.

INDICATIONS

IN ACCORD WITH THE CONCEPTS IN THE "WARNING BOX" AND THIS INDICATIONS SECTION, CHLORAMPHENICOL MUST BE USED ONLY IN THOSE SERIOUS INFECTIONS FOR WHICH LESS POTENTIALLY DANGEROUS DRUGS ARE INEFFECTIVE OR CONTRAINDICATED. CHLORAMPHENICOL, HOWEVER, MAY BE CHOSEN TO INITIATE ANTIBIOTIC THERAPY ON THE CLINICAL IMPRESSION THAT ONE OF THE CONDITIONS BELOW IS BELIEVED TO BE PRESENT; IN VITRO SENSITIVITY TESTS SHOULD BE PERFORMED CONCURRENTLY SO THAT THE DRUG MAY BE DISCONTINUED AS SOON AS POSSIBLE IF LESS POTENTIALLY DANGEROUS AGENTS ARE INDICATED BY SUCH TESTS. THE DECISION TO CONTINUE USE OF CHLORAMPHENICOL RATHER THAN ANOTHER ANTIBIOTIC WHEN BOTH ARE SUGGESTED BY IN VITRO STUDIES TO BE EFFECTIVE AGAINST A SPECIFIC PATHOGEN SHOULD BE BASED UPON SEVERITY OF THE INFECTION, SUSCEPTIBILITY OF THE PATHOGEN TO THE VARIOUS ANTIMICROBIAL DRUGS, EFFICACY OF THE VARIOUS DRUGS IN THE INFECTION AND THE IMPORTANT ADDITIONAL CONCEPTS CONTAINED IN THE "WARNING BOX" ABOVE:

1. ACUTE INFECTIONS CAUSED BY *SALMONELLA TYPHI:* Chloramphenicol is a drug of choice.[1] It is not recommended for the routine treatment of the typhoid "carrier state".

2. SERIOUS INFECTIONS CAUSED BY SUSCEPTIBLE STRAINS IN ACCORDANCE WITH THE CONCEPTS EXPRESSED ABOVE:

a. *Salmonella* species.

b. *H. influenzae,* specifically meningeal infections.

c. Rickettsia.

d. Lymphogranuloma-psittacosis group.

e. Various gram-negative bacteria causing bacteremia, meningitis, or other serious gram-negative infections.

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[1] In the treatment of typhoid fever some authorities recommend that chloramphenicol be administered at therapeutic levels for 8–10 days after the patient has become afebrile to lessen the possibility of relapse.

f. Other susceptible organisms which have been demonstrated to be resistant to all other appropriate antimicrobial agents.

3. CYSTIC FIBROSIS REGIMENS.

CONTRAINDICATIONS

Chloramphenicol is contraindicated in individuals with a history of previous hypersensitivity and/or toxic reaction to it. *It must not be used in the treatment of trivial infections or where it is not indicated, as in colds, influenza, and infections of the throat, or as a prophylactic agent to prevent bacterial infections.*

PRECAUTIONS

1. Baseline blood studies should be followed by periodic blood studies approximately every 2 days during therapy. The drug should be discontinued upon appearance of reticulocytopenia, leukopenia, thrombocytopenia, anemia, or any other blood study findings attributable to chloramphenicol; however, it should be noted that such studies do not exclude the possible later appearance of the irreversible type of bone marrow depression.

2. Repeated courses of the drug should be avoided if at all possible. Treatment should not be continued longer than required to produce a cure with little or no risk of relapse of the disease.

3. Concurrent therapy with other drugs that may cause bone marrow depression should be avoided.

4. Excessive blood levels may result from administration of the recommended dose to patients with impaired liver or kidney function, including that due to immature metabolic processes in the infant. The dosage should be adjusted accordingly or, preferably, the blood concentration should be determined at appropriate intervals.

5. There are no studies to establish the safety of this drug in pregnancy.

6. Since chloramphenicol readily crosses the placental barrier, caution in use of the drug is particularly important during pregnancy at term or during labor because of potential toxic effects on the fetus (gray syndrome).

7. Precaution should be used in therapy of premature and full term infants to avoid "gray syndrome" toxicity (see "Adverse Reactions"). Serum drug levels should be carefully followed during therapy of the newborn infant.

8. Precaution should be used in therapy during lactation because of the possibility of toxic effects on the nursing infant.

9. The use of this antibiotic, as with other antibiotics, may result in an overgrowth of nonsusceptible organisims including fungi. If infections caused by nonsusceptible organisms appear during therapy, appropriate measures should be taken.

ADVERSE REACTIONS

1. Blood dyscrasias: The most serious adverse effect of chloramphenicol is bone marrow depression. Serious and fatal blood dyscrasias (aplastic anemia, hypoplastic anemia, thrombocytopenia, and granulocytopenia) are known to occur after the administration of chloramphenicol.

An irreversible type of marrow depression leading to aplastic anemia with a high rate of mortality is characterized by the appearance weeks or months after therapy of bone marrow aplasia or hypoplasia. Peripherally, pancytopenia is most often observed, but in a small number of cases only one or two of the three major cell types (erythrocytes, leukocytes, platelets) may be depressed. A reversible type of bone marrow depression, which is dose related, may occur. This type of marrow depression is characterized by vacuolization of the erythroid cells, reduction of reticulocytes, and leukopenia and responds promptly to the withdrawal of chloramphenicol.

An exact determination of the risk of serious and fatal blood dyscrasias is not possible because of lack of accurate information regarding (a) the size of the population at risk, (b) the total number of drug-associated dyscrasias, and (c) the total number of nondrug associated dyscrasias.

In a report to the California State Assembly by the California Medical Association and the State Department of Public Health in January 1967, the risk of fatal aplastic anemia was estimated at 1:24,200 to 1:40,500 based on two-dosage levels.

There are reports of aplastic anemia attributed to chloramphenicol which later terminated in leukemia.

Paroxysmal nocturnal hemoglobinuria has also been reported.

2. Gastrointestinal reactions: Nausea, vomiting, glossitis and stomatitis, and diarrhea and enterocolitis may occur in low incidence.

3. Neurotoxic reactions: Headache, mild depression, mental confusion, and delirium have been described in patients receiving chloramphenicol. Optic and peripheral neuritis have been reported, usually following long term therapy. If this occurs, the drug should be promptly withdrawn.

4. Hypersensitivity reactions: Fever, macular and vesicular rashes, angioedema, urticaria, and anaphylaxis may occur. Herxheimer reactions have occurred during therapy for typhoid fever.

5. "Gray syndrome": Toxic reactions including fatalities have occurred in the premature and newborn; the signs and symptoms associated with these reactions have been referred to as the "gray syndrome." One case of "gray syndrome" has been reported in an infant born to a mother having received chloramphenicol during labor. One case has been reported in a 3-month infant. The following summarizes the clinical and laboratory studies that have been made on these patients:

a. In most cases therapy with chloramphenicol had been instituted within the first 48 hours of life.

b. Symptoms first appeared after 3 to 4 days of continued treatment with high doses of chloramphenicol.

c. The symptoms appeared in the following order: Abdominal distension with or without emesis; progressive pallid cyanosis; vasomotor collapse, frequently accompanied by irregular respiration; and death within a few hours of onset of these symptoms.

d. The progression of symptoms from onset to exitus was accelerated with higher dose schedules.

e. Preliminary blood serum level studies revealed unusually high concentrations of chloramphenicol (over 90 mcg./ml. after repeated doses).

f. Termination of therapy upon early evidence of the associated symptomatology frequently reversed the process with complete recovery.

DOSAGE AND ADMINISTRATION

DOSAGE RECOMMENDATIONS FOR ORAL CHLORAMPHENICOL PREPARATIONS

The majority of micro-organisms susceptible to chloramphenicol will respond to a concentration between 5 and 20 mcg./ml. The desired concentration of active drug in blood should fall within this range over most of the treatment period. Dosage of 50 mg./kg./day divided into 4 doses at intervals of 6 hours will usually achieve and sustain levels of this magnitude.

Except in certain circumstances (e.g., premature and newborn infants and individuals with impairment of hepatic or renal function), lower doses may not achieve these concentrations. Chloramphenicol, like other potent drugs, should be prescribed at recommended doses known to have therapeutic activity. Close observation of the patient should be maintained and, in the event of any adverse reactions, dosage should be reduced or the drug discontinued, if other factors in the clinical situation permit.

Adults

Adults should receive 50 mg./kg./day (approximately one 250-mg. capsule per each 10 lb. body weight) in divided doses at 6-hour intervals. In exceptional cases patients with infections due to moderately resistant organisms may require increased dosage up to 100 mg./kg./day to achieve blood levels inhibiting the pathogen, but these high doses should be decreased as soon as possible.

Adults with impairment of hepatic or renal function or both may have reduced ability to metabolize and excrete the drug. In instances of impaired metabolic processes, dosages should be adjusted accordingly (see discussion under "Newborn Infants"). Precise control of concentration of the drug in the blood should be carefully followed in patients with impaired metabolic processes by the available microtechniques (information available on request).

Children

For children a dosage of 50 mg./kg./day divided into 4 doses at 6-hour intervals yields blood levels in the range effective against most susceptible organisms. Severe infections (e.g., bacteremia or meningitis), especially when adequate cerebrospinal fluid concentrations are desired, may require dosage up to 100 mg./kg./day; however, it is recommended that dosage be reduced to 50 mg./kg./day as soon as possible. Children with impaired liver or kidney function may retain excessive amounts of the drug.

Newborn Infants

(See section titled "Gray Syndrome" under "Adverse Reactions.")

For newborn infants a total of 25 mg./kg./day in 4 equal doses at 6-hour intervals usually produces and maintains concentrations in blood and tissues adequate to control most infections for which the drug is indicated. Increased dosage in these individuals, demanded by severe infections, should be given only to maintain the blood concentration within a therapeutically effective range. After the first 2 weeks of life, full term infants ordinarily may receive up to a total of 50 mg./kg./day equally divided into 4 doses at 6-hour intervals. *These dosage recommendations are extremely important because blood concentration in all premature infants and full term infants under 2 weeks of age differs from that of other infants.* This difference is due to variations in the maturity of the metabolic functions of the liver and the kidneys.

When these functions are immature (or seriously impaired in adults), high concentrations of the drug are found which tend to increase with succeeding doses.

Infants and Children with Immature Metabolic Processes

In young infants and other children in whom immature metabolic functions are suspected, a dose of 25 mg./kg./day will usually produce therapeutic concentrations of the drug in the blood. In this group particularly, the concentration of the drug in the blood should be carefully followed by microtechniques (information available on request).

CHLORAMPHENICOL FOR INTRAVENOUS ADMINISTRATION—NOT FOR PEDIATRIC USE

WARNING

(Should be in boldface type and enclosed in a box.)

Serious and fatal blood dyscrasias (aplastic anemia, hypoplastic anemia, thrombocytopenia, and granulocytopenia) are known to occur after the administration of chloramphenicol. In addition, there have been reports of aplastic anemia attributed to chloramphenicol which later terminated in leukemia. Blood dyscrasias have occurred after both short term and prolonged therapy with this drug. Chloramphenicol must not be used when less potentially dangerous agents will be effective, as described in the "Indications" section. *It must not be used in the treatment of trivial infections or where it is not indicated, as in colds, influenza, and infections of the throat, or as a prophylactic agent to prevent bacterial infections.*

Precautions: It is essential that adequate blood studies be made during treatment with the drug. While blood studies may detect early peripheral blood changes, such as leukopenia, reticulocytopenia, or granulocytopenia, before they become irreversible, such studies cannot be relied on to detect bone marrow depression prior to development of aplastic anemia. To facilitate appropriate studies and observation during therapy, it is desirable that patients be hospitalized.

IMPORTANT CONSIDERATIONS IN PRESCRIBING INJECTABLE CHLORAMPHENICOL:

1. Chloramphenicol injected intravenously is readily distributed throughout the circulating blood. Peak blood concentrations will be dependent upon the rapidity of injection.

2. The oral form of chloramphenicol is readily absorbed and adequate blood levels are achieved and maintained on the recommended dosage.

3. Patients started on intravenous chloramphenicol should be changed to the oral form as soon as practicable.

4. Chloramphenicol solution is recommended for intravenous use only.

5. It is not recommended for pediatric use.

DESCRIPTION

(This should be the same as in the section for the oral dosage form.)

ACTIONS AND PHARMACOLOGY

(This should be the same as in the section for the oral dosage form.)

INDICATIONS

(This should be the same as in the section for the oral dosage form.)

CONTRAINDICATIONS

(This should be the same as in the section for the oral dosage form.)

PRECAUTIONS

(This should be the same as in the section for the oral dosage form.)

ADVERSE REACTIONS

(This should be the same as in the section for the oral dosage form.)

ADMINISTRATION

Chloramphenicol, like other potent drugs, should be prescribed at recommended doses known to have therapeutic activity. Administration of 50 mg./kg./day in divided doses will produce blood levels of the magnitude to which the majority of susceptible microorganisms will respond.

AS SOON AS FEASIBLE, AN ORAL DOSAGE FORM OF CHLORAMPHENICOL SHOULD BE SUBSTITUTED FOR THE INTRAVENOUS FORM BECAUSE ADEQUATE BLOOD LEVELS ARE ACHIEVED WITH CHLORAMPHENICOL BY MOUTH.

DOSAGE

Adults

Adults should receive 50 mg./kg./day in divided doses at 6-hour intervals. In exceptional cases patients with infections due to moderately resistant organisms may require increased dosage up to 100 mg./kg./day to achieve blood levels inhibiting the pathogen, but these high doses should be decreased as soon as possible. Adults with impairment of hepatic or renal function or both may have reduced ability to metabolize and excrete the drug. In instances of impaired metabolic processes, dosages should be adjusted accordingly. Precise control of concentration of the drug in the blood should be carefully followed in patients with impaired metabolic processes by the available microtechniques (information available on request).

CHLORAMPHENICOL SODIUM SUCCINATE FOR INTRAVENOUS ADMINISTRATION

WARNING

(Should be in boldface type and enclosed in a box.)

Serious and fatal blood dyscrasias (aplastic anemia, hypoplastic anemia, thrombocytopenia, and granulocytopenia) are known to occur after the administration of chloramphenicol. In addition, there have been reports of aplastic anemia attributed to chloramphenicol which later terminated in leukemia. Blood dyscrasias have occurred after both short term and prolonged therapy with this drug. Chloramphenicol must not be used when less potentially dangerous agents will be effective, as described in the "Indications" section. *It must not be used in the treatment of trivial infections or where it is not indicated, as in colds, influenza, and infections of the throat, or as a prophylactic agent to prevent bacterial infections.*

Precautions: It is essential that adequate blood studies be made during treatment with the drug. While blood studies may detect early peripheral blood changes, such as leukopenia, reticulocytopenia, or granulocytopenia, before they become irreversible, such studies cannot be relied on to detect bone marrow depression prior to development of aplastic anemia. To facilitate appropriate studies and observation during therapy, it is desirable that patients be hospitalized.

IMPORTANT CONSIDERATIONS IN PRESCRIBING INJECTABLE CHLORAMPHENICOL SODIUM SUCCINATE:

1. Chloramphenicol sodium succinate must be hydrolyzed to its microbiologically active form, and there is a lag in achieving adequate blood levels compared with the base given intravenously.

2. The oral form of chloramphenicol is readily absorbed and adequate blood levels are achieved and maintained on the recommended dosage.

3. Patients started on intravenous chloramphenicol sodium succinate should be changed to the oral form as soon as practicable.

4. Chloramphenicol sodium succinate is recommended for intravenous use only.

Use of this product by the intramuscular route in emergency situations has been described, but this route is not recommended because lower blood levels are attained and there is a lack of evidence that it is effective when given by this route.

DESCRIPTION

(This should be the same as in the section for the oral dosage form.)

ACTIONS AND PHARMACOLOGY

(This should be the same as in the section for the oral dosage form.)

INDICATIONS

(This should be the same as in the section for the oral dosage form.)

CONTRAINDICATIONS

(This should be the same as in the section for the oral dosage form.)

PRECAUTIONS

(This should be the same as in the section for the oral dosage form.)

ADVERSE REACTIONS

(This should be the same as in the section for the oral dosage form.)

ADMINISTRATION

Chloramphenicol, like other potent drugs, should be prescribed at recommended doses known to have therapeutic activity. Administration of 50 mg./kg./day in divided doses will produce blood levels of the magnitude to which the majority of susceptible microorganisms will respond.

AS SOON AS FEASIBLE, AN ORAL DOSAGE FORM OF CHLORAMPHENICOL SHOULD BE SUBSTITUTED FOR THE INTRAVENOUS FORM BECAUSE ADEQUATE BLOOD LEVELS ARE ACHIEVED WITH CHLORAMPHENICOL BY MOUTH.

The following method of administration is recommended:

Intravenously as a 10% solution to be injected over at least a 1-minute interval. This is prepared by the addition of 11 cc. of an aqueous diluent such as water for injection or 5% dextrose injection.

The "Infant Size" package contains 250 mg. This should be reconstituted with 2.75 cc. of diluent.

DOSAGE

Adults

Adults should receive 50 mg./kg./day in divided doses at 6-hour intervals. In exceptional cases patients with infections due to moderately resistant organisms may require increased dosage up to 100 mg./kg./day to achieve blood levels inhibiting the pathogen, but these high doses should be decreased as soon as possible. Adults with impairment of hepatic or renal function or both may have reduced ability to metabolize and excrete the drug. In instances of impaired metabolic processes, dosages should be adjusted accordingly (see discussion under "Newborn Infants"). Precise control of concentration of the drug in the blood should be carefully followed in patients with impaired metabolic processes by the available microtechniques (information available on request).

Children

For children a dosage of 50 mg./kg./day divided into 4 doses at 6-hour intervals yields blood levels in the range effective against most susceptible organisms. Severe infections (e.g., bacteremia or meningitis), especially when adequate cerebrospinal fluid concentrations are desired, may require dosage up to 100 mg./kg./day; however, it is recommended that dosage be reduced to 50 mg./kg./day as soon as possible. Children with impaired liver or kidney function may retain excessive amounts of the drug.

Newborn Infants

(See section titled "Gray Syndrome" under "Adverse Reactions.")

For newborn infants a total of 25 mg./kg./day in 4 equal doses at 6-hour intervals usually produces and maintains concentrations in blood and tissues adequate to control most infections for which the drug is indicated. Increased dosage in these individuals, demanded by severe infections, should be given only to maintain the blood concentration within a therapeutically effective range. After the first 2 weeks of life, full term infants ordinarily may receive up to a total of 50 mg./kg./day equally divided into 4 doses at 6-hour intervals. *These dosage recommendations are extremely important because blood concentration in all premature infants and full term infants under 2 weeks of age differs from that of other infants.* This difference is due to variations in the maturity of the metabolic functions of the liver and the kidneys.

When these functions are immature (or seriously impaired in adults), high concentrations of the drug are found which tend to increase with succeeding doses.

Infants and Children with Immature Metabolic Processes

In young infants and other children in whom immature metabolic functions are suspected, a dose of 25-mg./kg./day will usually produce therapeutic concentrations of the drug in the blood. In this group particularly, the concentration of the drug in the blood should be carefully followed by microtechniques (information available on request).

The firms listed above have been mailed a copy of the NAS–NRC report. Any manufacturer, packer, or distributor of a drug of composition and labeling similar to the drugs listed in this announcement or any other interested person may obtain a copy of the NAS–NRC report by submitting a request to the office named below.

Communications forwarded in response to this announcement should be directed to the attention of the appropriate office listed below and addressed to the Food and Drug Administration, 200 C Street SW., Washington, D.C. 20204.

Requests for NAS–NRC report: Press Relations Office (CE–300).
Supplements: Division of Antiinfective Drugs (MD–140), Office of New Drugs, Bureau of Medicine.
Comments on this announcement: Special Assistant for Drug Efficacy Study Implementation (MD–16), Bureau of Medicine.

This notice is issued pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502, 507; 52 Stat. 1050–51, as amended, 59 Stat. 463, as amended; 21 U.S.C. 352, 357) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120).

Dated: October 10, 1968.

HERBERT L. LEY, Jr.,
Commissioner of Food and Drugs.

[F.R. Doc. 68–12698; Filed, Oct. 18, 1968; 8:45 a.m.]

CIVIL AERONAUTICS BOARD

[Dockets Nos. 20371, 20372]

FOWLER AIRCRAFT RENTALS LTD.

Notice of Prehearing Conference

Application for authority to perform operations of a casual, occasional, or infrequent nature in common carriage, into the United States from Canada.

Notice is hereby given that a prehearing conference in the above-entitled matter is assigned to be held on October 28, 1968, at 10 a.m., Room 211, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Hyman Goldberg.

Dated at Washington, D.C., October 16, 1968.

[SEAL] THOMAS L. WRENN,
Chief Examiner.

[F.R. Doc. 68–12757; Filed, Oct. 18, 1968; 8:49 a.m.]

[Docket No. 19784, etc.; Order 68–10–65]

SEDALIA, MARSHALL, BOONVILLE STAGE LINE, INC.

Order To Show Cause Regarding Service Mail Rate

Issued under delegated authority on October 14, 1968.

By notices of intent filed on April 1, 1968, pursuant to 14 CFR Part 298, the Postmaster General petitioned the Board to establish for Sedalia, Marshall, Boonville Stage Line, Inc. (Sedalia), an air taxi operator, final service mail rates for the transportation of mail by aircraft. These final rates were established by Order E–26736, dated May 1, 1968.

On September 19, 1968, the Postmaster General filed petitions on behalf of Sedalia requesting the Board to fix new final service mail rates for this transportation of mail. The current and proposed rates per great circle aircraft mile are as follows:

Docket	Between	Rate in cents	
		Current	Proposed
19784	Bryan (College Station) and Houston, Tex	47.4	56.45
19786	Victoria and Houston, Tex	40.0	47.81
19788	Wichita Falls and Dallas, Tex	36.48	43.73
19789	Lufkin, Palestine, and Dallas, Tex	33.20	38.36
19792	Longview, Tyler, and Dallas, Tex	35.22	42.31

The Postmaster General states that since the submission by Sedalia of the proposals which resulted in establishment of the current rates the air taxi operator has experienced increased costs as a result of additional requirements imposed by the Post Office Department and in some cases new or increased landing and ramp fees imposed by airport operators. The Postmaster General further states that these increases in costs were not known nor reasonably foreseeable at the time the original petitions were filed. Because of these increased costs, the Postmaster General petitions the new final service mail rates.

The Postmaster General states that the proposed rates are acceptable to the Department and the carrier and represent fair and reasonable rates of compensation for the performance of these services under the present requirements of the Department.

The Board finds it is in the public interest to determine, adjust, and establish the fair and reasonable rates of compensation to be paid by the Postmaster General for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the petitions and other matters officially noticed, it is proposed to issue an order [1] to include the following findings and conclusions:

On and after September 19, 1968, the fair and reasonable final service mail rates per great circle aircraft mile to be paid in their entirety to Sedalia by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be as follows:

Docket	Between	Cents
19784	Bryan (College Station) and Houston, Tex	56.45
19786	Victoria and Houston, Tex	47.81
19788	Wichita Falls and Dallas, Tex	43.73
19789	Lufkin, Palestine, and Dallas, Tex	38.36
19792	Longview, Tyler, and Dallas, Tex	42.31

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f):

It is ordered, That:

1. Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Braniff Airways, Inc., Trans Texas Airways, Inc., and all other interested persons are directed to show cause why the Board

[1] As this order to show cause is not a final action but merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rates for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified therein as the fair and reasonable rates of compensation to be paid to Sedalia, Marshall, Boonville Stage Line, Inc.;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rates or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rates specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rates shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Braniff Airways, Inc., and Trans Texas Airways, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-12755; Filed, Oct. 18, 1968; 8:49 a.m.]

[Docket No. 20277; Order 68-10-62]

SHASTA FLIGHT SERVICE

Order To Show Cause Regarding Establishment of Service Mail Rate

Issued under delegated authority on October 14, 1968.

The Postmaster General filed a notice of intent September 24, 1968, pursuant to 14 CFR Part 298, petitioning the Board to establish for the above captioned air taxi operator, a final service mail rate of 60 cents per great circle aircraft mile for the transportation of mail by aircraft between Redding and Sacramento, Calif.

No protest or objection was filed against the proposed services during the time for filing such objections. The Postmaster General states that the Department and the carrier agree that the above rate is a fair and reasonable rate of compensation for the proposed services. The Postmaster General believes these services will meet postal needs in the market. He states the air taxi plans to initiate mail service with twin-engine Piper, Model, Turbo Navajo aircraft equipped for all-weather operation.

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notice of intent and other matters officially noticed, it is proposed to issue an order[1] to include the following findings and conclusions:

The fair and reasonable final service mail rate to be paid to Shasta Flight Service, in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be 60 cents per great circle aircraft mile between Redding and Sacramento, Calif.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f),

It is ordered, That:

1. Shasta Flight Service, the Postmaster General, Air West, Inc., United Air Lines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Shasta Flight Service;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Shasta Flight Service, the Postmaster General, Air West, Inc., and United Air Lines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.D. Doc. 68-12756; Filed, Oct. 18, 1968; 8:49 a.m.]

[1] As this order to show cause is not a final action but merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR, Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

FEDERAL MARITIME COMMISSION

AMERICAN PRESIDENT LINES, LTD., AND NAM SUNG SHIPPING CO., LTD.

Notice of Agreement Filed for Approval

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

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. D. J. Morris, Manager, Rates and Conferences, American President Lines, 601 California Street, San Francisco, Calif. 94108.

Agreement 9750, between American President Lines, Ltd., and Nam Sung Shipping Co., Ltd., establishes a through billing arrangement from Korean ports of call of Nam Sung Shipping to U.S. Atlantic and Pacific Coast ports of call of American President Lines with transshipment in Japan in accordance with the terms and conditions set forth in the agreement.

Dated: October 16, 1968.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 68-12762; Filed, Oct. 18, 1968; 8:49 a.m.]

CANTON RAILROAD CO. AND UNITED STATES LINES, INC.

Notice of Agreement Filed for Approval

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

Interested parties may inspect and obtain a copy of the agreement(s) at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. Raymond S. Clark, President, Canton Railroad Co., 300 Water Street, Baltimore, Md.

Agreement No. T-2213 between Canton Railroad Co. (Canton) and United States Lines, Inc. (U.S.L.) is a 5-year lease of Canton Railroad Pier No. 11 in Baltimore, which U.S.L. will use for docking vessels, loading, unloading, and storage of cargo. Rental will be a fixed annual sum of $205,500. Canton agrees to give U.S.L. the right of first refusal to lease the premises after the expiration of the initial term of the lease.

Dated: October 16, 1968.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 68-12763; Filed, Oct. 18, 1968; 8:49 a.m.]

"K" LINE ET AL.

Notice of Agreement Filed for Approval

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

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the office of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 10 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

"K" Line, Mitsui-Osk Lines, Japan Lines, Yamashita-Shinnihon Steamship Co. and California Cartage Company, Inc.

Notice of agreement filed for approval by:

John P. Meade, Esquire, Graham and James, 1725 De Sales Street NW., Washington, D.C. 20036.

Agreement 9751, between the four common carriers listed in the title and subject to the Shipping Act, 1916, and California Cartage Company, Inc. (Cartage), a corporation not subject to the Act, appears to be a standard stevedoring agreement usually entered into between carriers subject to the Act and their stevedores modified to the extent that it involves (a) a trucking company not subject to the Act who will (b) operate a container freight station in Los Angeles for the receipt and delivery of less than container load shipments of cargo on behalf of the four ocean carriers subject to the Act. The freight station, which is removed from the ocean terminals normally used by the carriers in connection with their trans-Pacific containership service will be furnished Cartage free of charge; but Cartage will be compensated for certain out-of-pocket costs in connection with cargo handling; plus a specified override per container set forth in Schedule A, attached to the agreement. In addition to the customary receiving and delivering services undertaken by Cartage, the arrangement contains the usual assurances and covenants by Cartage pertaining to Cartage's compliance with all laws, ordinances, and regulations, whether Federal, State, or city; insurances; status of employees; demurrage charges; noxious cargo; possessory interest taxes; maintenance and repair of the freight station; third party indemnification; assignments and sublettings; assignments of rights and privileges; termination, modification and amendment; notices as between principals and Cartage. As Cartage represents that it is party to a collective bargaining agreement with the Teamsters Union, nothing in the agreement is to be construed as obligating Cartage to any performance inconsistent with its obligations arising from its arrangement with the Teamster Union.

Dated: October 16, 1968.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 68-12764; Filed, Oct. 18, 1968; 8:49 a.m.]

[Independent Ocean Freight Forwarder License 62]

MEISNER SHIPPING SERVICE

Order of Revocation

Whereas, Henry Meisner, doing business as Meisner Shipping Service, New York, N.Y. 10004, has ceased to operate as an Independent Ocean Freight Forwarder; and

Meisner Shipping Service has returned its Independent Ocean Freight Forwarder License No. 62 to the Commission for cancellation.

Now, therefore, by virtue of authority vested in me by the Federal Maritime Commission as set forth in Manual of Orders, Commission Order No. 201.1 (Revised), section 6.03.

It is ordered, That the Independent Ocean Freight Forwarder License No. 62 of Meisner Shipping Service be and is hereby revoked, effective October 13, 1968.

It is further ordered, That a copy of this order be published in the FEDERAL REGISTER and served on the licensee.

LEROY F. FULLER,
Director,
Bureau of Domestic Regulation.

[F.R. Doc. 68-12765; Filed, Oct. 18, 1968; 8:50 a.m.]

WASHINGTON, D.C. OFFICES

Notice of Relocation

Notice is hereby given that effective Monday, October 21, 1968, the Commission's address will be:

Federal Maritime Commission, 1405 I Street NW., Washington, D.C. 20573.

Dated: October 16, 1968.

THOMAS LISI,
Secretary.

[F.R. Doc. 68-12766; Filed, Oct. 18, 1968; 8:50 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[70-4681]

CONSOLIDATED NATURAL GAS CO. ET AL.

Notice of Proposed Issue and Sale of Commercial Paper Notes and/or Notes to Banks, Open Account Advances to Subsidiary Companies, and Exemption From Competitive Bidding

OCTOBER 15, 1968.

In the matter of Consolidated Natural Gas Co., Consolidated Gas Supply Corp., the East Ohio Gas Co., 30 Rockefeller Plaza, New York, N.Y. 10020.

Notice is hereby given that Consolidated Natural Gas Co. ("Consolidated"), a registered holding company, and its

wholly owned subsidiary companies, Consolidated Gas Supply Corp. ("Gas Supply") and the East Ohio Gas Co. ("East Ohio"), have filed an application-declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6(a), 6(b), 7, 9(a), 10, 12(b), and 12(f) of the Act and Rules 43 and 45 promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the application-declaration, which is summarized below, for a complete statement of the proposed transactions.

By order dated June 12, 1968 (Holding Company Act Release No. 16090), this Commission authorized the issue and sale of $100 million of notes to banks by Consolidated and the making of related loans to its subsidiary companies. Of said $100 million of notes, $40 million were to have a maturity of not more than 12 months from the date of the first issuance and $60 million were to be 90-day notes subject to reissue and to conversion into 5-year notes at the option of Consolidated. Consolidated states that it now appears from revised estimates that it will be necessary for it to obtain additional short-term financing of up to $10 million to finance construction, gas storage inventories, and other corporate expenditures of subsidiary companies, and to reimburse its treasury in part for construction advances to subsidiary companies made in 1968 in excess of related borrowings by Consolidated. Consolidated proposes that, for the period commencing on the granting of this application-declaration and ending May 15, 1969, the exemption from the provisions of section 6(a) of the Act afforded to it by the first sentence of section 6(b), relating to the issue and sale of short-term notes, be increased from the presently authorized 14 percent to 15 percent of the principal amount and par value of the other securities of Consolidated outstanding.

Consolidated proposes to issue and sell, from time to time up to May 15, 1969, commercial paper, in the form of short-term promissory notes payable to bearer, in an aggregate face amount not to exceed $10 million outstanding at any one time to A. G. Becker & Co., Inc. ("Becker"), a dealer in commercial paper. Such commercial paper will have varying maturities of not more than 270 days after the date of issue and will be issued and sold in varying denominations of not less than $50,000 and not more than $1 million directly to Becker. The commercial paper notes will be sold at a discount which will not be in excess of the discount rate per annum prevailing at the date of issuance for commercial paper of comparable quality and like maturities sold to commercial paper dealers, and at an effective interest cost that will not exceed the prime commercial rate prevailing at the date of issue for borrowings from the Chase Manhattan Bank (N.A.) ("Chase"). Consolidated, as hereinafter proposed, would borrow from Chase to the extent it becomes impracticable to issue commercial paper.

No commission or fee will be payable in connection with the issue and sale of such commercial paper notes. Becker, as principal, will reoffer such notes at a discount not to exceed one-eighth of 1 percent per annum less than the prevailing discount rate to Consolidated. Such notes will be reoffered to not more than 100 identified and designated customers in a list (nonpublic) prepared in advance by Becker and furnished to the Commission. No changes will be made in such list of customers without approval of this Commission. It is anticipated that the commercial paper will be held by customers to maturity; however, if any commerical paper is repurchased by Becker pursuant to a verbal repurchase agreement, such paper will be reoffered only to others in the group of 100 customers. The commercial paper notes, in accordance with established practices in the market, will not be payable prior to maturity. Consolidated requests that the issue and sale of commercial paper notes be exempted from the competitive bidding requirements of Rule 50 for the following reasons: (1) The commercial paper will have maturities of 9 months or less; (2) Current rates for commercial paper for prime borrowers, such as Consolidated, are published daily in financial publications; and (3) It is not practical to invite competitive bids for commercial paper.

Consolidated also proposes, to the extent it becomes impracticable to issue the aforesaid commercial paper notes due to market conditions or otherwise, to issue and sell its promissory notes to Chase from time to time up to May 15, 1969, in an aggregate face amount not to exceed $10 million outstanding at any one time, without collateral or commitment fee. The total amount of commercial paper and the notes payable to Chase will not exceed $10 million outstanding at any one time. The notes to Chase will bear interest at the prime commercial rate of said bank in effect on the date of each issuance and will have a maturity date not more than 90 days from the date of issuance. Said bank notes will be prepayable, in whole or in part at any time or from time to time, without prior notice and without premium.

Consolidated expects to pay the aforesaid commercial paper notes and/or short-term notes to Chase through repayments by subsidiary companies of open-account advances and from internal cash sources.

Consolidated further proposes, from time to time, to make additional open-account advances aggregating up to $6,500,000 to the following subsidiary companies for the purpose of financing construction, gas storage inventories, and other corporate expenditures: Gas Supply, $3,500,000, and East Ohio, $3 million. The advances will be repaid on or before a date not more than 9 months from the date of the first advance to each such subsidiary company, with interest at substantially the same effective rate of interest as the related borrowing by Consolidated.

Consolidated proposes that within 10 days after the end of each calendar quarter it will file a certificate of notification covering all transactions effected pursuant to the authority requested herein during such quarter.

Expenses to be incurred in connection with the proposed transactions are estimated not to exceed $1,500, including charges, at cost, of $1,000 of the system service company. The filing states that the Public Service Commission of West Virginia has jurisdiction over the short-term borrowings proposed by Gas Supply and that no other State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than November 8, 1968, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application-declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicants-declarants at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application-declaration, as filed or as it may be amended, may be granted and permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

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

[F.R. Doc. 68-12745; Filed, Oct. 18, 1968; 8:48 a.m.]

[812-2360, 812-2364]

FIDUCIARY EQUITY SHARES, INC. AND FIDUCIARY INCOME SHARES, INC.

Notice of Filing of Application for Exemption

OCTOBER 15, 1968.

Notice is hereby given that Fiduciary Equity Shares, Inc., and Fiduciary Income Shares, Inc., 33 North High Street, Columbus, Ohio 43215, each an open-end diversified investment company registered under the Investment Company

ct of 1940 ("Act"), 15 U.S.C. section 0a-1 et seq., have filed applications ursuant to section 6(c) of the Act for n order exempting each of said appli- ants from certain provisions of sec- ons 14(a), 20(a), 22(d), 22(e), and 24 d) of the Act, and Rule 20a-1 of the eneral rules and regulations thereunder nd granting temporary exemptions from ctions 15(a) and 16(a). All interested rsons are referred to the application n file with the Commission for a state- ent of the representations made erein, which are summarized below.

Applicants have been organized under statute of the State of Ohio which au- horizes the creation of "fiduciary in- estment companies" to constitute a edium for the common investment of rust funds held in a fiduciary capacity nd for true fiduciary purposes by State anks with trust powers, trust companies, nd national banks with trust powers. he formation and operation of a fidu- iary investment company are subject to he regulations of the Ohio Superin- endent of Banks. Applicants' purpose is o provide an investment medium for anks and trust companies whose trust ssets are not large enough to permit hem to form common trust funds, al- hough other banks and trust companies ay acquire applicants' shares. Appli- ants do not intend to sell their shares ther than to banks and trust companies ocated in Ohio.

Neither of the applicants will employ ny underwriter or sales force or under- ake any active sales campaign. Each of he applicants will initially offer its hares at $20 per share. Thereafter, each pplicant will sell its shares on desig- ated valuation dates at the current et asset value of such shares. The only harge which will be made in addition to he amounts referred to above is a charge f $0.10 per share, to be assessed on the participating banks as such and not on he trusts whose funds are invested, for he purpose of defraying organizational expenses, estimated in the case of each pplicant at about $3,800. When such rganizational expenses have been re- overed, this charge will be discontinued.

Each of the applicants has entered into contract with the First National Bank f Cincinnati, Ohio, to serve as custo- ian and investment adviser for each pplicant.

Section 6(c) of the Act provides that he Commission may, by order upon ap- lication, conditionally or uncondition- lly exempt any person from any pro- ision of the Act or of any rule or regu- ation thereunder, if and to the extent hat such exemption is necessary or ap- propriate in the public interest and con- sistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Certain provisions of sections 14(a), 22(d), and 24(d) of the Act would make inapplicable to applicants the exemption provided by section 3(a)(11) of the Securities Act of 1933 ("Securities Act"). Applicants request an exemption from uch provisions of sections 14(a), 22(d), and 24(d). Section 3(a)(11), as here pertinent, exempts from the registration and related prospectus requirements of the Securities Act securities which are part of an issue offered and sold only to persons resident within a single State, where the issuer of the security is incorporated by, and doing business within, such State. A provision in section 24(d) of the Investment Company Act makes this exemption inapplicable to investment company securities. Section 22(d) would prohibit each of the applicants from selling its shares other than at a public offering price described in a prospectus meeting the registration and related prospectus requirements of the Securities Act. Section 14(a) would require that each of the applicants attain a minimum net worth of $100,000 in connection with the registration of its securities under the Securities Act.

In support of such request, each of the applicants states that it intends to distribute to each trust company and bank eligible to invest in its shares a copy of its registration statement (Form N-8B-1) filed with the Commission pursuant to the Investment Company Act, and that the registration statement contains all the information which the applicant would be required to furnish were it to register under the Securities Act. Applicant also points out that its potential investors are limited to banks and trust companies, which command greater experience and knowledge in the selection of investments than the general public.

Applicants request an exemption from the proxy rules prescribed by the Commission pursuant to section 20(a) of the Act and Rule 20a-1 thereunder. Such rules set forth requirements concerning the format and content of proxies and proxy statements used in the solicitation of proxies, consents, or authorizations with respect to securities of registered investment companies, and require the filing of copies of such material with the Commission. Applicants state that the membership of the board of directors of each applicant will be restricted to officers or officer-directors of banks and trust companies which invest in shares of such applicant and that management and administration of each applicant will be in the hands of persons whose interests are identical with those of the banks and trust companies holding shares of such applicant. Each of the applicants is required to hold annual meetings of its shareholders.

Applicants also request certain relief from section 22(e) of the Act, which provides, with certain exceptions not pertinent here, that no registered investment company shall suspend the right of redemption or postpone payment for shares redeemed for more than 7 days after tender. Applicants request exemption from these requirements to the extent necessary to permit them to follow a procedure under which notice of redemption must be given 7 days in advance of quarterly asset valuation dates and payment be made within 10 days following such valuation dates. Applicants state that the use of quarterly valuation dates is consistent with the practice followed by common trust funds operated by banks and trust companies in the State of Ohio and that the procedure applicants propose to follow is appropriate in view of applicants' purpose to provide an inexpensive medium for investment of funds held on a long term basis by small banks and trust companies.

Neither of the applicants has sold any of its shares and each requests an exemption from sections 15(a) and 16(a) of the Act until the first meeting of its shareholders, which will be held in 1968. Section 15(a), as here pertinent, provides that no person shall act as investment adviser of a registered investment company except pursuant to a written contract which has been approved by the vote of a majority of the outstanding voting securities of such investment company. Section 16(a) provides, among other things, that no person shall serve as director of a registered investment company unless elected to that office by the holders of the outstanding voting securities of such company at an annual or special meeting duly called for that purpose.

Notice is further given that any interested person may, not later than November 5, 1968 at 5:30 p.m., submit to the Commission in writing a request for a hearing on either or both of said matters accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon applicants at the address set forth above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of each of the applications herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in such matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 68-12746; Filed, Oct. 18, 1968; 8:48 a.m.]

[70-4680]

MICHIGAN CONSOLIDATED GAS CO.

Notice of Proposed Issue and Sale of Principal Amount of First Mortgage Bonds at Competitive Bidding

OCTOBER 15, 1968.

Notice is hereby given that Michigan Consolidated Gas Co. ("Michigan Consolidated"), 1 Woodward Avenue, Detroit, Mich. 48226, a public-utility subsidiary company of American Natural Gas Co., a registered holding company, has filed an application with this Commission, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6(b), 9(a), and 12(c) of the Act and Rules 42(b)(2) and 50 promulgated thereunder as applicable to the proposed transaction. All interested persons are referred to the application, which is summarized below, for a complete statement of the proposed transaction.

Michigan Consolidated proposes to issue and sell, subject to the competitive bidding requirements of Rule 50 under the Act, $31 million principal amount of first mortgage bonds, ------ percent series, due December 1, 1993. The interest rate (which will be a multiple of one-eighth of 1 percent) and the price, exclusive of accrued interest (which will not be less than 100 percent nor more than 102¾ percent of the principal amount) will be determined by the competitive bidding. The bonds will be issued under a mortgage and deed of trust, dated as of March 1, 1944, between Michigan Consolidated and First National City Bank and Blair A. Powell, as trustees, as heretofore supplemented and as to be further supplemented by an 18th supplemental indenture to be dated as of November 15, 1968.

Michigan Consolidated will use the net proceeds from the issue and sale of the bonds for the redemption of its outstanding $30,837,000 principal amount of first mortgage bonds of the 3½ percent, 2⅞ percent, and 3⅜ percent series due March 1, 1969, and the balance will be used to pay construction costs.

The fees and expenses to be paid by Michigan Consolidated in connection with the issue and sale of the bonds are estimated at $117,000, including counsel fees of $27,000, and accountant's fees of $6,500. The fee of counsel for the bond underwriters, estimated at $11,000, is to be paid by the successful bidders.

The Michigan Public Service Commission has jurisdiction over the proposed issue and sale of bonds by Michigan Consolidated, and a copy of that commission's order authorizing the same will be filed by amendment in this proceeding. It is stated that no other State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than November 5, 1968, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicants at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application, as filed or as it may be amended, may be granted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 68-12747; Filed, Oct. 18, 1968; 8:48 a.m.]

STANWOOD OIL CORP.

Order Suspending Trading

OCTOBER 15, 1968.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Stanwood Oil Corp., Warren, Pa., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period October, 16, 1968, through October 25, 1968, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 68-12748; Filed, Oct. 18, 1968; 8:48 a.m.]

DEPARTMENT OF LABOR

Office of the Secretary

[Secretary's Order 16-68]

ASSISTANT SECRETARY FOR LABOR-MANAGEMENT RELATIONS

Delegation of Authority and Assignment of Responsibility for Labor-Management Relations Programs

1. *Purpose.* This order delegates authority and assigns responsibility to the Assistant Secretary for Labor-Manage ment Relations.

2. *Background.* The Secretary's re sponsibility for administering program in the labor-management relations are has been substantially broadened by re cent legislation and executive order. Th Department of Labor requires a compre hensive labor-management relation program which will provide staff assis ance to the Secretary and the Und Secretary and which will marshal an make available to labor and manage ment, research data and other resour support to improve the climate of labo management relations.

3. *The Office of the Assistant Secre tary for Labor-Management Relatio and the Labor-Management Servic Administration.* a. There is in the D partment of Labor an Office of the A sistant Secretary for Labor-Managemer Relations headed by an Assistant Secre tary who shall report to the Secretary.

b. There is in the Department of La bor a Labor Management Services Ad ministration headed by an Administra tor who shall report to the Assistar Secretary for Labor-Management Rela tions. However, in the absence of th Administrator, or if an Administrator not appointed, the Assistant Secretar for Labor-Management Relations sha serve as Administrator. The Labo Management Services Administratio (LMSA) is composed of the following:

(1) The Office of Labor-Management Po icy Development (LMPD).

(2) The Office of Labor-Management R lations Services (LMRS).

(3) Office of Labor-Management and We fare-Pension Reports (LMWP).

(4) Office of Veterans' Reemployme Rights (OVRR).

(5) Office of Administration and Manag ment (OAM).

4. *Delegation of authority and assign ment of responsibilities.* a. The Assistar Secretary for Labor-Management Rela tions is hereby delegated authority ar assigned responsibility, except as her inafter provided, for carrying out th Department's labor-management rela tions programs and activities includir related functions to be performed by th Secretary of Labor under:

(1) The Organic Act establishing th Department of Labor, March 4, 1913, a amended (37 Stat. 736; 29 U.S.C. 551

(2) Labor-Management Reportin and Disclosure Act of 1959,

(3) Welfare and Pension Plans Di closure Act of 1958, as amended,

(4) Section 10(c) of the Urban Ma Transportation Act of 1964 (Public La 88-365),

(5) Section 6(a) of the Act of 196 Authorizing Research and Developmer in High Speed Ground Transportatio (Public Law 89-220),

(6) Statutes relating to reemploymer rights:

(a) Section 9 of the Universal Mil tary Training and Service Act of 195 as amended,

(b) Section 7 of the Service Extensio Act of 1941, as amended,

(c) Section 8 of the Selective Trainin and Service Act of 1940, as amended,

(d) Section 3 of the Army Reserve and Retired Personnel Service Law of 1940, as amended, and

(e) Section 5(a) of the Act of March 31, 1947 (Public Law 80–26).

(7) Executive Order 10988 (Federal Employee-Management Relations).

b. In carrying out the authority and responsibilities assigned in paragraph 4a above, the Assistant Secretary for Labor-Management Relations shall, among other things, perform the following functions:

POLICY

(1) Developing and recommending to the Secretary or establishing labor-management relations policy with respect to the laws and the Executive order listed in paragaph 4a above and with respect to labor-management relations programs as may be necessary to serve the Nation's needs.

(2) Interrelating labor-management relations policy with other policies and recommending new legislation.

PLANNING

(3) Establishing planning goals designed to meet the needs determined as a result of an analysis of social and economic problems in the area of labor-management relations and recommending goals to the Secretary.

(4) Reviewing and approving for submission to the Secretary program memoranda for Program Category V (Labor-Management Relations) of the Department's Management System (DMS).

PROGRAMING

(5) Reviewing and approving programs and program objectives designed to achieve planning goals.

BUDGETING

(6) Reviewing and approving or recommending, as appropriate, program and financial plans for Program Category V of the DMS.

(7) Reviewing and recommending budgets for programs within the area of delegated responsibility and approving financial allocations to be made to offices in LMSA which come within the scope of Program Category V.

EXECUTING PROGRAMS

(8) Providing general guidance and leadership in the execution of programs.

(9) Monitoring and controlling program activities and funds or otherwise assuring that controls or activity reports focus the attention of office heads on problems requiring analysis, and on decisions that must be made or actions that must be taken.

(10) Issuing, on the advice of the Solicitor, such rules and regulations authorized by statute, and in accordance with section 1, Chapter 5–600, Manual of Administration, and interpretations as are required to carry out the responsibilities delegated herein.

(11) Reviewing and recommending to the Secretary, or approving an appropriate organization structure necessary for executing programs consistent with the provisions of Chapter 4–200 of the Manual of Administration.

(12) Planning the personnel requirements and overseeing the staffing of the organization to execute programs.

(13) Recommending the bringing of legal proceedings in the courts.

REVIEWING AND ANALYZING PERFORMANCE AND PRODUCTION

(14) Reviewing and approving consolidated labor-management relations program review and analysis reports.

(15) Evaluating by special studies or other methods, the effectiveness of programs in relation to goals.

(16) Making or directing changes in plans and programs and performance as indicated by review and analysis reports and evaluations of effectiveness.

EXTERNAL RELATIONS

(17) Assisting the Secretary in presenting the Department's interests and policies to the Congress, other Government agencies and to the public.

c. *The LMSA Administrator.* Upon delegation from Assistant Secretary for Labor-Management Relations of specific authority and responsibility pursuant to the laws and the Executive order cited in paragraph 4a above, the LMSA Administrator shall have responsibility for administering labor-management relations programs and shall, among other things, perform the following broad functions:

POLICY

(1) Developing and recommending policy to the Assistant Secretary with respect to such aspects of labor-management relations programs necessary or desirable to respond to the nation's needs and the laws or the Executive order listed in paragraph 4a above.

PLANNING

(2) Developing and recommending to the Assistant Secretary planning goals with respect to all labor-management relations programs, including those authorized by the legislation and Executive order specified in paragraph 4a above, designed to meet the needs determined as a result of an analysis of social and economic problems in the labor-management relations area.

(3) Preparing and recommending program memoranda for Program Category V of the DMS.

PROGRAMMING

(4) Developing and recommending programs and program objectives designed to achieve planning goals.

BUDGETING

(5) Developing and presenting a budget and making allocations on an annual plan for financial allocations to be made to offices within the LMSA.

(6) Reviewing and recommending program and financial plans for Program Category V of the DMS.

EXECUTING PROGRAMS

(7) Supervising the Directors of LMWP, OVRR, LMPD, LMRS, and OAM, and the Director of Information and such other staff as may be in his immediate office.

(8) Developing, recommending, or approving an appropriate organization structure necessary for executing programs consistent with the provisions of Chapter 4–200 of the Manual of Administration including:

(a) Arranging the formal relationships between persons in various parts of the organization.

(b) Establishing positions, shaping individual key jobs and assigning duties, and

(c) Monitoring the development of methods and procedures by which the work of the component organizations will be carried on.

(9) Planning personnel requirements and staffing the organization to execute programs including:

(a) Allocating or recommending grades for key positions and monitoring the allocation of grades by the LMSA office directors.

(b) Monitoring the determination of skills needed to perform the work of the organization.

(c) Monitoring the recruitment and qualification evaluation of candidates to fill positions, and

(d) Monitoring the selection and appointment of personnel.

(10) Guiding and leading the execution of programs by:

(a) Making decisions and taking action on labor-management relations programs and policy or recommending action or policies for decision as appropriate.

(b) Assuring that training and development programs are provided for executives, supervisors, professional, and other employees.

(c) Assuring that performance requirements are established for all employees.

(d) Assuring that information, facilities, and equipment needed by employees to perform effectively are provided, and

(e) Communicating policies and instructions as necessary for carrying out responsibilities assigned by this order.

(11) Recommending the issuance by the Assistant Secretary of such rules, regulations, and interpretations as are required to carry out the responsibilities delegated herein.

(12) Recommending to the Assistant Secretary the bringing of legal proceedings in the courts.

(13) Providing functional supervision and coordination of the labor-management relations activities of all bureaus and offices of the Department of Labor to insure integration into a balanced and comprehensive labor-management relations program.

(14) Redelegating such authority as is delegated to him, except as specifically limited.

REVIEWING AND ANALYZING PERFORMANCE AND PRODUCTION

(15) Reviewing and consolidating quarterly review and analysis reports submitted by LMSA Offices in relation to Program Category V of the DMS and

submitting a consolidated report to the Assistant Secretary.

(16) Evaluating through special studies or other methods the effectiveness of programs in relation to goals.

(17) Making or directing changes in plans and programs and performance as indicated by review and analysis reports and evaluations of effectiveness.

d. *Solicitor of Labor.* The Solicitor of Labor shall have the responsibility for providing legal advice and assistance to all officers of the Department relating to the administration of the statutes and Executive order listed in paragraph 4a above.

5. *Reservation of authority.* The following functions are reserved to the Secretary:

a. Submission of reports and recommendations to the President and the Congress concerning the administration of the statutes and Executive order listed in paragraph 4a above.

b. The bringing of legal action under the statutes and Executive order listed in paragraph 4a above, the determination in each case whether such proceedings are appropriate to be made by the Solicitor of Labor. When agreement is not reached between the Assistant Secretary for Labor-Management Relations and the Solicitor regarding the bringing of such proceedings, the Assistant Secretary shall refer the matter to the Secretary for decision.

6. *Directives affected.* Secretary's Order 14–67 is canceled by this Order.

7. *Effective date.* This order is effective immediately.

Signed at Washington, D.C., this 4th day of September 1968.

WILLARD WIRTZ,
Secretary of Labor.

[F.R. Doc. 68–12742; Filed, Oct. 18, 1968; 8:47 a.m.]

[Secretary's Order 17–68]

ASSISTANT SECRETARY-WAGE AND LABOR STANDARDS ADMINISTRATOR ET AL.

Supervision of the Wage and Hour and Public Contracts Divisions

1. *Purpose.* This order delegates authority and describes the responsibility for the general supervision of the Wage and Hour and Public Contracts Divisions (WHPC).

2. *Background.* The Assistant Secretary for Labor-Management Relations has supervised the WHPC Administrator on a line basis. WHPC programs, being wage and labor standards programs, have been coordinated with other such programs in the Bureau of Labor Standards, Women's Bureau and Bureau of Employees' Compensation by the Assistant Secretary for Wage and Labor Standards. This arrangement is being continued.

3. *Delegation of authority and assignment of responsibilities*—a. *The Assistant Secretary for Labor-Management Relations* is hereby delegated authority and responsibilities, except as hereinafter provided, for carrying out the Department's programs and activities to be performed by the Secretary of Labor under:

(1) The Fair Labor Standards Act (FLSA) of 1938, as amended, except those provisions relating to safety and child labor standards delegated to the Assistant Secretary for Wage and Labor Standards.

(2) The Walsh-Healey Public Contracts Act, as amended, except those provisions relating to safety activities delegated to the Assistant Secretary for Wage and Labor Standards.

(3) McNamara-O'Hara Service Contract Act of 1965, except those provisions relating to safety activities delegated to the Assistant Secretary for Wage and Labor Standards.

(4) The Equal Pay Act of 1963 as provided for in Secretary's Order No. 23–64.

(5) The Arts and Humanities Act (Public Law 89–209) except those safety activities delegated to the Assistant Secretary for Wage and Labor Standards and activities necessary pursuant to section 5(k) which are the responsibility of the Solicitor.

(b) *The Assistant Secretary—Wage and Labor Standards Administrator* is assigned responsibility for integrating program memoranda, program and financial plans and review and analysis reports of the WHPC with those of others performing wage and labor standards activities so that the Secretary and the President can review the programs that contribute to the broad goals of providing effective wage and labor standards in one place.

c. *The Assistant Secretary for Labor-Management Relations* in carrying out the authority and responsibilities assigned in paragraph 3a above shall, among other things, perform the following functions:

POLICY

(1) Developing and recommending to the Secretary or establishing policy with respect to delegations in paragraph 3a above after coordinating with the Assistant Secretary for Wage and Labor Standards.

(2) Interrelating policy with respect to delegations in paragraph 3a above with other policies and after coordinating with the Assistant Secretary for Wage and Labor Standards recommending new legislation.

(3) Establishing planning goals designed to meet the needs determined as a result of an analysis of social and economic problems related to the area of responsibility delegated in 3a above, and presenting these goals in a program memorandum which will be submitted to the Assistant Secretary for Wage and Labor Standards for integration with other wage and labor standards programs in a wage and labor standards program memorandum.

PROGRAMMING

(4) Reviewing and approving pr grams and program objectives designe to achieve planning goals.

BUDGETING

(5) Reviewing and submitting pr gram and financial plans for progran in the area of delegated responsibilit 3a above, and submitting the progra and financial plans to the Assistant Se retary for Wage and Labor Standar for integrating with other wage ar labor standards program and financi plans.

(6) Reviewing and recommendir budgets for programs within the area delegated responsibility and approvir financial allocations to be made WHPC.

EXECUTING PROGRAMS

(7) Providing general guidance ar leadership in the execution of progran and general supervision of the WHP Administrator.

(8) Monitoring and controlling pr gram activities and funds or otherwi assuring that controls or activity repor focus the attention of WHPC on prol lems requiring analysis and on decisio that must be made or actions that mu be taken.

(9) Reviewing and recommending the Secretary or approving an appropr ate organization structure necessary f executing programs consistent with t provisions of Chapter 4–200 of the Mai ual of Administration.

(10) Overseeing the planning of pe sonnel requirements and the staffing the organization to execute programs.

(11) Issuing such rules, and regul tions authorized by statute, and in a cordance with section 1, Chapter 5–60 Manual of Administration, and inte pretations, on the advice of the Solicito as are required to carry out the respo sibilities delegated herein.

(12) Recommending the bringing legal proceedings in the courts.

(13) Redelegating such authority as delegated except as such delegation m be specifically limited.

REVIEWING AND ANALYZING PERFORMAN AND PRODUCTION

(14) Reviewing and approving WHP review and analysis reports to be su mitted to the Assistant Secretary f Wage and Labor Standards for integr tion in the WLSA quarterly review a analysis reports for submission to t Secretary.

(15) Evaluating by special studies other methods, the effectiveness of pr grams in relation to goals.

(16) Directing changes in plans a programs and performance as indicat by the review and analysis reports a evaluations of effectiveness.

EXTERNAL RELATIONS

(17) Assisting the Secretary in pr senting the Department's interests a policies to the Congress, other Gover ment agencies and to the public

matters relating to the laws listed in paragraph 3(a) above.

d. The Solicitor of Labor shall have the responsibility for providing legal advice and assistance to all officers of the Department relating to the administration of the statutes listed in paragraph 3a above.

4. *Reservation of authority.* The following functions are reserved to the Secretary:

a. Submission of reports and recommendations to the President and the Congress concerning the administration of the statutes listed in paragraph 3a above.

b. The bringing of legal action under the statutes listed in paragraph 3a above, the determination in each case whether such proceedings are appropriate to be made by the Solicitor of Labor. When agreement is not reached between the Assistant Secretary for Labor-Management Relations and the Solicitor regarding the bringing of such proceedings, the Assistant Secretary shall refer the matter to the Secretary for decision.

5. *Directives affected.* This order cancels Secretary's Order No. 16–67.

6. *Effective date.* This order is effective immediately.

Signed at Washington, D.C., this 4th day of September 1968.

WILLARD WIRTZ,
Secretary of Labor.

[F.R. Doc. 68–12743; Filed, Oct. 18, 1968; 8:47 a.m.]

INTERSTATE COMMERCE COMMISSION

[Car Distribution Direction 8; S.O. 1002]

BOSTON AND MAINE CORP. ET AL.

Car Distribution

Pursuant to section I(15) and (17) of the Interstate Commerce Act and authority vested in me by Interstate Commerce Commission Service Order No. 1002.

It is ordered, That:

(1) Each common carrier by railroad subject to the Interstate Commerce Act shall comply with the following distribution directions:

(a) The Boston and Maine Corp. shall deliver to the Penn Central Co. a weekly total of 175 empty plain serviceable boxcars with inside length less than 44 feet 8 inches and doors less than eight feet wide. Exception: Canadian ownerships.

(b) The Penn Central Co. shall deliver to the Chicago and North Western Railway Co. a weekly total of 175 empty plain serviceable boxcars with inside length less than 44 feet 8 inches and doors less than eight feet wide. Exception: Canadian ownerships.

It is further ordered, That the rate of delivery specified in this direction shall be maintained within weekly periods ending each Sunday at 11:59 p.m., so that at the end of each 7 days the full delivery required for that period shall have been made.

It is further ordered, That cars applied under this direction shall be so identified on empty car cards, movement slips, and interchange records as moving under the provisions of this direction.

(c) The carriers delivering the empty boxcars as described above must advise agent R. D. Pfahler each Wednesday as to the number of cars, covered by this direction, delivered during the preceding week, ending each Sunday at 11:59 p.m.

(d) The carriers receiving the cars described above must advise agent R. D. Pfahler each Wednesday as to the number of cars received during the preceding week, ending each Sunday at 11:59 p.m.

(2) *Regulations suspended.* The operation of all rules and regulations, insofar as they conflict with the provisions of this direction, is hereby suspended.

(3) *Effective date.* This direction shall become effective at 12:01 a.m., October 17, 1968.

(4) *Expiration date.* This direction shall expire at 11:59 p.m., November 2, 1968, unless otherwise modified, changed, or suspended by order of this Commission.

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

Issued at Washington, D.C., October 15, 1968.

INTERSTATE COMMERCE COMMISSION,
[SEAL] R. D. PFAHLER,
Agent.

[F.R. Doc. 68–12769; Filed, Oct. 18, 1968; 8:50 a.m.]

[Car Distribution Direction 9; S.O. 1002]

ST. LOUIS-SAN FRANCISCO RAILWAY CO. AND CHICAGO AND NORTH WESTERN RAILWAY CO.

Car Distribution

Pursuant to section 1(15) and (17) of the Interstate Commerce Act and authority vested in me by Interstate Commerce Commission Service Order No. 1002.

It is ordered, That:

(1) Each common carrier by railroad subject to the Interstate Commerce Act shall comply with the following distribution directions:

(a) The St. Louis-San Francisco Railway Co. shall deliver to the Chicago and North Western Railway Co. a weekly total of 175 empty plain serviceable boxcars with inside length less than 44 feet 8 inches and doors less than 8 feet wide. Exception: Canadian ownerships.

It is further ordered, That the rate of delivery specified in this direction shall be maintained within weekly periods ending each Sunday at 11:59 p.m., so that at the end of each 7 days the full delivery required for that period shall have been made.

It is further ordered, that cars applied under this direction shall be so identified on empty car cards, movement slips, and interchange records as moving under the provisions of this direction.

(b) The carrier delivering the empty boxcars as described above must advise agent R. D. Pfahler each Wednesday as to the number of cars, covered by this direction, delivered during the preceding week, ending each Sunday at 11:59 p.m.

(c) The carrier receiving the cars described above must advise agent R. D. Pfahler each Wednesday as to the number of cars received during the preceding week, ending each Sunday at 11:59 p.m.

(2) *Regulations suspended.* The operation of all rules and regulations, insofar as they conflict with the provisions of this direction, is hereby suspended.

(3) *Effective date.* This direction shall become effective at 12:01 a.m., October 17, 1968.

(4) *Expiration date.* This direction shall expire at 11:59 p.m., November 2, 1968, unless otherwise modified, changed, or suspended by order of this Commission.

It is further ordered, That a copy of this direction shall be served upon the Association of American Railroad, Car Service Division, as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this direction be given to the general public by depositing a copy in the Office of the Secretary of the Commission in Washington, D.C., and by filing it with the Director, Office of the Federal Register.

Issued at Washington, D.C., October 15, 1968.

INTERSTATE COMMERCE COMMISSION,
[SEAL] R. D. PFAHLER,
Agent.

[F.R. Doc. 68–12768; Filed, Oct. 18, 1968; 8:50 a.m.]

[Car Distribution Direction 7; S.O. 1002]

SEABOARD COAST LINE RAILROAD CO. ET AL.

Car Distribution

Pursuant to section 1 (15) and (17) of the Interstate Commerce Act and authority vested in me by Interstate Commerce Commission Service Order No. 1002

It is ordered, That:

(1) Each common carrier by railroad subject to the Interstate Commerce Act shall comply with the following distribution directions:

(a) The Seaboard Coast Line Railroad Co. shall deliver to the Louisville and

Nashville Railroad Co. a weekly total of 175 empty plain serviceable boxcars with inside length less than 44 feet 8 inches and doors less than eight feet wide. Exception: Canadian ownerships.

(b) The Louisville and Nashville Railroad Co. shall deliver to the Chicago and North Western Railway Co. a weekly total of 175 empty plain serviceable boxcars with inside length less than 44 feet 8 inches and doors less than eight feet wide. Exception: Canadian ownerships.

It is further ordered, That the rate of delivery specified in this direction shall be maintained within weekly periods ending each Sunday at 11:59 p.m., so that at the end of each 7 days the full delivery required for that period shall have been made.

It is further ordered, That cars applied under this direction shall be so identified on empty car cards, movement slips, and interchange records as moving under the provisions of this direction.

(c) The carriers delivering the empty boxcars as described above must advise agent R. D. Pfahler each Wednesday as to the number of cars, covered by this direction, delivered during the preceding week, ending each Sunday at 11:59 p.m.

(d) The carriers receiving the cars described above must advise agent R. D. Pfahler each Wednesday as to the number of cars received during the preceding week, ending each Sunday at 11:59 p.m.

(2) *Regulations suspended.* The operation of all rules and regulations, insofar as they conflict with the provisions of this direction, is hereby suspended.

(3) *Effective date.* This direction shall become effective at 12:01 a.m., October 17, 1968.

(4) *Expiration date.* This direction shall expire at 11:59 p.m., November 2, 1968, unless otherwise modified, changed or suspended by order of this Commission.

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

Issued at Washington, D.C., October 15, 1968.

INTERSTATE COMMERCE COMMISSION,
[SEAL] R. D. PFAHLER,
Agent.

[F.R. Doc. 68-12770; Filed, Oct. 18, 1968; 8:50 a.m.]

Title 2—THE CONGRESS

ACTS APPROVED BY THE PRESIDENT

EDITORIAL NOTE: After the adjournment of the Congress *sine die,* and until all public acts have received final Presidential consideration, a listing of public laws approved by the President will appear in the daily FEDERAL REGISTER under Title 2—The Congress. A consolidated listing of the new acts approved by the President will appear in the Daily Digest in the final issue of the Congressional Record covering the 90th Congress, Second Session.

Approved October 17, 1968

S. 945 ..... Public Law 90-578
Federal Magistrate Act.

S. 2439 ..... Public Law 90-579
An act to increase the number and salaries of judges of the District of Columbia Court of General Sessions, the salaries of the District of Columbia Court of Appeals and the District of Columbia Tax Court, and for other purposes.

H.R. 18707 ..... Public Law 90-580
Department of Defense Appropriation Act, 1969.

H.R. 19908 ..... Public Law 90-581
An Act making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

S. 3986 ..... Public Law 90-582
An Act to amend the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, to expedite retirement of Government capital from Federal intermediate credit banks, production credit associations and banks for cooperatives, and for other purposes.

S. 2671 ..... Public Law 90-583
An Act to provide for the control of noxious plants on land under the control or jurisdiction of the Federal Government.

S. 3227 ..... Public Law 90-584
An Act to provide for the disposition of funds appropriated to pay a judgment in favor of the Southern Paiute Nation of Indians.

H.R. 18885 ..... Public Law 90-585
An Act to provide for the disposition of funds appropriated to pay judgments in favor of the Seminole Tribe of Oklahoma in dockets numbered 150 to 248 of the Indian Claims Commission, and for other purposes.

S. 913 ..... Public Law 90-586
An Act to amend part III of the Interstate Commerce Act to provide for the recording of trust agreements and other evidences of equipment indebtedness of water carriers, and for other purposes.

S. 2496 ..... Public Law 90-587
An Act to authorize the Commissioner of the District of Columbia to enter into and renew reciprocal agreements for police mutual aid on behalf of the District of Columbia with the local governments in the Washington metropolitan area.

H.R. 13844 ..... Public Law 90-588
An Act to provide additional leave of absence for Federal employees in connection with the funerals of their immediate relatives who died as a result of wounds, disease, or injury incurred while serving as a member of the Armed Forces in a combat zone; and to provide additional leave for Federal Employees called to duty as members of the National Guard or Armed Forces Reserves.

H.R. 13480 ..... Public Law 90-589
An Act to make the proof of financial responsibility requirements of section 39 (a) of the Motor Vehicle Safety Responsibility Act of the District of Columbia inapplicable in the case of minor traffic violations involving drivers' licenses and motor vehicle registration.

H.R. 1411 ..... Public Law 90-590
An Act to amend title 39, United States Code, with respect to use of the mails to obtain money or property under false representations, and for other purposes.

H.R. 8781 ..... Public Law 90-591
An Act to authorize the Secretary of the Interior to exchange certain lands in Shasta County, California, and for other purposes.

H.R. 13099 ..... Public Law 90-592
An Act to authorize the establishment of the Carl Sandburg Home National Historic Site in the State of North Carolina, and for other purposes.

S.J. Res. 191 ..... Public Law 90-593
A Joint Resolution authorizing the erection of a statue of Benito Pablo Juarez on public grounds in the District of Columbia.

H.R. 17787 ..... Public Law 90-594
An Act to authorize the appropriation of funds for Padre Island National Seashore in the State of Texas, and for other purposes.

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The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published to date during October.

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