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EXECUTIVE ORDER

TRANSFER OF JURISDICTION OVER CERTAIN LANDS FROM THE SECRETARY OF AGRICULTURE TO THE SECRETARY OF THE INTERIOR

MONTANA

WHEREAS the hereinafter-described lands located within the Fort Peck Indian Reservation in Montana have been acquired under authority of Title II of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 195, 200), in connection with the Milk River (LA-MT 2) Land Utilization Project of the Department of Agriculture; and

WHEREAS by Executive Order No. 7908, dated June 9, 1938,¹ all the right, title, and interest of the United States in such lands was transferred to the Secretary of Agriculture for use, administration, and disposition in accordance with the provisions of Title III of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (50 Stat. 522, 525), and the related provisions of Title IV thereof; and

WHEREAS it appears that the transfer of jurisdiction over such lands from the Secretary of Agriculture to the Secretary of the Interior for administrative purposes would be in the public interest:

NOW, THEREFORE, by virtue of and pursuant to the authority vested in me by section 32, Title III of the said Bankhead-Jones Farm Tenant Act, it is ordered that jurisdiction over the hereinafter-described lands, together with all improvements thereon, acquired by the United States in connection with the Milk River (LA-MT 2) Project, be, and it is hereby, transferred from the Secretary of Agriculture to the Secretary of the Interior; and the Secretary of the Interior is hereby authorized to administer such lands, through the Commissioner of Indian Affairs, for the benefit of such Indians as the Secretary may designate, under such conditions of use and administration as will best carry out the purposes of the land-conservation and land-utilization program for which such lands were acquired:

VALLEY COUNTY, MONTANA

Montana Meridian

- T. 30 N., R. 42 E., sec. 19, E $\frac{1}{2}$ SE $\frac{1}{4}$;
- sec. 20, NW $\frac{1}{4}$ SW $\frac{1}{4}$;
- sec. 30, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
- T. 30 N., R. 43 E., sec. 18, lots 1 and 2, and E $\frac{1}{2}$ NW $\frac{1}{4}$;
- T. 32 N., R. 41 E., sec. 6, lots 1 to 4, inclusive;
- sec. 35, N $\frac{1}{2}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, and NW $\frac{1}{4}$;
- sec. 36, N $\frac{1}{2}$;
- T. 32 N., R. 43 E., sec. 23, SW $\frac{1}{4}$;
- sec. 26, NW $\frac{1}{4}$;
- sec. 35, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
- T. 32 N., R. 45 E., sec. 5, S $\frac{1}{2}$ SE $\frac{1}{4}$;
- sec. 10, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
- sec. 16, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
- T. 33 N., R. 39 E., sec. 25, lot 5;

¹ 3 F. R. 1389 DL

T. 33 N., R. 40 E.,
 sec. 30, lots 3 and 4, E½SW¼, W½SE¼,
 and SE¼SE¼;
 sec. 35, S½SE¼, and S½SW¼;
 T. 33 N., R. 42 E.,
 sec. 31, lots 3 and 4, S½SE¼, and E½SW¼;
 sec. 32, S½SW¼.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
 February 23, 1939.

[No. 8055]

[F. R. Doc. 39-673; Filed, February 25, 1939;
 12:23 p. m.]

EXECUTIVE ORDER

AMENDMENT OF PARAGRAPH 4, SUBDIVISION IV, SCHEDULE B, CIVIL SERVICE RULES

By virtue of the authority vested in me by paragraph Eighth, subdivision SECOND, section 2 of the Civil Service Act (22 Stat. 403, 404), it is ordered that paragraph 4, Subdivision IV, Schedule B of the Civil Service Rules be, and it is hereby, amended to read as follows:

"4. Classified positions in the Ordnance Department at Large, and in the Chemical Warfare Service at Large at Edgewood Arsenal, Maryland, War Department, when filled by the promotion of unclassified laborers, subject to the approval of the Civil Service Commission."

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
 February 23, 1939.

[No. 8056]

[F. R. Doc. 39-674; Filed, February 25, 1939;
 12:24 p. m.]

EXECUTIVE ORDER

TRANSFER OF CERTAIN LANDS FROM THE SECRETARY OF AGRICULTURE TO THE SECRETARY OF THE INTERIOR

VIRGINIA

WHEREAS the hereinafter-described lands, together with the improvements thereon, have been acquired by the United States under the authority of the Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (49 Stat. 115), in connection with the Department of Agriculture's land-utilization and land-conservation project in Virginia known as the Surrender Grounds Forest Project, LA-VA 2; and

WHEREAS by Executive Order No. 7908, dated June 9, 1938,¹ all the right, title, and interest of the United States in such lands was transferred to the Secretary of Agriculture for use, administration, and disposition in accordance with the provisions of Title III of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (50 Stat. 522, 525), and the related provisions of Title IV thereof; and

¹ 3 F. R. 1389 DL.

WHEREAS the aforesaid lands are within the area proposed to be designated by the Secretary of the Interior as necessary and desirable for the Appomattox Court House National Historical Monument to be established in accordance with the act of August 13, 1935, c. 520, 49 Stat. 613; and

WHEREAS it appears that the use and administration of such lands as a part of the Appomattox Court House National Historical Monument would be in the public interest:

NOW, THEREFORE, by virtue of and pursuant to the authority vested in me by section 32, Title III of the said Bankhead-Jones Farm Tenant Act, and upon recommendation of the Secretary of Agriculture, it is ordered that the hereinafter-described lands, together with the improvements thereon, be, and they are hereby, transferred from the Secretary of Agriculture to the Secretary of the Interior for use and administration as a part of the Appomattox Court House National Historical Monument to be established pursuant to the said act of August 13, 1935:

All that certain area known as the "Appomattox Surrender Ground" lying around the village of Old Appomattox Court House in Clover Hill Magisterial District, Appomattox County, Virginia, situated about two miles east of Appomattox, Virginia, on both sides of State Highway 24, on the headwaters of Appomattox River, and more particularly described as follows:

Beginning at corner 1, common to the Gallilee Church parcel and in the right-of-way of State Highway 24; thence with said right-of-way N. 62°59' E., 1.80 chains to corner 2; thence northeasterly to the right along a 2°2' curve 10.27 chains to corner 3; thence N. 76°46' E., 32.57 chains to corner 4; thence S. 0°36' W., 2.87 chains to corner 5; thence N. 81°18' E., 3.62 chains to corner 6, which is a corner common to Tract No. 142 and the Herman Church Lot; thence N. 8°02' W., 3.09 chains to corner 7; thence N. 76°46' E., 3.76 chains to corner 8; thence N. 76°46' E., 0.07 chains to corner 9; thence N. 76°46' E., 0.15 chains to corner 10; thence N. 76°46' E., 1.62 chains to corner 11; thence northeasterly to the left along a 1° curve 5.34 chains to corner 12; thence N. 73°13' E., 2.11 chains to corner 13; thence N. 73°12'30" E., 11.35 chains to corner 14; thence northeasterly along the center of the Old Richmond Stage Road at 11.69 chains, crossing north right-of-way line of State Highway 24, in all 13.54 chains to corner 15; thence N. 64°48' E., 4.88 chains to corner 16; thence N. 74°37' E., 1.05 chains to corner 17; thence N. 1°19' W., 5.75 chains to corner 18; thence S. 86°40' W., 4.33 chains to corner 19; thence N. 16°40' E., 0.99 chains to corner 20; thence N. 26°48' E., 2.88 chains to corner 21; thence N. 44°55' E., 0.04 chains to corner 22; thence easterly down

a spring branch with its meanders 8.56 chains to corner 23; thence easterly down said spring branch with its meanders 10.34 chains to corner 24; thence S. 2°40' W., 10.07 chains to corner 25; thence S. 88°23' W., 2.32 chains to corner 26; thence S. 1°48' E., at 1.97 chains crossing center line of State Highway 24, in all 2.95 chains to corner 27; thence N. 89°52' E., 0.32 chains to corner 28; thence easterly to the left along a 7° curve 3.95 chains to corner 29; thence S. 23°24' E., 0.23 chains to corner 30; thence northeasterly to the left along a 7° curve 2.14 chains to corner 31; thence N. 51°59' E., 3.06 chains to corner 32; thence N. 51°35' E., 0.55 chains to corner 33; thence N. 51°35' E., 10.60 chains to corner 34; thence northeasterly to the left along a 4° curve 13.97 chains to corner 35; thence northeasterly along a 4° curve 0.40 chains to corner 36; thence N. 14°22' E., 2.71 chains to corner 37; thence S. 75°10' E., 1.50 chains to corner 38; thence N. 15°20' E., at 2 chains crossing the Appomattox River, in all 3.38 chains to corner 39; thence N. 75°25' W., 1.48 chains to corner 40; thence N. 14°07' E., 5.98 chains to corner 41; thence N. 14°39' E., 6.81 chains to corner 42; thence N. 14°36' E., 4.29 chains to corner 43; thence northeasterly to the right along a 2° curve 7.17 chains to corner 44; thence N. 24°15' E., 17.34 chains to corner 45; thence northeasterly to the right along a 4° curve 9.13 chains to corner 46; thence N. 49°02' E., 12.00 chains to corner 47; thence northeasterly along the center of the Old Richmond Road and the meanders thereof 6.08 chains to corner 48; thence N. 41°20' W., 2.41 chains to corner 49; thence southeasterly along the center of Old Mill Road and the meanders thereof 25.72 chains to corner 50; thence S. 20°39' W., 39.66 chains to corner 51, a point in the center of the Appomattox River at an old ford; thence southeasterly down said Appomattox River as it meanders 41.80 chains to corner 52, a point in the center of said Appomattox River at an old road; thence southerly along the center of said old road and the meanders thereof 13.62 chains to corner 53; thence S. 75°30' W., 18.82 chains to corner 54; thence S. 71°36' W., 3.45 chains to corner 55; thence S. 68°19' W., 14.32 chains to corner 56; thence N. 72°55' W., 7.52 chains to corner 57; thence S. 38°24' W., 33.19 chains to corner 58; thence S. 50°55' W., 5.15 chains to corner 59; thence S. 44°35' W., 17.19 chains to corner 60; thence S. 82°14' W., 40.57 chains to corner 61; thence S. 59°41' W., 0.66 chains to corner 62; thence southwesterly up Plain Run Branch with meanders thereof 7.79 chains to corner 63; thence westerly up center of Plain Run Branch and meanders thereof 57.83 chains to corner 64; thence westerly up said branch with meanders thereof 21.12 chains to corner 65; thence N. 22°38' W., 29.39 chains to corner 66; thence N. 22°48' W., 2.27 chains to place of be-

ginning, containing 963.93 acres more or less.

FRANKLIN D ROOSEVELT
THE WHITE HOUSE,
February 23, 1939.

[No. 8057]

[F. R. Doc. 39-675; Filed, February 25, 1939;
12:24 p. m.]

Rules, Regulations, Orders

**TITLE 6—AGRICULTURAL CREDIT
COMMODITY CREDIT CORPORATION**

1938 WOOL CIRCULAR LETTER No. 5

SUPPLEMENTAL INSTRUCTIONS

DECEMBER 7, 1938.

Commodity Credit Corporation by 1938 Wool Circular Letter No. 4¹ authorized the grading of wool pledged as security to notes on 1938 CCC Wool Forms A, B, or C, upon condition that a certificate in the form set forth therein be issued by the warehouseman and attached to the warehouse receipt representing such wool. After the grading of the wool securing any one note held by Commodity Credit Corporation, partial releases will be permitted of all of the wool of one or more grades. In such cases the entire net sales proceeds for the wool sold, in an amount not less than the loan value of such wool (as determined by Commodity Credit Corporation) shall be applied on the note and a new warehouse receipt representing the unsold graded wool shall be substituted and returned for the original warehouse receipt. Such substituted warehouse receipt shall identify the original warehouse receipt by date and number and may state the date storage charges shall begin, which shall not be earlier than the date of the original warehouse receipt.

If the borrower's note has been submitted to Commodity Credit Corporation, the borrower desiring to obtain a partial release of graded wool should notify the Federal Reserve Bank or Branch thereof serving the district in which such wool is stored, identifying the warehouse receipt and stating the grade or grades of the wool to be sold. Such warehouse receipts held by the Federal Reserve Bank or Branch thereof for Commodity Credit Corporation will be forwarded to an approved bank to be released to the borrower or Agent against:

(a) The payment of the net sales proceeds (as certified by the borrower), which shall be not less than the loan value of the graded wool sold plus interest on such amount and any charges applicable thereto as determined by Commodity Credit Corporation.

¹ 3 F. R. 2594 DI.

(b) The delivery of the trust receipt of the warehouseman storing the graded wool in the following form:

TRUST RECEIPT

Received from Commodity Credit Corporation in trust the following described warehouse receipts with attached certificates of grading issued by the undersigned:

Warehouse Receipt No.	Date	Pounds
-----	-----	-----
-----	-----	-----
-----	-----	-----

The undersigned agrees that within ten days from the date hereof separate warehouse receipts for each grade of wool represented by said warehouse receipts which is not sold will be delivered directly to the ----- Branch, Federal Reserve Bank of ----- Such new warehouse receipts will identify the original warehouse receipt by date and number and will state the date storage charges shall begin. It is understood that upon the receipt of said warehouse receipts, this trust receipt will be canceled and returned to the undersigned.

(Warehouseman)

(Date)

It should be noted that the foregoing procedure applies only to graded wool securing notes held by Commodity Credit Corporation and is not applicable to wool securing notes held by lending agencies.

[SEAL] SAMUEL H. SABIN,
Secretary.

[F. R. Doc. 39-661; Filed, February 25, 1939;
10:10 a. m.]

1938 WHEAT CIRCULAR LETTER No. 8

SUPPLEMENTAL INSTRUCTIONS

DECEMBER 7, 1938.

Sub-section (a) of Section 3 of the Instructions (1938 CCC Wheat Form 1¹) is hereby supplemented by adding the following basic loan values for wheat of the added grades and sub-classes at the terminal markets indicated:

Market	Grade and subclass	Loan rate per bushel
Kansas City, Missouri and Kansas City, Kansas.	No. 2 Soft White...	.70
	No. 2 Hard White	.70
Omaha, Nebraska and Council Bluffs, Iowa.	No. 2 Red Winter...	.69
	No. 2 Soft White... No. 2 Hard White.	.69 .69

Wheat producers are advised that Commodity Credit Corporation will only accept notes secured by eligible wheat which are dated prior to January 1, 1939. The Corporation does not contemplate any extension of time for the making of wheat loans.

Lending agencies handling wheat loan paper are requested to detach and mail to Commodity Credit Corporation "Advices of Loans" on all loans. Lending agencies are further advised that

¹ 3 F. R. 1997 DI.

eligible wheat loan paper will be purchased by Commodity Credit Corporation only from lending agencies which have entered into a Contract to Purchase with the Corporation obtainable from Loan Agencies of Reconstruction Finance Corporation.

[SEAL] JAMES A. COLE,
Special Assistant.

[F. R. Doc. 39-662; Filed, February 25, 1939;
10:10 a. m.]

1938-39 COTTON CIRCULAR LETTER No. 5

SUPPLEMENTAL INSTRUCTIONS

DECEMBER 17, 1938.

Section 3 of the printed Instructions (1938-39 CCC Cotton Form 1)¹ establishes the loan values for eligible cotton. Said section is hereby amended by adding the following loan rates which shall be applicable to irrigated cotton grown in Western Texas, New Mexico, Arizona and California:

Grade	Length of staple				
	3/8"	1 1/8"	1"	1 1/4"	1 3/8"
White standards:					
No. 3 or Good Mid.....	8.70				
No. 4 or St. Mid.....	8.60				
No. 5 or Middling.....	8.30				
No. 6 or St. Low Mid.....	7.30				
No. 7 or Low Mid.....	6.35	6.45	6.65	6.70	6.80
Spotted:					
No. 3 Sp. or G. M. Sp....	7.55				
No. 4 Sp. or S. M. Sp....	7.45				
No. 5 Sp. or M. Sp.....	6.80				
Tinged:					
No. 3 T. or G. M. T....	5.65	5.70	5.75	5.80	5.80
No. 4 T. or S. M. T....	5.65	5.70	5.75	5.80	5.80
Yellow stained:					
No. 3 St. or G. M. St....	5.00	5.00	5.00	5.00	5.00
Gray:					
No. 3 G. or G. M. G....	5.65	5.70	5.75	5.80	5.80
No. 4 G. or S. M. G....	5.65	5.70	5.75	5.80	5.80

Loans to Cooperators on eligible cotton as above described will be made on the basis of the rates shown above and loans to Non-cooperators will be made on the basis of 60% of such rates.

[SEAL] F. P. BIGGS,
Assistant Treasurer.

[F. R. Doc. 39-659; Filed, February 25, 1939;
10:10 a. m.]

1938-39 COTTON CIRCULAR LETTER No. 6

SUPPLEMENTAL INSTRUCTIONS

DECEMBER 27, 1938.

It has been brought to the attention of Commodity Credit Corporation that in certain instances port warehouses are soliciting producers and having loans, which had previously been completed on cotton stored at interior locations, repaid and the cotton shipped to the port, new loans being obtained upon the basis of the port warehouse receipts pursuant to 1938-39 Cotton Circular Letters Nos. 1² and 2³.

¹ 3 F. R. 2589 DI.
² 3 F. R. 2593 DI.
³ 2 F. R. 2621 DI.

The arrangement provided for in the circular letters mentioned above did not contemplate such action where cotton is in the loan and properly stored at interior locations. Accordingly, with respect to notes dated subsequent to January 10, 1939, Commodity Credit Corporation will not accept warehouse receipts showing liens for freight or compression charges as provided in 1938-39 Cotton Circular Letters Nos. 1 and 2, unless accompanied by a certificate of the warehouseman in the following form:

The undersigned warehouseman certifies that the cotton securing the attached note of _____, dated _____, in the amount of \$_____ had not to his knowledge been previously pledged to secure loans of Commodity Credit Corporation on 1938-39 CCC Cotton Form A.

(Signature of Warehouseman)

[SEAL] G. E. RATHELL,
Treasurer.

[F. R. Doc. 39-660; Filed, February 25, 1939; 10:10 a. m.]

1937 COTTON CIRCULAR LETTER NO. 8
JUNE 17, 1938.

The maturity of cotton producers' loans on 1937-38 CCC Cotton Form A has been extended from July 31, 1938 to July 31, 1939.

All loans must be dated prior to July 1, 1938 and direct loans by Commodity Credit Corporation must be delivered or postmarked not later than June 30, 1938.

Banks and other lending agencies will be permitted to carry the notes beyond July 30, 1938 by executing and furnishing to each loan agency of the Reconstruction Finance Corporation holding such notes for the bank or lending agency, Supplemental Contract to Purchase (1937-38 CCC Cotton Form J), copies of which may be obtained from the loan agencies.

Under this Supplemental Contract to Purchase the Corporation will purchase the notes subsequent to July 30, 1938 upon request of the bank or lending agency, paying therefor the face amount of the note plus interest at the rate of 2½ percent per annum as provided in the Contract to Purchase (1937-38 CCC Cotton Form D) from the date of the note to July 30, 1938 and interest at the rate of 1¼ percent per annum from July 30, 1938 to the date of purchase.

Provision has also been made whereby banks or lending agencies may transfer their investment in such notes to other banks as provided in the Letter of Authorization (1937-38 CCC Cotton Form K), copies of which will also be furnished upon request by the loan agencies.

Schedules listing notes covered by the Letter of Authorization must identify the notes by date, name of producer,

face amount of the note and the number of bales pledged and each page of such schedule must be identified by signature of the lending agencies.

The extension of time for purchase of notes from lending agencies does not affect the provisions of the Contract to Purchase (1937-38 CCC Cotton Form J) requiring the tender of notes prior to July 1, 1938. The notes must be tendered prior to July 1, 1938 and will be held by the Federal Reserve Banks, Custodian for the Reconstruction Finance Corporation for the account of lending agencies completing the Supplemental Contract to Purchase.

[SEAL] G. E. RATHELL,
Treasurer.

[F. R. Doc. 39-677; Filed, February 27, 1939; 10:53 a. m.]

TITLE 7—AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

PART 721—PROCLAMATIONS AND DETERMINATIONS RELATING TO CORN ALLOTMENTS

REGULATIONS GOVERNING THE DETERMINATION OF 1939 FARM CORN ACREAGE ALLOTMENTS

CONTENTS

Section	CONTENTS
721.111	Determination of farm corn acreage allotments for 1939
	Amendment subsection (b)—Determination with respect to tillable acreage and crop rotation practices.
	Amended subsection (d)—Adjustment to county acreage allotment.

By virtue of the authority vested in the Secretary of Agriculture by Sections 301, 329, and 375, of the Agricultural Adjustment Act of 1938, as amended, I do prescribe the following amendments to the regulations applicable for determining farm corn acreage allotments for the 1939 crop in counties in the commercial corn-producing area under Title III of said Act, to be in force and effect until rescinded, amended, or superseded by regulations hereafter made by the Secretary of Agriculture under said Act.

Subsection (b) of Section 721.111 of the Regulations Governing the Determination of 1939 Farm Corn Acreage Allotments Under Title III of the Agricultural Adjustment Act of 1938, as Amended, is hereby amended to read as follows:

(b) *Determination with respect to tillable acreage and crop rotation practices.* As a basis for giving consideration to tillable acres and crop rotation practices in the apportionment of the county corn acreage allotment to farms, the county committee shall first determine for each farm the usual acreage of corn. This acreage shall be the average acreage of corn planted (plus the acreage determined by the county committee to have been diverted from the production of corn under the agricultural conservation programs) during the years

1936 and 1937. If the county committee finds that the acreage planted to corn in such years, 1936 and 1937, (1) was abnormally low due to extreme drought or flood or to part of the 1939 cropland being previously devoted to other than cropland uses; (2) is not typical of the farm for 1939 due to a change in the customary crop rotation practices; (3) is not typical because a part of the cropland on the farm was devoted to the production of sweet corn for canning under contract for 1936 or 1937, or both, and is not under similar contract for 1939; (4) was abnormally high due to failure of soil-conserving crops; (5) was abnormally high because a part of the 1939 noncropland was previously devoted to cropland uses; (6) was abnormally high because a part of the cropland on the farm is under contract for the production of sweet corn for canning or popcorn for 1939 and was not under similar contract in 1936, or 1937, or both; or (7) was abnormally high because an unusually large acreage was planted to corn in 1936 or 1937 due to winter killed wheat acreage, the usual acreage of corn for the farm shall be determined on the basis of an indicated usual acreage for the farm obtained by applying to the cropland acreage for the farm a county factor determined by dividing the county average acreage of corn planted in 1936 and 1937 by the total cropland for the county. This usual acreage of corn for such farms shall be comparable with the usual acreage of other farms in the community which are similar with respect to tillable acres, type of soil, crop rotation practices, and topography; and for farms on which the average acreage of corn planted in 1936 and 1937 is greater than the indicated acreage of corn the usual acreage shall not be greater than such average acreage nor less than such indicated acreage, and for such a farm on which the average acreage of corn planted in 1936 and 1937 is less than the indicated acreage the usual acreage shall not be less than such average acreage nor greater than such indicated acreage. In the event the 1936-37 corn history cannot be obtained for the farm the usual acreage shall be the indicated usual acreage of corn for the farm.

In counties having area determinations, the factor for deriving the usual acreage shall be based upon the area total average acreage of corn planted in 1936 and 1937 divided by the area total cropland. A separate factor shall be used for each area in the county.

Subsection (d) of Section 721.111 of the Regulations Governing the Determination of 1939 Farm Corn Acreage Allotments Under Title III of the Agricultural Adjustment Act of 1938, as Amended, is hereby amended to read as follows:

(d) *Adjustment to county acreage allotment.* The farm averages of the usual acreage of corn, determined under

paragraph (b) of this section, and the indicated corn acreage, determined under paragraph (c), adjusted pro rata to equal the county acreage allotment, shall be the farm acreage allotments, provided that if the committees determine that the allotment so derived does not represent the corn acreage which the farm might reasonably be expected to utilize in 1939, the committees shall recommend a corn acreage for the farm which shall not be greater than the allotment established by the procedure. Provided further, that when the sum of special crop acreage allotments for the farm exceeds what has been determined as the acreage which should properly be devoted to soil-depleting crops and it is determined that the corn acreage allotment is high in comparison with other similar farms, the county committee may recommend a corn acreage for the farm such that when added to the sum of the other special crop acreage allotments the total acreage so obtained does not exceed the total acreage on the farm which is determined, in a manner comparable for all farms in the community, to be the acreage which may be devoted properly to the production of soil-depleting crops.

Done at Washington, D. C., this 25th day of February, 1939. Witness my hand and the seal of the Department of Agriculture.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-692; Filed, February 27, 1939; 12:37 p. m.]

SUGAR DIVISION

PART 802—SUGAR DETERMINATIONS

DETERMINATION OF FAIR AND REASONABLE WAGES FOR PERSONS EMPLOYED IN THE PRODUCTION, CULTIVATION OR HARVESTING OF SUGARCANE IN PUERTO RICO DURING THE CALENDAR YEAR 1939

Whereas, Section 301 (b) of the Sugar Act of 1937 provides, as one of the conditions for payment to producers of sugar beets and sugarcane, as follows:

(b) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: Provided, however, That a payment which would be payable except for the foregoing provisions of this subsection may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued un-

paid wages for such work, and that the producer will receive the remainder, if any, of such payment.

and

Whereas, the Secretary of Agriculture, on December 6, 1938, held a public hearing¹ in San Juan, Puerto Rico, for the purpose of receiving evidence likely to be of assistance to him in determining fair and reasonable wage rates for persons employed in the production, cultivation or harvesting of sugarcane in Puerto Rico during 1938:

Now, therefore, I, H. A. Wallace, Secretary of Agriculture, after investigation and due consideration of the evidence obtained at the aforesaid hearing and all other information before me, do hereby make the following determination:

SEC. 802.44a *Fair and reasonable wages for persons employed in the production, cultivation or harvesting of sugarcane in Puerto Rico during the calendar year 1939*—(a) *Day rates for persons employed on farms other than interior farms.* All persons employed on farms other than interior farms on a day basis in the production, cultivation or harvesting of sugarcane with respect to which application for payment is made shall be paid wages in cash therefor at rates not less than the following:

For the first eight hours of work performed in any 24 hour period: For handling carts in operations other than harvesting, \$1.10; cutting cane, operating winches, making ditches and operating irrigation pumps, \$1.21; loading cane on railroad cars (including cars on portable track) and handling portable track, \$1.45; handling carts in harvesting operations, \$1.38; loading cane carts, \$1.32; driving tractor plows, \$1.70; and for all other kinds of work, not less than \$1.00: *Provided, however,* That for ditch makers or cleaners who work in water, the applicable rate shall be for the first seven hours of work performed in any 24 hour period.

(b) *Day rates for persons employed on interior farms.* All persons employed on interior farms on a day basis in the production, cultivation or harvesting of sugarcane with respect to which application for payment is made shall be paid wages in cash therefor at rates not less than the following:

For the first eight hours of work performed in any 24 hour period: For handling carts in operations other than harvesting, \$1.00; cutting cane, operating winches, making ditches and operating irrigation pumps, \$1.10; loading cane on railroad cars (including cars on portable track) and handling portable track, \$1.38; handling carts in harvesting operations, \$1.21; loading cane carts, \$1.21;

¹ 3 F. R. 2674 DI.

driving tractor plows, \$1.54; and for all other kinds of work, not less than \$1.00:

Provided, however, That for ditch makers or cleaners who work in water, the applicable rate shall be for the first seven hours of work performed in any 24 hour period.

(c) *Hourly rates.* All persons employed on a farm on an hourly basis in the production, cultivation or harvesting of sugarcane with respect to which application for payment is made shall be paid in cash the hourly equivalent of the rates provided in paragraph (a) or (b) above, whichever paragraph is applicable.

(d) *Overtime.* All persons employed on a farm in the production, cultivation or harvesting of sugarcane with respect to which an application for payment is made shall be paid for more than eight hours (or seven hours for ditch makers or cleaners who work in water) in any 24 hour period at a rate double the hourly equivalent of the rates provided in paragraphs (a), (b) and (c) hereof.

(e) *Piece rates.* All persons employed on a piece rate basis in the production, cultivation or harvesting of sugarcane with respect to which application for payment is made shall be paid wages in cash therefor at rates not less than the greater of either:

(1) The piece rates established for similar work performed on the farm for the calendar year 1938; or

(2) The hourly, or the overtime, equivalent of the rates provided in paragraph (c) or (d) above, whichever paragraph is applicable.

(f) *General provisions.* (1) Interior farms shall be deemed to be those farms the sugarcane from which is marketed (or processed) at mills located in the mountain sections of the island and whose 1938 production did not exceed 3,000 short tons of sugar, raw value.

(2) The producer shall furnish to the laborer, without charge, the perquisites customarily furnished by him, such as a dwelling, garden plot, pasture lot, and medical services; and the producer shall not, through any subterfuge or device whatsoever, reduce the wage rates to laborers below those determined above.

(3) Nothing in this determination shall be construed to mean that a producer may qualify for a payment under the said act who has not paid in full the amount agreed upon between the producer and the laborer. (Sec. 301, 50 Stat. 909; 7 U. S. C., Sup. IV, 1131)

Done at Washington, D. C. this 25th day of February 1939. Witness my hand and the seal of the Department of Agriculture.

[SEAL]

H. A. WALLACE,
Secretary.

[F. R. Doc. 39-694; Filed, February 27, 1939; 12:37 p. m.]

TITLE 10—ARMY

WAR DEPARTMENT

CHAPTER VIII—PROCUREMENT AND DISPOSAL OF EQUIPMENT AND SUPPLIES

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS¹

Advertising for Bids

SEC. 81.10 Invitations for bids.

(f) Special conditions authorized or required to be included.

(15) Statistical data reports. In conformity with paragraph (a) (9) above, all specifications which are to be made a part of formal contracts for Government construction work will contain the following special condition:

It is requested that the bidder agree to comply with the provisions of the following clause: The contractor will report monthly, and will cause all subcontractors to report in like manner, within five days after the close of each calendar month, on forms to be furnished by the Department of Labor, the number of persons on their respective pay rolls, the aggregate amount of such pay rolls, the man hours worked, and the total expenditures for materials. He shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable, provided that the foregoing shall be applicable only to work at the site of the construction project.

With reference to the effect of the above provision, see 17 Comp. Gen. 700, 708. (R. S. 3709; 41 U. S. C. 5; 31 Stat. 905; 10 U. S. C. 1201) [Sec. V, Proc. Cir. No. 4; W. D., February 15, 1939]

(16) Inclusion of eight-hour law of 1912 in contracts for services. In conformity with paragraph (a) (9) above, invitations for bids on contracts within the scope of the act cited will contain a provision as follows:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work at the site thereof. For each violation of the requirements of this provision a penalty of five dollars shall be imposed upon the contractor for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work, and all penalties thus imposed shall be withheld for the use and benefit of the Government: *Provided*, That this stipulation shall be subject in all re-

spects to the exceptions and provisions of the act of June 19, 1912 (37 Stat. 137; 40 U. S. C. 324, 325), relating to hours of labor. (R. S. 3709; 41 U. S. C. 5; 31 Stat. 905; 10 U. S. C. 1201) [Sec. VIII, Proc. Cir. No. 4, W. D., February 15, 1939]

Bid, Performance, Payment and Patent Infringement Bonds

SEC. 81.21 Option in lieu of sureties on bonds—(a) Limitation of option; United States bonds or notes, certified checks or currency. When not in conflict with law, the bidder may be limited to the option of furnishing a certified check, United States bonds, or currency, when the amount of the security does not exceed \$1,000, notice of such requirement to be given in the invitation to bidders. (R. S. 3709; 41 U. S. C. 5; 31 Stat. 905; 10 U. S. C. 1201) [Sec. II, Proc. Cir. No. 4, W. D., February 15, 1939]

SEC. 81.26 Performance bonds—(a) When required.

(3) Laundry service and shoe repairs. Since contracts for laundry service are not contracts for "construction, alteration, or repair" as provided in the act of August 24, 1935, payment bonds will not be required in the case of such contracts. Performance and payment bonds will be required in connection with contracts for the repair of Government-owned shoes, if such contracts otherwise conform to the requirements of the first sentence of subparagraph (2) above, and section 81.28, paragraph (a), since such contracts are deemed to be for the "construction, alteration, or repair of * * * public work" and hence within the scope of the act as construed by the Attorney General (38 Op. Atty. Gen. 418, 424). (R. S. 3709; 41 U. S. C. 5; 31 Stat. 905; 10 U. S. C. 1201) [Sec. II, Proc. Cir. No. 4, W. D., February 15, 1939]

[SEAL] E. S. ADAMS,
Major General,
The Adjutant General.

[F. R. Doc. 39-665; Filed, February 25, 1939; 10:11 a. m.]

TITLE 14—CIVIL AVIATION

CIVIL AERONAUTICS AUTHORITY

[Regulation 401-F-1]

TERMS, CONDITIONS AND LIMITATIONS OF CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

At a session of the Civil Aeronautics Authority, held at its office in Washington, D. C., on the 24th day of February, 1939.

Acting pursuant to the authority vested in it by the Civil Aeronautics Act of 1938, particularly sections 205 (a)

and 401 (f) thereof, and finding that its action is necessary and appropriate to carry out the provisions of the Act, and is required by the public interest, the Civil Aeronautics Authority hereby makes and promulgates the following regulation:

Unless the order authorizing the issuance of a particular certificate shall otherwise provide, there shall be attached to the exercise of the privileges granted by each certificate of public convenience and necessity issued pursuant to section 401 (e) (1) of the Civil Aeronautics Act of 1938, the terms, conditions and limitations hereinafter set forth, and such other terms, conditions and limitations as may from time to time be prescribed by the Authority.

I

If at any time the holder of the certificate desires to render a scheduled non-stop service between any two points not consecutively named in the certificate, and if non-stop service between such points is not then regularly scheduled by such holder, such holder shall file with the Authority written notice of its intention to inaugurate such service. Such notice shall be filed at least twenty days prior to inaugurating such service, shall be conspicuously entitled "Notice of Non-Stop Service" and shall fully describe such service. At the time such notice is filed with the Authority a copy thereof shall be served by such holder upon the Postmaster General and upon such other persons as the Authority may require: *Provided*, That subject to the provisions of section 405 (e) of the Act, non-stop service may be inaugurated between any two points at any time without the filing of the notice herein prescribed if, during the twelve months preceding such inauguration, non-stop service was regularly scheduled by such holder between such points during a period of at least forty-five days.

Such non-stop service may be inaugurated upon the expiration of twenty days after the filing of such notice unless (1) the Authority notifies such holder within said twenty-day period that a direct straight-line course between the points between which such service is to be operated appears to involve a substantial departure from the shortest course between such points as determined by the route described in the certificate, in which event such service shall not be inaugurated unless and until the Authority finds, upon application of the holder and after notice and public hearing, that the public interest would not be adversely affected by such service on account of such substantial departure; or (2) such service involves a schedule designated for the transportation of mail and the inauguration of such service on such date would be prohibited pursuant to the provisions of section 405 (e) of the Act, in which event the inauguration of such service shall be subject to said section.

¹These regulations supersede or supplement the indicated sections and paragraphs of Part 81, Title 10, Code of Federal Regulations.

The Authority may, subject to the provisions of section 405 (e) of the Act, permit non-stop service to be inaugurated at any time after the filing of the "Notice of Non-Stop Service" herein prescribed whenever the circumstances warrant such action.

If any non-stop service regularly scheduled by the holder on the date of issuance of the certificate was not regularly scheduled by the holder on August 22, 1938, and if the holder files a "Notice of Non-Stop Service" with respect to such service with the Authority within thirty days after such date of issuance, the holder may, subject to the provisions of section 405 (e) of the Act, continue to render such service: *Provided*, That if a direct straight-line course between the points between which such service is operated appears to involve a substantial departure from the shortest course between such points as determined by the route described in the certificate, and if the Authority shall, after notice and public hearing instituted within ninety days after such date of issuance, find that the public interest would be adversely affected by such service on account of such substantial departure, such service shall thereupon be discontinued: *Provided further*, That subject to the provisions of section 405 (e) of the Act, non-stop service may be continued between any two points without the filing of the notice herein prescribed if, during the twelve months preceding the date of issuance of the certificate, non-stop service was regularly scheduled by the holder of the certificate between such points during a period of at least forty-five days.

II

If the holder of the certificate desires to serve regularly a point through any airport not then regularly used by such holder, such holder shall file with the Authority written notice of its intention so to do. Such notice shall be filed at least thirty days prior to inaugurating the use of such airport. Such notice shall be conspicuously entitled "Notice of Airport Change," shall clearly describe such airport and its location, and shall state the reasons the holder deems the use of such airport to be desirable. At the time such notice is filed with the Authority, a copy thereof shall be served by the holder upon the Postmaster General and upon such other persons as the Authority may require.

The use of any such airport may be inaugurated upon the expiration of thirty days after the filing of such notice, unless within said thirty-day period the Authority shall serve upon the holder an order directing such holder to show cause why such use should not be disapproved: *Provided*, That the Authority may permit the use of any airport prior to the expiration of such thirty-day period whenever the circum-

stances warrant such action. Upon service of such order, such use shall not thereafter be inaugurated, except as may be expressly permitted by such order, unless and until the Authority finds after notice and public hearing, that the public interest would not be adversely affected by such use.

In no event, however, shall the holder use the provisions of this Article as authority to receive regularly passengers or property at one airport and discharge the same at any other airport serving the same point.

III

It shall be a condition upon the holding of the certificate that any intentional contravention in fact by the holder of the terms of Title IV of the Act or of the orders, rules, or regulations issued thereunder or of the terms, conditions, and limitations attached to the exercise of the privileges granted by the certificate, even though occurring without the territorial limits of the United States, shall, except to the extent that such contravention in fact shall be necessitated by an obligation, duty, or liability imposed by a foreign country, be a failure to comply with the terms, conditions, and limitations of the certificate within the meaning of section 401 (h) of the Act.

By the Authority.

[SEAL]

PAUL J. FRIZZELL,
Secretary.

[F. R. Doc. 39-668; Filed February 25, 1939;
12:19 p. m.]

TITLE 16—COMMERCIAL PRACTICES FEDERAL TRADE COMMISSION

[Docket No. 3052]

IN THE MATTER OF MORRIS WHITE MFG.
CO., INC., ET AL.

SEC. 3.66 (a) *Misbranding or mislabeling—Composition*. Representing, in connection with offer, etc., in commerce, of leather goods, through use of words "Imported French Glove Leather," as descriptive of leather of which respondents' leather goods (or ladies' leather hand-bags or purses) are made, that such leather is "glove leather" or has the pliability of "glove leather," unless and until "glove leather" is actually used in making such leather goods, prohibited, (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Morris White Mfg. Co., Inc., et al., Docket 3052, February 7, 1939]

SEC. 3.66 (e) 10) *Misbranding or mislabeling—Patent rights*. Representing, in connection with offer, etc., in commerce, of leather goods, through use of word "Pat.," in connection or conjunction with a number or numbers attached to or affixed upon leather goods (or ladies' leather handbags or purses), that the particular leather goods to which same are attached or affixed, are patented, unless and until same are actu-

ally patented, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Morris White Mfg. Co., Inc., et al., Docket 3052, February 7, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 7th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF MORRIS WHITE MFG.
CO., INC., AND STYLECRAFT LEATHER
GOODS COMPANY, INC.

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission, the answer of respondents, testimony and other evidence taken before W. W. Sheppard, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, brief on behalf of the Commission filed herein by Alden S. Bradley, counsel for the Commission, (respondents having filed no brief, and not having requested oral argument) and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents, Morris White Mfg. Co., Inc., and Stylecraft Leather Goods Company, Inc., their respective officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of leather goods in commerce, as commerce is defined in the Federal Trade Commission Act, do, forthwith cease and desist:

(a) From representing, through the use of the words "Imported French Glove Leather," as descriptive of the leather of which their leather goods are made, that such leather is "glove leather" or has the pliability of "glove leather" unless and until "glove leather" is actually used in making such leather goods.

(b) From representing, through the use of the word "Pat.," in connection or conjunction with a number or numbers attached to or affixed upon leather goods, that the particular leather goods to which the same are attached or affixed, are patented, unless and until the same are actually patented.

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

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-643; Filed, February 24, 1939;
12:40 p. m.]

[Docket No. 3169]

IN THE MATTER OF ARGO PEN-PENCIL COMPANY, INC., ET AL.

SEC. 3.66 (a) *Misbranding or mislabeling—Composition.* Representing, in connection with the assembling, offer for sale, etc., in commerce, of fountain pens and fountain pen points or nibs, through use of brands, marks, or stamping containing letters "K" or "KT" either alone or in conjunction with any other letters, figures, words or designs indicative of gold carat fineness, or through any other means or device, or in any manner, that their plated fountain pen points or nibs are gold of any specific carat fineness or are gold, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Argo Pen-Pencil Company, Inc., et al., Docket 3169, February 7, 1939]

SEC. 3.66 (a) *Misbranding or mislabeling—Composition.* Using, in connection with the assembling, offer for sale, etc., in commerce, of fountain pens and fountain pen points or nibs, brands, marks or stamping containing letters "K" or "KT" in conjunction with other letters or words indicative of gold plating on their plated fountain pen points or nibs, unless such letters or words indicative of gold plating appear in immediate conjunction with said letters in equally prominent and conspicuous type and are so located on said fountain pen points or nibs as to be incapable of being concealed, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Argo Pen-Pencil Company, Inc., et al., Docket 3169, February 7, 1939]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 7th of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF ARGO PEN-PENCIL COMPANY, INC., A CORPORATION, AND HARRY SACHNOFF, AN INDIVIDUAL

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon

¹ 3 F. R. 544 DI.
No. 39—2

the complaint of the Commission and the answer of respondents, in which answer respondents admit all of the material allegations of fact set forth in said complaint, and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Argo Pen-Pencil Company, Inc., a corporation, its officers, and respondent, Harry Sachnoff, and their respective agents and employees, directly or through any corporate or other device, in connection with the assembling, offering for sale, sale and distribution of fountain pens and fountain pen points or nibs in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Representing, through the use of brands, marks or stamping containing the letters "K" or "KT" either alone or in conjunction with any other letters, figures, words or designs indicative of gold carat fineness, or through any other means or device, or in any manner that their plated fountain pen points or nibs are gold of any specific carat fineness or are gold.

(2) Using brands, marks or stamping containing the letters "K" or "KT" in conjunction with other letters or words indicative of gold plating on their plated fountain pen points or nibs unless such letters or words indicative of gold plating appear in immediate conjunction with the letters "K" or "KT" in equally prominent and conspicuous type and are so located on said fountain pen points or nibs as to be incapable of being concealed.

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-644; Filed, February 24, 1939;
12:40 p. m.]

[Docket No. 3499]

IN THE MATTER OF BONWIT TELLER, INC.

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Using, in connection with offer, etc., in commerce of fabrics, ladies' wearing apparel and garments, and other like articles of merchandise, word "satin" or "crepe" or any other word or words of similar import or meaning, to describe, etc., any fabric or product which is not composed wholly of silk, product of cocoon of silkworm, prohibited, unless such

descriptive words are used truthfully to designate type of weave or construction, and are qualified by use in immediate connection or conjunction therewith, and in letters of at least equal size and conspicuousness, of word or words clearly naming or describing fibers or materials from which said product or fabric is made. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Bonwit Teller, Inc., Docket 3499, February 15, 1939]

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Using, in connection with offer, etc., in commerce, of fabrics, ladies' wearing apparel and garments, and other like articles of merchandise, words "silk rayon" to designate or describe any fabrics, etc., prohibited; subject to provision that in case of mixed fabrics which contain silk and rayon, the fibers or materials of said mixed fabrics, etc., as specified, shall be designated or described in order of their predominance by weight, beginning with largest single constituent. (Sec. 5b; 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Bonwit Teller, Inc., Docket 3499, February 15, 1939]

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon, in connection with offer, etc., in commerce, of fabrics, ladies' wearing apparel and garments, and other like articles of merchandise, without clearly disclosing fact that such fabrics or products are composed of rayon, and, when composed in part of rayon and in part of other fibers or materials, without naming such fibers, etc., including the rayon, in order of their predominance by weight, beginning with the largest single constituent, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Bonwit Teller, Inc., Docket 3499, February 15, 1939]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 15th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint, except that part of Paragraph Two of the complaint which charges that the words "Silk Rayon Crepe" serve as representations to members of the public that the garments they de-

scribe were composed wholly of unweighted silk, and states that it waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Bonwit Teller, Inc., a corporation, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of fabrics, ladies' wearing apparel and garments, and other like articles of merchandise, in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "satin" or "crepe" or any other word or words of similar import or meaning, to describe or designate any fabric or product which is not composed wholly of silk, the product of the cocoon of the silkworm, unless such descriptive word or words are used truthfully to designate the type of weave or construction, in which case such words shall be qualified by using in immediate connection or conjunction therewith, in letters of at least equal size and conspicuousness, a word or words clearly naming or describing the fibers or materials from which said product or fabric is made.

2. Using the words "silk rayon" to designate or describe any fabrics, wearing apparel, garments or other like merchandise, provided, however, that in the case of mixed fabrics which contain silk and rayon, the fibers or materials of said mixed fabrics, wearing apparel, garments or other like merchandise, shall be designated or described in the order of their predominance by weight beginning with the largest single constituent.

3. Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon without clearly disclosing the fact that such fabrics or products are composed of rayon, and when such fabrics or products are composed in part of rayon and in part of other fibers or materials, such fibers or materials, including the rayon, shall be named in the order of their predominance by weight, beginning with the largest single constituent.

It is further ordered, That the respondent shall, within sixty (60) days after service upon it 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 this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-651; Filed, February 24, 1939;
12: 43 p. m.]

[Docket No. 3537]

IN THE MATTER OF REPUBLIC PRODUCTS COMPANY, ETC.

SEC. 3.6 (dd) *Advertising falsely or misleadingly—Special offers:* SEC. 3.72 (n) *Offering deceptive inducements to purchase—Special offers.* Representing, in connection with offer, etc., in interstate commerce or in District of Columbia, of dress materials, handkerchiefs, tableware, hosiery, quilt material and inter-communicating systems, that respondent's usual and customary method of doing business by means of various combination offers of merchandise is a special introductory or other special or unusual sale, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b.) [Cease and desist order, Republic Products Company, etc., Docket 3537, February 7, 1939]

SEC. 3.6 (v) (2) *Advertising falsely or misleadingly—Quantity—Offered:* SEC. 3.6 (y) (1) *Advertising falsely or misleadingly—Sample or order conformance.* Representing, in connection with offer, etc., in interstate commerce or in District of Columbia, of dress materials, handkerchiefs, tableware, hosiery, quilt material and inter-communicating systems, that purchasers will receive a larger number of items or quantity of merchandise than the number or quantity actually sold and shipped, or will receive merchandise of a different character or quality than that actually sold and shipped, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b.) [Cease and desist order, Republic Products Company, etc., Docket 3537, February 7, 1939]

SEC. 3.6 (l) *Advertising falsely or misleadingly—Free goods or service:* SEC. 3.72 (e) *Offering deceptive inducements to purchase—Free goods.* Representing, in connection with offer, etc., in interstate commerce or in District of Columbia, of dress materials, handkerchiefs, tableware, hosiery, quilt material and inter-communicating systems, that items of merchandise which are regularly included in respondent's combination offer are given as an added inducement for prompt purchase or service rendered, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b.) [Cease and desist order, Republic Products Company, etc., Docket 3537, February 7, 1939]

SEC. 3.6 (n) (2) *Advertising falsely or misleadingly—Nature—Product.* Representing, in connection with offer, etc., in interstate commerce or in District of Columbia, of dress materials, handkerchiefs, tableware, hosiery, quilt material and inter-communicating systems, that the handkerchiefs sold by respondent or included in any combination offer are embroidered, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b.) [Cease and desist order, Republic Products Company, etc., Docket 3537, February 7, 1939]

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Using, in connection with offer, etc., in interstate commerce or in District of Columbia, of dress materials, handkerchiefs, tableware, hosiery, quilt material and inter-communicating systems, word "silk" or any other word or words of similar import or meaning, to describe, etc., fabrics or products which are not composed wholly of unweighted silk, the product of the cocoon of the silkworm, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b.) [Cease and desist order, Republic Products Company, etc., Docket 3537, February 7, 1939]

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Using, in connection with offer, etc., in interstate commerce or in District of Columbia, of dress materials, handkerchiefs, tableware, hosiery, quilt materials and inter-communicating systems, word "velvet" or any other word or words of similar import or meaning, to describe, etc., any fabric or product which is not composed wholly of silk, the product of the cocoon of the silkworm, prohibited, unless such descriptive word or words are used to designate type of weave or construction, in which case such word shall be qualified by using in immediate connection and conjunction therewith, in letters of at least equal size and conspicuousness, word or words clearly naming or describing fiber or materials from which said product or fabric is made. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b.) [Cease and desist order, Republic Products Company, etc., Docket 3537, February 7, 1939]

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon, in connection with offer, etc., in interstate commerce or in District of Columbia, of dress materials, handkerchiefs, tableware, hosiery, quilt material and inter-communicating systems, without clearly disclosing fact that such fabrics or products are composed of rayon, and, when such fabrics, etc., are composed in part of rayon and in part of other fibers or materials, without naming such fibers, etc., including the rayon, in order of their predominance by weight, beginning with largest single constituent, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b.) [Cease and desist order, Republic Products Company, etc., Docket 3537, February 7, 1939]

SEC. 3.6 (a) (22) *Advertising falsely or misleadingly—Business status, advantages or connection of advertiser—Producer status of dealer—Manufacturer.* Representing, in connection with offer, etc., in interstate commerce or in District of Columbia, of dress materials, handkerchiefs, tableware, hosiery, quilt material and inter-communicating systems, that respondent is a manufacturer of said systems, prohibited. (Sec. 5b, 52

Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Republic Products Company, etc., Docket 3537, February 7, 1939]

SEC. 3.6 (ja) *Advertising falsely or misleadingly—History of product.* Representing, in connection with offer, etc., in interstate commerce or in District of Columbia, of dress materials, handkerchiefs, tableware, hosiery, quilt material and inter-communicating systems, that respondent's said systems formerly sold for prices up to \$100, or for any price in excess of \$12.50, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Republic Products Company, etc., Docket 3537, February 7, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 7th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF MILTON MEYER, AN INDIVIDUAL TRADING AS REPUBLIC PRODUCTS COMPANY AND INTER-COMMUNICATIONS SYSTEM OF AMERICA

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of the respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint, and states that he waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Milton Meyer, individually, trading as Republic Products Company and Inter-Communications System of America, or under any other name, his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of dress materials, handkerchiefs, tableware, hosiery, quilt material and inter-communicating systems in interstate commerce or in the District of Columbia do forthwith cease and desist from:

1. Representing that his usual and customary method of doing business by means of various combination offers of merchandise is a special introductory or other special or unusual sale.

2. Representing that purchasers will receive a larger number of items or quantity of merchandise than the number or quantity actually sold and shipped, or will receive merchandise of a different character or quality than that actually sold and shipped.

3. Representing that items of merchandise which are regularly included in respondent's combination offer are given as an added inducement for prompt purchase or service rendered.

4. Representing that the handkerchiefs sold by him or included in any combination offer are embroidered.

5. Using the word "silk" or any other word or words of similar import or meaning, to describe or designate fabrics or products which are not composed wholly of unweighted silk, the product of the cocoon of the silkworm.

6. Using the word "velvet" or any other word or words of similar import or meaning, to describe or designate any fabric or product which is not composed wholly of silk, the product of the cocoon of the silkworm, unless such descriptive word or words are used to designate the type of weave or construction, in which case such word shall be qualified by using in immediate connection and conjunction therewith, in letters of at least equal size and conspicuousness, a word or words clearly naming or describing the fiber or materials from which said product or fabric is made.

7. Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon without clearly disclosing the fact that such fabrics or products are composed of rayon, and when such fabrics or products are composed in part of rayon and in part of other fibers or materials, such fibers or materials, including the rayon, shall be named in the order of their predominance by weight, beginning with the largest single constituent.

8. Representing that he is a manufacturer of inter-communicating systems or that his inter-communicating systems formerly sold for prices up to \$100.00 or for any price in excess of \$12.50.

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-645; Filed, February 24, 1939; 12:40 p. m.]

[Docket No. 3564]

IN THE MATTER OF BLOOMINGDALE BROS., INC.

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Using, in connection with offer, etc., in commerce, of men's coats and shirts, women's dresses, and other articles of wearing apparel and like products, word "wool" or any other word or words of like import or meaning, to describe, etc., any fabric or product which is not composed wholly of wool, prohibited; subject

to provision that in case of fabrics or products composed in part of wool and in part of rayon or materials other than wool, there is used in immediate connection or conjunction with word "wool," in letters of at least equal size and conspicuousness, words truthfully describing or designating each constituent fiber or material thereof, in order of its predominance by weight, beginning with largest single constituent. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Bloomingdale Bros., Inc., Docket 3564, February 9, 1939]

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.*—Using, in connection with offer, etc., in commerce, of men's coats and shirts, women's dresses, and other articles of wearing apparel and like products, word "chiffon," or any other word or words of similar import or meaning, such as "crepe," "satin," or "taffeta," to describe, etc., any fabric or product which is not composed wholly of silk, product of cocoon of silkworm, prohibited, unless such descriptive words are used truthfully to designate type of weave or construction, and are qualified by use, in connection or conjunction therewith, and in letters of at least equal size and conspicuousness, of word or words clearly naming or describing fibers or materials from which said fabric or product is made. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Bloomingdale Bros., Inc., Docket 3564, February 9, 1939]

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon, in connection with offer, etc., in commerce, of men's coats and shirts, women's dresses, and other articles of wearing apparel and like products, without clearly disclosing fact that such fabrics or products are composed of rayon, and, when composed in part of rayon and in part of other fibers or materials, without naming such fibers, etc., including the rayon, in the order of their predominance by weight, beginning with the largest single constituent, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Bloomingdale Bros., Inc., Docket 3564, February 9, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 9th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the

complaint of the Commission, and a stipulation as to the facts entered into by Proskauer, Rose and Pascus, attorneys for respondent herein, and W. T. Kelley, Chief Counsel for the Commission, which provides, among other things, that without further evidence or other intervening procedure the Commission may issue and serve upon the respondent herein findings as to the facts and conclusion based thereon and an order disposing of the proceeding, and the Commission having made its findings as to the facts and conclusion that respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Bloomingdale Bros., Inc., a corporation, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of men's coats and shirts, women's dresses, and other articles of wearing apparel, and like products, in commerce as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "wool" or any other word or words of like import or meaning, to describe or designate any fabric or product which is not composed wholly of wool, provided that in case of fabrics or products composed in part of wool and in part of rayon or materials other than wool, there is used in immediate connection or conjunction with the word "wool," in letters of at least equal size and conspicuousness, words truthfully describing or designating each constituent fiber or material thereof, in the order of its predominance by weight, beginning with the largest single constituent.

2. Using the word "chiffon" or any other word or words of similar import or meaning, such as "crepe," "satin," or "taffeta," to describe or designate any fabric or product which is not composed wholly of silk, the product of the cocoon of the silkworm, unless said descriptive word or words are used truthfully to designate the type of weave or construction, in which case such words shall be qualified by using in connection or conjunction therewith, in letters of at least equal size and conspicuousness, a word or words clearly naming or describing the fibers or materials from which said fabric or product is made.

3. Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon without clearly disclosing the fact that such fabrics or products are composed of rayon, and when such fabrics or products are composed in part of rayon and in part of other fibers or materials, such fibers or materials, including the rayon, shall be named in the order of their predominance by weight, beginning with the largest single constituent.

It is further ordered, That the respondent shall, within sixty (60) days

after service upon it 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 this order.

By the Commission.

[SEAL]

OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-646; Filed, February 24, 1939; 12:41 p. m.]

[Docket No. 3573]

IN THE MATTER OF MILLER GROWERS
ASSOCIATION ET AL.

SEC. 3.6 (a) (13 a) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Individual or corporate business as association:* SEC. 3.6 (a) (22) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Producer status of dealer—Grower:* SEC. 3.96 (b) (2 a) *Using misleading name—Vendor—Individual or corporate business as association:* SEC. 3.96 (b) (5) *Using misleading name—Vendor—Producer or laboratory status of dealer.* Disseminating, etc., any advertisements, by means of United States mails or in commerce, etc., which are intended or likely to induce purchase of citrus fruit, and which represent, through use of words "Growers" or "Association" or any other words of similar import or meaning, in any corporate or trade name or in any other manner, that respondents, or any of them, are growers or citrus fruit or are owners of citrus fruit groves in Florida or elsewhere, or are an association of fruit growers, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Miller Growers Association et al., Docket 3573, February 9, 1939]

SEC. 3.6 (a) (12 a) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Interest of prospective purchaser's president, etc.* Disseminating, etc., any advertisements, by means of United States mails or in commerce, etc., which are intended or likely to induce purchase of citrus fruit, and which represent to buyers or other officials of hospitals or other institutions that the president or chairman of the board of trustees or other official of the particular institution with whose agent respondents are negotiating, has expressed the wish or desire that respondents receive an order for fruit from such institutions, or which represent to prospective purchasers that friends of said prospective purchasers have suggested to respondents, or any of them, that said friends were interested in respondents' making sales to said prospective purchasers, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Miller Growers Association et al., Docket 3573, February 9, 1939]

SEC. 3.6 (u) *Advertising falsely or misleadingly—Quality.* Disseminating, etc., any advertisements, by means of United States mails or in commerce, etc., which are intended or likely to induce purchase of citrus fruit, and which represent that the citrus fruit offered for sale by respondents is of a grade, character or quality superior to, or different from, its true grade, etc., prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Miller Growers Association et al., Docket 3573, February 9, 1939]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 9th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF MILLER GROWERS ASSOCIATION, A CORPORATION, BENJAMIN MILLER AND LEAH MILLER, INDIVIDUALS, TRADING AS MILLER GROWERS ASSOCIATION, AND MINERVA MILLER, AN INDIVIDUAL

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission and the answers of the several respondents, in which answers the respondents admit all the material allegations of fact set forth in said complaint and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that all of said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents Benjamin Miller and Leah Miller, individually, and trading as Miller Growers Association, or under any other trade name, and Minerva Miller, an individual, and Miller Growers Association, a corporation, and its officers and their respective representatives, salesmen, agents, and employees, directly or through any corporate or other device, do forthwith cease and desist from:

Disseminating, or causing to be disseminated, any advertisement by means of the United States mails or in commerce, as commerce is defined in the Federal Trade Commission Act, by any means, with the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of citrus fruit, or disseminating, or causing to be disseminated, any advertisement, by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce, as commerce is defined in the Federal Trade Commis-

¹ 3 F. R. 2584 DI.

sion Act, of said citrus fruit, which advertisements, directly or through implication,

(1) represent, through the use of the words "Growers" or "Association" or any other words of similar import or meaning, in any corporate or trade name or in any other manner, that respondents or any of them are growers of citrus fruit or are owners of citrus fruit groves in Florida or elsewhere, or are an association of fruit growers;

(2) represent to prospective purchasers that friends of said prospective purchasers have suggested to respondents, or any of them, that said friends were interested in respondents' making sales to said prospective purchasers;

(3) represent to buyers or other officials of hospitals or other institutions that the president or chairman of the board of trustees or other official of the particular institution with whose agent respondents are negotiating, has expressed the wish or desire that respondents receive an order for fruit from such institution; or

(4) represent that the citrus fruit offered for sale by them is of a grade, character or quality superior to, or different from, its true grade, character or quality.

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-647; Filed, February 24, 1939; 12:41 p. m.]

[Docket No. 3575]

IN THE MATTER OF KOSKOTT COMPANY

SEC. 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:* SEC. 3.6 (y 1) *Advertising falsely or misleadingly—Scientific or other relevant facts.* Disseminating, etc., any advertisement, by means of United States mails or in commerce, etc., intended or likely to induce purchase of cosmetic preparations designated by name Koskott, or any other cosmetic preparations with substantially similar ingredients or therapeutic properties, and which represents that said preparations will stop falling hair or prevent baldness, or grow hair or have any effect on growth of hair; or that they constitute a remedy or cure for dandruff, pimples, eczema, barber's itch or ringworm, or other scalp disorders, or are a competent or effective treatment for any of said conditions; or will rejuvenate the hair roots or stimulate the circulation, or have any substantial beneficial effect on either; or will impart a natural shade

or color to hair or act in any manner other than as hair dye; or that they are of the highest medical, pharmaceutical or scientific efficiency; prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Koskott Company, Docket 3575, February 6, 1939]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 6th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF ROSE R. SCOTT, TRADING AS KOSKOTT COMPANY

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint and states that she waives all intervening procedure and further hearings as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Rose R. Scott, individually and trading as Koskott Company, or trading under any other name, her agents, servants, representatives, and employees, directly or through any corporate or other device, do forthwith cease and desist from:

Disseminating, or causing to be disseminated, any advertisement by means of the United States mails or in commerce, as commerce is defined in the Federal Trade Commission Act, by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of any of her cosmetic preparations now designated by the name Koskott, or any other cosmetic preparations composed of substantially similar ingredients or possessing substantially similar therapeutic properties whether sold under that name or under any other name, or disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce, as commerce is defined in the Federal Trade Commission Act, of said preparations, which advertisements represent, directly or by implication, that said preparations will stop falling hair or prevent baldness, or will grow hair or have any effect on the growth of hair; that said preparations constitute a remedy or cure for dandruff, pimples, eczema, barber's itch or ringworm, or

other scalp disorders, or a competent or effective treatment for any of said conditions; that said preparations are of the highest medical, pharmaceutical or scientific efficiency; that said preparations will rejuvenate the hair roots or will stimulate the circulation, or will have any substantial beneficial effect on either hair roots or circulation; or that said preparations will impart a natural shade or color to the hair or will act in any manner other than as a hair dye.

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-648; Filed, February 24, 1939; 12:41 p. m.]

[Docket No. 3598]

IN THE MATTER OF BANFI PRODUCTS CORPORATION, ET AL

SEC. 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:* SEC. 3.6 (y) *Advertising falsely or misleadingly—Safety.* Disseminating, etc., any advertisement, by means of United States mails or in commerce, etc., intended or likely to induce purchase of "Montecatini Salts," laxative medicine in crystal or powder form, either plain or iodated, or any other laxative medicine with substantially similar ingredients or therapeutic properties, and which represents that such salts constitute a remedy or cure for diseases of the stomach, liver and heart, for constipation, headaches, bad breath, acidity of the stomach, rheumatism, gout, obesity, high blood pressure, rash, blotches, pimples or uric acid, or constitute competent and effective treatment for any of such diseases or ailments; or are always good for any minor ailment and are effective in treatment of virtually all ailments; or constitute a mild efficacious laxative or will clean the intestines without irritation (unless limited to cases of temporary or occasional constipation); or that they are harmless and can be freely used with safety; prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Banfi Products Corporation, et al., Docket 3598, February 10, 1939]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 10th day of February, A. D. 1939.

Commissioners: Robert E. Freer, chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

¹3. F. R. 2523 DI

IN THE MATTER OF BANFI PRODUCTS CORPORATION, A CORPORATION, AND HARRY MARIANI, JOHN MARIANI, PAUL MARIANI, AND JOSEPH B. MARIANI, INDIVIDUALS

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission and the answer of respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint, and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents, Banfi Products Corporation, and its officers, and Harry Mariani, John Mariani, Paul Mariani, Joseph B. Mariani, and their respective representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from:

Disseminating, or causing to be disseminated, any advertisement by means of the United States mails or in commerce, as commerce is defined in the Federal Trade Commission Act, by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of a laxative medicine in crystal or powder form, either plain or iodated, now designated by the name of Montecatini Salts, or any other laxative medicine composed of substantially similar ingredients or possessing substantially similar therapeutic properties, whether sold under that name or under any other name, or disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce, as commerce is defined in the Federal Trade Commission Act, of said salts, which advertisements represent, directly or through implication, that such salts constitute a remedy or cure for diseases of the stomach, liver and heart, for constipation, headaches, bad breath, acidity of the stomach, rheumatism, gout, obesity, high blood pressure, rash, blotches, pimples or uric acid, or that such salts constitute a competent and effective treatment for any of such diseases or ailments; that said salts are always good for any minor ailment and are effective in the treatment of virtually all ailments; that said salts constitute a mild efficacious laxative or will clean the intestines without irritation unless such representations are limited to cases of temporary or occasional constipation; and that said salts are harmless and can be freely used with safety.

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

¹ 3 F. R. 2711 DI.

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

By the Commission.

[SEAL]

OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-649; Filed, February 24, 1939; 12:42 p. m.]

[Docket No. 3677]

IN THE MATTER OF REID PACKING COMPANY

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of salted peanuts or any other merchandise, such peanuts, etc., so packed, etc., that sales thereof to general public are to be, or may be, made by means of a lottery, etc., as specified, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Reid Packing Company, Docket 3677, February 9, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Supplying etc., in connection with offer, etc., in commerce, of salted peanuts or any other merchandise, to dealers, assortments thereof which are, or may be, used without alteration, etc., of contents thereof, to conduct a lottery, etc., as specified, in sale, etc., thereof to public, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Reid Packing Company, Docket 3677, February 9, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of salted peanuts or any other merchandise, individual packages thereof containing coins or other United States money, which packages are packed, etc., in assortments with other individual packages of said merchandise of similar size, shape and appearance not containing coins, etc., for resale to public by retail dealers, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Reid Packing Company, Docket 3677, February 9, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Furnishing, in connection with offer, etc., in commerce, of salted peanuts or any other merchandise, to dealers, display card, either with packages, etc., thereof or separately, bearing legend, etc., informing purchasers that such merchandise is being sold to public by lot or chance or in accordance with sales plan which constitutes a lottery, etc., as specified, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Reid Packing Company, Docket 3677, February 9, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Mailing, etc., in connection with offer, etc., in commerce, of salted peanuts or any other merchandise, to dealers or others, punchboards, push or pull cards or

other lottery devices, so prepared or printed as to enable such persons to sell or distribute any merchandise by use thereof, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Reid Packing Company, Docket 3677, February 9, 1939]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 9th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF R. P. REID, INDIVIDUALLY, AND TRADING AS REID PACKING COMPANY

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint and states that he waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, R. P. Reid, individually, and trading as Reid Packing Company, or trading under any other name, his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of salted peanuts or other merchandise in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Selling and distributing said salted peanuts or any other merchandise so packed and assembled that sales of said merchandise to the general public are to be made or may be made by means of a lottery, gaming device or gift enterprise.

2. Supplying to, or placing in the hands of dealers assortments of said salted peanuts or any other merchandise which is used or which may be used without alteration or re-arrangement of the contents of such assortments, to conduct a lottery, gaming device or gift enterprise, in the sale or distribution of the said merchandise contained in said assortments to the public.

3. Selling or distributing individual packages of said salted peanuts or any other merchandise containing coins or other United States money, which said individual packages of said merchandise is packed and assembled in assortments with other individual packages of said merchandise of similar size, shape and appearance not containing coins or other

United States money for resale to the public by retail dealers.

4. Furnishing to dealers a display card, either with packages or assortments of said salted peanuts or any other merchandise or separately, bearing a legend or legends or statements informing the purchasers thereof that said merchandise is being sold to the public by lot or chance or in accordance with a sales plan which constitutes a lottery, gaming device or gift enterprise.

5. Mailing, shipping or transporting to dealers or others, punchboards, push or pull cards or other lottery devices, so prepared or printed as to enable such persons to sell or distribute any merchandise by the use thereof.

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-650; Filed, February 24, 1939;
12:42 p. m.]

[Docket No. 3083]

IN THE MATTER OF PARK-LANE CANDY COMPANY, ETC.

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of candy, cocktail shakers, watches, pipes, etc., as specified, or any other articles of merchandise, candy or other articles of merchandise so packed, etc., that sales thereof to the general public are to be, or may be, made by means of a lottery, etc., as specified, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Park-Lane Candy Company, etc., Docket 3083, February 15, 1939; Commissioner Freer dissenting to inclusion of certain words in order for reasons set forth]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Supplying, etc., in connection with offer, etc., in commerce, of candy, cocktail shakers, watches, pipes, etc., as specified, or any other articles of merchandise, dealers with assortments of said products or other merchandise, together with punch boards, push or pull cards or other lottery devices, which are to be, or may be, used in selling, etc., said products, etc., to the public, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Park-Lane Candy Company, etc., Docket 3083, February 15, 1939; Commissioner Freer dissenting to inclusion of certain words in order for reasons set forth]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Supplying, etc., in connection with offer, etc., in com-

merce, of candy, cocktail shakers, watches, pipes, etc., as specified, or any other articles of merchandise, dealers with punch boards, push or pull cards, or other lottery devices, either with assortments of said products, etc., or separately, which lottery devices are to be, or may be, used in selling, etc., said products, etc., to the public, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Park-Lane Candy Company, etc., Docket 3083, February 15, 1939; Commissioner Freer dissenting to inclusion of certain words in order for reasons set forth]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of candy, cocktail shakers, watches, pipes, etc., as specified, or any other articles of merchandise, said products or other merchandise by use of punch boards, push or pull cards or any other lottery device or devices, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Park-Lane Candy Company, etc., Docket 3083, February 15, 1939; Commissioner Freer dissenting to inclusion of certain words in order for reasons set forth]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C. on the 15th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF MITCHELL BAZELON AND CHARLES HARRIS INDIVIDUALLY AND AS COPARTNERS TRADING UNDER THE FIRM NAMES AND STYLES OF PARK-LANE CANDY COMPANY AND CHARRIS SPECIALTY COMPANY

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission, answer of respondents, testimony and other evidence taken before Miles J. Furnas and William C. Reeves, examiners of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, brief by counsel for the Commission (counsel for respondent having filed no brief and not having requested oral argument), and the commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents, Mitchell Bazelon and Charles Harris, individually and as copartners trading under the firm names and styles of

Park-Lane Candy Company and Charris Specialty Company, or trading under any other name or names, their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of candy, cocktail shakers, watches, pipes, fountain pens, cigarette lighters, cigarette cases, opera glasses, cameras or any other articles of merchandise in commerce as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist:

1. Selling and distributing candy or other articles of merchandise so packed and assembled that sales of said products or other merchandise to the general public are to be made or may be made by means of a lottery, gaming device or gift enterprise;

2. Supplying to or placing in the hands of dealers assortments of said products or other merchandise together with punch boards, push or pull cards or other lottery devices, which said punch boards, push or pull cards or other lottery devices are to be used or may be used in selling or distributing said products or other merchandise to the public.

3. Supplying to or placing in the hands of dealers punch boards, push or pull cards or other lottery devices either with assortments of said products or other merchandise or separately, which lottery devices are to be used or may be used in selling or distributing said products or other merchandise to the public.

4. Selling or otherwise disposing of said products or other merchandise by the use of punch boards, push or pull cards or any other lottery device or devices.

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

Mr. Freer dissented to the inclusion of certain words in the Commission's order to cease and desist in this case, involving respondents located within the Seventh Circuit, because the United States Circuit Court of Appeals for the Seventh Circuit in the case of A. McLean & Son, Docket 2264, had stricken from the order in said previous case these words and substituted others for them.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-654; Filed, February 25, 1939;
9:09 a. m.]

[Docket No. 3157]

IN THE MATTER OF HAY & PEABODY CEMENT VAULT COMPANY

SEC. 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of*

¹ 2 F. R. 1943, 2531 (2276, 2944 DI), 3 F. R. 2477 DI.

product. Representing, in connection with offer, etc., in interstate commerce or in District of Columbia, of concrete burial vaults, that said vaults afford positive protection for all time, endure for all time, or are everlasting, are absolutely water-proof, sweat-proof, water-tight, air-tight and vermin-proof, and will not disintegrate, but will become stronger and better the longer they remain in the ground, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Hay & Peabody Cement Vault Company, Docket 3157, February 16, 1939]

*United States of America—Before
Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 16th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, testimony and other evidence taken before Edward E. Reardon, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, briefs filed herein, and oral arguments by William L. Pencke, counsel for the Commission, and by Hazen K. Sturtevant, counsel for the respondent, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Hay and Peabody Cement Vault Company, its officers, representatives, agents and employees, directly or indirectly, in connection with the offering for sale, sale and distribution of concrete burial vaults in interstate commerce or in the District of Columbia, do forthwith cease and desist from representing that:

1. Said vaults afford positive protection for all time, endure for all time, or are everlasting;

2. Said vaults are absolutely water-proof, sweat-proof, water-tight, air-tight and vermin-proof;

3. Said vaults will not disintegrate but will become stronger and better the longer they remain in the ground.

It is further ordered, That the respondent shall, within sixty days after service upon it of this order, file with the Commission a report in writing, setting forth

¹ 2 F. R. 1943, 2531 (2276, 2941 DI), 3 F. R. 2477 DI.

in detail the manner and form in which it has complied with this order.

By the Commission.

[SEAL]

OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-655; Filed, February 25, 1939; 9:09 a. m.]

[Docket No. 3542]

IN THE MATTER OF FERRARA PANNED CANDY CO., INC.

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising*. Selling, etc., in connection with offer, etc., in commerce, of candy or any other merchandise, candy so packed, etc., that sales thereof to the general public are to be, or may be, made by means of a lottery, etc., as specified, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Ferrara Panned Candy Co., Inc., Docket 3542, February 15, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising*. Supplying, etc., in connection with offer, etc., in commerce, of candy or any other merchandise, dealers or others with packages or assortments of candy which are to be, or may be, used to conduct a lottery, etc., as specified, in sale, etc., of candy or any other article of merchandise to the public, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Ferrara Panned Candy Co., Inc., Docket 3542, February 15, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising*. Supplying, etc., in connection with offer, etc., in commerce, of candy or any other merchandise, dealers or others with assortments of candy or any other merchandise together with punchboards, push or pull cards or other lottery devices, which are to be, or may be, used in selling, etc., such candy or any other merchandise to the public, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Ferrara Panned Candy Co., Inc., Docket 3542, February 15, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising*. Supplying, etc., in connection with offer, etc., in commerce, of candy or any other merchandise, dealers or others with a lottery device, either with assortments of candy or other merchandise or separately, which device is to be, or may be, used in selling, etc., such candy or other merchandise to the public, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Ferrara Panned Candy Co., Inc., Docket 3542, February 15, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising*. Selling, etc., in connection with offer, etc., in commerce, of candy or any other mer-

chandise, any merchandise by the use of lottery devices prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 43b) [Cease and desist order, Ferrara Panned Candy Co., Inc., Docket 3542, February 15, 1939]

*United States of America—Before
Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 15th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint and states that it waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the fact and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent Ferrara Panned Candy Co., Inc., its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of candy or any other merchandise in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Selling and distributing candy so packed and assembled that sales of such candy to the general public are to be made or may be made by means of a lottery, gaming device or gift enterprise;

(2) Supplying to or placing in the hands of dealers or others, packages or assortments of candy which are to be or may be used to conduct a lottery, gaming device or gift enterprise in the sale or distribution of candy or any other article of merchandise to the public;

(3) Supplying to or placing in the hands of dealers or others, assortments of candy or any other merchandise together with punchboards, push or pull cards or other lottery devices, which lottery devices are to be used or may be used in selling or distributing such candy or other merchandise to the public;

(4) Supplying to or placing in the hands of dealers or others a lottery device either with assortments of candy or other merchandise or separately, which lottery device is to be used or may be used in selling or distributing such candy or other merchandise to the public;

¹ 2 F. R. 1943, 2531 (2276, 2944 DI), 3 F. R. 2477 DI.

(5) Selling or otherwise disposing of any merchandise by the use of lottery devices.

It is further ordered, That the respondent shall, within sixty (60) days after service upon it 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 this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-656; Filed, February 25, 1939;
9:10 a. m.]

[Docket No. 3676]

IN THE MATTER OF D. A. SCHULTE, INC.

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of candy or any other merchandise, candy or any other merchandise so packed, etc., that sales thereof to the general public are to be, or may be, made by means of a lottery, etc., as specified, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, D. A. Schulte, Inc., Docket 3676, February 15, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Supplying, etc., in connection with offer, etc., in commerce, of candy or any other merchandise, dealers with packages or assortments of candy or other merchandise which are to be, or may be, used to conduct a lottery, etc., as specified, in sale, etc., of said products to the public, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, D. A. Schulte, Inc., Docket 3676, February 15, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Supplying, etc., in connection with offer, etc., in commerce, of candy or any other merchandise, dealers with assortments of candy or other merchandise, together with punchboards, push or pull cards or any other lottery devices, which are to be, or may be, used in selling, etc., such products to the public, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, D. A. Schulte, Inc., Docket 3676, February 15, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Supplying, etc., in connection with offer, etc., in commerce, of candy or any other merchandise, dealers with a lottery device, either with assortments of candy or other merchandise, or separately, which device is to be, or may be, used in selling, etc., such products to the public, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, D. A. Schulte, Inc., Docket 3676, February 15, 1939]

SEC. 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of candy or any other merchandise, any merchandise by the use of punch boards, push or pull cards or other lottery devices, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, D. A. Schulte, Inc., Docket 3676, February 15, 1939]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 15th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint and states that it waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, D. A. Schulte, Inc., its officers, representatives, agents and employees, directly or through any corporate or other device in connection with the offering for sale, sale and distribution of candy or any other merchandise in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Selling and distributing candy or any other merchandise so packed and assembled that sales of said products to the general public are to be made or may be made by means of a lottery, gaming device or gift enterprise;

(2) Supplying to or placing in the hands of dealers packages or assortments of candy or other merchandise which are to be used or which may be used to conduct a lottery, gaming device or gift enterprise in the sale or distribution of said products to the public;

(3) Supplying to or placing in the hands of dealers assortments of candy or other merchandise together with punch boards, push or pull cards or any other lottery devices, which lottery devices are to be used or may be used in selling or distributing such products to the public;

(4) Supplying to or placing in the hands of dealers a lottery device either with assortments of candy or other merchandise, or separately, which lottery device is to be used or may be used in sell-

ing or distributing such products to the public.

(5) Selling or otherwise disposing of any merchandise by the use of punch boards, push or pull cards or other lottery devices.

It is further ordered, That within sixty (60) days from the date of the service of this order upon said respondent, it shall file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-657; Filed, February 25, 1939;
9:10 a. m.]

[Docket No. 2810]

IN THE MATTER OF GERSTEN BROTHERS

SEC. 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:* SEC. 3.66 (h) *Misbranding or mislabeling—Qualities or properties:* SEC. 3.96 (a) (6) *Using misleading name—Goods—Qualities or properties.* Marking, branding, or in any other manner designating or describing, through advertisements or otherwise, in connection with offer, etc., in commerce, etc., of storage receptacles and devices and preparations intended for use in storage receptacles and closets to protect articles stored therein from moths, such storage receptacles, or any part or accessory to the use thereof, with word "cedar" or with any derivative thereof, such as word "cedarol", either alone or in association with any other word or words, prohibited, unless and until such receptacles shall be so constructed and be so provided with cedar oil that when used for storage, such receptacles will not afford access to clothes moths to articles stored therein; and will, when closed, cause and maintain within them concentration of vapor or gas from such oil sufficient as a fumigant to kill young moth larvae within reasonable time after articles infested with such larvae are deposited in such receptacles. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Gersten Brothers, Docket 2810, February 16, 1939]

SEC. 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:* SEC. 3.66 (h) *Misbranding or mislabeling—Qualities or properties:* SEC. 3.96 (a) (6) *Using misleading name—Goods—Qualities or properties.* Marking, branding, or in any other manner designating or describing, through advertisements or otherwise, in connection with offer, etc., in commerce, etc., of storage receptacles, and devices and preparations intended for use in storage receptacles and closets to protect articles stored therein from moths, such devices and preparations, or any part or acces-

sory to the use thereof, with word "cedar" or with any derivative thereof, such as word "cedarol", either alone or in association with any other word or words, prohibited, unless and until such devices and preparations shall be so provided with cedar oil that, when they are placed within the receptacles and closets of the size in which respondents represent that such devices and preparations will be effective in use, such devices, etc., will cause and maintain within such receptacles, etc., concentration of vapor or gas from such oil sufficient as fumigant to kill young moth larvae within reasonable time after articles infested with such larvae are deposited within such storage receptacles and closets. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Gersten Brothers, Docket 2810, February 16, 1939].

Sec. 3.6 (x) *Advertising falsely or misleadingly—Results.* Representing, directly or by implication, through advertisements or in any other manner, in connection with offer, etc., in commerce, etc., of storage receptacles, and devices and preparations intended for use in storage receptacles and closets to protect articles stored therein from moths, that clothes moths or their eggs or moth larvae which may infest articles stored in respondents' said receptacles will be killed, or that their activities with respect to moth damage to such articles will be allayed or suspended by reason of any oil or oils or chemicals with which such receptacles may be provided, unless and until such is the fact, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Gersten Brothers, Docket 2810, February 16, 1939].

Sec. 3.6 (x) *Advertising falsely or misleadingly—Results:* Sec. 3.66 (j 10) *Misbranding or misleading—Results:* Sec. 3.96 (a) (7 a) *Using misleading name—Goods—Results.* Representing, directly or by implication, through advertisements or otherwise, in connection with offer, etc., in commerce, etc., of storage receptacles, and devices and preparations intended for use in storage receptacles and closets to protect articles stored therein from moths, by use of words "moth proofer", "mothador" or any other word or words, or in any other manner, that clothes moths or their eggs or moth larvae, which may infest articles stored in the receptacles or closets in which respondents represent such devices, etc., to be effective in use, will be killed, or that their activities with respect to moth damage to such articles will be delayed or suspended, by reason of any oil or oils or chemicals with which such devices, etc., may be provided, unless and until such is the fact, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Gersten Brothers, Docket 2810, February 16, 1939].

Sec. 3.6 (d) (1) *Advertising falsely or misleadingly—Conditions of manufacture—In general.* Representing, directly

or by implication, through advertisements or in any other manner, in connection with offer, etc., in commerce, of storage receptacles, and devices and preparations intended for use in storage receptacles and closets to protect articles stored therein from moths, that such storage receptacles are of a construction that is proof against the access of clothes moths to materials stored therein, unless and until such receptacles shall be in fact so constructed, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Gersten Brothers, Docket 2810, February 16, 1939].

*United States of America—Before
Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 16th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF MORTIMER ALFRED GERSTEN AND LEE GERSTEN, CO-PARTNERS DOING BUSINESS UNDER THE TRADE NAME GERSTEN BROTHERS

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission and the answer of respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint, and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents, Mortimer Alfred Gersten and Lee Gersten, individually and as co-partners doing business under the trade name Gersten Brothers, or under any other name or names, their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as commerce is defined in the Federal Trade Commission Act, of storage receptacles, and devices and preparations intended for use in storage receptacles and closets to protect articles stored therein from moths, do forthwith cease and desist from:

1. Marking, branding, or in any other manner designating or describing, through advertisements or otherwise, such storage receptacles, or any part or accessory to the use thereof, with the word "cedar" or with any derivation of the word "cedar" such as the word "cedarol", either alone or in association with any other word or words, unless

and until such storage receptacles shall be so constructed and be so provided with cedar oil that when used for storage, such receptacles

(a) will not afford access to clothes moths to articles stored therein; and

(b) will, when closed, cause and maintain within them concentration of the vapor or gas from the cedar oil sufficient as a fumigant to kill young moth larvae within a reasonable time after articles infested with such larvae are deposited in such receptacles:

2. Marking, branding, or in any other manner designating or describing, through advertisements or otherwise, such devices and preparations, or any part or accessory to the use thereof, with the word "cedar" or with any derivation of the word "cedar", such as the word "cedarol", either alone or in association with any other word or words, unless and until such devices and preparations shall be so provided with cedar oil that, when they are placed within the storage receptacles and closets of the size in which respondents represent that such devices and preparations will be effective in use, such devices and preparations will cause and maintain within such receptacles and closets concentration of the vapor or gas from the cedar oil sufficient as a fumigant to kill young moth larvae within a reasonable time after articles infested with such larvae are deposited within such storage receptacles and closets;

3. Representing, directly or by implication, through advertisements or in any other manner, that clothes moths or their eggs or moth larvae which may infest articles stored in respondents' said storage receptacles will be killed, or that their activities with respect to moth damage to such articles will be allayed or suspended by reason of any oil or oils or chemicals with which such receptacles may be provided, unless and until such is the fact;

4. Representing, directly or by implication, through advertisements or otherwise, by the use of the words "moth proofer", "mothador" or any other word or words, or in any other manner, that clothes moths or their eggs or moth larvae, which may infest articles stored in the receptacles or closets in which respondents represent such devices or preparations to be effective in use, will be killed, or that their activities with respect to moth damage to such articles will be delayed or suspended, by reason of any oil or oils or chemicals with which such devices and preparations may be provided, unless and until such is the fact;

5. Representing directly or by implication, through advertisements or in any other manner, that such storage receptacles are of a construction that is proof against the access of clothes moths to materials stored therein, unless and until such storage receptacles shall be in fact so constructed.

¹ 3 F. R. 2708 DL.

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-680; Filed, February 27, 1939;
11:29 a. m.]

[Docket No. 3324]

IN THE MATTER OF CHICAGO MATTRESS COMPANY

SEC. 3.66 (a) *Misbranding or mislabeling—Composition*: SEC. 366 (e) *Misbranding or mislabeling—Old, second-hand or reconstructed as new*: SEC. 3.69 (b) (9) *Misrepresenting oneself and goods—Goods—Old, secondhand or reconstructed as new*. Representing, in connection with offer, etc., in commerce, etc., of mattresses, directly or through failure to affix or attach tags or labels thereto clearly and conspicuously showing that such mattresses are composed, in whole or in part, as the case may be, of second-hand and used materials, or through any other means or device, that mattresses made from second-hand and used materials, in whole or in part, are new or are composed of new materials, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Chicago Mattress Company, Docket 3324, February 16, 1939]

SEC. 3.66 (f) *Misbranding or mislabeling—Price*. Representing, in connection with offer, etc., in commerce, etc., of mattresses, as the customary or regular retail prices for such mattresses, prices which are in fact fictitious and greatly in excess of prices at which said mattresses are regularly and customarily offered for sale and sold at retail, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Chicago Mattress Company, Docket 3324, February 16, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 16th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF JACOB SHERMAN, AN INDIVIDUAL, TRADING UNDER THE NAME AND STYLE OF CHICAGO MATTRESS COMPANY

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission, the

answer of the respondent, and a stipulation of facts and other evidence taken before William C. Reeves, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint, and brief of counsel for the Commission filed herein, no brief having been filed on behalf of the respondent, and no oral arguments having been requested or made, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent Jacob Sherman, individually, trading under the name and style of Chicago Mattress Company, his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of mattresses in commerce among and between the various states of the United States and in the District of Columbia, cease and desist from:

- (1) Representing, directly or through failure to affix or attach tags or labels thereto clearly and conspicuously showing that such mattresses are composed, in whole or in part, as the case may be, of second-hand and used materials, or through any other means or device, that mattresses made from second-hand and used materials, in whole or in part, are new or are composed of new materials;
- (2) Representing, as the customary or regular retail prices for such mattresses, prices which are in fact fictitious and greatly in excess of the prices at which said mattresses are regularly and customarily offered for sale and sold at retail.

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-681; Filed, February 27, 1939;
11:29 a. m.]

[Docket No. 3356]

IN THE MATTER OF HILD FLOOR MACHINE COMPANY

SEC. 3.6 (x) *Advertising falsely or misleadingly—Results*. Representing, in connection with offer, etc., in commerce, of rug and carpet cleaning system known as "Hild Rug and Carpet Cleaning Machine" and "Hild Rug Shampoo," that respondent's carpet and rug cleaning equipment cleans carpets and rugs, without removal from the floor where used, as well as, or better than, the more expensive installations of cleaning equipment usually installed and used in plants especially equipped for cleaning carpets and rugs after removal from the

floor where used, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Hild Floor Machine Company, Docket 3356, February 16, 1939]

SEC. 3.6 (x) *Advertising falsely or misleadingly—Results*: SEC. 3.6 (f) (10) *Advertising falsely or misleadingly—Unique nature or advantages*. Representing, in connection with offer, etc., in commerce, of rug and carpet cleaning system known as "Hild Rug and Carpet Cleaning Machine" and "Hild Rug Shampoo", that only with respondent's system can the dirtiest tacked-down rugs and carpets be flawlessly shampooed and cleaned and that nothing remains in the rug or carpet which needs rinsing out, prohibited. Sec. 5b 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Hild Floor Machine Company, Docket 3356, February 16, 1939]

SEC. 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product*: SEC. 3.6 (x) *Advertising falsely or misleadingly—Results*. Representing, in connection with offer, etc., in commerce, of rug and carpet cleaning system known as "Hild Rug and Carpet Cleaning Machine" and "Hild Rug Shampoo," that Hild Rug Shampoo is highly volatile, evaporates completely, and that grease and grime evaporate with the shampoo, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Hild Floor Machine Company, Docket 3356, February 16, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 16th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, testimony and other evidence taken before Arthur F. Thomas, an Examiner of the Commission, theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, and the agreed stipulation of facts entered into between respondent herein, Hild Floor Machine Company, and W. T. Kelley, Chief Counsel for the Commission, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Hild Floor Machine Company, its officers, representatives, agents and employees in connection with its offering for sale, sale and distribution of its rug and carpet

¹ 3 F. R. 2317 DL

¹ 3 F. R. 1096 DL

cleaning system, now known as "Hild Rug and Carpet Cleaning Machine" and "Hild Rug Shampoo", in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Representing that its carpet and rug cleaning equipment cleans carpets and rugs, without removal from the floor where used, as well as, or better than, the more expensive installations of cleaning equipment usually installed and used in plants especially equipped for the cleaning of carpets and rugs after removal from the floor where used;

(2) Representing that only with its system can the dirtiest tacked-down rugs and carpets be flawlessly shampooed and cleaned and that nothing remains in the rug or carpet which needs rinsing out;

(3) Representing that Hild Rug Shampoo is highly volatile, evaporates completely and that grease and grime evaporate with the shampoo.

It is further ordered, That the respondent shall, within sixty (60) days after service upon it 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 this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-682; Filed, February 27, 1939;
11:29 a. m.]

[Docket No. 3600]

IN THE MATTER OF STORYK BROS., INC.

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods:* SEC. 3.66 (a) *Misbranding or mislabeling—Composition.* Using, in connection with offer, etc., in commerce, of women's dresses and other wearing apparel for women, words "crepe" or "satin," or any other word or words of similar import or meaning, to describe, etc., any fabric or product which is not composed wholly of silk, product of cocoon of silkworm, prohibited, unless said descriptive words are used to designate type of weave or construction, and are qualified by use in immediate connection or conjunction therewith, in letters of at least equal size and conspicuousness, of word or words clearly naming or describing fibers or materials from which said fabric or product is made. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Storyk Bros., Inc., Docket 3600, February 16, 1939]

SEC. 3.6 (cc) (4) *Advertising falsely or misleadingly—Source or origin—Place:* SEC. 3.66 (k) (4) *Misbranding or mislabeling—Source or origin—Place.* Using, in connection with offer, etc., in commerce, of women's dresses and other wearing apparel for women, word "imported" or any other word or term of similar import or meaning, to describe, etc., any cloth, fabric or garment which has not been actually imported from a foreign country, prohibited.

(Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Storyk Bros., Inc., Docket 3600, February 16, 1939]

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods:* SEC. 3.66 (a) *Misbranding or mislabeling—Composition.* Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon, in connection with offer, etc., in commerce, of women's dresses and other wearing apparel for women, without clearly disclosing fact that such fabrics or products are composed of rayon, and, when composed in part of rayon and in part of other fibers or materials, without naming such fibers, etc., including the rayon, in the order of their predominance by weight, beginning with the largest single constituent, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Storyk Bros., Inc., Docket 3600, February 16, 1939]

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods:* SEC. 3.66 (a) *Misbranding or mislabeling—Composition:* SEC. 3.96 (a) (1) *Using misleading name—Goods—Composition.* Using, in connection with offer, etc., in commerce, of women's dresses and other wearing apparel for women, word "celanese," or any other trade-mark or trade name of a manufacturer of rayon, or any name indicative of any process of manufacturing rayon, to describe, etc., any fabrics, garments or other products made from materials other than rayon, prohibited, with provision that when such words may properly be used to describe, etc., fabrics, etc., made from rayon, they shall appear in immediate conjunction with word "rayon" in type of equal size and conspicuousness. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, Storyk Bros., Inc., Docket 3600, February 16, 1939]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 16th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint and stated that it waives all intervening procedure and further hearings as to the said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Storyk Bros. Inc., its officers, representa-

tives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution, of women's dresses and other wearing apparel for women, in commerce as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "crepe," or "satin," or any other word or words of similar import or meaning, to describe or designate any fabric or product which is not composed wholly of silk, the product of the cocoon of the silkworm, unless said descriptive word or words are used to designate the type of weave or construction, in which case such word or words shall be qualified by using in immediate connection or conjunction therewith in letters of at least equal size and conspicuousness, a word or words clearly naming or describing the fibers or materials from which said fabric or product is made.

2. Using the word "imported" or any other word or term of similar import or meaning, to describe, designate or refer to any cloth, fabric or garment which has not been actually imported from a foreign country.

3. Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon without clearly disclosing the fact that such fabrics or products are composed of rayon, and when such fabrics or products are composed in part of rayon and in part of other fibers or materials, such fibers or materials, including the rayon, shall be named in the order of their predominance by weight, beginning with the largest single constituent.

4. Using the word "celanese," or any other trade-mark or trade name of a manufacturer of rayon, or any name indicative of any process of manufacturing rayon, to describe or designate any fabrics, garments or other products made from materials other than rayon, and when such words may be properly used to describe, designate or refer to fabrics, garments or other products made from rayon, they shall appear in immediate conjunction with the word "rayon" in type of equal size and conspicuousness.

It is further ordered, That the respondent shall, within sixty (60) days after the service upon it 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 this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-683; Filed, February 27, 1939;
11:30 a. m.]

[Docket No. 3627]

IN THE MATTER OF L. D. LIVINGSTON &
SONS

SEC. 3.6 (c) *Advertising falsely or misleadingly—Composition of goods:* SEC. 3.66 (a) *Misbranding or mislabeling—*

Composition. Using, in connection with offer, etc., in commerce, of women's dresses and other wearing apparel for women, term "pure dye," or any other term of similar import or meaning, to describe, etc., any fibers, fabrics or other products which are not composed wholly of unweighted silk, product of cocoon of silk worm, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, L. D. Livingston & Sons, Docket 3627, February 18, 1939]

SEC. 3.6 (c) **Advertising falsely or misleadingly—Composition of goods:** SEC. 3.66 (a) **Misbranding or mislabeling—Composition.** Using, in connection with offer, etc., in commerce, of women's dresses and other wearing apparel for women, word "crepe" or any other word or words of similar import or meaning to describe, etc., any fabric or product which is not composed wholly of silk, product of cocoon of silk worm, prohibited, unless said descriptive words are used to designate type of weave or construction, and are qualified by use in immediate connection or conjunction therewith, in letters of at least equal size and conspicuousness, of word or words clearly naming or describing fibers or materials from which said fabric or product is made. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, L. D. Livingston & Sons, Docket 3627, February 18, 1939]

SEC. 3.6 (c) **Advertising falsely or misleadingly—Composition of goods:** SEC. 3.66 (a) **Misbranding or mislabeling—Composition.** Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon, in connection with offer, etc., in commerce, of women's dresses and other wearing apparel for women, without clearly disclosing fact that such fabrics or products are composed of rayon, and, when composed in part of rayon and in part of other fibers or materials, without naming such fibers, etc., including the rayon, in the order of their predominance by weight, beginning with the largest single constituent, prohibited. (Sec. 5b, 52 Stat. 112; 15 U. S. C., Supp. IV, sec. 45b) [Cease and desist order, L. D. Livingston & Sons, Docket 3627, February 18, 1939]

*United States of America—Before
Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 18th day of February, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF LOUIS D. LIVINGSTON, ARNOLD LIVINGSTON, JOSEPH A. LIVINGSTON, NORMAN LIVINGSTON, THEODORE H. LIVINGSTON, CO-PARTNERS, TRADING AS L. D. LIVINGSTON & SONS

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the

complaint of the Commission, and the answer of respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint and state that they waive all intervening procedure and future hearings as to the said facts, and the Commission having made its findings as to the facts and conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents, Louis D. Livingston, Arnold Livingston, Joseph A. Livingston, Norman Livingston, Theodore H. Livingston, individually and trading as L. D. Livingston & Sons, or trading under any other name, their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of women's dresses and other wearing apparel for women, in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Using the term "pure dye," or any other term of similar import or meaning, to describe or designate any fibers, fabrics or other products which are not composed wholly of unweighted silk, the product of the cocoon of the silk worm;

(2) Using the word "crepe" or any other word or words of similar import or meaning to describe or designate any fabric or product which is not composed wholly of silk, the product of the cocoon of the silk worm, unless said descriptive word or words are used to designate the type of weave or construction, in which case such word or words shall be qualified by using in immediate connection or conjunction therewith in letters of at least equal size and conspicuousness, a word or words clearly naming or describing the fibres or materials from which said fabric or product is made;

(3) Advertising, offering for sale or selling fabrics or any other products composed in whole or in part of rayon without clearly disclosing the fact that such fabrics or products are composed of rayon, and when such fabrics or products are composed in part of rayon and in part of other fibres or materials, such fibers or materials, including the rayon, shall be named in the order of their predominance by weight beginning with the largest single constituent.

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-684; Filed, February 27, 1939; 11:30 a. m.]

TITLE 17—COMMODITY AND
SECURITIES EXCHANGES

SECURITIES AND EXCHANGE
COMMISSION

SECURITIES ACT OF 1933

EXTENSION OF RULE S-210

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Act of 1933, particularly Sections 3 (b) and 19 (a) thereof,¹ and finding that registration of the class of securities specified in Rule S-210 [Sec. 5.S-210] of Regulation A, when sold in conformity with the terms and conditions prescribed therein, is not necessary in the public interest or for the protection of investors by reason of the small amounts involved and the limited character of the public offerings, and finding the temporary extension of such rule to be necessary and appropriate in the public interest and for the protection of investors and necessary to carry out the provisions of the Act, hereby takes the following action:

Rule S-210 [Sec. 5.S-210] as adopted and published on April 22, 1938, and as continued in effect until the close of business on February 28, 1939,² is hereby continued in effect until further action by the Commission.

The foregoing action of the Commission shall be effective immediately upon publication.³

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-689; Filed, February 27, 1939; 11:44 a. m.]

SECURITIES ACT OF 1933

EXTENSION OF AMENDMENT NO. 32 TO INSTRUCTION BOOK FOR FORM A-2

The Securities and Exchange Commission, finding that any information or documents specified in Schedule A. [C. 38, Schedule A, 48 Stat. 88; 15 U. S. C. 77aa] of the Securities Act of 1933, as amended, which Form A-2 [Sec. 6.A-2] and the book of instructions accompanying that form, as amended, do not require to be set forth, are inapplicable to the class of securities to which such form is appropriate, and that disclosure fully adequate for the protection of investors is otherwise required to be included in the registration statement, and that such information and documents as Form A-2 [Sec. 6.A-2] and the accompanying book of instructions, as amended, require to be set forth, but which are not specified in Schedule A

¹ C. 38, sec. 3, 48 Stat. 75; c. 404, sec. 202, 48 Stat. 906; c. 498, sec. 214, 49 Stat. 557; 15 U. S. C., 77c and Sup. III: C. 38, sec. 19, 48 Stat. 85; c. 404, sec. 209, 48 Stat. 908; 15 U. S. C. 77s.

² 3 F. R. 943, 2582 DL.

³ February 25, 1939.

[C. 38, Schedule A, 48 Stat. 88; 15 U. S. C. 77aa] are necessary and appropriate in the public interest and for the protection of investors, and finding such action to be necessary and appropriate in the public interest and for the protection of investors and necessary to carry out the provisions of the Act, acting pursuant to authority conferred upon it by the Securities Act of 1933, as amended, particularly Sections 7 and 19 (a)¹ thereof, hereby takes the following action:

Amendment No. 32 to the instruction book for Form A-2 [Sec. 6A-2], as adopted and published on April 22, 1938, and as continued in effect until the close of business on February 28, 1939,² is hereby continued in effect until further action by the Commission.

The foregoing action of the Commission shall be effective immediately upon publication.³

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-690; Filed, February 27, 1939;
11:44 a. m.]

TITLE 27—INTOXICATING LIQUORS

FEDERAL ALCOHOL ADMINISTRATION DIVISION

DESIGNATION OF FRENCH, GERMAN AND SWISS WINES WITH "DISTINCTIVE DESIGNATIONS" UNDER REGULATIONS RELATING TO LABELING AND ADVERTISING OF WINE

FEBRUARY 24, 1939.

To All Importers of Wine:

The Administration has been requested to make such findings under Section 24 (c) of Regulations No. 4, as amended,⁴ as will permit the use of vineyard and chateau names, village and commune names, and the names of similar geographical areas to be used as the sole designations for French, German and Swiss wines under Section 34⁴ of said regulations.

Were the Administration to permit the use of geographical names of this nature as the sole designations for the wines in question, such permission would have to be predicated upon a specific finding by the Administrator that the particular chateau, vineyard, village or district name is known to the consumer and to the trade as the designation of a specific wine of a particular place or region, distinguishable from all other wines. Even though specific types of wines, distinguishable from all other types, may be produced in individual

vineyards or villages, the Administration has been unable to conclude that the American consumer, except in rare instances, is sufficiently familiar with the vineyard or village name to know that such name is indicative of a specific type of wine, or even to know that such vineyard or village name is indicative of a particular geographical area.

It has been concluded, however, that table wines which the manufacturer or importer does not desire to describe by the terms specified in the standards of identity (i. e., "grape wine," "red wine," "white wine," "light wine," "natural grape wine") or by the use of a grape type designation (e. g. "Riesling," "Muscat"), or by the use of a designation found under Section 24 (b) to be semi-generic (i. e. "Burgundy," "Claret," "Chablis," "Moselle," "Rhine Wine," "Hock," "Sauterne," "Haut Sauterne"), may be marketed without fear of consumer deception, under geographic names which are known to the American consumer as indicative of large and distinctive wine producing areas, or of subdivisions of such areas definitely associated with the areas themselves.

Upon the basis of these facts, and after careful consideration of all the data available, the Administration has specifically found that the following names can be regarded as meeting the requirements of Section 24 (c) for distinctive designations of specific French, German or Swiss wines, but only when appropriately qualified by the word "wine," or its French or German equivalent:

1. Bordeaux:

Medoc:
St. Julien.
Margaux.
Graves.

Barsac.
Pomerol.
St. Emilion.

2. Bourgogne:

Grand Chablis, or Bourgogne des Environs de Chablis.

Cote de Nuits:
Gevrey-Chambertin.
Morey.
Chambolle-Musigny.
Flagey-Echezeaux.
Vosne-Romanee.
Nuits, or Nuits-St. Georges.

Cote de Beaune:

Aloxe-Corton.
Savigny.
Beaune.
Pommard.
Volnay.
Santenay.
Meursault.
Puligny-Montrachet.
Chassagne-Montrachet.

Cote Maconnaise, or Maconnais
Macon.

Cote Beaujolaise:
Beaujolais.

3. Rhone, or Cote du Rhone:

Cote Rotie.
Hermitage.
Chateauneuf-du-Pape.
Tavel.

4. Loire:

Anjou:
Coteaux du Layon.
Coteaux de la Loire.
Saumur.
Anjou-Saumur.
Touraine:
Vouvray.

5. Alsace, or Alsatian.

6. Mosel-Saar-Ruwer Mosel.

7. Swiss, or Suisse.

The names in the above list are in addition to certain type designations found under Section 24 (b) of Regulations No. 4 to be semi-generic, namely, "Burgundy," "Claret," "Chablis," "Moselle," "Rhine Wine," "Hock," "Sauterne" and "Haut Sauterne." These semigeneric type designations are, of course, entitled to be stated as the sole designations of wines produced in the place indicated by the name, without further qualification as to kind or origin.

The listed distinctive designations, and the semigeneric type designations, may appear either on the brand label, or upon a separate front label affixed in immediate proximity to the brand label on the same side of the bottle. If a particular wine is entitled to more than one of these designations, any or all of such designations may be employed, nor is the use precluded of additional designations to which the wine may be entitled under the laws of the country of origin, even if such additional designations are not mentioned herein. For example, a particular proprietary label may show that the wine is the product of a certain Chateau in the commune of Pauillac and this proprietary label may be retained, provided it bears upon it no information prohibited by any provision of the regulations; the requirements as to mandatory designation can then be satisfied by affixing a separate front strip label showing the designation of the wine as "Bordeaux Wine" or "Vin de Medoc". The word "wine" (or its French or German equivalent) must be included as part of the mandatory designation. The use of a separate front strip label, in lieu of overprinting the brand label, may be found desirable for the further purpose of adding statements of alcoholic content, net contents, name and address of importer, etc., in cases where it is desired to preserve the proprietary brand label intact.

While a reasonable time will be given to bring existing labels into conformity with the regulations, all importers handling these wines are urged to make any necessary changes at the earliest possible date.

[SEAL]

W. S. ALEXANDER,
Administrator.

[F. R. Doc. 39-653; Filed, February 24, 1939;
4:15 p. m.]

¹ C. 38, sec. 7, 48 Stat. 78; 15 U. S. C. 77g; C. 38, sec. 19, 48 Stat. 85; c. 404, sec. 209, 48 Stat. 908; 15 U. S. C. 77s.

² 3 F. R. 944, 2582 DL.

³ February 25, 1939.

⁴ 3 F. R. 2093 DL.

TITLE 30—MINERAL RESOURCES

NATIONAL BITUMINOUS COAL
COMMISSION

[General Docket No. 15]

ORDER IN THE MATTER OF THE ESTABLISH-
MENT OF MINIMUM PRICES AND MARKET-
ING RULES AND REGULATIONSIN RE PROPOSALS OF MINIMUM PRICES SUB-
MITTED BY THE DISTRICT BOARD FOR DIS-
TRICT NO. 10

At a session of the National Bituminous Coal Commission held at its offices in Washington, D. C. on the 20th day of February, 1939.

The Commission, on the 25th day of May, 1938,¹ having instituted the within proceedings entitled "In the matter of the Establishment of Minimum Prices and Marketing Rules and Regulations, General Docket No. 15," for the purpose of carrying out the provisions of subsections (a) and (b) of Section 4, Part II of the Bituminous Coal Act of 1937, and thereafter, upon the 19th day of August, 1938,² after notice and hearing, having determined the weighted average cost, as provided in Section 4, II, (a) of the Act, for Minimum Price Area No. 2, did, on the 20th day of August, 1938, by Order No. 249,³ direct the District Board for District No. 10 to propose minimum prices in conformity with the provisions of Section 4, II (a) of the Act, and in accordance with the rules and regulations prescribed by said Order No. 249, and

The District Board for District No. 10, having, thereafter, proposed such minimum prices, the Commission, by its Orders entered in this proceeding on October 11th, 21st, and 29th, 1938, directed that a hearing on the proposals submitted by the said District Board be held in the Hearing Room of the Commission, Morrison Hotel, Chicago, Illinois, commencing on the 14th day of November, 1938, at 10 o'clock, a. m., for the purpose of receiving evidence relating to said proposals to enable the Commission to approve such proposed minimum prices, or to enable the Commission to modify such proposed minimum prices, so as to conform them to the requirements of Section 4, II, (a) of the Act, in order that such proposed minimum prices, as approved, or modified, as the case may be, may serve as the basis for the coordination, as provided by Section 4, II, (b) of the Act, and

Reasonable public notice thereof having been given, said hearing was commenced at the time and place stated, and concluded on the 6th day of December, 1938, at which hearing all interested

parties were afforded full opportunity to be heard, and

The evidence being adduced, and the Commission being fully advised in the premises, and upon consideration thereof, the Commission made Findings of Fact and Conclusions relating to the proposals of minimum prices submitted by the District Board for District No. 10, which Findings of Fact and Conclusions are on file in the Office of the Secretary of the Commission at Washington, D. C., and by this reference are incorporated herein and made a part hereof, and

Included in the said Findings of Fact and Conclusions relating to District No. 10 is an appendix entitled "Schedule of Minimum Prices as modified and approved to serve as a basis for Coordination," which schedule embraces all modifications which the Commission determined to be necessary to conform the proposals of District No. 10 to the requirements of Section 4, II, (a) of the Act, and which the Commission has determined to be the proper basis to be used by District No. 10 for the coordination provided for in Section 4, II, (b) of the Act,

Now, Therefore, Pursuant to the provisions of the Bituminous Coal Act of 1937, the National Bituminous Coal Commission orders and directs:

1. That in the coordination of minimum prices as provided by Section 4, II (b) of the Act to be hereafter directed by subsequent Order of the Commission, the District Board for District No. 10 will take, as a basis thereof, the schedule as approved herein and described as follows:

District No. 10. Appendix to the Findings for District No. 10, as above referred to, entitled "Schedule of Minimum Prices as Modified and Approved to serve as a Basis for Coordination."

2. The Secretary of the Commission be and he is hereby directed to cause a copy of this Order, together with Findings of Fact and Conclusions, including the Appendix thereto, for District No. 10 to be published forthwith in the FEDERAL REGISTER, and to cause a copy of this Order and Findings of Fact and Conclusions for District No. 10 to be mailed to the Consumers' Counsel, to the Secretary of each District Board, to all interested parties who have entered their appearances in the hearings relating to said proposals, and to make copies of this Order and Findings of Fact, including the appendix thereto, available for inspection by interested parties at the Office of the Secretary of the Commission, Washington, D. C., and at the office of each Statistical Bureau of the Commission.

By order of the Commission.
Dated this 20th day of February, 1939.

[SEAL] F. WITCHER McCULLOUGH,
Secretary.

[F. R. Doc. 39-622; Filed, February 23, 1939;
12:54 p. m.]

[General Docket No. 15]

ORDER IN THE MATTER OF THE ESTABLISH-
MENT OF MINIMUM PRICES AND MARKET-
ING RULES AND REGULATIONSIN RE PROPOSAL OF RULES AND REGULATIONS
INCIDENTAL TO THE SALE AND DISTRIBUTION
OF COAL BY CODE MEMBERS SUB-
MITTED BY THE DISTRICT BOARD FOR DIS-
TRICT NO. 10

At a Session of the National Bituminous Coal Commission Held at its Offices in Washington, D. C., on the 20th day of February, 1939.

The Commission, on the 25th day of May, 1938,¹ having instituted the above-entitled proceedings for the purpose of carrying out the provisions of Sub-sections (a) and (b) of Section 4, Part II, of the Bituminous Coal Act of 1937, and having, by its Order No. 250,² dated August 20, 1938, directed the District Board for District No. 10 to propose reasonable rules and regulations incidental to the sale and distribution of coal by the code members of the said district in conformity with the provisions of Section 4, II, (a) of the Act, and

The District Board for District No. 10, having submitted such proposed rules and regulations together with the reasons upon which they were predicated, to the Commission in accordance with the provisions of said Order No. 250, the Commission did, by Orders entered herein on October 11, 21, and 29,³ 1938, direct that a hearing on said proposals be held in the Hearing Room of the Commission, Morrison Hotel, Chicago, Illinois, at 10 o'clock, a. m., commencing on the 14th day of November, 1938, for the purpose of receiving evidence to enable the Commission to approve such proposed marketing rules and regulations, or to enable the Commission to modify the proposed marketing rules and regulations as provided in Section 4, II, (a) of the Act in order that such proposed marketing rules and regulations, as approved or modified, as the case may be, may serve as the basis for the coordination provided by Section 4, II, (b) of the Act, and

After reasonable public notice having been given thereof, said hearing was commenced at the time and place stated and concluded on the 6th day of December, 1938, at which time all interested parties were afforded a full opportunity to be heard, and the evidence being adduced, the Commission being fully advised in the premises has made Findings of Fact and Conclusions relating to the proposals of said District No. 10, which Findings of Fact and Conclusions are on file at the Office of the Secretary of the Commission, Washington, D. C., and which are by this reference incor-

¹ 3 F. R. 1200, 1226 DL.² 3 F. R. 2061 DL.³ 3 F. R. 2057 DL.¹ 3 F. R. 1200, 1226 DL.² 3 F. R. 2058 DL.³ 3 F. R. 2597.

porated herein and made a part hereof, and

The Commission having determined that the rules and regulations as set forth in the said Findings of Fact and Conclusions for said District No. 10 are reasonable and are not inconsistent with the requirements of Section 4 of the Act, and do conform to the standards of fair competition established by Section 4 of the Act, and form a proper basis for the coordination provided for by Section 4, II, (b) of the Act.

Now, Therefore, Pursuant to the provisions of the Bituminous Coal Act of 1937, the National Bituminous Coal Commission hereby approves, for the purpose of coordination, the "Rules and Regulations incidental to the sale and distribution of coal by code members," as the same are set forth in the "Findings of Fact and Conclusions" by the Commission for District No. 10 filed this date in the Office of the Secretary of the Commission, Washington, D. C.

The Secretary of the Commission is hereby directed to cause a copy of this Order together with the Findings of Fact and Conclusions, above referred to, to be published forthwith in the FEDERAL REGISTER, and to cause a copy hereof, together with said "Findings of Fact and Conclusions" of the Commission to be mailed to the Consumers' Counsel, to the Secretary of each District Board, to all parties who have filed their appearances in the hearing relating to the aforesaid proposals, and to cause copies thereof to be made available for inspection by interested parties at the office of the Secretary of the Commission, Washington, D. C., and at the office of each Statistical Bureau of the Commission.

By order of the Commission.

Dated this 20th day of February, 1939.

[SEAL] F. WITCHER McCULLOUGH,
Secretary.

FINDINGS AS TO THE FACTS AND CONCLUSIONS OF THE COMMISSION

Pursuant to the provisions of an Act of Congress approved April 26, 1937, entitled "An Act to regulate interstate commerce in bituminous coal and for other purposes" (Public No. 48, 75th Congress, 1st Sess.), known as the "Bituminous Coal Act of 1937," and hereinafter referred to as the "Act," the National Bituminous Coal Commission, hereinafter referred to as the "Commission," under and by virtue of the authority granted in Section 4 II (a) of the Act, on the 20th day of August 1938, issued its Orders No. 249 and No. 250 ordering and directing the District Boards for Districts 9, 10, 11, 12, 13, 14, and 15 to propose to the Commission minimum prices free on board transportation facilities at the mines for kinds, qualities and sizes of coal produced in said districts and reasonable rules and regulations incidental to the sale and distribution of coal by code members within said districts, the

minimum prices and marketing rules and regulations to be proposed by the District Board for District 13 to be limited to that part of District 13 known as Minimum Price Area 3, said proposals to be submitted to the Commission on or before the 14th day of September 1938.

Said orders were published in the FEDERAL REGISTER under date of August 23, 1938, and copies of said orders were mailed to each of the code members within said districts and to each of the Secretaries of the District Boards within Minimum Price Areas 2, 3, 4 and 5, as directed in said orders.

Order No. 249 directed each of the aforesaid District Boards to propose to the Commission minimum prices f. o. b. transportation facilities at the mines for kinds, qualities, and sizes of coal produced by the code members in their respective districts, and to propose such classification of coal and price variations as to mines, consuming market areas, values as to uses and seasonal demand, as might be deemed proper and within the authority conferred by the Act. This order further provided that each District Board should transmit its schedule of proposed minimum prices to each code member in the district before filing such schedule with the Commission in order to give code members an opportunity of protesting any proposed price classification.

Order No. 249 further directed that the minimum prices proposed by the several district boards should conform to the following standards therefor set out in Section 4 II (a) of the Act:

(a) The proposed minimum prices for each of the aforesaid districts shall yield a return per net ton for such districts equal, as nearly as may be, to the weighted average of the total costs, per net ton, of the tonnage of the minimum price area within which such district is located, as said weighted average heretofore has been determined by order of the Commission dated August 19, 1938, in this proceeding.

(b) They shall reflect, as nearly as possible, the relative market value of the various kinds, qualities and sizes of coal to which they are applicable.

(c) They shall be just and equitable as between producers within the district.

(d) They shall be just and equitable as between producers within the district for any kind, quality or size of coal for shipment into any consuming market area.

(e) They shall not permit dumping.

Order No. 249 further directed that each schedule of proposed minimum prices submitted by the district boards should include the following clause:

NOTE.—The prices in this schedule are not the final minimum prices that will be established on coal for shipment by code members within this district into consuming markets of this district. In the ultimate establishment of the effective minimum prices, pursuant to subsection (b) of Part II, Section 4 of the Act, the minimum prices as proposed in such schedule, or as modified,

are subject to such increase or decrease, respectively, as may be necessary to carry out the provisions of subsections (a) and (b) of Part II, Section 4 of the Act.

Order No. 250 directed each of the aforesaid District Boards to propose to the Commission reasonable rules and regulations incidental to the sale and distribution of coals by the code members of their respective districts, such rules and regulations not to be inconsistent with the requirements of Section 4 of the Act and to conform to the standards of fair competition therein established. Said order directed said District Boards to transmit such proposed rules and regulations to all code members in order that they would be afforded an opportunity of studying such proposed rules and regulations and of protesting to any of such proposals and to suggest whatever added rules or regulations such code members deemed necessary to properly effectuate the purposes of Section 4 of the Act.

Upon receipt of said orders by the several District Boards within Minimum Price Areas 2, 3, 4 and 5, said District Boards, as directed in said orders, proceeded to propose such minimum prices and marketing rules and regulations as in their judgment conformed to the requirements of said orders. Schedules evidencing such proposals were prepared by said District Boards and copies of same were transmitted to each code member within the respective districts in order that such code members, after due consideration of such schedules, might present to their respective District Boards whatever objections, if any, they might have to said schedules, and in order that the respective District Boards, after due consideration of such objections, if any, might revise such schedules in such manner as, in their judgment, would better conform to the requirements of Orders No. 249 and No. 250, as issued by the Commission, and to the requirements of Section 4 II (a) of the Act.

The schedules of minimum prices, as revised, together with the data upon which same were computed and the schedules of marketing rules and regulations, together with the reasons supporting same, were transmitted to the Commission as directed in said orders.

Subsequent to the receipt of said schedules by the Commission, the Commission, on the 11th day of October 1938, issued its order giving notice to all interested parties of a hearing to be held upon the proposals of minimum prices and marketing rules and regulations as proposed and submitted to the Commission by the District Boards for Districts 9, 10, 11, 12, 13 (except Van Buren, Warren and McMinn Counties in Tennessee), 14 and 15 within Minimum Price Areas 2, 3, 4 and 5, said hearing to be held on the 26th day of October 1938, at the Hearing Room of the Commission, 15th and Eye Streets, N. W., Washington, D. C. As expressed in the face of said order, said hearing was to be held for the purpose of receiving evidence relating to the

aforementioned proposals of minimum prices and marketing rules and regulations in order to enable the Commission to approve or modify such proposals to the end that such proposals, as approved or modified, may serve as the basis for the coordination of same as provided in Section 4 II (b) of the Act.

Said order giving notice of said hearing directed the Secretary of the Commission to cause copies of said proposals to be made available for inspection by interested parties at the office of the Secretary of the Commission at Washington, D. C., and at the office of each Statistical Bureau of the Commission within Minimum Price Areas 2, 3, 4 and 5; to cause a copy of said order to be published forthwith in the FEDERAL REGISTER and in two consecutive issues of a newspaper having a general circulation in each of the districts within Minimum Price Areas 2, 3, 4 and 5; and to cause a copy of said order to be mailed to each of the code members within said districts, to the Office of Consumers' Counsel, Washington, D. C., and to the Secretaries of each of the District Boards for the districts within Minimum Price Areas 2, 3, 4 and 5. A copy of said order was also directed to be made available for inspection at each of the Statistical Bureaus of the Commission within said districts.

The aforesaid directions in said order were complied with. A copy of said order was made available for inspection at the office of the Secretary of the Commission at Washington, D. C., and at the office of each of the Statistical Bureaus of the Commission within each of the districts within Minimum Price Areas 2, 3, 4 and 5. A copy of said order was published in the FEDERAL REGISTER of date October 14, 1938, and a copy of said order was mailed to each of the code members within Minimum Price Areas 2, 3, 4 and 5, to the Office of Consumers' Counsel, Washington, D. C., and to each of the Secretaries of the District Boards within Minimum Price Areas 2, 3, 4 and 5. A copy of said order was published in two consecutive issues of The Des Moines Register, Des Moines, Iowa; The Birmingham News, Birmingham, Alabama; the Illinois State Register, Springfield, Illinois; The Terre Haute Tribune, Terre Haute, Indiana; The Louisville Times, Louisville, Kentucky; The Kansas City Star, Kansas City, Missouri; and the Arkansas Democrat, Little Rock, Arkansas, newspapers having a general circulation in each of the respective districts within Minimum Price Areas 2, 3, 4 and 5.

Subsequent to the issuance and service of the aforementioned order giving notice of hearing upon the proposed minimum prices and marketing rules and regulations as proposed by the District Boards for Districts 9, 10, 11, 12, 13 (except Van Buren, Warren and McMinn Counties in Tennessee), 14 and 15, the Commission, on the 21st day of October

1938, issued its order giving notice of postponement of said hearing, the date of said hearing being postponed from the 26th day of October 1938 to the 3d day of November 1938.

Said order giving notice of the postponement of said hearing directed the Secretary of the Commission to cause a copy of same to be published forthwith in the FEDERAL REGISTER and in two consecutive issues of a newspaper having a general circulation in each of the aforesaid districts. Said order further directed the Secretary of the Commission to mail a copy of same to each of the code members within Minimum Price Areas 2, 3, 4, and 5, to the Office of Consumers' Counsel, and to the Secretary of each of the District Boards within said Minimum Price Areas. The Secretary of the Commission was also directed to make a copy of said order available for inspection at each of the Statistical Bureaus of the Commission within Minimum Price Areas 2, 3, 4, and 5.

The aforesaid directions in said order were complied with. A copy of said order was published in the FEDERAL REGISTER of date October 25, 1938, and copies of said order were mailed to each of the code members within Minimum Price Areas 2, 3, 4 and 5; to the Office of Consumers' Counsel, Washington, D. C.; and to each of the Secretaries of the District Boards for Districts 9, 10, 11, 12, 13, 14 and 15. A copy of said order was made available for inspection at each of the Statistical Bureaus of the Commission within said districts. A copy of said order was published in two consecutive issues of the Birmingham News, Birmingham, Alabama; The Des Moines Register, Des Moines, Iowa; Illinois State Register, Springfield, Illinois; Arkansas Democrat, Pulaski County, Arkansas; The Terre Haute Tribune, Terre Haute, Indiana; The Kansas City Star, Kansas City, Missouri; and The Louisville Times, Louisville, Kentucky, newspapers having a general circulation in each of the respective districts within Minimum Price Areas 2, 3, 4 and 5.

The Commission on the 29th day of October 1938 issued its order giving notice that the hearing in the matter of the proposals of minimum prices and marketing rules and regulations as submitted to the Commission by the District Boards for Districts 9, 10, 11, 12, 13 (except Van Buren, Warren and McMinn Counties in Tennessee), 14 and 15 as previously set by order of the Commission for the 3d day of November 1938, at 10 a. m. in the Hearing Room of the Commission at 15th Street and Eye Street N. W., Washington, D. C., had been separated so as to provide for that part of the hearing relating to Minimum Price Area No. 3 to be held in the City of Washington, D. C., on the 9th day of November 1938 and that part of the

hearing relating to Minimum Price Areas 2, 4 and 5 to be held in the City of Chicago, Illinois, on the 14th day of November 1938.

Said order further gave notice that the date for the hearing in the matter of the proposals of minimum prices and marketing rules and regulations as submitted to the Commission by the District Board for District 13 (except Van Buren, Warren and McMinn Counties in Tennessee) as previously set by order of the Commission for the 3d day of November 1938, at 10 a. m. in the Hearing Room of the Commission at 15th and Eye Streets N. W., Washington, D. C., had been postponed to November 9, 1938, the hearing to be held at the same hour and place.

Said order also gave notice that the date for the hearing in the matter of the proposals of minimum prices and marketing rules and regulations as submitted to the Commission by the District Boards for Districts 9, 10, 11, 12, 14 and 15 as previously set by order of the Commission for the 3d day of November 1938, at 10 a. m. in the Hearing Room of the Commission at 15th and Eye Streets, N. W., Washington, D. C., had been postponed to the 14th day of November 1938, said hearing to open at 10 a. m. in the Hearing Room of the Commission in the Morrison Hotel, Chicago, Illinois.

Said order giving notice of the separation and postponement of said hearing directed the Secretary of the Commission to cause a copy of same to be published forthwith in the FEDERAL REGISTER and in a newspaper having a general circulation in Districts 9, 10, 11, 12, 13, 14 and 15. The Secretary of the Commission was further directed to cause copies of said order to be mailed to each of the code members within said districts, to the Office of Consumers' Counsel, Washington, D. C., to the Secretaries of each of the District Boards within Minimum Price Areas 2, 3, 4 and 5, and to make available for inspection a copy of said order in each of the Statistical Bureaus of the Commission within said districts.

The aforesaid directions in said order were complied with. A copy of said order was made available for inspection at the office of each of the Statistical Bureaus of the Commission for each of the districts within Minimum Price Areas 2, 3, 4 and 5. A copy of said order was published in the FEDERAL REGISTER of date November 1, 1938, and copies of said order were mailed to each of the code members within Minimum Price Areas 2, 3, 4 and 5; to the Office of Consumers' Counsel, Washington, D. C.; and to each of the Secretaries of the District Boards within Minimum Price Areas 2, 3, 4 and 5. A copy of said order was published in two consecutive issues of The Louisville Times, Louisville, Kentucky; The Illinois State Register, Springfield, Illinois; The Des Moines Register, Des Moines, Iowa; The Terre Haute Tribune, Terre Haute, Indiana;

The Arkansas Democrat, Little Rock, Arkansas; The Birmingham News, Birmingham, Alabama; and The Kansas City Star, Kansas City, Missouri.

Due and reasonable notice of the separate hearing upon the proposals of minimum prices and marketing rules and regulations as submitted to the Commission by the District Boards within Minimum Price Areas 2, 4 and 5, as postponed, having been given all interested parties, said cause came on for hearing before the Commission on the 14th day of November 1938, at the hour and place as specified in the order of the Commission dated October 29, 1938, to wit, at 10 a. m., in the Hearing Room of the Commission at the Morrison Hotel, Chicago, Illinois; and, after said hearing had been duly and formally opened and all interested parties desiring to appear had entered their appearances in said cause, the Commission proceeded to receive evidence relative to the proposals of minimum prices and marketing rules and regulations as proposed to the Commission by the District Boards for Districts 9, 10, 11, 12, 14, and 15, said hearing being duly concluded on the 6th day of December 1938.

At said hearing all interested parties were afforded full opportunity to be heard on the proposals of minimum prices and marketing rules and regulations which had been submitted by each of the District Boards within Minimum Price Areas 2, 4 and 5. Each of the District Boards within said Minimum Price Areas adduced evidence relating to such proposals and placed into the record as exhibits all of the data which such District Boards had used as a basis for such proposals and each of the District Boards through competent witnesses testified as to the factors which the District Boards had considered in determining the price relationships and the marketing rules and regulations which had been proposed by the District Boards in their respective schedules.

Each of the schedules of proposed minimum prices offered in evidence by the District Boards contained the above clause previously quoted from Order 249 which clearly indicated that the District Boards were proposing minimum prices free on board transportation facilities at the mines for kinds, qualities and sizes of coal produced in each of the aforesaid districts without taking into consideration those additional factors and standards which are set forth in Section 4, Part II, subsection (b) of the Act. The minimum prices so proposed, as hereafter approved or modified, will serve as a basis for coordination as provided in Section 4 II (b) of the Act. Such proposals of minimum prices do not take into account differences in transportation methods and charges and their effect upon a reasonable opportunity to compete on a fair basis, or competitive relationships between coal and other forms of fuel and energy as such matters

constitute a part of the coordination of minimum prices and are properly a subject of consideration under Section 4 II (b) of the Act.

The Commission, after hearing the evidence adduced with respect to the minimum prices and marketing rules and regulations proposed by the District Board for District No. 10, upon due consideration thereof, and being fully advised in the premises, makes Findings of Fact and Conclusions as follows:

MINIMUM PRICE AREA NO. 2—DISTRICT NO. 10

PROPOSED MINIMUM PRICES

Pursuant to Order No. 249 of the Commission, the District Board for District No. 10 prepared a schedule of proposed minimum prices f. o. b. transportation facilities at the mines for kinds, qualities and sizes of coal produced by the various code members within the District, and such classification of coal and price variations as to mines and consuming market areas, and values as to uses and seasonal demand as it deemed proper and within the authority conferred by the Act, and transmitted a copy thereof, together with rules and procedure for filing protests thereto, to each and every code member within District No. 10. A copy of the letter outlining the procedure for filing protests to said schedule was introduced in evidence herein as Exhibit No. 668.

Fifty-nine protests thereto were received by District Board No. 10 within the seven day period provided for the filing of protests, all of which were set for public hearing at a special meeting of said Board. Notice of said public hearing was given to all code members within the District. Nine of the protestants failed to appear at the hearing, and one of the protestants withdrew its protest. The other forty-nine protestants appeared and were heard, and their protests were acted upon by the District Board. The District Board also considered and acted upon the protests filed by the nine protestants that failed to appear.

Of the fifty-eight protests thus considered and acted upon by the District Board, fifteen were denied in full; ten were granted in full; thirty-one were granted in part and denied in part; one was granted in part and held in abeyance in part, pending further investigation; and one was held in abeyance in its entirety pending further investigation. The action taken by the District Board with respect to each of these protests was set forth in resolutions adopted by the Board, copies of which resolutions were introduced in evidence herein as Exhibit No. 669.

The District Board then revised its proposed schedule of minimum prices to incorporate the changes it had made as a result of the hearing on the protests, and to include classifications for the mines of seventy additional code members that

filed their acceptances of the code subsequent to the preparation of the original proposed schedule. Said schedule as thus amended was approved and adopted by the District Board as its proposed schedule of minimum prices, and copies thereof were transmitted to each and every code member within the District. Copies of the proposed schedule thus adopted by the District Board, together with the data upon which the proposed minimum prices were computed and the factors that were considered in determining the price relationships, were also submitted to the Commission.

The District Board brought the classifications it had placed on the mines of the seventy additional code members to the attention of all code members within the District by its circular letter No. 44, and gave each and every code member an opportunity to protest thereto. At the same time the District Board also transmitted a copy of its original proposed schedule, together with rules and procedure for filing protests thereto, to each and every one of the seventy new code members, and gave said members approximately ten days within which to file protests thereto. The notices thus transmitted to the code members set a date for the hearing of any protests that might be filed pursuant thereto. The District Board met on said date for the purpose of hearing any such protests, but none was filed.

A copy of the resolution by which the District Board approved and adopted said proposed schedule was introduced in evidence as Exhibit No. 670. The schedule itself was introduced in evidence as Exhibit No. 671, and a statement of the factors, without limitation, that were considered by the District Board in determining the price relationships was introduced in evidence as Exhibit No. 677. Copies of the District Board's circular No. 44 and the notice that the District Board sent to the seventy new code members pertaining to the filing of protests were introduced in evidence as Exhibit No. 749.

Subsequent examination of the proposed schedule, Exhibit No. 671, by the District Board developed four instances wherein errors or omissions had been made therein. These errors and omissions were brought to the attention of all concerned, including each and every code member within the District, by means of an errata sheet, designated circular No. 43, which the District Board issued with a request that said proposed schedule be corrected in accordance therewith. A copy of said circular No. 43 was introduced in evidence as Exhibit No. 672.

The schedule of minimum prices proposed by District Board No. 10 for said District, Exhibit No. 671, was prepared by the entire District Board and was approved and adopted by the entire Board. The Chairman, the Vice-Chairman, and

the Secretary-Treasurer of the District Board, all of whom are thoroughly familiar with the marketing and distribution of coals produced in District No. 10, testified in support thereof. Their knowledge of the coals of District No. 10 is based upon years of experience in the bituminous coal industry in said District, and each one of them is preeminently qualified to testify with respect to said coals.

District Board No. 10 consists of three members, two of whom have been connected with the coal industry for a good many years and have had long experience in the mining and marketing of coal. Both of these members have been connected with the coal industry practically all of the working period of their lives. One of them has had more than thirty-five years experience in the coal industry in District No. 10, as well as in other coal fields, and the other one has had more than twenty years experience in the coal industry in District No. 10. The labor member of the Board has also had wide experience in the bituminous coal industry, and has been associated with the industry in the District for a number of years.

The members of the District Board represent a large percentage of the production in the District, and they have an intimate knowledge of the relative value of all of the coals produced throughout the District. By reason of their intimate knowledge of said coals, they are fully capable of judging the price differentials and relationships between the kinds, qualities and sizes of coal produced within the District.

District No. 10 comprises all of the bituminous coal producing counties in the State of Illinois, of which there were fifty-eight in 1937. The total production of the District in 1937 amounted to 52,432,255 net tons, of which 48,062,076 net tons, or approximately 91.7 per cent, were produced by rail-shipping mines, designated throughout the record and herein as "shipping mines", and 4,370,179 net tons, or approximately 8.3 per cent, were produced by truck mines, designated throughout the record and herein as "local mines". During that year there were 168 shipping mines in operation in thirty-one counties, and 852 local mines in operation in forty-nine counties. There were nine counties with shipping mines that had no local mines, and there were twenty-seven counties with local mines that had no shipping mines. Since 1937 certain of these mines had closed down and certain other mines had commenced operation, but the number or names of such mines were not enumerated for the record. At the time the proposed schedule was prepared, however, there were 112 code members operating 158 shipping mines, and 658 code members operating 665 local mines, a total of 770 code members operating 823 mines, and in 1937 the code members produced approximately 98 per cent of the total tonnage of the District.

The total tonnage produced in District No. 10 during the year 1937, separated by counties as between shipping mines and local mines, and the total number of shipping and local mines that were in operation in each county, as set forth on page 1, of Exhibit No. 678, were as follows:

1937 Production in District No. 10, by counties, separated as between shipping and local mines

Counties	Shipping mines		Local mines	
	Number	Tons	Number	Tons
Adams.....	1	51,757	1	909
Bond.....	1	57,207	10	20,231
Bureau.....	1	57,207	7	13,320
Cass.....	2	4,743,598	2	915
Christian.....	6	264,413	1	15,700
Clinton.....	3		1	1,436
Crawford.....	1	27,087	4	36,488
Edgar.....	13	10,108,267	99	358,152
Franklin.....	13	2,976,168	13	34,003
Fulton.....	13		25	8,912
Gallatin.....	2	9,770	9	159,758
Greene.....	2		3	2,516
Grundy.....	2	622,255	24	106,683
Hancock.....	2	1,599,078	21	121,016
Henry.....			2	555
Jackson.....			5	380
Jasper.....			6	1,001
Jefferson.....			1	135
Jersey.....			29	140,914
Johnson.....	2	722,261	42	77,197
Knox.....	5	399,532	10	16,153
LaSalle.....			1	2,969
Livingston.....	1	145,289	5	5,621
Logan.....	10	3,515,265	22	363,240
Macon.....	6	1,295,392	16	11,200
Macoupin.....	2	317,542	10	143,649
Madison.....			14	27,925
Marion.....			1	300
Marshall.....	3	928,598	2	1,092
Menard.....			27	6,482
Mercer.....			69	373,681
Monroe.....			10	25,892
Montgomery.....			1	47
Morgan.....	1	45,879	9	53,027
McDonough.....	6	1,337,086	6	45,261
Peoria.....	4	1,112,036	41	687,858
Perry.....	15	3,847,463	24	37,427
Pope.....			16	255,408
Putnam.....			42	73,673
Randolph.....			4	2,119
Rock Island.....	20	2,009,768	14	12,205
St. Clair.....	11	3,460,130	13	20,783
Saline.....	8	2,338,696	3	156,614
Sangamon.....			96	390,931
Schuyler.....			5	9,419
Scott.....			4	10,418
Shelby.....			2	24,713
Stark.....	2	126,007	1	75,076
Tazewell.....	6	1,883,472	79	436,775
Vermilion.....			2	72,984
Wabash.....				
Warren.....	3	311,004		
Washington.....	1	33,857		
White.....	1	1,318,001		
Will.....	15	2,382,214		
Williamson.....	2	72,984		
Woodford.....				
Total, 58.....	168	48,062,076	852	4,370,179

There are six veins or seams of bituminous coal being mined in District No. 10 at the present time, namely, seams numbered 1, 2, 3, 5, 6 and 7. There are twenty-four counties in which the shipping mines operate in one seam only, and seven counties in which the shipping mines operate in two seams. With approximately ten exceptions, all of the shipping mines in the District are located in Franklin, Saline and Williamson Counties in the Southeastern part of Illinois, and in other counties extending in a northwesterly direction to Henry County, Illinois.

The highest grade of coal produced in District No. 10 is mined in Franklin, Saline and Williamson Counties. All of the coal produced in Franklin County, and almost all of that produced in Williamson County is from the sixth vein. The coal mined in Perry, Jackson and Randolph Counties immediately west of Franklin and Williamson Counties is also produced mostly from the sixth vein, but it is a lower grade coal. This is due to the fact that there is a geological disturbance, known locally as the Duquoin anticline, along the western boundaries of Franklin and Williamson Counties, which follows approximately the main line of the Illinois Central Railroad through the eastern parts of Jackson and Perry Counties, and the coal produced in said counties just west thereof, although from the same seam, is not of as high a quality as the coal produced east of the anticline.

The schedule of minimum prices proposed by the District Board divides the shipping mines of the District into six subdivisions, based on their geographical location and the historical record of each producing field, as follows:

(1) Belleville subdistrict, which includes all shipping mines in Bond, Clinton, Randolph and St. Clair Counties, and parts of Madison, Perry and Washington Counties, all of which mines operate in the sixth seam.

(2) Central Illinois subdistrict, which includes all shipping mines in Christian, Macon, Macoupin, Marion, Montgomery, Sangamon, and Vermilion Counties, and parts of Madison and Washington Counties. The shipping mines in six of these counties operate in the sixth seam, in two counties in the fifth seam, and in one county in both the sixth and seventh seams.

(3) DuQuoin subdistrict, which includes all shipping mines in Jackson County and in a part of Perry County, all of which mines operate in the sixth seam.

(4) Fulton-Peoria subdistrict, which includes all shipping mines in Fulton, Knox, Pecria and Tazewell Counties. The shipping mines in two of these counties operate in the fifth seam, in one county in the sixth seam, and in one county in both the fifth and sixth seams.

(5) Northern Illinois subdistrict, which includes all of the shipping mines in Bureau, Grundy, Henry, La Salle, Putnam, Will and Woodford Counties. The shipping mines in four of these counties operate in the second seam, in one county in the third seam, in one county in both the first and second seams, and in one county in both the second and third seams.

(6) Southern Illinois subdistrict, which includes all of the shipping mines in Franklin, Saline, White and Williamson Counties. The shipping mines in two of these counties operate in the sixth seam, and in the other two counties in both the fifth and sixth seams.

The local mines in said proposed schedule are divided into ten sections, also based on their geographical location and the historical record of each producing field as follows:

Section No. 1. All local mines in Grundy, Livingston and Will Counties.

Section No. 2. All local mines in Bureau, La Salle, Marshall, Putnam and Woodford Counties.

Section No. 3. All local mines in Henry, Knox, Stark, Mercer, Rock Island and Warren Counties.

Section No. 4. All local mines in Fulton, Logan, Peoria and Tazewell Counties.

Section No. 5. All local mines in Adams, Brown, Cass, Greene, Jersey, Hancock, Macoupin, McDonough, Pike, Schuyler and Scott Counties.

Section No. 6. All local mines in Christian, Macon, Menard, Montgomery, Morgan, Sangamon and Shelby Counties.

Section No. 7. All local mines in Crawford, Edgar, Jasper, Richland, Vermillion and Wabash Counties.

Section No. 8. All local mines in Madison, Monroe and St. Clair Counties.

Section No. 9. All local mines in Bond, Clinton, Jackson, Jefferson, Marion, Perry, Randolph, and Washington Counties.

Section No. 10. All local mines in Franklin, Gallatin, Johnson, Pope, Saline, White and Williamson Counties.

The District Board designated the entire area into which the producers of District No. 10 ship their coals as one consuming market area, and the minimum prices it proposed are the same for the entire area. Said consuming market area, as designated at page 50 of the proposed schedule of minimum prices, Exhibit No. 671, is as follows:

"Destinations in the following states: Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Texas and Wisconsin."

Approximately 99.5 per cent of all the bituminous coal produced in District No. 10 is used for ordinary steam and heating purposes. Of the remainder, approximately 150,000 tons annually are used in by-product work in a carbonization plant, which is operated in connection with the mines in which the coal is produced; about 20,000 tons annually are used in the manufacture of gas; and about 200,000 tons annually are used in special work, such as the manufacture of clay products, and in plants and industries manufacturing metal products.

The District Board sought to obtain from the all-rail mine producers within District No. 10, by means of a questionnaire, captioned D-1 Report, distribution data showing by tons the various

sizes of coal produced by each operator during the calendar year 1937. Some of said producers did not respond to the questionnaire, however, and where they failed to do so the data were obtained from the Commission, or from the Coal Report for the year 1937, compiled by the Department of Mines and Minerals of the State of Illinois.

The District Board thus obtained distribution data on 46,646,475 net tons of coal produced by shipping mines, and on 4,073,775 net tons produced by local mines, a total of 50,720,250 net tons, or 96.73 per cent of the total tonnage produced in the District during the year 1937, which amounted to 52,432,255 net tons. Of the 46,646,475 net tons produced by shipping mines, the District Board obtained the distribution data on 44,355,453 net tons, on 95.09 per cent, direct from the producers; on 1,278,135 net tons, or 2.74 per cent, from reports submitted to the Commission by the producers; and on 1,012,987 net tons, or 2.17 per cent, from the Illinois Coal Report for 1937. It also obtained all of the data on the 4,073,775 net tons produced by local mines from the Illinois Coal Report for the year 1937.

These data, separated as between the various size groups and classifications proposed by the District Board according to the sources from which the data were obtained, were introduced in evidence as Exhibit No. 673. A tabulation of the sources of said data was introduced in evidence as Exhibit No. 674.

In addition to the distribution data herein enumerated, the District Board had for consideration at the time it prepared its proposed schedule, among other things, a substantial amount of analytical data and other information submitted to it by code members in response to our Order No. 234, and also reports of analyses made from samples taken and analyzed by the Commercial Testing and Engineering Company at its request and under its direction.

By our Order No. 234, dated March 16, 1938, each code member in each district was directed, inter alia, to file with the Marketing Division of the Commission on or before the 15th day of April 1938, for each mine operated the form adopted by us entitled "Questionnaire as to Analysis, Methods of Mining, Preparation of Coals, and Other Information," and to file a copy thereof with the District Board for the District in which the mine reported upon was located, said reports to be executed by the code member or his or its duly authorized officer or agent, and verified by affidavit. With respect to analysis, both the Order and the questionnaire provided that each code member should report all available information concerning the analytical qualities of each size of coal produced at each mine, as such coal is loaded into transportation facilities for shipment to market.

Said Order provided further that:

(1) Subsequent to the filing of said questionnaire, each code member shall give written notice to both the proper District Board and to the Commission of any variation in the method of mining, preparation of coal or any other condition effecting a material change in the analysis or other qualities of any sizes of coal produced by such code member, said notice to be given within ten days after the occurrence of such change and to include a report as to the effect of such change on the analysis and other market qualities of the coals involved.

(2) On or before the 15th day of April, 1938, each code member shall prepare and file with the proper District Board and with the Commission, a report of all analyses used in the sale or offering for sale of each size of coal from each of his or its mines, which shall contain all analyses used on or after the 16th day of December, 1937 and prior to the date of said Order, said report to be verified by affidavit, and to also include an exact copy of each analysis, together with a statement of the place and manner of sampling, the date of such analysis, and the person or firm by whom the analysis was made.

(3) From and after the date of said Order each code member shall file with the proper District Board and with the Commission a copy of each analysis used in the selling or offering for sale of each grade and size of coal produced at each mine.

By our Order No. 235, dated March 17, 1938, we also authorized all District Boards to secure from code members pertinent data concerning the plant performance and the physical characteristics of the coals of code members, and to make analyses of the coals of code members. Said Order provided, inter alia, that:

(1) For the purpose of securing more complete and more accurate information as to the qualities and characteristics of coals of code members, the several District Boards are authorized either to provide facilities for the sampling and analyzing of coals or to enter into contracts for the performance of such work either by Governmental agencies having the proper facilities therefor or by competent and disinterested private individuals or companies generally engaged in the business of sampling and analyzing coals.

(2) In order that the District Boards may have available for the classification of coals of code members pertinent data concerning physical characteristics and characteristics of performance of the coals of the code members, all District Boards are authorized to request from code members by questionnaire or by other means such information as will tend to establish such factors.

(3) In any case where a code member fails to file analyses of his coals as required by Order No. 234, supra, or files the questionnaire required by said Order reporting that he has no analyses of his coals, the District Board of the District in which said code members' mines are located may, when in its judgment necessary cause an analysis or analyses to be made, in accordance with the standards herein set forth, which will be truly representative of the coals of said code member.

(4) In any case where a code member has filed the analyses required by Order No. 234, supra, but such analyses are not, in the judgment of the District Board, truly representative, such District Board may, in its discretion, cause a proper sample or samples of such coals to be taken and analyzed in accordance with the standards herein set forth, and in each such case the code member shall permit representatives of the District Board to enter upon his property and take the necessary samples. That in each such case, the District Board may, in its discretion, take samples and make analyses of every size of coal produced at a mine, or may designate a size or sizes to be analyzed which, in the judgment of the Board, are truly representative of the coals of the code member, or are sizes most highly competitive or likely to be involved in controversies as to classification of price.

(5) Unless otherwise directed, the analysis to be made in every case shall be proximate analysis and shall show the moisture, ash, volatile matter, fixed carbon and sulphur content of the coal, and ash softening temperature, together with the heating value in British thermal units on an "as received" basis. That all samples of coal taken for analysis purposes shall be tippie samples taken after final preparation of coal for shipment to market, in accordance with the standard methods developed by the United States Bureau of Mines in Technical Paper No. 133 or approved by the American Society of Testing Materials.

(6) Said Order is not intended to nor does it restrict or impair the authority of the District Board to propose classifications and prices, or of the Commission to establish classifications and prices, of any coal of any code member made upon the basis of such analytical information as is available to the District Board and to the Commission without having first obtained independent or other analyses of the coals as authorized by said Order.

By its Circular No. 38, dated July 9, 1938, District Board No. 10 informed all code members within the District that within the next month it expected to be ordered by the Commission to propose minimum prices and classification of coals in accordance with Section 4 II (a) of the Act, and requested all code members that had not complied with said Order No. 234 to file their executed ques-

tionnaire with the Board immediately, and in addition thereto, to furnish the Board a general description of the physical characteristics of the coals produced at their mines as loaded for shipment.

Pursuant to said Order No. 234 and said Circular No. 38, supra, code members operating 105 shipping mines and one local mine in District No. 10 filed 544 separate analyses on various sizes of coal which they produce with the District Board, and some of them furnished the data requested with respect to the physical characteristics of their coals. These data were set forth in detail and, together with a copy of said Circular No. 38 were introduced in evidence as Exhibit No. 679.

The District Board deemed it essential, however, before it made a complete and final classification of all the coals within the District and proposed minimum prices therefor in accordance with Section 4 II (a) of the Act, for it to have independent analyses made that would be representative of all the coals produced within the District, which it could use in support of and as a check against the analytical data that had been submitted by the various code members.

In accordance with the provisions of Order No. 235, supra, the Board therefore employed the Commercial Testing and Engineering Company to take and analyze samples of coal from some 59 shipping mines which it selected as representative of the coals produced by all the shipping mines within the District. The shipping mines which the Board selected were scattered throughout the various subdistricts into which it divided the District and the Board, and the three witnesses who testified in its behalf were of opinion that the mines which it selected in each subdistrict were truly representative of all the shipping mines within such subdistrict.

The analyses made by the Commercial Testing and Engineering Company of the coals produced by these mines conformed to Order No. 235, supra, and to the District Board's directions, and were made under the supervision of the Secretary-Treasurer of the Board. The District Board required that proximate analyses be made for each of three basic size groups, namely, 6" x 3" egg, 3" x 2" nut, or 3" x 1 1/4" nut, representing domestic sizes; 1 1/2" or 1 1/4" top size by one-half millimeter or its equivalent bottom size, representing washed sizes 2" and under; and 1 1/2" or 1 1/4" x 0", representing raw sizes 2" and under, or the nearest sizes thereto in each of said basic groups, regularly loaded and marketed by each of the mines sampled; that such samples be taken on each of two visits to the mine, the first visit to be made by prearrangement, and the second as a recheck later without previous notice; that each sample be representative of a full day's production of the size and quality loaded; that all samples be taken in accordance with the standards set forth in

the United States Bureau of Mines Technical Paper No. 133; and that the chemical analyses be made in accordance with the "Standard Methods of Laboratory Sampling and Analysis of Coal and Coke", A. S. T. M. Designation D271-33. A total of 420 separate analyses on various sizes of coal produced by the mines so tested in accordance with the "Standard Methods of Laboratory Sampling and Analysis of Coal and Coke," A. S. T. M. Designation D271-33. A total of 420 separate analyses on various sizes of coal produced by the mines so tested were made and submitted to the District Board by the Commercial Testing and Engineering Company.

In addition to making said analyses, the Commercial Testing and Engineering Company was requested to obtain and did obtain for each of said mines, in so far as it was possible for it to do so, the identity of the seam mined, the mining system used, the manner of recovery, preparation process, physical appearance of the coal as loaded, and all other pertinent information as to physical characteristics.

Wherever a producer requested a copy of the analysis of the coals from his own mine it was furnished him. The majority of the producers requested and received copies of the analyses of their own coals. The District Board did not receive any protests as to the accuracy of the analyses from any producers whose mines were thus tested by the Commercial Testing and Engineering Company, but in a few instances questions were raised by producers as to the sample being truly representative of the coals being produced and shipped from his or its mine. In each and every case where such a complaint was made the District Board arranged for another sample to be taken and analyzed, and no further complaint was received.

The shipping mines thus actually sampled and analyzed by the Commercial Testing and Engineering Company for the District Board produced in excess of 27,000,000 tons of coal during the year 1937, or a little more than 52 per cent of all the coal produced in District No. 10 during that year. The names of said mines, together with the tonnage produced by each mine during the year 1937, are set forth on page two of Exhibit No. 678. The location of each of said shipping mines and of each of the other shipping mines within the District were designated by numbers on a map of the State of Illinois, which map was introduced in evidence as sheet No. 3 of Exhibit No. 678.

All of the analytical data thus obtained by the District Board from the producers and through the other sources enumerated, together with such other data as were submitted by or obtained from code members pertaining to the identity of the seam mined, method of mining, manner of recovery, method of loading, preparation of coals, sizes of coal normally

produced, physical appearance of the coal as loaded, and all other pertinent information as to physical characteristics, were combined into a single document, which document was introduced in evidence as Exhibit No. 679, previously referred to herein.

Exhibit No. 679 contains a separate page for each mine showing for each of the sizes of coal for which such data were given, the analytical data obtained from the questionnaires submitted by code members pursuant to Order No. 234. These data are shown on the upper half of the page, and the analytical data obtained from the reports of the Commercial Testing and Engineering Company for the same mine are shown on the lower half of the same page. Where no data are shown under the heading "Sampled and analyzed by Commercial Testing and Engineering Company for the District Board," it means that the particular mine was not one of the shipping mines on which tests were ordered by the District Board.

The schedule of minimum prices proposed by the District Board contains twenty-six size groups numbered from one to twenty-six, four size group specifications numbered from one to four, and thirteen price classifications ranging from "A" to "N". The size groups and the size group specifications which the Board proposes are set forth on pages 6 and 7, respectively, of the proposed schedule, Exhibit No. 671.

Size Group Nos. 1 to 5 cover the raw and washed or air cleaned domestic or large screened sizes, consisting of the lump and double screened sizes over 2" top size, and stove 2" to 3/4", as follows:

Size group No.	Lump, bottom size	Double screened sizes	
		Top size	Bottom size
1	Larger than 3"	6" and over	Larger than 3"
2	2 1/8" to 3"	4" to 6"	2 1/8" to 3"
3	1 5/8" to 2"	3" to 6"	1 5/8" to 2"
4	3/4" to 1 1/2"	2 1/4" to 6"	3/4" to 1 1/2"
5		1 5/8" to 2"	3/4" to 1 1/2"

Size Group No. 6 covers the raw and washed or air cleaned mine run and resultant mine run over 2" top size, and is related to Size Group No. 2.

Size Groups Nos. 7 to 14 cover the washed or air cleaned screenings, sizes 2" and under, except stove 2" to 3/4", as follows:

Size group No.	Top size	Bottom size
7	1 3/8" to 1 1/2"	3/4" to 1 1/4"
8	1 5/8" to 2"	6 mesh to 5/8"
9	1 3/4" to 1 1/2"	6 mesh to 5/8"
10	3/4" to 1"	6 mesh to 1/2"
11	1 5/8" to 2"	1/2 mm.
12	1/2" to 1 1/2"	1/2 mm.
13	5/8" to 1"	10 mesh.
14	3/8"	1/2 mm.

¹ Coal in these size groups, in which the 3/8" x 0" has been cleaned with compressed air, shall contain at least 10 per cent which will pass through a 10-mesh screen.

Size Groups Nos. 15 to 26 cover the raw or unwashed screenings or small sizes 2" and under, except stove 2" to 3/4", as follows:

Size group No.	Top size	Bottom size
15	1 5/8" to 2"	6 mesh to 5/8"
16	1 3/8" to 1 1/2"	3/4" to 1 1/4"
17	1 1/8" to 1 1/2"	6 mesh to 5/8"
18	3/8" to 1"	6 mesh to 1/2"
19	1 3/8" to 2"	(1)
20	1/2" to 1 1/2"	(1)
21	3/8"	10 mesh.
22	3/8"	48 mesh.
23	1 3/8" to 2"	0"
24	1 1/8" to 1 1/2"	0"
25	3/8"	0"
26	10 mesh	0"

¹ Sizes in these two Size Groups may be produced either by passing 2" to 3/8" x 0" over screens with round hole openings 3/16" in diameter, or other shaped openings equivalent in area, to remove 3/16" x 0" coal, or by the standard mechanical dedusters with the use of 10-mesh screens or equivalent. Those sizes which have been made by the removal of 3/16" x 0" shall contain not less than the following percentages, with tolerance of 1/2 per cent, of 3/16" x 0" coal, as described above:

2"	1 1/8" and 1 1/4"	1"	3/4"
20	23.5	27	34

The distribution data previously referred to herein, which were set forth in Exhibit No. 673, show that 175 different sizes of coal were produced and shipped by District No. 10 mines during the calendar year 1937. The District Board found and the evidence shows that there was no necessity for recognizing the refinements of sizes under which the coals had been sold in 1937 in preparing its classification of size groups, and deemed it only necessary to consider three general size groups, namely, the egg and nut sizes as one group, the washed screenings as the second group, and the raw screenings as the third group.

The sizes produced and shipped during the year 1937 which the District Board has incorporated in each of these general size groups, and under the specific size groups above enumerated that go to make up each general size group, are as follows:

OVER 2" TOP SIZE AND STOVE 2" TO 3/4" RAW, WASHED OR AIR CLEANED

Group No. 1:

- 10" Lump.
- 9"
- 8"
- 7"
- 6"
- 4"
- 9" x 6"
- 9" x 4"
- 9" x 2"

¹ Sizes belong in the Size Groups in which placed under Item 2, Page 7 of the Board's proposed price schedule, which provides that "any size made with screens having openings exceeding those specified must be included in the next larger Size Group and priced accordingly."

Group No. 1—Continued.

- 8" x 5"
- 8" x 4"
- 8" x 3"¹
- 8" x 2"¹
- 8" x 1 1/2"¹
- 8" x 1 1/4"¹
- 7" x 4"
- 7" x 3"¹
- 7" x 2 1/2"¹
- 7" x 2"¹
- 7" x 1 1/2"¹
- 7" x 1 1/4"¹
- 6" x 4"

Group No. 2:

- 3" Lump.
- 2 1/2"
- 6" x 3"
- 6" x 2 1/2"
- 5" x 3"
- 4" x 3"
- 4" x 2 1/2"

Group No. 3:

- 2" Lump.
- 6" x 2" Egg.
- 5" x 2" Egg.
- 4" x 2" Egg.
- 3" x 2" Small Egg.

Group No. 4:

- 1 1/2" Lump.
- 1 1/4"
- Mixed Lump.³
- Reclaimed Lump.³
- 6" x 1 1/2"
- 6" x 1 1/4"
- 6" x 1"
- 6" x 3/4"
- 6" x 1/2"¹
- 5" x 1 1/2"
- 5" x 3/4"
- 4" x 1 1/2"
- 4" x 1 1/4"
- 4" x 3/4"
- 4" x 1/4"
- 3" x 1 1/2"
- 3" x 1 1/4"¹
- 3" x 3/4"
- 3" x 1 1/8"¹
- 2 1/2" x 1 1/2"
- 2 1/2" x 1 1/4"
- 2 1/2" x 1"
- Railroad Egg.
- Locomotive Fuel.
- Mine Run Modified.

Group No. 5:

- 2" x 1 1/2"
- 2" x 1 1/4"
- 2" x 1"
- 2" x 3/4"

Group No. 6:

- Mine Run Straight.
- Mine Run Crushed.
- Mine Run 6"
- Mine Run 6" Crushed.
- Mine Run 5" Crushed.
- Mine Run 4"
- Mine Run 3"
- Mine Run 2 1/2"
- 2 1/2" Modified.¹

² Actual size not specified; for purpose of summary of D-1 reports was included in Size Group No. 4.

2" AND UNDER TOP SIZE EXCEPT, STOVE 2" TO 3/4" WASHED OR AIR CLEANED

Group No. 7:

- 1 1/2" x 1".
- 1 1/2" x 3/4".
- 1 1/4" x 1".
- 1 1/4" x 3/4".
- 1 1/4" x 1 1/8".

Group No. 8:

- 2" x 5/8".

Group No. 9:

- 1 1/2" x 10 Mesh.
- 1 1/2" x 1 5/8".
- 1 1/2" x 1 1/4".
- 1 1/4" x 1 5/8".
- 1 1/4" x 1 1/4".

Group No. 10:

- 1" x 3/8".
- 1" x 1/8".
- 3/4" x 1/2".
- 3/4" x 1/8".
- 3/4" x 1/4".
- 3/8" x 1/8".
- 3/8" x 1/4 Mesh.

Group No. 11:

- 2" x 0".
- 2" x 28 Mesh.

Group No. 12:

- 1 1/2" x 28 Mesh.
- 1 1/4" x 28 Mesh.
- 1" x 28 Mesh.
- 3/4" x 28 Mesh.
- 1 1/2" x 0".
- 1 1/4" x 0".
- 1" x 0".
- 3/4" x 0".
- 1/2" x 0".
- 1/8" x 0".

Group No. 13:

- 1" x 10 Mesh.
- 3/8" x 10 Mesh.
- 1/8" x 10 Mesh.
- 1/8" x 48 Mesh.

Group No. 14:

- 3/8" x 0".
- 1/8" x 0".
- 1/4" x 0".
- 10 Mesh Dust.

2" AND UNDER, EXCEPT, STOVE 2" TO 3/4" TOP SIZE—RAW

Group No. 15:

- 2" x 5/8".
- 2" x 1/8".
- 2" x 1/8".
- 2" x 1/8".

Group No. 16:

- 1 1/2" x 1".
- 1 1/2" x 3/4".
- 1 3/8" x 3/4".
- 1 1/4" x 1".
- 1 1/4" x 3/4".

Group No. 17:

- 1 1/2" x 5/8".
- 1 1/2" x 1/2".
- 1 1/2" x 7/8".
- 1 1/2" x 3/8".
- 1 1/2" x 5/8".
- 1 1/2" x 1/4".
- 1 1/2" x 1/8".
- 1 1/4" x 3/8".

Group No. 17—Continued.

- 1 1/4" x 1 5/8".
- 1 1/4" x 1 1/4".
- 1 1/4" x 1 1/8".

Group No. 18:

- 1" x 1/2".
- 1" x 1/8".
- 1" x 3/8".
- 1" x 5/8".
- 1" x 1/4".
- 7/8" x 1/8".
- 7/8" x 1/8".
- 3/4" x 1/2".
- 3/4" x 3/8".
- 3/4" x 1/8".

Group No. 19:

- 2" x 10 Mesh.
- 2" Crushed.¹
- 2" Modified.¹

Group No. 20:

- 1 1/2" Modified.
- 1 1/2" x 10 Mesh.
- 1 1/2" x 28 Mesh.
- 1 1/4" x Modified.
- 1" x 10 Mesh.
- 1" x 28 Mesh.
- 3/4" x 1/8".
- 3/4" x 10 Mesh.
- 3/4" x 1/8".
- 3/4" x 28 Mesh.
- 1/2" x 1/2 mm.
- 1/8" Stoker.¹

Group No. 21:

- 3/8" x 10 Mesh.
- 5/8" x 10 Mesh.
- 3/8" x 1/8".

Group No. 22:

- 3/8" x 48 Mesh.
- 1/8" x 48 Mesh.

Group No. 23:

- 2" x 0".

Group No. 24:

- 1 1/2" x 0".
- 1 3/8" x 0".
- 1 1/4" x 0".
- 1" x 0".
- 3/4" x 0".
- 1/2" x 0".
- 1/8" x 0".

Group No. 25:

- 3/8" x 0".
- 1/8" x 0".
- 1/4" x 0".
- 1/8" x 0".
- 1/8" x 0".
- 6 Mesh x 0".

Group No. 26:

- 10 Mesh x 0".
- 28 Mesh x 0".
- 48 Mesh x 0".

The price classifications by Size Groups for all uses, except those separately shown for railway locomotive fuel, for the coals of each code member are set forth in alphabetical order on pages 16 to 48 of the proposed schedule, Exhibit No. 671, and the prices for shipment into all market areas by price classifications and size groups, except for railway locomotive fuel, are set forth on page 49 of the same exhibit. The "A" classification represents the high-

est price coal in each size group. The "B" to "N" classifications represent prices of coals in the various size groups that have values less than the "A" coals, in descending orders of value.

The reports on physical characteristics of the Commercial Testing and Engineering Company and of the code members show that there is very little difference in the appearance of the coals produced in District No. 10 in Illinois. All of the coal produced in the District is black with varying degrees of markings and blemishes, but none of it has the flat surface square fracture found in some of the coals of the Appalachian region. Although there are some slight differences in appearance of the coal produced in some of the fields, one cannot with any degree of accuracy make certain by looking at a "batch" of coal whether it is Northern, Central or Southern Illinois coal in every case.

There is a decided variation, however, in the chemical analyses of the coals of the District, particularly in ash content, sulphur content, and moisture content, which are all component parts of commercial coal as handled in commercial transactions, but most of the coals within a subdistrict have substantially the same per cent of variation.

The District Board used the analytical data it had as a base for determining price classifications and certain of its price differentials to reflect the relative market values of the coals in District No. 10, and relied primarily upon the reports of the Commercial Testing and Engineering Company covering the shipping mines which that company sampled and analyzed. The Board employed two different formulae to evaluate the coals of the District, one for the coarse coals of over 2" top size and stove 2" x 3/4", and one for the fine coals 2" and under, except stove 2" x 3/4", and determined and expressed the relative values thereof in terms of percentage of the base coal.

The District Board selected the highest grade of Southern Illinois coal, which coal is produced in Franklin, Saline and Williamson Counties, as the base coal for determining the price classifications and the price differentials which it proposed for the lower grade coals in Southern Illinois, and for all of the coals in District No. 10.

These three counties comprise the major part of what is commonly known and referred to as the Southern Illinois Mining District and, together with White County, which has only one shipping mine, constitute the producing field which the District Board designated in its proposed schedule as the Southern Illinois Subdistrict.

The coal produced in these counties, as well as all of the other coal produced in Illinois, moves to a very large degree in a westerly, northwesterly, or northerly direction. The coal from said counties therefore comes in direct com-

See footnotes on preceding page.

petition with the coal produced in all of the subdistricts of District No. 10, not only in the markets adjacent to the subdistricts, but in all of the markets to which Illinois coal moves. Most of the coals produced in the Southern Illinois Subdistrict also have the same relative market value, although there is some difference in some of the characteristics thereof. For example, coal produced in Franklin and Williamson Counties is lower in sulphur and higher in fusion, and coal from Saline County is lower in moisture and higher in sulphur.

The reports submitted to the District Board by the Commercial Testing and Engineering Company, which included analyses of egg and nut coals, and washed and raw screenings mined by ten of the shipping mines that produce the highest grade of coal in Franklin, Saline and Williamson Counties, also show that these ten mines produced about 50 per cent of all the commercial tonnage of Class A coal that was shipped by District No. 10 mines during the year 1937. Because of the facts thus enumerated herein, the District Board selected the coals produced by these ten mines as a base, and used the analytical data submitted thereon by the Commercial Testing and Engineering Company, which it refers to as the "Official analyses," for determining its price classifications in each of its three basic size groups, and certain of its price differentials.

Five of these mines, viz., the Franklin County Coal Corporation's Energy No. 5; Chicago, Wilmington & Franklin Coal Company's New Orient; Bell & Zoller Coal & Mining Company's Zeigler No. 2; Old Ben Coal Corporation's No. 15; and the Peabody Coal Company's No. 18 Black Arrow mine are all located in Franklin County, and all of them operate in Seam No. 6. The other five of these mines, viz., the Blue Bird Coal Company's Blue Bird; Sahara Coal Company's No. 1; Rex Coal Company's Rex; Peabody Coal Company's No. 43 Premium; and the Delta Coal Mining Company's Delta mine are all located in Saline and Williamson Counties, and they all operate in Seam No. 5.

The District Board used the analyses made on the coarse coals of all of these ten mines as a base for its coarse coal sizes over 2" top size and stove 2" x 3/4" in Size Groups Nos. 1 to 6; the analyses made on washed screenings of four of said mines that were equipped with washers as a base for its washed screenings sizes 2" and under, except stove 2" x 3/4", in Size Groups Nos. 7 to 14; and the analyses made on the raw screenings of the other six of said mines as a basis for its raw screenings sizes 2" and under, except stove 2" x 3/4", in Size Groups Nos. 15 to 26. One of the six mines used as a base for raw screenings was equipped with a washer, but

was so used because it ships a substantial amount of its coal unwashed.

The four mines equipped with washers that were used as a base for the washed screenings sizes are the Bell & Zoller Coal & Mining Company's Zeigler No. 2 mine, and the Peabody Coal Company's No. 18 Black Arrow mine in Franklin County; the Peabody Coal Company's No. 43 Premium mine in Saline County; and the Delta Coal Mining Company's Delta mine in Williamson County. There is another mine equipped with a washer in Saline County, but the coal it produces is exactly like the coal from the mine in Saline County that was used, and it was eliminated for that reason. The two mines located in Franklin County both operate in Seam No. 6 and the two located in Saline and Williamson Counties both operate in Seam No. 5.

The six mines that were used as a base for the raw screenings sizes are the Franklin County Coal Corporation's Energy No. 5; the Chicago, Wilmington and Franklin Coal Company's New Orient; and the Old Ben Coal Corporation's No. 15 located in Franklin County, all of which operate in Seam No. 6; and the Blue Bird Coal Company's Blue Bird; the Sahara Coal Company's No. 1, and the Rex Coal Company's Rex mine located in Saline County, all of which operate in Seam No. 5.

The average analyses of the 6" x 3" egg sizes and of the 3" x 2" nut sizes for each of the ten mines that were used as a base for the coarse coals, averaged separately for the mines that operate in Seam No. 6 in Franklin County, and in Seam No. 5 in Saline and Williamson Counties, and as a whole, are set forth separately on pages 1 and 2, respectively, of Exhibit No. 680.

The average analyses of the washed screenings sizes for each of the four mines that were used as a base for the washed screenings sizes, separated as between the mines that operate in Seam No. 6 in Franklin County and in Seam No. 5 in Saline and Williamson Counties, and averaged as a whole, are set forth on page 4 of Exhibit No. 680.

The average analyses of the 1 1/2" x 0" raw screenings for each of the six mines that were used as a base for the raw screenings sizes, separated as between the mines that operate in Seam No. 6 in Franklin County and in Seam No. 5 in Saline County, and averaged as a whole, are set forth on page 3 of Exhibit No. 680.

By application of the formulae which it adopted the District Board related the coals of the shipping mines in the District which were sampled and analyzed by the Commercial Testing and Engineering Company to the base coals which it thus established for each of its three basic size groups. This was accomplished by determining and comparing on a percentage basis the effective B. T. U.'s per

pound in the coal under consideration to the B. T. U.'s per pound reported for the base coal, which were considered as 100 per cent, and by making adjustments in the relative effective B. T. U. percentage so obtained for excess moisture and excess sulphur in the coarse coal sizes, and for excess ash, excess sulphur, and variations in the fusion temperature of ash in the fine coal sizes, the resultant percentage being the relative percentage value of the coal under consideration to the base coal.

An example of each of the formulae that were used by the District Board to relate the coarse coals and the fine coals to the base coals was introduced in evidence as Exhibits Nos. 681 and 684, respectively, and are as follows:

BITUMINOUS COAL PRODUCERS BOARD FOR DISTRICT NO. 10—FORMULA FOR DETERMINATION OF BASIC RELATIVE VALUE OF COALS—SIZES OVER 2" TOP SIZE AND STOVE 2" x 3/4"

[Coarse Coal Exhibit No. 681]

The Formula Used in Determining the Basic Relative Values of Coals in Size Groups Nos. 1 to 5 as Reflected by Effective B. T. U., Before Adjustments for Physical Characteristics

Example	Base coal	Related coal
1. Moisture.....	7.52	12.03
2. Excess Moisture.....		4.51
3. Ash in dry coal.....	8.45	9.62
4. Excess ash in dry coal.....		1.17
5. B. t. u. by laboratory test.....	12364	11470
6. B. t. u. loss due to excess moisture (Item 2, .0451 x 1256).....		56.64
7. B. t. u. loss due to excess ash (Item 4, .0117 x 1.5 = .0175 x 11470).....		200.72
8. B. t. u. loss (sum of Items 6 and 7).....		257.36
9. B. t. u. effective (Item 5 less Item 8).....	12364	11212.64
10. Relative value of Base and Related Coals (Item 9, 11212.64 divided by 12364).....percent..	100	90.687

Adjustments for Physical Characteristics

Excess moisture	Excess sulphur
Under 10 percent, -0.	0 to 1.99 percent, -0.
10 percent to 11.99 percent, -1 percent.	2.00 percent to 2.99 percent, -1/2 percent.
12 percent to 13.99 percent, -2 percent.	3.00 percent to 3.99 percent, -1 percent.
14 percent to 15.99 percent, -3 percent.	4.00 percent to 4.99 percent, -1 1/2 percent.
16 percent to 17.99 percent, -4 percent.	5.00 percent to 5.99 percent, -2 percent.
18 percent and over, -5 percent.	6.00 percent and over, -2 1/2 percent.

Example

Related coal	Percent	Adjustments
Moisture.....	12.03	Percent -2.0
Sulphur—Dry.....	4.80	-1.5
Total Adjustments.....		-3.5
Relative Value:		
Before Adjustments.....		90.687
After Adjustments.....		87.187

**BITUMINOUS COAL PRODUCERS BOARD
FOR DISTRICT NO. 10—FORMULA FOR
DETERMINATION OF BASIC RELATIVE
VALUE OF COALS—SIZES 2" AND
UNDER, EXCEPT STOVE 2" x 3/4"**

[Fine Coal Exhibit No. 684]

The Formula Used in Determining the Basic Relative Values of Coals in Size Groups Nos. 12 and 24 as Reflected by Effective B. t. u., Before Adjustments for Excess Ash and Sulphur, and Variations in Fusion Temperature of Ash

Example	Base coal	Related coal
1. Moisture.....	8.33	12.10
2. Excess moisture.....		3.77
3. Ash in dry coal.....	10.47	17.34
4. Excess ash in dry coal.....		6.87
5. B. t. u. by laboratory test.....	11908	10345
6. B. t. u. loss due to excess moisture (Item 2, .0377 x 1256).....		47.35
7. B. t. u. loss due to excess ash (Item 4, .0687 x 10345).....		710.70
8. B. t. u. loss (sum of Items 6 and 7).....		758.05
9. B. t. u. effective (Item 5 less Item 8).....	11908	9586.95
10. Relative Value of Base and Related Coals (Item 9, 9586.95 divided by 11908).....percent.....	100	80.508

Adjustments for Excess Ash and Sulphur and Variations in Fusion Temperature of Ash

Excess Ash	Excess Sulphur
Up to 10.99 percent, -0.	0 to 1.99 percent, -0.
11 percent to 11.99 percent, -1/2 percent.	2.00 percent to 2.99 percent, -1/2 percent.
12 percent to 12.99 percent, -1 percent.	3.00 percent to 3.99 percent, -1 percent.
13 percent to 13.99 percent, -1 1/2 percent.	4.00 percent to 4.99 percent, -1 1/2 percent.
14 percent to 14.99 percent, -2 percent.	5.00 percent to 5.99 percent, -2 percent.
15 percent to 15.99 percent, -2 1/2 percent.	6.00 percent and over, -2 1/2 percent.
16 percent to 16.99 percent, -3 percent.	
17 percent to 17.99 percent, -3 1/2 percent.	Variations in fusion
18 percent to 18.99 percent, -4 percent.	Temperature of Ash
19 percent to 19.99 percent, -4 1/2 percent.	2500°-2599°+2 percent.
20 percent to 20.99 percent, -5 percent.	2,400°-2,499°+1 1/2 percent.
	2,300°-2,399°+1 percent.
	2,200°-2,299°+1/2 percent.
	2,100°-2,199°-0.
	2,000°-2,099°-1/2 percent.
	1,900°-1,999°-1 percent.

Example

Related coal	Percent	Adjustments
Ash—Dry.....	17.34	-3.5
Sulphur—Dry.....	6.87	-2.5
Fusion Temperature of Ash.....	1976°	-1.0
Total Adjustments.....		-7.0
Relative Value: Before Adjustments.....		80.508
After Adjustments.....		73.508

For relating the coals in Size Groups Nos. 1 to 6, sizes over 2" top size and stove 2" x 3/4", the District Board used the formula captioned "Coarse Coal," Exhibit No. 681.

Under this formula the effective B. T. U.'s in the coal being classified, which is referred to as the related coal, were determined by deducting from the B. T. U.'s per pound as reported for the

related coal, B. T. U.'s equal to the percentage of excess moisture per pound in the related coal times 1256, and B. T. U.'s equal to 1.5 times the percentage of excess dry ash per pound in the related coal times the B. T. U.'s per pound as reported for the related coal. The effective B. T. U.'s so determined for the related coal were then compared to the B. T. U.'s reported for the base coal on a percentage basis. The percentage thus determined represented the relative percentage value of the related coal to the base coal on the basis of effective B. T. U.'s before adjustment.

Following the establishment of the effective B. T. U.'s in the related coal, adjustments were made in the relative percentage value thereof to the base coal to reflect physical characteristics, by making a deduction of one per cent for each additional two per cent of excess moisture in excess of 9.99 per cent up to 18 per cent and over, and a deduction of one-half per cent for each additional one per cent of excess sulphur in excess of 1.99 per cent up to 6 per cent and over. The adjusted percentage thus obtained shows the relative percentage value of the related coal to the base coal which the District Board used in its computations.

In the typical example set forth in Exhibit No. 681, the table on the left side shows the actual application of the formula above outlined for determining the effective B. T. U.'s in the related coal, and the percentage relationship thereof to the base coal.

This table shows the percentage of moisture, percentage of dry ash, and the B. T. U.'s in the base coal, the percentage of moisture, percentage of dry ash, and the B. T. U.'s in the related coal; the percentage of excess moisture which the related coal contained as compared with the base coal; and the excess dry ash which the related coal contained as compared with the base coal. This table also shows the manner in which the corrections for the loss of B. T. U.'s for excess moisture and excess ash were computed, and that the losses therefor were 56.64 and 200.72 B. T. U.'s, respectively, or a total loss of 257.36 effective B. T. U.'s. The relationship of the 11,212.64 effective B. T. U.'s in the related coal, as thus determined, to the 12,364 B. T. U.'s shown for the base coal, is then determined and shown as 90.687 per cent.

The table on the right side of Exhibit No. 681 shows the adjustments that were made to reflect physical characteristics, by using a formula for excess moisture which considers ten per cent and under as the base and allows a deduction of one per cent for each additional two per cent of excess moisture up to 18 per cent and over, and by using a formula for excess sulphur which considers 1.99 per cent and under as the base and allows a deduction of one-

half per cent for each additional one per cent of excess sulphur up to 6 per cent and over. This table also shows that the related coal contained 12.03 moisture as compared to 7.52 for the base coal, and 9.62 dry ash as compared to 8.45 for the base coal, has an adjustment of 2 per cent for moisture and 1.5 per cent for dry ash, or a total adjustment of 3.5 per cent for physical characteristics, thereby reducing the relative percentage value of the related coal to the base coal from 90.687 per cent to 87.187 per cent.

The District Board used the factor of 1256 in determining the loss of B. T. U.'s for excess moisture, because about 1256 B. T. U.'s are required in heating one pound of moisture to 212 degrees Fahrenheit, evaporating it, and superheating the resulting steam to chimney temperature. Consequently the heat required to remove excess moisture which one coal contains as compared with another coal, is 1256 times the percentage of excess moisture, and the use of said factor for such purpose is well recognized in the industry.

The allowance of 1.5 per cent for each one per cent of excess dry ash in the related coal that was used by the Board in determining the loss of effective B. T. U.'s in the related coal, was based on tests that were conducted by the United States Geological Survey, now the United States Bureau of Mines, at the St. Louis Exposition, by burning a large variety of Illinois coals under a boiler on a hand fired grate which showed that for each one per cent of additional dry ash the effective B. T. U.'s in the coal burned were reduced by 1.5 per cent.

The adjustments made for physical characteristics based on excess moisture and excess sulphur were made by the Board, because it was of opinion that moisture content reflects closer than any other characteristic the degree of degradation in the handling and storage of the large sizes of coal produced in District No. 10, and that excess sulphur in those sizes is a detriment, not only in use but in appearance. The percentages so used for the adjustment for excess moisture were not derived from any recognized formula as such, but were adopted by the District Board as a proper formula to use for District No. 10 coals in which the moisture in these sizes of coal varies from 7.72 to 19.11. Said percentages were intended to reflect and the District Board is of opinion that they do reflect the allowances, or deductions, that should be made on account of the degradation that follows all high moisture coals.

For relating the coals in Size Groups Nos. 7 to 14, washed screenings, and in Size Groups Nos. 15 to 26, raw screenings, sizes 2" and under, except stove 2" x 3/4", the District Board used the formula captioned "Fine Coal," Exhibit No. 684.

The fine coal formula varies in detail, but follows in general the theory of the coarse coal formula heretofore explained. The effective B. T. U.'s in the related coal in the fine coal formula were determined in exactly the same manner as they were determined in the coarse coal formula, the only difference being that in the coarse coal formula 1.5 per cent was used as a corrective figure for each one per cent of excess dry ash, while one per cent was so used in the fine coal formula.

The adjustments that were made for excess ash, excess sulphur, and variations in the fusion temperature of ash, in the table on the right side of the fine coal formula were also made in the same manner as the adjustments that were made for excess moisture and excess sulphur in the table on the right side of the coarse coal formula. The adjustments for excess sulphur were made on the same basis under both formulae. For excess ash 10.99 per cent and under was used as a base, and a deduction of one-half per cent was made for each additional two per cent in excess thereof up to 21 per cent. For variations in fusion temperature of ash 2100 to 2199 degrees were used as the base with a deduction of one-half per cent for each 100 degrees down to 1900 degrees, and an increase of one-half per cent for each 100 degrees up to 2600 degrees.

The typical example of the fine coal formula set forth in Exhibit No. 684 shows the actual application thereof in the same manner as the typical example of the coarse coal formula in Exhibit No. 681, heretofore explained, and no further explanation thereof is necessary.

The corrective factor of 1 per cent for excess dry ash that was used by the District Board in the fine coal formula for determining the loss of effective B. T. U.'s in the related coal was also obtained from bulletins issued by the United States Bureau of Mines covering a lot of tests that were made on Illinois coal, and in the judgment of the Board reflects the proper correction therefor.

The percentages that were used by the Board in the fine coal formula for making adjustments for excess ash, excess sulphur, and variations in fusion temperature for ash in the relative value percentage reflecting the value of the related coal to the base coal on the basis of effective B. T. U.'s represent the judgment of the Board as to the adjustments that should be made therefor. The Board also made adjustments for these factors because it considered they were detrimental beyond the corrections reflected in the effective B. T. U.'s.

The District Board in setting up the proposed price levels and price differentials between basic size groups and individual size groups constantly kept in mind the requirements of the Act, and that in establishing said price levels and differentials it was its duty to obtain as near as may be the weighted average cost of \$1.772 per ton which we had estab-

lished for Minimum Price Area No. 2, in which District No. 10 is located.

Size Group No. 2, which covered the sizes on which the District Board had the Commercial Testing and Engineering Company make proximate analyses of the shipping mines as representative of the domestic sizes, was selected by the Board as the base for Size Groups Nos. 1 to 5, and the other four size groups in this general size group were related thereto. For similar reasons Size Group No. 12 was selected as the base for Size Groups Nos. 7 to 14, covering washed screenings, and Size Group No. 24 was selected as the base for Size Groups Nos. 15 to 26, covering raw screenings.

The Board then established a price of \$2.40 per ton for the Class A coal in Size Group No. 2; \$1.80 per ton for the Class A coal in Size Group No. 12; and \$1.70 per ton for the Class A coal in Size Group No. 24, and used these prices as a base price for determining its classifications and price variations for the coals in each of said base size groups, respectively, with the exception of the price variations in Size Group No. 2, for which the Board established a differential of five cents between each classification.

The prices which the District Board established for Class A coals within each of the size groups in the three general size groups to which it applied the price variations as between classifications which it established for base Size Groups Nos. 2, 12, and 24, respectively, with the exception of Size Group No. 26, are as follows:

Over 2" Top Size and Stove 2" to 3/4"

Size groups.....	1	2	3	4	5	6
Price.....	245	240	230	225	220	220

¹ The proposed schedule shows this price as 215 but testimony presented on behalf of the District Board shows that it was in error and should be 220.

2" and Under Washed or Air Cleaned, Except Stove 2" x 3/4"

Size groups.....	7	8	9	10	11	12	13	14
Price.....	190	200	195	200	185	180	185	170

2" and Under Raw, Except Stove 2" x 3/4"

Size groups.....	15	16	17	18	19	20	21	22	23	24	25
Price.....	195	185	190	195	180	175	180	160	175	170	120

All of the price differentials thus established between the various size groups, with the exception of the price differential between base Size Groups Nos. 12 and 24 which will be hereinafter explained, were based upon the judgment of the District Board, the consideration of all of the factors within the knowledge of the Board, and on the level of the prices proposed.

As previously stated the individual analyses made by the Commercial Testing and Engineering Company for the

several sizes of coal that were selected by the District Board as representative of each of the three base size groups thus established, or the nearest sizes thereto in each of said groups that were regularly loaded and marketed by each of the shipping mines sampled, are set forth in detail in Exhibit No. 679.

The average of the analyses for each of the nut and egg sizes for each of the shipping mines so tested are set up separately on pages one to six of Exhibit No. 682, the averages for the ten mines which were selected as a base for the domestic sizes being set up on page 6, thereof. Similar averages for the washed screenings sizes are set up separately on pages one to three of Exhibit No. 685, the averages for the four mines used as a base for said sizes being on the lower half of page three of the exhibit. Similar averages for the raw screenings sizes are set up on pages one to three of Exhibit No. 687, the averages for the six mines that were used as a base being set forth on page three of that exhibit.

The relative percentage values for each of the nut and egg sizes so tested for each mine, and the average for each mine where more than one representative size was tested, determined by applying the method already described to the analytical data set out in Exhibit No. 682, are set forth in Exhibit No. 683. Similar relative percentage values for the washed screenings sizes, determined by applying the method to the analytical data in Exhibit No. 685, are set forth in Exhibit No. 686. For the raw screenings, similar percentage values, determined by applying the method to the analytical data in Exhibit No. 687, are set forth in Exhibit No. 688.

The analyses covering washed coal as shown in Exhibit No. 685, were adjusted to moisture in raw coal for each mine as shown in the exhibit and as so adjusted, were used to obtain the relative percentage value of the related coal to the base coal, as such percentages are set forth in Exhibit No. 686.

The District Board did not deem it practical to have a different price classification for the coals produced by each and every mine within the District, and after it had determined the relative percentage values set forth in Exhibits Nos. 683, 686, and 688, for the coals produced by the shipping mines that were sampled and analyzed by the Commercial Testing and Engineering Company for each base size group, the Board made such groupings of said mines as it deemed necessary to reflect the proper classifications thereof, based upon its knowledge of the history of said mines, the kind and quality of coals they produce, and the competitive relationships existing between the coals they produce.

The groupings of the mines for classification purposes were determined in the following manner. For the egg and nut sizes of the shipping mines shown in

Exhibit No. 683, the ten mines set forth on page six thereof that were used as a base, the relative percentage values of which ranged from 97.581 per cent for the Blue Bird Coal Company's Blue Bird No. 5 mine to 105.119 per cent for the Peabody Coal Company's No. 43 Premium mine, were all classed "A," and given the base price of \$2.40 per ton for base Size Group No. 2.

Mines Nos. 10 and 11 and Nos. 38 to 44, inclusive, on pages 1, 4 and 5, of Exhibit No. 683, were each classified and priced separately on the basis of the relative percentage value determined for each mine. For example, the price for Mine No. 11 which had a relative percentage value of 87.491 per cent was determined by multiplying \$2.40, the price established for the base coal in Size Group No. 2, by said percentage which, rounded to the nearest 5 cents, gave it a price of \$2.10 per ton and placed it in Class G.

Mines Nos. 1 to 9, inclusive, on page 1, of Exhibit No. 683, classed "N," were grouped together because all of these mines are grouped geographically, are all located close together, and their coals are all sold in competition one with the other in all of the markets. They had an average relative percentage value of 74.131 per cent of the value of the base coal in Size Group No. 2 and were given a price of \$1.80 per ton, or 75 per cent of the base price of \$2.40 per ton for base Size Group No. 2. The relative percentage values of these mines ranged from 72.075 per cent to 78.069 per cent. Of the coal produced by these mines in 1937, approximately 400,000 tons were produced by the mines below the average of 74.131 per cent, and 371,000 tons were produced by the mines above that average. (The average percentage was changed from 74.17 as shown by the testimony, to 74.131 to correct mathematical error therein.) Where other mines were grouped for classification purposes they were grouped for the same reason as stated for these mines.

Mines Nos. 12 to 30, inclusive, shown on pages 2 and 3, of Exhibit No. 683, were grouped together and classed "L." The relative percentage values of these mines ranged from 72.532 per cent to 86.588 per cent, with an average of 78.835 per cent, and they were given a price of \$1.90 per ton, which is 79 per cent of the \$2.40 base price for Class A coals in Size Group No. 2. Of the tonnage produced by these mines in 1937, approximately 941,000 tons were produced by mines above the average, and approximately 1,470,000 tons were produced by mines below the average of 78.835 per cent.

Mines Nos. 31 to 37, inclusive, shown on pages 3 and 4, of Exhibit No. 683, were grouped together and classed "J." The relative percentage values of these mines range from 77.667 per cent to 88.110 per cent, with an average of 84 per cent, and they were priced at 83.3

per cent of the base price of \$2.40 per ton established for the Class A coals in base Size Group No. 2, or \$2.00 per ton.

For the washed screenings sizes of the shipping mines enumerated in Exhibit No. 686, the four mines set forth on page 3 thereof which were used as a base, the relative percentage values of which ranged from 98.398 per cent for the Delta Coal Mining Company's Delta mine, to 102.544 per cent for the Peabody Coal Company's No. 43 Premium mine, were all classed "A" and given the base price of \$1.80 per ton, which the Board established for Class A coals in base Size Group No. 12.

Mines Nos. 1, 11, 39 and 44, enumerated on pages 1 and 2, of Exhibit No. 686, were each classified and priced separately by applying the relative percentage value determined for each mine to the base price of \$1.80 per ton established for the Class A coals in base Size Group No. 12.

Mines Nos. 2 and 3, enumerated on page 1, of Exhibit No. 686, were grouped together and classified the same. These two mines had relative percentage values before adjustment of 82.197 per cent and 87.920 per cent, respectively, with an average relative percentage value after adjustment of 84.059 per cent. They were placed in Class F and given a price of \$1.51 per ton, which is 84.059 per cent of the \$1.80 per ton established for the Class A coals in base Size Group No. 12.

Mines Nos. 4, 7, 8 on page 1, of Exhibit No. 686, which had relative percentage values before adjustment of 80.857, 83.810, and 84.806, respectively, with an average relative percentage value after adjustment of 80.657 per cent, were grouped together and placed in Class H with a price of \$1.45 per ton, which is 80.657 per cent of the \$1.80 per ton established for the Class A coals in base size Group No. 12. (The average percentage was changed from 80.324 as shown in Exhibit No. 686, to 80.657 to correct mathematical error therein.)

Mines Nos. 14 and 16, on page 1, of Exhibit No. 686, which had relative percentage values before adjustment of 85.611 per cent and 85.359 per cent, respectively, with an average relative percentage value after adjustment of 83.485 per cent, were grouped together and placed in Class G, with a price of \$1.50 per ton, which is 83.485 per cent of the \$1.80 per ton established for the Class A coals in base Size Group No. 12.

Mines Nos. 22, 24, and 26 on page 2, of Exhibit No. 686, which had relative percentage values before adjustment of 86.724 per cent, 89.439 per cent, and 87.421 per cent, respectively, with an average relative percentage value after adjustment of 85.861 per cent, were grouped together and placed in Class E, with a price of \$1.55 per ton, which is 85.861 per cent of the \$1.80 per ton established for the Class A coals in base Size Group No. 12.

Mines Nos. 31, 32, 34, 35 and 36, which had relative percentage values before adjustment of 91.034 per cent, 90.164 per cent, 88.335 per cent, 90.325 per cent, and 89.335 per cent, respectively, with an average relative percentage value of 88.839 per cent after adjustment, were all grouped together and placed in Class D, with a price of \$1.60 per ton, which is 88.839 per cent of the \$1.80 per ton established for the Class A coals in base Size Group No. 12.

For the raw screenings sizes of the shipping mines enumerated in Exhibit No. 688, the six mines numbered 45, 46, 48, 50, 51, 52, which were used as a base for determining the base coal in Size Group No. 24, were all classed "A," and given the base price of \$1.70 per ton for base Size Group No. 24. The relative percentage values of these mines ranged from 94.540 per cent for the Blue Bird Coal Company's Blue Bird No. 5 mine, to 102.561 per cent for the Franklin County Coal Company's Energy No. 5 mine.

The raw screenings sizes for mines Nos. 10, 37, 38, 40, 41, 42, and 43, enumerated on pages 1, 2 and 3, of Exhibit No. 688, were each classified and priced separately by applying the relative percentage value for each individual mine to the base price of \$1.70 per ton established for the Class A coals in base Size Group No. 24.

Mines Nos. 4, 5, 6, 9, 12 to 20, inclusive, and 22, 23, 25, 26, 27, 28, 29, 31, 33 and 34 enumerated on pages 1 and 2, of Exhibit No. 688, were all grouped together and classified the same. The relative percentage values of these mines varied from 70 to 79 per cent, but practically all of the coal which averaged 70, 71, and 72 per cent was produced by mines with washers, and these mines, according to the D-1 reports, ship but very small tonnages of small sizes unwashed. The average relative percentage value for mines numbered 4, 5, 6 and 9 was 75.079 per cent; for mines numbered 12 to 20, inclusive, 73.734 per cent; and for mines numbered 22, 23, 25, 26, 27, 28, 29, 31, 33 and 34, it was 73.774 per cent. All of these mines were therefore placed in Class F and given a price of \$1.25 per ton for their coals in Size Group No. 24, which is 73.5 per cent of the \$1.70 established for the Class A coal in base Size Group No. 24.

As previously stated the base price of \$1.70 per ton established for Class A raw screenings in base Size Group No. 24 was not based entirely on the judgment of the District Board. This price was based in part on the base price of \$1.80 per ton established for Class A washed screenings in base Size Group No. 12, the differential of 10 cents per ton between the two having been established in the following manner.

The average analyses of the mines that were used as bases for determining the base coal for washed screenings and raw screenings, which are set forth on pages

4 and 3, respectively, of Exhibit No. 680, show that the average B. T. U.'s for each of these groups of mines on an as received basis were 12,251 and 11,908, respectively. By comparing these average B. T. U.'s on the basis of the formula that was generally used by the Board for classifying all of the screenings, the Board determined that the raw screenings had a ratio of 95.692 per cent of the washed screenings. Then by applying this percentage to the base price of \$1.80 per ton established by it for Class A coals in base Size Group No. 12 the Board determined that the quality difference between the washed screenings in base Size Group No. 12 and the raw screenings in base Size Group No. 24 amounted to 7.8 cents per ton.

The District Board also recognized the fact that in the washing process a certain percentage of the fines were removed with dewatering screens or other similar contrivances, and that as a result there is an according improvement in the size consist. The Board evaluated this difference at 2.2 cents per ton, which amount added to the 7.8 cents quality difference determined from the application of the fine coal formula made the 10 cents differential in the base prices established by the Board for the base coals used for washed and raw screenings.

The classifications and price variations as between classifications which the District Board thus determined were only for the coals of the shipping mines that had been analyzed by the Commercial Testing and Engineering Company, and only for such coals of those mines as are classified in base Size Groups Nos. 2, 12, and 24.

The same classifications and price variations as between classifications which the District Board thus determined for the coals of said shipping mines that were classified in base Size Groups Nos. 2, 12, and 24, respectively, were adopted by the District Board as the classifications and price variations between classifications for the coals of these same shipping mines in each of the other specific size groups of the three general size groups, with the exception of Size Group No. 26.

The classifications and price variations established for the several classifications in Size Group No. 26, were also based upon the judgment of the District Board, the consideration of all of the factors within the knowledge of the District Board, and on the level of the prices proposed by the Board.

After it had established classifications and price variations for the coals of each of the shipping mines sampled and analyzed by the Commercial Testing and Engineering Company under the methods outlined, the District Board then established classifications and price variations for each of the other shipping mines in each subdistrict, for each size group, by using therefor like classifications and price variations which it had established

for the shipping mines located in the same locality and operating in the same seam which had been tested by the Commercial Testing and Engineering Company, and which it considered were representative thereof.

For example, in selecting the coals to be analyzed by the Commercial Testing and Engineering Company, the Board first took every mine with a washer, and then took other mines which in its opinion would fairly represent the remaining shipping mines in that particular territory. As illustrative of this method, there are eight shipping mines in or near the City of Springfield, in Sangamon County, Illinois. The acreage is all adjoining, and so far as any one knows the coals are exactly alike. The Board was of opinion that it would be wasting code members' money to have all of the coals of these mines sampled and analyzed, so it picked one mine located on the outer edge of this group of mines, and another mine located on another edge as well as near the center of this group of mines, and considered that the coals produced by these two mines would be representative of the coal produced by the other six mines. This same method was followed by the Board in selecting its representative mines in each subdistrict.

The proposed schedule, Exhibit No. 671, contains eight shipping mines operated by four producers for which no prices were proposed for the washed sizes in Size Groups Nos. 7 to 14, that bear the notation "Data not available; will propose prices later." Said mines are enumerated on pages 36, 42, 45 and 46, respectively, of the exhibit and are as follows:

No. 504. Osage Coal Company, Osage Mine, Northern Subdistrict.

No. 659. Southern Coal, Coke & Mining Co., No. 1, Avery Mine, Belleville Subdistrict.

No. 660. Southern Coal, Coke & Mining Co., No. 6, Muren Mine, Belleville Subdistrict.

No. 661. Southern Coal, Coke & Mining Co., No. 7, Little Oak Mine, Belleville Subdistrict.

No. 662. Southern Coal, Coke & Mining Co., No. 8, Shiloh Mine, Belleville Subdistrict.

No. 663. Southern Coal, Coke & Mining Co., No. 9, New Baden Mine, Belleville Subdistrict.

No. 741. Truax-Traer Coal Company, Forsyth No. 1 Mine, Duquoin Subdistrict.

No. 752. The United Electric Coal Company, Red Ray Mine, Belleville Subdistrict.

The District Board did not have complete reports from the Commercial Testing and Engineering Company covering the coals of these mines at the time it prepared its proposed schedule, but subsequently obtained analytical data with respect to some of them as follows:

Mine No. 504. Osage Coal Company, two samples of 8" x 3" egg; two samples of 3" x 1 1/4" nut; one sample of 1 1/4" x 1/2 millimeter washed screenings.

Mine No. 741. Truax-Traer Coal Company, Forsyth No. 1, two samples of 1 1/2" x 1/2 millimeter washed screenings.

Mine No. 752. The United Electric Coal Company, Red Ray mine, one sample 1 1/4" x 48 millimeter washed screenings.

In addition to the data submitted for these mines, additional analytical data for the following mines were also submitted by the Commercial Testing and Engineering Company.

Mine No. 489. Northern Illinois Coal Corporation, Wilmington No. 10 mine, Pits Nos. 5, 6, and 7, one sample each on 6" x 3" egg, and one sample each on 3" x 1 1/2" washed nut.

Mine No. 776. Wasson Coal Company, No. 1 mine, two samples each on 6" x 3" Raw, 3" x 2" Raw, 1 1/2" x 0" Raw, and 1 1/8" x 0" Raw.

Mine No. 777. Wasson Coal Company, "A" mine, two samples each on 6" x 4" Raw, 4" x 1 1/2" Raw, and 1 1/2" x 0" Raw.

These data were all introduced in evidence as Exhibit No. 821. Where the analyses were made on samples of washed coals, the data were adjusted to moisture in raw coal as shown in the exhibit.

The District Board does not deem the additional data which it has for the mines enumerated for which no classifications or prices were proposed for Size Groups Nos. 7 to 14, sufficient to use as a base for proposing classifications and prices for those mines. Additional analyses are being made by the Commercial Testing and Engineering Company for the coals of these mines and upon receipt of reports covering, the District Board will propose classifications and prices for said mines pursuant to Order No. 249.

The classifications, price variations between classifications, and price differentials between the various size groups thus far referred to, all relate to the coals of the shipping mines in District No. 10. In order to properly classify and determine price variations for the local mines of the District, the District Board divided the District into the ten sections heretofore enumerated.

There were, according to the coal report for the year 1937 compiled by the Department of Mines and Minerals of the State of Illinois, 852 local mines in operation within the District during the year 1937 as follows:

Section No.	Mines
Section No. 1.....	20
Section No. 2.....	65
Section No. 3.....	90
Section No. 4.....	172
Section No. 5.....	125
Section No. 6.....	43
Section No. 7.....	108
Section No. 8.....	64
Section No. 9.....	47
Section No. 10.....	118
Total.....	852

There were 665 local mines being operated by 658 code members at the time the District Board prepared its proposed schedule, all of which were classified in said schedule, Exhibit No. 671. The analytical data possessed by the District Board for the coals of these 665 local mines were so fragmentary and of a generally unreliable nature that the Board deemed them insufficient to use as a base for classifying the coals of said mines, and to aid it in properly classifying said mines and determining price variations therefor, the Board established a "Committee on Classification of Coals and Prices Representing Local Mines," by selecting two members thereof from representatives nominated by the local mine producers in each of the ten sections into which the District had been subdivided. The members so selected were all operators of local mines, and each member was familiar with the kind and quality of coal produced by the local mines in his section.

The first meeting of this Committee was held in July 1938. At that time the Board informed said Committee that it was having analyses made of the coals of certain representative rail shipping mines throughout the entire District and invited each member thereof to confer with the other local mine producers operating in his section and to discuss with said operators the relationship which should exist between the local mines in their section and the rail shipping mines in said section.

The District Board held two other meetings with said Committee during the month of August 1938, at the latter of which the Committee submitted its recommendation to the Board as to the relationships that should exist between each of said local mines in each section. It was generally understood at that time by all of the parties concerned, that the local mines would be classified by the District Board in direct relationship to the nearest rail shipping mine, although the Board had not yet determined its classifications of the rail shipping mines. Consequently, the recommendations that were made by the Committee were somewhat limited in character as they could not be expressed in terms of definite classifications until they could be related to the Board's classifications of the rail shipping mines, but they reflected the differentials, which in the judgment of the Committee, should be made between local mines in each section. The recommendations thus made by said Committee were introduced in evidence as Exhibit No. 748.

Subsequent to the submission of these recommendations the District Board met with the Committee on many occasions, and made such changes in said recommendations as were suggested by the Committee, which it considered fair and equitable, and necessary to properly relate the coals of the local mines.

Subject only to the recommendations of the members of the Committee, the Board followed the rule of applying to each local mine the classification which it had placed on the nearest rail shipping mine, for the corresponding sizes of coal for each section, with the exception of Section No. 10.

A map showing the location of each of the sections into which District No. 10 was subdivided for classifying the local mines, the number of local mines in each section, and the location of the rail shipping mines in each section was introduced in evidence as Sheet No. 2 of Exhibit No. 745. The 665 local mines classified are enumerated separately by sections and by counties in each section on pages 1 to 27, inclusive, following the map in Exhibit No. 745. The seam in which each local mine operates, where known, together with the classification adopted for the coals of each mine in Size Groups Nos. 1 to 6, and Size Groups Nos. 15 to 25, respectively, are also set forth on the same pages of Exhibit No. 745.

With one exception, the District Board carried out the recommendations of the Committee in determining its classifications for the local mines. The Committee recommended that the coals produced by three local mines operating in the 1 and 2 split seam in Jackson County be classified at 25 cents per ton higher than the coals from other local mines within that territory. Through an error the Board did not carry this recommendation into its proposed prices.

The Commission finds that the classifications proposed for these three mines, namely;

Mine No. 55, Birkner E. H.—Birkner Mine.

Mine No. 62, Blair Big Muddy Coal Company—Blair No. 3 Mine, and

Mine No. 726, Templeton Coal Company—Templeton Mine.

for Size Groups Nos. 1 to 6, should be changed from Class G to Class B, and for Size Groups Nos. 15 to 25 from Class D to Class A.

The coal produced by the local mines in Section No. 10, all of which is outcrop coal, were classified on the basis of the quality of the coal produced, as reflected by the judgment of the Classification Committee and of the District Board.

The classifications and price variations thus proposed by the District Board for the coals produced by the local mines of the District reflect the judgment of both the Classification Committee and the District Board as to the relative values of said coals.

The District Board proposed special prices for all coals sold for both on-line and off-line railway locomotive fuel.

The prices proposed for on-line railway locomotive fuel are set forth under Item No. 9 of the price instructions and exceptions on page 4 of the proposed

schedule, Exhibit No. 671, and the instructions and exceptions applicable thereto are set forth in Notes A to F, inclusive, under Item No. 9 on page 5 of the same exhibit.

Said Item No. 9 provides that the prices enumerated thereunder shall:

"subject to notes on Page 5, as designated, apply on coal sold for on-line railway locomotive fuel from mines as designated by number below."

For the mines enumerated under Group No. 3 thereof it is provided that Notes C and D on Page 5 shall apply. Note D provides that:

"Minimum Prices on coal for locomotive use by C&EI RR and New York Central Lines from Nos. 300, 328, 393, 464, 488, 506, 527, 541, and 753."

Mine Run..... \$1.85

The Chairman of the District Board testified that there was no particular reason why the Chicago and Eastern Illinois Railway, and the New York Central Lines should receive special treatment in this respect. He testified further that since the proposed schedule had been filed with the Commission, the District Board had given further consideration to these exceptions, and was now of opinion that these exceptions in favor of these carriers should be eliminated.

The Commission finds that Note D as it now appears on Page 5 of Exhibit No. 671, should be modified by deleting therefrom the phrase, "by C&EI RR and New York Central Lines", and by inserting the word "Exception" at the beginning of the first line thereof, so that it will read as follows:

"Exception, minimum prices on coal for locomotive use from Nos. 300, 328, 393, 464, 488, 506, 527, 541, and 753."

Mine Run..... \$1.85

For the mines enumerated under Group No. 6 of Item No. 9 on Page 4 of Exhibit No. 671, it is provided that Notes C and E apply. The Chairman of the District Board testified that it was the recommendation of the Board that Note E be eliminated entirely from the proposed schedule and that the reference thereto under Group No. 6 be also eliminated.

The Commission finds that Note E as it now appears on Page 5 of the proposed schedule and reads as follows shall, therefore, be deleted:

"Minimum Prices on coal for locomotive use by railroads serving No. 511 (Panther Creek Coal Co. Mine No. 5):

"No. 489 Northern Illinois Coal Corporation Mine No. 10."

Mine Run..... \$2.15

The Commission finds further that the reference under Group No. 6 on page 4 of the proposed schedule which

now reads "Notes C and E apply", should be modified to read "Note C Applies."

For the mines enumerated under Group No. 7 of Item No. 9 on Page 4 of Exhibit No. 671, it is provided that Notes C and F apply. Note F provides that:

"Minimum Prices on coal for locomotive use by New York Central Lines from Nos. 66, 192, 528, 529, 593, 617, 618, 619, 620, 621, 622, 776, and 777.

Nut, Top Size 3" Bottom Size 5/16"---	\$2.25
Resultant Mine Run, Top Size 6" Bottom Size 0-----	1.85
Mine Run-----	2.10

The Chairman of the District Board testified that there was no reason why the New York Central Lines should receive special treatment under this schedule, and recommended on behalf of the Board that said Note F be modified to read as follows:

"Exception, Minimum Prices on coal for locomotive use from Nos. 66, 192, 528, 529, 593, 617, 618, 619, 620, 621, 622, 776, and 777."

Nut, Top Size 3" Bottom Size 5/16"---	\$2.25
Resultant Mine Run, Top Size 6" Bottom Size 0-----	1.85
Mine Run-----	2.10

The Commission finds that the language of said Note F as it now appears on Page 5 of Exhibit No. 671, should be modified accordingly, and that said Note F should be changed to Note E in the proposed schedule in lieu of original Note E, which has been deleted. The Commission also finds that the reference under Group 7 on Page 4 of the proposed schedule which now reads "Notes C and F apply", shall be modified to read "Notes C and E apply".

The prices proposed for off-line railway locomotive fuel are set forth under Item No. 8 of the price instructions and exceptions on Page 3 of the proposed schedule, which item provides that coal sold for off-line railway locomotive fuel shall be sold at the prices shown for the respective mines enumerated therein, subject to freight rate, or divisions of freight rate adjustments necessary to effectuate intra-district and inter-district coordination of such prices.

The prices proposed by the District Board under this item are not proper prices to be considered in this hearing, as they involve a consideration of factors and issues to be considered in the coordination of prices under Section 4-II (b) of the Act, and the District Board recommends that said item be deleted from its proposed schedule.

The Commission finds that said Item 8, as it now appears on page 3 of the proposed schedule, Exhibit No. 671, and reads as follows, should be deleted therefrom:

"The following prices apply on coal sold for off-line railway locomotive fuel, subject to freight rate, or divisions of freight rate, adjustments necessary to effectuate intra-district and inter-dis-

trict coordination, from mines as designated below.

Belleville Sub-District mines listed on Pages 8 and 9, and Truax-Traer Coal Company, Forsyth # 1-----	\$1.85
Central Illinois Sub-District mines listed on Page 10-----	1.85
DuQuoin Sub-District mines listed on Page 11, except Truax-Traer Coal Company, Forsyth # 1-----	2.10
Fulton-Peoria Sub-District mines listed on Page 12-----	1.85
Northern Illinois Sub-District mines listed on Page 13-----	1.85
Southern Illinois Sub-District mines listed on Page 14-----	2.10

The Commission also finds that the words "On-line" should be deleted wherever they appear in the language of Item No. 9 on Pages 4 and 5 of the proposed schedule, so as to make Item No. 9 as modified applicable to all coal sold for use as railway locomotive fuel.

The prices thus proposed by the District Board in Item No. 9, as modified, for coal sold for use as railway locomotive fuel, are those prices which the Chairman of the District Board testified the railroads serving Illinois mines have been paying and are now paying, and are evidently willing to continue to pay. The Commission finds that the minimum prices so proposed by the Board for coals sold for use as railway locomotive fuel are justified by the evidence, and they are approved.

The Commission finds that the corrections proposed by the District Board in its errata sheet, Exhibit No. 672, are proper and should be made in the proposed schedule. They are as follows:

"Page 19—Correct classification to read as follows:

No. 77.—*Brandis & Sons (Newmanville Coal Co.), Newmanville Mine*

Size groups.....	15	16	17	18	19	20	21	22	23	24	25
Classification..	F	F	F	F	F	F	F	F	F	F	F

Page 31—Add classification as follows:
No. 393.—*Livingston-Mt. Olive Coal Co., Livingston No. 1*

Size groups.....	15	16	17	18	19	20	21	22	23	24	25
Classification..	F	F	F	F	F	F	F	F	F	F	F

Page 32—Add classification as follows:
No. 402.—*C. R. Luster & Son, Luster Mine*

Size groups.....	7	8	9	10	11	12	13	14
Classification....	E	E	E	E	E	E	E	E

Page 39—Add classification as follows:
No. 579.—*Quality Coal & Mining Co., Quality Mine*

Size groups.....	7	8	9	10	11	12	13	14
Classification.....	E	E	E	E	E	E	E	E

Note A on the cover page of the proposed schedule, Exhibit No. 671, contains surplus language and is not in accordance with the provisions of our Order No. 249, Note B thereof, which reads as follows, also covers matters to be considered in the coordination of prices under Section 4-II (b) of the Act, that are not proper matters for consideration in this hearing:

"NOTE B: Where transportation differentials exist upon and between shipments of competitive coals produced within this district to a common market, adjustments in the f. o. b. mine prices of such coals for such shipment will subsequently be proposed by this Board as required properly to represent the relative market values thereof upon the determination of base transportation rates as a result of or as an incident to coordination under Section 4, Part II (b), of the Act."

We find, therefore, that the entire cover page of Exhibit No. 671 should be deleted, and that the standard cover page we have prepared, which carries the following note thereon, should be inserted in lieu thereof:

"NOTE: The price in this schedule are not the final prices that will be established on coal for shipment by Code Members within this district into consuming markets of this district. In the ultimate establishment of the effective minimum prices, pursuant to subsection (b) of Part II, Section 4 of the Act, the minimum prices in this schedule are subject to such increase or decrease respectively, as may be necessary to carry out the provisions of subsections (a) and (b) of Part II, Section 4 of the Act."

The District Board proposed nine price instructions and exceptions, all of which are set forth on pages two to five, inclusive, of the proposed schedule, Exhibit No. 671. Item No. 1 thereof on page 2 of the exhibit provides that:

"Prices listed herein are per net ton of 2,000 lbs. f. o. b. transportation facilities at the mine."

The minimum prices proposed by the District Board are on a cents per ton basis and the Commission finds that the language of this item should be clarified by inserting the words "in cents" after the word "are" in the first line thereof so that said item will read as follows:

"Prices listed herein are in cents per net ton of 2,000 lbs. f. o. b. transportation facilities at the mine."

Item No. 2 on page two of the proposed schedule provides that:

"The minimum prices proposed herein do not contemplate seasonal discount on domestic coal. If the National Bituminous Coal Commission approves proposed seasonal discounts on domestic coal produced in other districts for movement into the common consuming markets of District No. 10, the minimum prices proposed herein on domestic sizes must be changed to allow for similar seasonal discounts."

The instruction here proposed covers matters which are not proper for consideration in this hearing, as it involves a consideration of factors that are to be considered in the coordination of prices under Section 4-II (b) of the Act, and

will, therefore, be deleted in toto from the proposed schedule.

Item No. 6 on page 2 of the proposed schedule provides as follows:

"Gob, pickings or other tipple reject coal $\frac{3}{4}$ " bottom size or over may be sold at not less than the minimum prices for Size Group 4 applicable to the mine from which produced.

"Gob, pickings or other tipple reject coal crushed 2" or smaller, and washed, containing an ash content not less than raw screenings from the same mine, may be sold at not less than the minimum prices established for raw screenings of similar top size".

The Commission finds that for the purpose of clarification the phrase "from the same mine" should be added to the end of the second paragraph, so as to make said paragraph read as follows:

"Gob, pickings or other tipple reject coal crushed 2" or smaller, and washed, containing an ash content not less than raw screenings from the same mine, may be sold at not less than the minimum prices established for raw screenings of similar top size from the same mine".

Item No. 7 on page 3 of the proposed schedule provides as follows:

"Increases in minimum prices shall be made for coal, other than railway locomotive fuel, loaded in box or stock cars, and for two or more sizes of coal loaded in the same car, as follows:

"(a) For coal loaded in box or stock cars, 10 cents per ton.

"(b) For two or more sizes of coal loaded in the same car, 15 cents per ton.

"*Exception.* These provisions do not apply on coal delivered to destinations in the States of Wisconsin, Minnesota, South Dakota, and North Dakota located in the following described territory: Starting at the Illinois-Wisconsin state line, all towns on the main line of the C&NW Ry. through Kenosha and Racine to Milwaukee; all towns on the main line of the CMStP&P Ry. through Ranney and Sturtevant to Milwaukee; the switching limits of Milwaukee; all towns on and north of the main line of the CMStP&P Ry. through Watertown and Portage to Camp Douglas; all towns on and north of the Omaha Railway from Camp Douglas to St. Paul, also including Menominee, Wisconsin and the switching limits of Minneapolis and St. Paul; and all towns north of, but not on, the main line of the CMStP&P Ry. through Granite Falls and Ortonville, Minnesota, and Aberdeen, Mobridge and Lemmon, South Dakota, and Bowman, North Dakota to the North Dakota-Montana state line".

The Chairman of the District Board stated that the exception quoted was inserted in said item to meet dock competition, particularly on Lake Superior, in the specific territory named. This exception, however, plainly relates to matters which

are proper for consideration only under coordination of prices under Section 4-II (b) of the Act, and said exception should be deleted entirely from the proposed schedule.

By reason of the deletion of Item No. 2 on page 2, and Item No. 8 on page 3 of the proposed schedule, Items Nos. 3, 4, 5, 6, 7 and 9 will be re-numbered as Items Nos. 2, 3, 4, 5, 6 and 7, respectively.

The District Board proposed four size group specifications, as shown on page No. 7 of the proposed schedule, Exhibit No. 671. Item No. 1 thereof provides that—

"Except as to sizes made with mesh screens or screens with openings measured in millimeters in connection with Size Groups 8 to 14, inclusive, Size Group 15, Size Groups 17 to 22, inclusive, and Size Group 26, all size designations herein are for round hole screen openings. When other shaped openings are used the round hole equivalent shall control the size."

The Chairman of the District Board testified that the sentence reading:

"When other shaped openings are used the round hole equivalent shall control the size,"

does not properly express the intention of the District Board, and that the substitution of the following sentence in lieu thereof would more accurately state what the District Board had in mind:

"The sizes produced with a screen of other shape of similar area shall be the equivalent of those produced with screens with round hole openings."

The Commission finds that the language of said sentence quoted, as it now appears in Item 1 on page 7 of the proposed schedule, should be deleted, and that the language above quoted which the District Board proposes, should be inserted in lieu thereof.

PROTESTS

Protests to the District Board's proposed schedule of minimum prices, Exhibit No. 671, were filed with the Commission by the following code members:

Chicago, Wilmington & Franklin Coal Company.

Old Ben Coal Corporation.

Wasson Coal Company.

Bell & Zoller Coal & Mining Company.

Franklin County Coal Corporation.

Sahara Coal Company.

Truax-Traer Coal Co.

United Electric Coal Companies.

Central State Collieries Inc.

Midland Electric Coal Corporation.

Morris Coal & Mining Company.

Shuler Coal Company.

Southwestern Illinois Coal Corporation.

Wilmington Coal Mining Corporation.

Wilmington Coal Mines Incorporated.

Golden Rule Coal Company.

Gundlach Coal Company.

Illinois Pocahontas Coal Corporation.

St. Louis & O'Fallon Coal Company.

Union Colliery Company.

Vinegar Hill Coal Company.

Pyramid Coal Corporation.

Delta Coal Mining Company.

Little John Coal Company, Inc.

Northern Illinois Coal Corporation.

Conant Coal Company.

Crain Coal Company.

Cutler Coal Company.

Diamond Coal Company.

Logan Highway Coal Company.

Marissa Coal Company.

Moffat Coal Company.

Mount Olive & Staunton Coal Co.

New Galum Coal Company.

St. Louis Coal Company.

Wallace Coal Company.

Wills Mine, Murphysboro, Illinois.

McLaren Coal Company.

It was agreed that the record made on behalf of the Truax-Traer Coal Company and the United Electric Coal Companies should stand as the record of each of the following companies, insofar as it was applicable thereto, plus any evidence presented on behalf of an individual protestant:

Sahara Coal Company.

Truax-Traer Coal Co.

United Electric Coal Companies.

Central State Collieries Inc.

Midland Electric Coal Corporation.

Morris Coal & Mining Company.

Shuler Coal Company.

Southwestern Illinois Coal Corporation.

Wilmington Coal Mining Corporation.

Wilmington Coal Mines Incorporated.

Golden Rule Coal Company.

Gundlach Coal Company.

Illinois Pocahontas Coal Corporation.

St. Louis & O'Fallon Coal Company.

Union Colliery Company.

Vinegar Hill Coal Company.

Pyramid Coal Corporation.

Delta Coal Mining Company.

Little John Coal Company, Inc.

Northern Illinois Coal Corporation.

The Chicago, Wilmington & Franklin Coal Company, which operates Orient No. 1 mine at Orient, Illinois, and the New Orient mine at West Frankfort, Illinois, both in the Southern Illinois Sub-district, filed an individual protest, and also joined with several other code members in filing a joint protest.

The individual protest was a general protest, but the Protestant presented only one witness and introduced evidence only as to the formulae used, and the method followed, by the District Board in determining its classifications and price variations between classifications. The Protestant concedes that the coals of the District can be properly evaluated and classified by means of formulae, and that the general theory of the formulae used by the District Board for said purpose is fair and reasonable, but questions the propriety of the application of some of the corrective factors that were used by the Board.

The Protestant's combustion engineer, who has had approximately thirty-five years' experience in the use of coal as a

steam-producing fuel, and who has been in the employ of the Protestant since 1915, testified that his work during the past twenty-three years has consisted of advising the Protestant's executives and salesmen, and its customers, as to the possibility of using its coals in given plants, and as to the comparative values, advantages and disadvantages of the coals produced by Protestant as compared to other coals, and competing fuels such as gas and oil.

Said witness has made tests in numerous plants with a large variety of coals; has visited thousands of coal-burning plants, ranging from the smallest to the very large plants that burn thousands of tons of coal per day; has observed the results obtained with coals of various sizes and preparation from numerous mining districts; has discussed with the men operating and supervising these plants the results obtained in their plants when using various coals under different load conditions; has personally conducted several hundred boiler tests; has studied thousands of analyses covering practically all of the coals produced in the United States; has worked on several problems of coal preparation and advised Protestant's officers of the preparation required to be made of their coals to meet competitive conditions; and has had occasion to study the Bement formula referred to in Bulletin No. 56 of the Illinois State Geological Survey, an arithmetical example of which appears on page 94 of said bulletin.

For the purpose of determining the proper co-efficient to be used for excess ash in ascertaining effective B. T. U.'s, the witness has made a careful analysis of some original sources of data. As a result of his studies, the witness found that three groups of tests have been made that are often referred to as showing the influence an increasing percentage of ash has on the per cent of efficiency. These three groups of tests are as follows:

(1) During the years 1904, 1905, 1906 and 1907, over four hundred steaming tests were made at the fuel-testing plant of the United States Geological Survey at St. Louis, Missouri. These tests were made on two hand-fired Heine water tube boilers operated at rated capacity of 200 boiler horse-power. The results of these tests are reported in United States Geological Survey Bulletins Nos. 261, 290, 332 and 325. The first three bulletins give details of each of the tests, and Bulletin No. 325 summarizes the results of the steaming tests. Said tests are generally referred to as the St. Louis tests.

(2) The second group of tests consisted of 18 which were made by the Chicago Edison Company of Chicago, by using a Babcock and Wilcox boiler, 12 tubes high and 16 tubes wide, with 4,000 square feet of heating surface, provided with a super-heater and served with a natural draft chain grate stoker of 66

square feet area inside the fire box. The results of these tests were reported by W. L. Abbott in a paper read September 5, 1906, and published in the Journal of the Western Society of Engineers, Volume 11, pages 529 to 546. The tests in this group are generally referred to as the Chicago tests.

(3) The third group of tests was made in 1915, 1916 and 1917 on four hand-fired, round cast iron house heating boilers. The nominal fire box diameter of two of the boilers was 23 inches and the other two were 26 inches. One boiler of each size was of the hot water type and one boiler of each size was for steam. These tests are reported in Bulletin 276 of the United States Bureau of Mines, entitled "500 Tests of Various Coals in House Heating Boilers."

Based on the studies he thus made, the witness was of opinion that a coefficient of 0.3 per cent for each additional one per cent should be used for ascertaining the loss in efficiency due to excess dry ash in determining the effective B. T. U.'s in both the coarse and fine coals. He stated, however, that this was not the coefficient generally used for dry ash in Illinois coal, and that a coefficient of 0.5 per cent for each additional one per cent was generally used therefor. There is other evidence of record, however, that tends to justify the percentages used by the District Board for loss of efficiency due to excess dry ash in its determination of the effective B. T. U.'s.

Protestant did not introduce any evidence as to the correctness of the percentages used by the District Board in making adjustments for the several factors shown on the right hand side of the formulae, but the witness was of opinion that the adjustments which the District Board had made therefor in each formula would be fair, provided a coefficient of 0.3 per cent for each additional one per cent is used for ascertaining the loss in efficiency due to excess dry ash in determining the effective B. T. U.'s.

After due and careful consideration of all the evidence of record, the Commission finds that the coefficient used by the District Board for ascertaining the loss on efficiency due to excess dry ash in determining the effective B. T. U.'s for fine coal, should be, and hereby is, reduced from one to one-half per cent for each additional one per cent thereof.

The Chicago, Wilmington & Franklin Coal Company; Bell & Zoller Coal & Mining Company; Franklin County Coal Corporation; Old Ben Coal Corporation; Sahara Coal Company; and Wasson Coal Company, filed a joint protest. These Protestants contend that the price of \$1.70 per ton established by the District Board for their Class A coals in base Size Group No. 24 is too high, and should be reduced to \$1.50 per ton, and that all of their Class A coals in Size Groups Nos. 7 to 23, inclusive, should be related to the price of \$1.50 per ton requested for Size Group No. 24. The protest is based

on the ground that during the past seven or eight years Protestants have suffered tremendous losses of tonnage to fuel oil and natural gas, and that they will suffer further losses thereto if the proposed prices are put in effect. The factors upon which Protestants base their protest are not proper factors to be considered in this hearing, as they involve the consideration of factors and issues to be considered in the coordination of prices under Section 4-II (b) of the Act. The protest is, therefore, denied.

These same Protestants, with the exception of the Sahara Coal Company, filed two additional joint protests, in which they protest the price relationships between Size Groups, and ask for a constant relationship between Size Groups into the consuming markets. They also take the position that the spread in prices proposed by the District Board as between Southern Illinois Grade "A" coals on the one hand, and coals in the lower classifications on the other hand, is too great and does not properly reflect the relative market values of Southern Illinois Grade "A" coals in comparison with other coals produced in District No. 10.

The size differentials sought by the Protestants are set forth in one of their protests which was introduced in evidence as Exhibit No. 809. The Vice President and General Manager of the Old Ben Coal Corporation, who has been in the service of that company for the past 26 years, testified in support of the differentials contended for. He is of opinion that the price differentials between the various size groups are too narrow and do not reflect the relative market values of the coals in the markets in which they are consumed.

The modification of the formula for determining relative value percentages of the fine coals heretofore approved, automatically narrows the spread between the base coals and the coals of lower quality in the fine coal size groups. Said modification of the fine coals formula also necessitates changes in the size group differentials of the fine coals to bring said differentials in accord with the changes that have been made in the price variations between classifications in those groups. These modifications when made will bring the size group differentials of the fine coals in substantial accord with the differentials contended for by these Protestants. The evidence does not justify any additional changes in said size group differentials, and no further changes will be made therein.

In addition to said joint protests, the Franklin County Coal Corporation filed an individual protest in which it seeks a classification for $\frac{3}{8}$ " x 0" washed coal, which it now produces. At the time it promulgated its proposed schedule, the District Board did not know that this size of coal was being produced by this producer and has requested that the matter be referred to it for consideration, in order that it may propose a proper price therefor. The matter will be

handled accordingly and the protest denied in this proceeding.

The Sahara Coal Company also filed an individual protest in which it protests the classification placed upon the Size Group No. 2 coals produced at its Bankston Creek Mine No. 6. The District Board classified said coals as "E." Protestant insists that they should have been classified as "N".

No evidence was introduced by the Protestant in support of its contention. The evidence submitted by the District Board shows that the related percentage value of Protestant's Size Group No. 2 coals to the base coal as shown on page 5 of Exhibit No. 683, is 92.656 per cent.

This percentage applied to the base price of 240 cents per ton, which the Board established for Class A coals in base Size Group No. 2, produces a price of 222 cents per ton for Protestant's Size Group No. 2 coals which, when rounded to the nearest 5 cent figure, places said coals in Class E. The evidence indicates that the Protestant's coals have been properly classified as "E" and the protest is accordingly denied.

The proposed minimum prices and relative value percentages for shipment into all market areas by classifications and Size Groups, except for railway locomotive fuel, as herein modified, are set forth in the following schedule:

Prices for Shipment Into All Market Areas (Except for Railroad Locomotive Fuel) Reflecting Delivered Differentials Assuming a Zero Freight Rate

[See Price Instructions and Exceptions. Prices in Cents Per Net Ton of 2,000 Pounds, Size Group Numbers, and Differentials]

Classification groups	Over 2" top size and stove 2" to 3/4"						2" and under washed or air cleaned, except stove 2" to 3/4"									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14		
	+5	(a) %	Base	-10	-15	-20	-20	+30	+45	+35	+40	+20	(b) %	Base	+30	-20
A.....	245	100.0	240	230	225	220	220	210	225	215	220	200	100.0	180	210	160
B.....	240	98.4	235	225	220	215	215	205	220	210	215	195	97.3	175	205	155
C.....	235	97.9	230	220	215	210	210	203	218	208	213	193	96.1	173	203	153
D.....	230	95.8	225	215	210	205	205	192	207	197	202	182	89.8	162	192	142
E.....	225	93.8	220	210	205	200	200	187	202	192	197	177	87.3	157	187	137
F.....	220	91.7	215	205	200	195	195	184	199	189	194	174	85.4	154	184	134
G.....	215	89.6	210	200	195	190	190	182	197	187	192	172	84.4	152	182	132
H.....	210	87.5	205	195	190	185	185	178	193	183	188	168	82.3	148	178	128
J.....	205	84.0	200	190	185	180	180	174	189	179	184	164	79.9	144	174	124
L.....	195	78.8	190	180	175	170	170	---	---	---	---	---	---	---	---	---
N.....	185	74.1	180	170	165	160	160	---	---	---	---	---	---	---	---	---

Classification groups	2" and under raw, except stove 2" to 3/4"												
	15	16	17	18	19	20	21	22	23	24	25	26	
	+50	+35	+40	+45	+25	+15	+30	-20	+10	(e) %	Base	-50	
A.....	221	206	211	216	196	186	201	151	181	100.0	171	121	61
B.....	216	201	206	211	191	181	196	146	176	97.3	166	116	61
C.....	---	---	---	---	---	---	---	---	---	---	---	---	---
D.....	206	191	196	201	181	171	186	136	166	91.3	156	106	61
E.....	193	178	183	188	168	158	173	123	153	83.8	143	93	51
F.....	181	166	171	176	156	146	161	111	141	76.6	131	81	---
G.....	---	---	---	---	---	---	---	---	---	---	---	---	---
H.....	---	---	---	---	---	---	---	---	---	---	---	---	---
J.....	---	---	---	---	---	---	---	---	---	---	---	---	---
L.....	---	---	---	---	---	---	---	---	---	---	---	---	---
N.....	---	---	---	---	---	---	---	---	---	---	---	---	---

Column (a) shows the relative percentage values applicable to Size Group 2 as the base for Size Groups 1 to 6, inclusive.
 Column (b) shows the relative percentage values applicable to Size Group 12 as the base for Size Groups 7 to 14, inclusive.
 Column (e) shows the relative percentage values applicable to Size Group 24 as the base for Size Groups 15 to 25, inclusive.

The Chicago, Wilmington and Franklin Coal Company and the Franklin County Coal Corporation, in their individual protests, contend that the classifications and price variations proposed by the District Board do not reflect the relative values of the coals of the District in the different markets in which they are consumed. Similar protests were made by several of the other code members hereinafter referred to.

The Chairman of the District Board stated that the Board was of opinion that it had complied in full with the Act and with Order No. 249 of the Commission. For the purpose of clarifying the classifications and price relationships set forth in the proposed schedule, and in order to give consideration to price variations as to consuming market areas, the Commission place a member of its Marketing Division on the stand to show the pro-

jection of the results of the application of the formulae, which the District Board used, into the various markets in which District No. 10 coals are consumed. In the opinion of the District Board and its Chairman testifying on behalf of the Board, the relative value percentages of the base coals determined by the District Board follow the coals into the markets and the delivered differentials would be ascertained by applying such percentages to the delivered price of the base coal, which includes transportation costs as well as the original value of the coal at the mines.

Accordingly, the f. o. b. mine prices reflecting the delivered differentials (not accounting for any differentials due to differences in transportation charges) should be computed by deducting the amount of the base freight rate from the delivered price determined in this manner. The differentials expressed in the resultant f. o. b. mine prices are all subject to change by reason of actual differences in transportation charges, and by the application of other factors to be considered under Section 4-II (b) of the Act.

This was the method of computing the f. o. b. mine prices reflecting delivered differentials employed by the witness for the Commission. These computations, in brief, were as follows, using as an example the Chicago market which has a freight rate of \$2.05 from Southern Illinois.

To the base price of \$2.40 for Southern Illinois Class A Size Group No. 2 coals as shown in the foregoing schedule, page 88, is added the freight rate of \$2.05 to Chicago. To the resulting delivered price of \$4.45 at Chicago is applied the relative value percentages determined by the District Board for each of the respective classification groups in its base Size Group No. 2. From the prices thus determined is deducted the freight rate of \$2.05 on the assumption that all mines have the same freight rate, and the resulting figure reflects the delivered differential in said market. The same result is accomplished by adding to any f. o. b. mine price in the foregoing schedule, Page 88, the applicable relative value percentage of the proper base freight rate from Southern Illinois and deducting from the resultant total the full amount of the base freight rate used. The same procedure was followed for the washed small sizes and the raw screenings.

The witness for the Commission testified that in projecting said differentials into the various consuming markets that there were certain markets into which the Franklin County base freight rate could not be used and that it would be necessary to use the base freight rate from the origin group to the consuming market in question. In such

Prices for Shipment Into Peoria-Pekin District and Those Local Areas Adjacent to the Mines Applying 50¢ Freight Rate

[See Price Instructions and Exceptions. Prices in Cents Per Net Ton of 2,000 Pounds, Size Group Numbers, and Differentials]

Table with 14 columns (1-14) and rows A-N. Columns 1-2 show classification groups. Columns 3-14 show price adjustments for stove sizes from 2'' to 3 1/4''.

cases it would be proper to shift the base rate used to the coals that actually move into such consuming markets.

The prices for shipping into the Chicago market area, except railway locomotive fuel, reflecting delivered differentials using a \$2.05 net ton freight rate, and similar prices for shipment into the Peoria-Pekin District and those local areas adjacent to the mines applying a 50 cent freight rate, are set forth in the following tables, respectively.

Prices for Shipment Into Chicago Market Area Except Railroad Locomotive Fuel Reflecting Delivered Differential Using a \$2.05 Net Ton Freight Rate

[See Price Instructions and Exceptions. Prices in Cents Per Net Ton of 2,000 Pounds, Size Group Numbers, and Differentials]

Table with 14 columns (1-14) and rows A-N. Columns 1-2 show classification groups. Columns 3-14 show price adjustments for stove sizes from 2'' to 3 1/4''.

Column (a) shows the relative percentage values applicable to Size Group 2 as the base for Size Groups 1 to 6, inclusive, using Classification N as base.

Column (b) shows the relative percentage values applicable to Size Group 12 as the base for Size Groups 7 to 14, inclusive, using Classification H as base.

Column (c) shows the relative percentage values applicable to Size Group 24 as the base for Size Groups 15 to 25, inclusive, using Classification F as base.

Table with 11 columns (15-25) and rows A-N. Columns 15-16 show classification groups. Columns 17-25 show price adjustments for stove sizes from 2'' to 3 1/4''.

Column (a) shows the relative percentage values applicable to Size Group 2 as the base for Size Groups 1 to 6, inclusive.

Column (b) shows the relative percentage values applicable to Size Group 12 as the base for Size Groups 7 to 14, inclusive.

Column (c) shows the relative percentage values applicable to Size Group 24, as the base for Size Groups 15 to 25, inclusive.

Prices for Shipment Into Peoria-Pekin District and Those Local Areas Adjacent to the Mines Applying 50¢ Freight Rate

[See Price Instructions and Exceptions. Prices in Cents Per Net Ton of 2,000 Pounds, Size Group Numbers, and Differentials]

Table with 14 columns (1-14) and rows A-N. Columns 1-2 show classification groups. Columns 3-14 show price adjustments for stove sizes from 2'' to 3 1/4''.

Column (a) shows the relative percentage values applicable to Size Group 2 as the base for Size Groups 1 to 6, inclusive, using Classification N as base.

Column (b) shows the relative percentage values applicable to Size Group 12 as the base for Size Groups 7 to 14, inclusive, using Classification H as base.

Column (c) shows the relative percentage values applicable to Size Group 24 as the base for Size Groups 15 to 25, inclusive, using Classification F as base.

The Chicago, Wilmington and Franklin Coal Company in its general protest which is denied for the same reason.

The Delta Coal Mining Company filed a general protest in which it contended that the proposed schedule was not in accordance with the Act and Order No. 249 of the Commission, and requested the Commission to refer said proposed schedule back to the District Board to be prepared in accordance therewith. The evidence as a whole, however, does not justify the procedure requested by the protestant, and in view of this fact and of the modifications that have been made herein in the proposed schedule, the protest in this respect is denied.

as proposed by the District Board. The protest with reference to the sufficiency of the schedule is similar in all essential respects to that of the Chicago, Wilmington and Franklin Coal Company which was denied, and it is denied for the same reasons.

No evidence was offered by the Protestant in support of its request for a change in classification of its coals in Size Groups 1 to 3, and a careful examination of the evidence presented by the District Board indicates that the Board has properly classified these coals, and that they are of comparable quality and value to other coals similarly classified. Said part of the protest is likewise denied.

The Mount Olive and Staunton Coal Company is located on a short line railroad, a short distance from the main line railroads to which it sells coals, and filed a protest requesting the Commission to define "Off-line" railway locomotive fuel. It desires to sell its coal to the main line railroads at the same delivered price as that charged by competing mines located on the lines of such main line railroads.

The question here presented involves factors of transportation costs and adjustments which are proper for consideration under Section 4-II (b) of the Act. They cannot be considered in this proceeding.

The protest is denied without prejudice to the right of Protestant to present its request in the final coordination proceeding.

The Moffat Coal Company protests its classification of coals in Size Groups Nos. 1 to 6, and 7 to 14, both inclusive. The proposed classification is "J" for the former size groups and "D" for the latter. The Protestant asks classifications of "L" and "G" respectively. The evidence shows that Protestant's coals in Size Groups Nos. 1 to 6 compete with coals produced by the Mount Olive and Staunton Coal Company and by Mines Nos. 7 and 15 of the Consolidated Coal Company, and that for a number of years the trade has accepted the domestic coals from these mines as of equal quality to the coal produced by the Protestant. The domestic coals of said mines have been classified "L" or 10 cents per ton lower than Protestant's coals.

The evidence further shows that the domestic coals of the Protestant are approximately 2 to 6 per cent lower in grade than the coals produced by the Southwestern Illinois Coal Company's Streamline Mine; the Pyramid Coal Corporation's Pyramid Mine; United Electric Coal Company's Fidelity Mine, and Truax-Traer Company's Forsyth No. 1 Mine, although the coals of said mines have been classified as "J" the same as Protestant's. The evidence also shows that the domestic coals produced by the Perry Coal Company's St. Ellen Mine and United Electric Company's Red Ray Mine, which have been classified "L" at

10 cents per ton lower than Protestant's domestic coals are also from 3 to 4 per cent higher in grade than Protestant's coals. Protestant contends that if the classification of its domestic sizes is not reduced from Class J to Class L, that it will be unable to compete with the coals that it has heretofore been competing with in the St. Louis area. The evidence justifies the classification sought by Protestant for its coals in Size Groups Nos. 1 to 6, inclusive, and classification of said coals should be and hereby is changed from "J" to "L."

The Protestant's coals in the washed Size Groups Nos. 7 to 14 inclusive, have a related value within one-half of 1 per cent of the average relative value percentage of the coals to which they are related and which the Board has classified as "D." The evidence presented does not warrant any change in the classification of Protestant's coals in these size groups and the protest with respect thereto is denied.

The St. Louis Coal Company requests a reduced classification of the coals produced by its Florida mine in Size Groups Nos. 1 to 6, inclusive, from "J" to "L," and in Size Groups Nos. 7 to 14, inclusive, from "D" to "G."

The evidence shows that the Protestant's Florida mine is the dividing line, the coals of the mines north thereof having been classified in the brackets below Class J and the mines south thereof having been classified as "J." The coals of the Protestant in Size Groups Nos. 1 to 6 have, over a long period of years, been considered in the same price class and during normal periods have sold at the same price as the coals of the same size produced by Mines Nos. 7 and 15 of the Consolidated Coal Company; by the Mount Olive and Staunton Coal Company; and by the Peabody Coal Company's Hawthorn Mine, the coals of all of which have been classed as "L."

The relative value percentage of the domestic coals of the Protestant is lower than that of any other mine which has been classed "J," and in fact is lower than the coals of the majority of the mines which have been classed "L." The evidence justifies the classification sought by Protestant and the classification of its coals in Size Groups Nos. 1 to 6, inclusive, should be and hereby is changed from "J" to "L."

With respect to Protestant's coals in Size Groups Nos. 7 to 14, the change in classification is sought for the same reasons as the change in classification for the domestic sizes. The evidence, however, does not justify a change in classification from "D" to "G," but does justify a reduction from "D" to "E." The relative value percentage of Protestant's coals in said size groups is the lowest of any of the mines classified as "D" and is within one half of 1 per cent of the average for the mines that have been classified as "E." The classification of

Protestant's coals in Size Groups Nos. 7 to 14 should, therefore, and hereby is changed from "D" to "E."

The Cutler Coal Company; the New Galum Coal Co.; the Conant Coal Company and the Crain Coal Co. each seek a change in the classification of their domestic coals in Size Groups Nos. 1 to 6, inclusive, from "J" to "L." These same companies, together with the Golden Rule Coal Co., the Vinegar Hill Coal Co. and the Marissa Coal Co. all seek a change in the classification of their raw screenings sizes in Size Groups Nos. 15 to 25, inclusive, from Class F to a new classification 10 cents below Class F.

All of these producers also seek a greater differential between Classifications A and L and state that this differential should be 100 cents instead of 50 cents as proposed by the District Board.

They also protest the grouping of sizes in size groups, and request a differential between raw and washed prepared sizes. The evidence submitted as to the prices at which the coals produced by the first four producers enumerated have been sold in competition with the coals of other companies which have been classified "L," together with the relative value percentages of the coals of said mines as determined by the District Board, justifies a reduction in classification of the coals in Size Groups 1 to 6, inclusive, of the Cutler Coal Company; New Galum Coal Co., Conant Coal Co., and the Crain Coal Company from "J" to "L," and same will be and hereby is made herein.

The evidence as to the coals of the Golden Rule Coal Co., Vinegar Hill Coal Co., and the Marissa Coal Co. in Size Groups Nos. 1 to 6, inclusive, which was of a similar nature, does not justify any change in the "L" classification given these coals by the District Board. Neither does the evidence warrant the granting of the other changes requested by the Protestants.

In addition to the protests thus made by the Golden Rule Coal Co. and the Vinegar Hill Coal Co., said companies filed general protests in which they contended that the proposed schedule had not been prepared in accordance with the Act and the Commission's Order No. 249, and requested that the Commission refer said proposed schedule back to the District Board to be prepared in accordance therewith. These protests are similar in all essential respects to the protest that was made by the Chicago, Wilmington and Franklin Coal Company relating to the same matter, and are denied for the same reasons.

Fred H. Wills protests, and requests a reclassification of his coals in Size Groups Nos. 1 to 5, inclusive, from "J" to "L," and a lower classification of his mine run coal, Size Group No. 6, to a lower class than "J," without stating the desired classification.

His coal has inferior physical appearance. However, he introduced in evi-

dence an analysis of his coals made by the Illinois State Geological Survey, together with a letter of comment thereon by the Senior Geologist, in which letter it is stated: "It is not improbable that this appearance of the coal decreases its sales value in spite of the fact that the analyses fail to indicate that the coal has suffered any chemical deterioration or loss in heat value. In this case undoubtedly some allowance for physical appearance should be made in evaluating the coal."

When the formula used by the District Board is applied to the analyses of the 6" x 3" coal of Protestant, it shows a relative value percentage to the base coal of 90.65 per cent. This percentage applied to the base price of 240 cents produces a price of 218 cents, which would properly class this coal as "E." The District Board having classed these coals as "J," evidently considered physical appearance. The classification of the coals of Protestant, therefore, appears to be proper. The protest is denied.

The McLaren Coal Company requests that the classification of its coals in Size Groups Nos. 1 to 6, be reduced from "G" to "J," and in Size Groups Nos. 15 to 26, from "D" to "F."

Six analyses of Protestant's coals appear in evidence:

(a) An analysis of 6" x 3" egg coal made by the Commercial Testing and Engineering Company, under the direction of the District Board;

(b) An analysis of 6" x 3" egg coal furnished by Protestant in compliance with our Order No. 234;

(c) Four analyses of 6" x 2" egg coal made by the Bureau of Mines on samples of coal taken from cars as loaded.

By applying the formula adopted by the District Board to the Analysis of the Commercial Testing and Engineering Company, it would appear that Protestant's coals are properly classified. There is no evidence that would warrant the granting of this protest and it is denied.

The Wallace Coal Company requests that the classifications of its coals in Size Groups Nos. 1 to 6 be reduced from "E" to "G," and in Size Groups Nos. 15 to 26, from "D" to "F."

It appears from the evidence that the relative value percentage of Protestant's coals in Size Groups Nos. 1 to 6 is 91.061 per cent of the base coal. Applying this per cent to the base price of 240 cents per ton, the related value of Protestant's coals in base Size Group No. 2 would be 220 cents. This corresponds to the "E" classification proposed by the District Board.

The related value percentage of Protestant's coals in Size Groups Nos. 15 to 25 (raw screenings) as shown by the evidence, is 88.487 per cent of the base coal. The average related value percentage of the coals produced by the

mines in this price classification is 90.189 per cent of the price established for the base coal in base Size Group No. 24. There is here a slight variation in relative value and quality. However, this variation is not sufficient to warrant a change in the classification proposed by the District Board. The protest is denied.

General protests were filed by each of the following code members, which in all essential respects were the same:

Truax-Traer Coal Co.
 United Electric Coal Companies.
 Midland Electric Coal Corporation.
 Central State Collieries Inc.
 Southwestern Illinois Coal Corporation.
 Wilmington Coal Mining Corporation.
 Wilmington Coal Mines Incorporated.
 Morris Coal & Mining Company.
 Shuler Coal Company.
 Pyramid Coal Corporation.
 Illinois Pocahontas Coal Corporation.
 St. Louis & O'Fallon Coal Company.
 Gundlach Coal Company.
 Union Colliery Company.
 Little John Coal Company, Inc.
 Northern Illinois Coal Corporation.

The protests filed by each of these Protestants indicated that they had filed similar protests to the original schedule proposed by the Board, and that such protests had been denied. These Protestants contend that the size groupings, classifications, price variations between classifications, and size differentials, are arbitrary and unreasonable, and do not reflect the relative market values of the various coals produced within the District. They also contend that the proposed schedule was not prepared in accordance with the Act, or Order No. 249 of the Commission, and that Order No. 249 itself is not in accordance with the Act. They also contend that the formulae used by the District Board in determining its proposed classifications were erroneous.

Evidence was introduced to show that the percentages for the various factors used in the formulae used by the District Board were erroneous, but it developed during the course of the hearing that the witness who testified on behalf of Protestants, had based his testimony on the wrong data. Evidence was also introduced tending to show the delivered price of some of the coals of these Protestants into certain consuming market areas, but no evidence or data was introduced that would impeach the schedule proposed by the District Board. Nor did any of these Protestants introduce any evidence as to what they considered to be a proper schedule of prices for District No. 10. The evidence presented when considered as a whole does not justify the granting of the relief sought and the protests are denied.

Protests were filed with the Commission prior to the hearing by the Logan Highway Coal Company and the Dia-

mond Coal Company, but neither of these Protestants appeared at the hearing, and no evidence was submitted in support of either protest. These protests are denied.

At the opening of the hearing, the Chicago, Wilmington and Franklin Coal Company made a motion to have the proposed schedule referred back to the District Board for revision on the ground that it had not been prepared in accordance with the Act and Order No. 249 of the Commission, and did not comply therewith. This motion was joined in by numerous other code members. Said motion was renewed during the course of the hearing and again at the close of the hearing, when it was taken under advisement by the Commission.

In view of the explanations of the proposed schedule that have been made by witnesses for the Board and the Commission, and the evidence that has been submitted by Protestants, the evidence as a whole does not justify the granting of such motion and it is hereby denied.

As a result of the modification of the formula, the realization has been recomputed on the basis of the exhibits placed in the record, and the findings of the Commission herein, and it is found to be approximately 173.2 cents per net ton, which is four cents per net ton below the weighted average cost of 177.2 cents per ton as heretofore determined by us for Price Area 2.

District Board No. 10 approved the schedule of proposed minimum prices which it submitted to the Commission and, in the judgment of said Board, the prices which it proposed to the Commission in said schedule, Exhibit No. 671, under the Commission's Order No. 249, are just and equitable between the producers within the District, have due regard to the interests of the consuming public, and do not and will not permit dumping. It was also the judgment of the District Board, that the prices it proposed to the Commission under the Commission's Order No. 249 reflect, as nearly as possible, the relative market values of the various kinds, qualities and sizes of coal produced in District No. 10, and that said schedule of proposed minimum prices also reflects price variations as to values and as to uses, price variations as to consuming market areas of the various kinds, sizes and qualities of coal produced within the District, and conform to the requirements of said Order No. 249 of the Commission.

And now, upon the record herein, and upon the evidence submitted, both oral and documentary, and upon the foregoing facts found to exist, the Commission finds:

That the District Board for District No. 10, as directed in Order No. 249 of the Commission, proposed minimum prices free on board transportation facilities at the mines for kinds, qualities and sizes of coal produced within the

District, classification of coal and price variations as to mines and consuming market areas, and values as to uses.

That the District Board for District No. 10, as directed in Order No. 249 of the Commission, submitted to the Commission a schedule of such proposed minimum prices, together with the data upon which same were computed, including, but without limitation, the factors considered in determining the price relationships.

That the minimum prices proposed by the District Board for District No. 10 as herein modified, reflect, as nearly as possible, the relative market value of the various kinds, qualities and sizes of coal produced within the district; are just and equitable as between producers within the District; have due regard to the interests of the consuming public, and do not permit dumping.

That the minimum prices proposed by the District Board for District 10 for any kind, quality or size of coal for shipment into any consuming market area, as herein modified, are just and equitable between producers within the District.

That the minimum prices proposed by the District Board for District 10, as herein modified, yield a return per net ton for the District equal as nearly as may be to the weighted average of the total costs per net ton of the tonnage of Minimum Price Area 2, the price area in which District 10 is placed under the Act.

That the schedule of proposed minimum prices, as amended, and submitted to the Commission by the District Board for District 10, as amended, corrected, modified and revised, as hereinabove set forth, conforms to Order No. 249 of the Commission and to the requirements of Section 4-II (a) of the Act, and as so amended, corrected, modified and revised, said schedule should be, and the same is hereby, approved by the Commission to serve as a basis for the coordination provided for in Section 4-II (b) of the Act. A copy of said schedule as amended, corrected, revised and modified appears in the Appendix for District 10.

APPENDIX FOR DISTRICT NO. 10

SCHEDULE OF MINIMUM PRICES AS MODIFIED AND APPROVED TO SERVE AS A BASIS FOR COORDINATION

NOTE: The prices in this schedule are not the final prices that will be established on coal for shipment by Code Members within this district into consuming markets of this district. In the ultimate establishment of the effective minimum prices, pursuant to subsection (b) of Part II, Section 4 of the Act, the minimum prices in this schedule are subject to such increase or decrease respectively, as may be necessary to carry out the provisions of subsections (a) and (b) of Part II, Section 4 of the Act.

F. W. McCULLOUGH,
Secretary.

Issued February 20, 1939.

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Price Instructions and Exceptions

Item No. 1. Prices listed herein are in cents per net ton of 2,000 lbs. f. o. b. transportation facilities at the mine.

Item No. 2. All prices are subject to the Marketing Rules and Regulations issued by the National Bituminous Coal Commission.

Item No. 3. In the sale of coal to destined points outside the boundary of the United States, prices stipulated herein are for payment in U. S. funds.

Item No. 4. The minimum prices on all coals in Size Groups 1 to 6, inclusive, shall be increased 10¢ per ton when such coals are treated with oil, wax, calcium chloride or other dust allaying or anti-freezing agents. This does not apply to coals in Size Groups 2 to 5, inclusive, from mines designated by Nos. 497, 498, 499 and 500, from which impurities have been removed by the use of calcium chloride solution and which have been subjected to a rinsing spray, unless afterwards treated with dust allaying or anti-freezing agents.

The minimum prices on all coals in Size Groups 7 to 26, inclusive, shall be increased 10¢ per ton when such coals are treated with oil, wax, calcium chloride or other dust allaying or anti-freezing agents only during the period April 1st to November 15th, inclusive.

Item No. 5. Gob, pickings or other tippie reject coal 3/4" bottom size or over may be sold at not less than the minimum prices for Size Group 4 applicable to the mine from which produced.

Gob, pickings or other tippie reject coal crushed 2" or smaller, and washed, containing an ash content not less than raw screenings from the same mine, may be sold at not less than the minimum prices established for raw screenings of similar top size from the same mine.

Item No. 6. Increases in minimum prices shall be made for coal, other than railway locomotive fuel, loaded in box or stock cars, and for two or more sizes of coal loaded in the same car, as follows:

(a) For coal loaded in box or stock cars, 10 cents per ton.

(b) For two or more sizes of coal loaded in the same car, 15 cents per ton.

Item No. 7. The following prices, subject to notes on Page 5, as designated, apply on coal sold for railway locomotive fuel from mines as designated by number below:

Group	Numbers as shown in alphabetical list of mines	6x1 1/4" Egg	Mine run (note A)	Modified mine run (note B)	Screenings
1	23, 36, 37, 54, 70, 74, 103, 127, 131, 148, 160, 164, 179, 309, 348, 440, 479, 490, 577, 623, 624, 666, 741, and 751 (note C applies)	185	180	---	130
2	99, 125, 244, 256, 264, 273, 277, 325, 342, 380, 400, 401, 406, 413, 419, 472, 545, 546, 566, 635, 659, 660, 661, 662, 663, 752, 762, and 791 (note C applies)	175	170	---	120
3	81, 114, 152, 153, 257, 300, 328, 388, 393, 405, 445, 464, 470, 471, 488, 493, 506, 509, 510, 511, 522, 523, 524, 527, 530, 531, 532, 533, 534, 541, 650, 710, 711, 712, 713, 734, and 753 (notes C and D apply)	---	195	200	140
4	116 and 412 (note C applies)	225	195	200	140
5	64, 115, 167, 168, 265, 324, 370, 391, 436, 437, 573, 641, 742, 743, 749, and 750 (note C applies)	---	200	---	140
6	94, 489, 504, 547, 568, 602, 675, 717, 746, and 805 (note C applies)	---	230	---	195
7	42, 43, 66, 109, 123, 124, 146, 151, 154, 192, 194, 237, 241, 242, 243, 245, 418, 429, 497, 498, 499, 500, 525, 526, 528, 529, 543, 593, 617, 618, 619, 620, 621, 622, 636, 664, 747, 755, 770, 776, and 777 (notes C and E apply)	---	225	---	170

Above prices cover coal loaded in box or stock cars.

Notes Applicable to Prices for Railway Locomotive Fuel

NOTE A. Mine Run is the combination of all sizes as produced, without the additions or removal of any size.

NOTE B. Modified mine run shall contain 15 percent, with a tolerance of 2 percent up or down, of coal that will pass through screens with round hole openings 1 1/4" in diameter or other shaped openings equivalent in area (1 1/4" screenings), and large lumps may also be broken down to a maximum of 8" in size; or modified mine run may be 6" x 1 1/4" egg with 15 percent, with a tolerance of 2 percent up or down, of 1 1/4" screenings, as described above.

NOTE C. Code Members may, at their option, apply sizes in Size Groups 1 to 5 on orders for locomotive fuel specifying Nut (3" x 3/4"), Resultant Mine Run (6" x 0), Mine Run or Modified Mine Run, and may apply sizes in Size Group 5 and Size Groups 7 to 26 on orders for locomotive fuel specifying Screenings.

NOTE D. Exception. Minimum Prices on coal for locomotive use from Nos. 300, 328, 393, 464, 488, 506, 527, 541, and 753.

Mine Run..... 185

NOTE E. Exception. Minimum Prices on coal for locomotive use from Nos. 66, 192, 528, 529, 593, 617, 618, 619, 620, 621, 622, 776, and 777:

Nut: Top Size 3", Bottom Size 3/4"..... 225
Resultant Mine Run: Top Size 6", Bottom Size 0..... 185
Mine Run..... 210

Size Groups

RAW AND WASHED OR AIR CLEANED

Size Group No.	Lump, bottom size	Double screened sizes	
		Top size	Bottom size
1	Larger than 3"	6" and over	Larger than 3"
2	2 1/2" to 3"	4" to 6"	2 1/2" to 3"
3	1 3/4" to 2"	3" to 6"	1 3/4" to 2"
4	3/4" to 1 1/2"	2 1/2" to 6"	3/4" to 1 1/2"
5	---	1 3/8" to 2"	3/4" to 1 1/2"
6	Mine run and resultant mine run over 2" top size.	---	---

Size Groups—Continued

WASHED OR AIR CLEANED

Size Group No.	Lump, bottom size	Double screened sizes	
		Top size	Bottom size
7	-----	1 1/8" to 1 1/2"	3/4" to 1 1/4"
8	-----	1 3/8" to 2"	6 mesh to 5/8"
9	-----	1 1/2" to 1 3/4"	6 mesh to 3/4"
10	-----	3/4" to 1"	6 mesh to 1/2"
11	-----	1 3/8" to 2"	1/2 mm. (Item 4—Page 7).
12	-----	1/2" to 1 1/2"	1/2 mm. (Item 4—Page 7).
13	-----	5/16" to 1"	10 mesh.
14	-----	3/8"	1/2 mm. (Item 4—Page 7).

RAW

15	-----	1 5/8" to 2"	6 mesh to 5/8"
16	-----	1 1/2" to 1 3/4"	3/4" to 1 1/4"
17	-----	1 1/4" to 1 1/2"	6 mesh to 5/8"
18	-----	3/4" to 1"	6 mesh to 1/2"
19	-----	1 5/8" to 2"	(See Item 3—Page 7.)
20	-----	1/2" to 1 1/2"	(See Item 3—Page 7.)
21	-----	3/8"	10 mesh.
22	-----	3/8"	48 mesh.
23	-----	1 5/8" to 2"	0.
24	-----	1/2" to 1 1/2"	0.
25	-----	3/8"	0.
26	-----	10 mesh.	0.

Size Groups Specifications

Item No. 1. Except as to sizes made with mesh screens or screens with openings measured in millimeters in connection with Size Groups 8 to 14, inclusive, Size Group 15, Size Groups 17 to 22, inclusive, and Size Group 26, all size designations herein are for round hole screen openings. The sizes produced with a screen of other shape of similar area, shall be the equivalent of those produced with screens with round hole openings.

Item No. 2. Any size made with screens having openings exceeding those specified must be included in the next larger size group and priced accordingly.

Item No. 3. Sizes in Size Groups 19 and 20 may be produced either by passing 2" to 3/4" x 0 over screens with round hole openings 1 5/8" in diameter, or other shaped openings equivalent in area, to remove 1 5/8" x 0 coal, or by the standard mechanical dedusters with the use of 10 mesh screens or equivalent. Those sizes which have been made by the removal of 1 5/8" x 0 shall contain not less than the following percentages, with tolerance of 1 1/2 percent, of 1 5/8" x 0 coal, as described above:

2"	1 1/2" and 1 1/4"	1"	3/4"
20	23.5	27	34

Item No. 4. Coal in Size Groups 11, 12 and 14, in which the 3/8" x 0 has been cleaned with compressed air, shall con-

tain at least 10% which will pass through a 10 mesh screen.

Sizes in Each Size Group Embracing All Sizes Produced During Calendar Year 1937 as Shown by D-1 Reports

[See Preceding Text for Size Group Descriptions Which Apply]

Over 2" Top Size and Stove 2" to 3/4" Raw, Washed or Air Cleaned

Group No. 1:

- 10" Lump.
- 9"
- 8"
- 7"
- 6"
- 4"
- 9" x 6"
- 9" x 4"
- 9" x 2"¹
- 8" x 5"
- 8" x 4"
- 8" x 3" Lump.¹
- 8" x 2"¹
- 8" x 1 1/2"¹
- 8" x 1 1/4"¹
- 7" x 4"
- 7" x 3"¹
- 7" x 2 1/2"¹
- 7" x 2"¹
- 7" x 1 1/2"¹
- 7" x 1 1/4"¹
- 6" x 4"

Group No. 2:

- 3" Lump.
- 2 1/2"
- 6" x 3"
- 6" x 2 1/2"
- 5" x 3" Lump.
- 4" x 3"
- 4" x 2 1/2"

Group No. 3:

- 2" Lump.
- 6" x 2" Egg.
- 5" x 2" Egg.
- 4" x 2" Egg.
- 3" x 2" Small Egg.

Group No. 4:

- 1 1/2" Lump.
- 1 1/4"
- Mixed Lump.*
- Reclaimed Lump.*
- 6" x 1 1/2"
- 6" x 1 1/4"
- 6" x 1"
- 6" x 3/4"
- 6" x 1/2"¹
- 5" x 1 1/2"
- 5" x 3/4"
- 4" x 1 1/2"
- 4" x 1 1/4"
- 4" x 3/4"
- 4" x 1/4"
- 3" x 1 1/2"
- 3" x 1 1/4"¹
- 3" x 3/4"
- 3" x 5/16"¹

¹ Sizes belong in the Size Groups in which placed under Item 2—Page 7 of the Price Schedule.

* Actual size not specified; for purpose of summary of D-1 reports was included in Size Group No. 4.

Group No. 4—Continued.

- 2 1/2" x 1 1/2"
- 2 1/2" x 1 1/4"
- 2 1/2" x 1"
- Railroad Egg.
- Locomotive Fuel.
- Mine Run Modified.

Group No. 5:

- 2" x 1 1/2"
- 2" x 1 1/4"
- 2" x 1"
- 2" x 3/4"

Mine Run and Resultant Mine Run Over 2" Top Size

Group No. 6:

- Mine Run Straight.
- Mine Run Crushed.
- Mine Run 6"
- Mine Run 6" Crushed.
- Mine Run 5" Crushed.
- Mine Run 4"
- Mine Run 3"
- Mine Run 2 1/2"
- 2 1/2" Modified.¹

2" and Under Top Size Except Stove 2" to 3/4" Washed or Air Cleaned

Group No. 7:

- 1 1/2" x 1"
- 1 1/2" x 3/4"
- 1 1/4" x 1"
- 1 1/4" x 3/4"
- 1 1/4" x 13/16"

Group No. 8:

- 2" x 5/16"

Group No. 9:

- 1 1/2" x 10 Mesh.
- 1 1/2" x 5/16"
- 1 1/2" x 1/4"
- 1 1/4" x 5/16"
- 1 1/4" x 1/4"

Group No. 10:

- 1" x 3/8"
- 1" x 5/16"
- 3/4" x 1/2"
- 3/4" x 5/16"
- 3/4" x 1/4"
- 3/8" x 5/16"
- 3/8" x 4 Mesh.

Group No. 11:

- 2" x 0.
- 2" x 28 Mesh.

Group No. 12:

- 1 1/2" x 28 Mesh.
- 1 1/4" x 28 Mesh.
- 1" x 28 Mesh.
- 3/4" x 28 Mesh.
- 1 1/2" x 0.
- 1 1/4" x 0.
- 1" x 0.
- 3/4" x 0.
- 1/2" x 0.
- 7/16" x 0.¹

Group No. 13:

- 1" x 10 Mesh.
- 3/8" x 10 Mesh.
- 5/16" x 10 Mesh.
- 5/16" x 48 Mesh.

Group No. 14:

- 3/8" x 0.
- 5/16" x 0.
- 1/4" x 0.
- 10 Mesh Dust.

2" and Under, Except Stove 2" to 3/4"
Top Size—Raw

Group No. 15:
2" x 5/8"
2" x 7/16"
2" x 5/16"
2" x 1/8"

Group No. 16:
1 1/2" x 1"
1 1/2" x 3/4"
1 3/8" x 3/4"
1 1/4" x 1"
1 1/4" x 3/4"

Group No. 17:
1 1/2" x 5/8"
1 1/2" x 1/2"
1 1/2" x 7/16"
1 1/2" x 3/8"
1 1/2" x 5/16"
1 1/2" x 1/4"
1 1/2" x 1/8"
1 1/4" x 3/8"
1 1/4" x 5/16"
1 1/4" x 1/4"
1 1/4" x 3/16"

Group No. 18:
1" x 1/2"
1" x 7/16"
1" x 3/8"
1" x 5/16"
1" x 1/4"
7/8" x 5/16"
7/8" x 1/16"
3/4" x 1/2"
3/4" x 3/8"
3/4" x 5/16"

Group No. 19:
2" x 10 Mesh.
2" Crushed.¹
2" Modified.¹

Group No. 20:
1 1/2" Modified.
1 1/2" x 10 Mesh.
1 1/2" x 28 Mesh.
1 1/4" Modified.
1" x 10 Mesh.
1" x 28 Mesh.
3/4" x 1/8"
3/4" x 1/16"
3/4" x 10 Mesh.
3/4" x 28 Mesh.
1/2" x 1/2 mm.
7/16" Stoker.¹

Group No. 21:
3/8" x 10 Mesh.
5/16" x 10 Mesh.
3/8" x 1/16"

Group No. 22:
3/8" x 48 Mesh.
5/16" x 48 Mesh.

Group No. 23:
2" x 0.

Group No. 24:
1 1/2" x 0.
1 3/8" x 0.
1 1/4" x 0.
1" x 0.
3/4" x 0.
1/2" x 0.
7/16" x 0.¹

Group No. 25:
3/8" x 0.
5/16" x 0.

Group No. 25—Continued.
1/4" x 0.
3/16" x 0.
1/8" x 0.
6 Mesh x 0.

Group No. 26:
10 Mesh x 0.
28 Mesh x 0.
48 Mesh x 0.

Identification of Sub-District—Shipping Mines

BELLEVILLE SUB-DISTRICT

Code member	Mine name	Seam	Type	County
Bailey Bros. Coal Company	Diamond	6	Shaft	Perry.
Beaucoup Coal Company	#6	6	Shaft	Perry.
Beckemeyer Coal Company	Beckemeyer	6	Shaft	Clinton.
Bird & Tanner	Bird & Tanner	6	Shaft	Perry.
Bois Coal Company	Bois	6	Shaft	Washington.
Bradbury, H. W.	Ill.-Mo	6	Shaft	Randolph.
Burn-Well Coal Company		6	Shaft	Madison.
C. & R. Coal Company (Carter & Rednour)	C. & R.	5	Drift	Perry.
Chicopee Coal Company	Troy	6	Shaft	Madison.
Citizens Coal Company	East Mine	6	Shaft	Clinton.
Clarkson Coal & Mining Co.	Clarkson	6	Shaft	Washington.
Conant Coal Company	Conant	6	Shaft	Perry.
Coulterville Coal Company	Pereo	6	Shaft	Perry.
Crain Coal Company	Crain	6	Slope	Randolph.
Cutler Coal Company	New Wilson	6	Shaft	Perry.
Freeburg Coal Company	Freeburg Coal	6	Shaft	St. Clair.
Gill Coal Corporation	Lyle	6	Shaft	St. Clair.
Golden Rule Coal Company (Lensburg)	Golden Rule	6	Shaft	St. Clair.
Groom Coal Company	Richland	6	Shaft	St. Clair.
Gundlach Coal Company	Gundlach	6	Drift	St. Clair.
Home Coal Company	Victory	6	Shaft	Perry.
Illinois Pocahontas Coal Co.	Pocahontas	6	Shaft	Bond.
Jones Bros. Coal & Mining Co.	Eureka #2	6	Shaft	Randolph.
K. & E. Coal Company	Little Muddy	6	Shaft	Perry.
Lenzburg Coal Company	Lenzburg	6	Shaft	St. Clair.
Lumaghi Coal Company	#2 Cantine	6	Shaft	Madison.
Lumaghi Coal Company	#3 Cantine	6	Shaft	Madison.
Madison County Coal & Mining Co.	Thermal	6	Shaft	Madison.
Marissa Coal Company	O. K.	6	Shaft	St. Clair.
Mascoutah Coal & Mining Co.	Mascoutah	6	Shaft	St. Clair.
Moffat Coal Company	Moffat	6	Shaft	Randolph.
Morgan Coal Company, F. C.	Morgan	6	Strip	St. Clair.
Mulberry Hill Coal Company	Mulberry Hill	6	Shaft	St. Clair.
New Galum Coal Corporation Trustees for Employees	New Galum	6	Shaft	Perry.
Numbre e Pinekneyville C. M. Co.	#5	6	Shaft	Perry.
Perry Coal Company	Carbon	6	Shaft	St. Clair.
Perry Coal Company	St. Ellen	6	Shaft	St. Clair.
Prairie Coal Company	Prairie	6	Shaft	St. Clair.
Pyramid Coal Corporation	Pyramid	6	Strip	Perry.
St. Louis Coal Company	Florida	6	Shaft	Randolph.
St. Louis & O'Fallon Coal Co.	#2 Black Eagle	6	Shaft	St. Clair.
Service Coal & Mining Co.	Service	6	Shaft	St. Clair.
Southern Coal, Coke & Mining Co.	#1 Avery	6	Shaft	St. Clair.
Southern Coal, Coke & Mining Co.	#6 Muren	6	Shaft	St. Clair.
Southern Coal, Coke & Mining Co.	#7 Little Oak	6	Shaft	St. Clair.
Southern Coal, Coke & Mining Co.	#8 Shilon	6	Shaft	St. Clair.
Southern Coal, Coke & Mining Co.	#9 New Baden	6	Shaft	Clinton.
Southwestern Ill. Coal Corp.	Streamline	6	Strip	Perry & Ran- dolph.
United Electric Coal Co.'s	Fidelity	6	Strip	Perry.
United Electric Coal Co.'s	Red Ray	6	Strip	St. Clair.
Vinegar Hill Coal Company	Vinegar Hill	6	Shaft	St. Clair.
White Coal Company	White	6	Slope	St. Clair.

CENTRAL ILLINOIS SUB-DISTRICT

Brewerton Company, The	Jefferson	5	Shaft	Sangamon.
Central Illinois Coal Mining Co.	"A"	5	Shaft	Sangamon.
Centralia Coal Company	Centralia #5	6	Shaft	Washington.
Consolidated Coal Company, The	#7	6	Shaft	Macoupin.
Consolidated Coal Company, The	#15	6	Shaft	Macoupin.
Gillespie Coal Company	Gillespie	6	Shaft	Macoupin.
Hillsboro Mining Company	Hillsboro	6	Shaft	Montgomery.
Indiana & Illinois Coal Corp.	#10 Nokomis	6	Shaft	Montgomery.
Lincoln Liquidating Corp.	Virden	6	Shaft	Macoupin.
Livingston-Mt. Olive Coal Co.	#1 Livingston	6	Shaft	Madison.
Macon County Coal Company	Macon	5	Shaft	Macon.
Marion County Coal Company	Glenridge	6	Shaft	Marion.
Mine "B" Coal Company	"B"	5	Shaft	Sangamon.
Morgan Coal Company, F. C.	Old Vermilion	7	Strip	Vermilion.
Mt. Olive Coal Company	Hoosier	6	Shaft	Macoupin.
Mt. Olive & Staunton Coal Co.	#2	6	Shaft	Madison.
Nokomis Coal Company	Reliance	6	Shaft	Montgomery.
Odin Coal Company	Odin	6	Shaft	Marion.
Pana Coal Company	#1	6	Shaft	Christian.
Panther Creek Mines, Inc.	#2	5	Shaft	Sangamon.
Panther Creek Mines, Inc.	#4 West End	5	Shaft	Sangamon.
Panther Creek Mines, Inc.	#5 New North	5	Shaft	Sangamon.
Panther Creek Mines, Inc.	Carter Process Plant	6	Washer	Christian.
Peabody Coal Company	#7 Hawthorn	6	Shaft	Christian.
Peabody Coal Company	#8 Hawthorn	6	Shaft	Christian.
Peabody Coal Company	#9 Hawthorn	6	Shaft	Christian.
Peabody Coal Company	#24 Westville	6	Shaft	Vermilion.
Peabody Coal Company	#53 Woodside	5	Shaft	Sangamon.
Peabody Coal Company	#57 Capitol	5	Shaft	Sangamon.
Peabody Coal Company	#58 Hawthorn	6	Shaft	Christian.
Peabody Coal Company	#59 Peerless	5	Shaft	Sangamon.
Penwell Coal Mining Company	Penwell	6	Shaft	Christian.
Skelton Coal Company, J. G.	Skelton	7	Slope	Vermilion.
Superior Coal Company	#1	6	Shaft	Macoupin.
Superior Coal Company	#2	6	Shaft	Macoupin.

See footnotes on preceding page.

Identification of Sub-District—Shipping Mines—Continued

SOUTHERN ILLINOIS SUB-DISTRICT—Continued

Table with columns: Code member, Mine name, Seam, Type, County. Lists mines like Old Ben Coal Corporation, Peabody Coal Company, etc.

Identification of Sub-Districts—Local Mines

Section No. 5. Adams, Brown, Cass, Greene, Jersey, Hancock, Macoupin, McDonough, Pike, Schuyler, and Scott.

Each section includes all the mines not having direct railroad track connections located in the counties listed opposite the Section Number, as follows:

- Section No. 1. Grundy, Livingston, and Will.
Section No. 2. Bureau, LaSalle, Marshall, Putnam, and Woodford.
Section No. 3. Henry, Knox, Stark, Mercer, Rock Island, and Warren.
Section No. 4. Fulton, Logan, Peoria, and Tazewell.

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown

Table with columns: No., Code member, Mine name, Subdistrict, Seam, Price classifications and size group Nos.

Identification of Sub-District—Shipping Mines—Continued

CENTRAL ILLINOIS SUB-DISTRICT—Continued

Table with columns: Code member, Mine name, Seam, Type, County. Lists mines like Superior Coal Company, Tifton Mining Company, etc.

DUQUOIN SUB-DISTRICT

Table with columns: Code member, Mine name, Seam, Type, County. Lists mines like Peabody Coal Company, Perfection Coal Company, etc.

FULTON PEORIA SUB-DISTRICT

Table with columns: Code member, Mine name, Seam, Type, County. Lists mines like Blakley Coal Company, Central State Collieries, Inc., etc.

NORTHERN ILLINOIS SUB-DISTRICT

Table with columns: Code member, Mine name, Seam, Type, County. Lists mines like Buffalo Rock Coal Company, Midland Electric Coal Corp., etc.

SOUTHERN ILLINOIS SUB-DISTRICT

Table with columns: Code member, Mine name, Seam, Type, County. Lists mines like Bell & Zoller Coal & Mining Co., Blue Bird Coal Company, etc.

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

No.	Code member	Mine name	Subdistrict	Seam	Price classifications and size group Nos.					
					1	2	3	4	5	
11	Angle, Edgar C. (Maple Ridge Coal Co.)	Maple Ridge	Section 4	5	N	N	N	N	N	7 11 15 19 8 12 16 20 23 9 13 17 21 24 10 14 18 22 25 26
12	Armstrong, Ben.		Section 5	2	N	N	N	N	N	F
13	Armstrong, Walter		Section 3	5	N	N	N	N	N	F
14	Ashford, Arle & Guy Baggett		Section 10	5	G	G	G	G	G	F
15	Atwood, Roy		Section 8	6	G	G	G	G	G	F
16	Aulich, Joe, Sr.		Section 6	6	L	L	L	L	L	F
	B									
17	B. & B. Coal Co. (Fay Bales)	B. & B. Coal Co.	Section 7	7	L	L	L	L	L	F
18	B. & H. Coal Co.	B. & H. Coal Co.	Section 7	7	L	L	L	L	L	F
19	B. & L. Coal Co.	B. & L. Coal Co.	Section 10	6	L	L	L	L	L	F
20	Babcock, J. P.	Saratoga Mining Co.	Section 1	5	G	G	G	G	G	F
21	Babington & Ingram		Section 2	5	G	G	G	G	G	F
22	Balot & Talbot Coal Co.	Diamond	Section 2	6	G	G	G	G	G	F
23	Bailly Bros. Coal Co.	Perviance	Section 3	5	J	J	J	J	J	F
24	Baker, George		Section 3	5	H	H	H	H	H	F
25	Baldwin Coal Co.	Baldwin	Section 10	6	J	J	J	J	J	F
26	Baldwin, Billy	Lone Star	Section 9	6	J	J	J	J	J	F
27	Bales, Perry (M. & P. Coal Co.)	M. & P.	Section 10	7	G	G	G	G	G	F
28	Banner Coal Co. (Clarence I. Ford)	Banner Coal Co.	Section 7	7	L	L	L	L	L	F
29	Barnett, Claude (Brooks and Barnett)	Brooks & Barnett	Section 4	5	G	G	G	G	G	F
30	Barr Coal Co.	Barr Coal Co.	Section 10	5	G	G	G	G	G	F
31	Barry, John J.		Section 6	5	L	L	L	L	L	F
32	Bates, Henry	Henry Bates Coal	Section 1	5	L	L	L	L	L	F
33	Bausler Coal Mine	Bausler Coal	Section 3	5	L	L	L	L	L	F
34	Baxter, W. B.		Section 5	2	L	L	L	L	L	F
35	Beaucoup Coal Co., Inc.	Beaucoup #6	Belleville	6	J	J	J	J	J	F
36	Beckmeyer Coal Co.	Beckmeyer	Belleville	6	J	J	J	J	J	F
37	Becker, Harry		Section 4	5	N	N	N	N	N	F
38	Bedwell, Sam	Sam Bedwell	Section 4	5	N	N	N	N	N	F
39	Bee & Hornick	Spring Lake Coal	Section 2	6	N	N	N	N	N	F
40	Beebe and Wallace	Beebe & Wallace	Section 5	5	N	N	N	N	N	F
41	Bell & Zoller Coal & Mng. Co.	Zeigler #1	Section 5	6	A	A	A	A	A	F
42	Bell & Zoller Coal & Mng. Co.	Zeigler #2	Southern	6	A	A	A	A	A	F
43	Bell Heat Coal & Mng. Co.	Bell Heat Coal	Section 8	6	L	L	L	L	L	F
44	Bell Heat Coal & Mng. Co.	Bell Heat Coal	Section 8	6	L	L	L	L	L	F
45	Beltz, Elwin	Beltz #2	Section 10	5	L	L	L	L	L	F
46	Bennett, Andrew	Bennett Mimes	Section 9	5	N	N	N	N	N	F
47	Best Coal Co., The (T. D. Sager)	The Best	Section 4	5	N	N	N	N	N	F
48	Bethel Coal Co.	Bethel	Section 9	5	L	L	L	L	L	F
49	Beveridge Coal Co.	#2	Section 6	5	L	L	L	L	L	F
50	Bexson Coal Co., W. F.	Bexson Coal Co.	Section 5	5	L	L	L	L	L	F
51	Big 4 Coal Co. (John Hicks)	Big 4 Coal Co.	Section 4	5	N	N	N	N	N	F
52	Big Four Coal Co.	Big Four Coal Co.	Section 5	5	N	N	N	N	N	F
53	Big Hollow Colliery Mine	Big Hollow Coll	Section 4	5	N	N	N	N	N	F
54	Bird & Tanner	Bird & Tanner	Section 5	6	J	J	J	J	J	F
55	Birkner, E. H.	Birkner	Belleville	6	J	J	J	J	J	F
56	Black, Samuel J.	Sam Black	Section 9	1, 2	B	B	B	B	B	F
57	Black Eagle Coal Co.	Black Eagle Coal Co.	Section 10	5	G	G	G	G	G	F
58	Black Hawk Coal Co. (Louis Duquesney)	Black Hawk Coal Co.	Section 4	5	L	L	L	L	L	F
59	Black Hawk Coal Co. (T. C. Thompson)	Black Hawk	Section 3	1	H	H	H	H	H	F
60	Black Jewel Coal Co.	Black Jewel	Section 4	5	N	N	N	N	N	F
61	Blair Coal Co.	Blair Coal Co.	Section 9	6	J	J	J	J	J	F
62	Blair Big Muddy Coal Co., The Gus	Blair #3	Section 9	1, 2	B	B	B	B	B	F
63	Blair, Ray	Riverside #2	Section 7	5	L	L	L	L	L	F
64	Blakely Coal Co.	Blakely	Fulton-Peoria	5	N	N	N	N	N	F
65	Blender Mining Co. (William Blend-er)	Domino	Section 4	5	N	N	N	N	N	F
66	Blue Bird Coal Co.	Blue Bird #5	Southern	5	A	A	A	A	A	F
67	Blue Eagle Coal Co. (Robert David-son)	Blue Eagle Coal Co.	Section 2	6	G	G	G	G	G	F
68	Blue Eagle Coal Co. (Lewis Lee)	Blue Eagle	Section 4	5	N	N	N	N	N	F

No. 39—7

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

Table with columns: No., Code member, Mine name, Subdistrict, Seam, Price classifications and size group Nos., and Price classifications and size group Nos. (repeated). Rows list various coal companies and their products, such as Darmstadt Coal Co., East Side Coal Co., and Fairview Coal Co.

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

Table with columns: No., Code member, Mine name, Subdistrict, Seam, Price classifications and size group Nos., and Price classifications and size group Nos. (repeated). Rows list various coal companies and their products, such as Ball Mountain, Shamrock Coal, and LeMarsh #6.

Group 1 Classified C.

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

No.	Code member	Mine name	Subdistrict	Seam	Price classifications and size group Nos.						
					1	2	3	4	5	6	
238	Four-in-One Coal Co., The	Four-in-One	Section 3	1	H	N	N	N	N	N	7 11 15 19
239	Fouts, Richard	Fouts	Section 4	5	N	N	N	N	N	N	8 12 16 20 23
240	Fox, Frank	Fox	Section 5	6	N	N	N	N	N	N	9 13 17 21 24
241	Franco Mining Corporation	Franco #1	Southern	6	A	A	A	A	A	A	10 14 18 22 25 26
242	Franklin County Coal Corp.	Energy #5	Southern	6	A	A	A	A	A	A	
243	Franklin County Coal Corp.	Royalton #7	Southern	6	A	A	A	A	A	A	
244	Freeman Coal Co.	Freemarg Coal Co.	Belleville	6	L	L	L	L	L	L	
245	Freeman Coal Mining Co.	Freeman	Southern	6	L	L	L	L	L	L	
246	French Coal Co.	French	Section 2	6	N	N	N	N	N	N	
247	French, Ernest	French's Coal Co.	Section 4	6	G	N	N	N	N	N	
248	Frye & Bollman	Frye & Bollman	Section 3	1	H	N	N	N	N	N	
249	Fuller & Wagie Coal Co.	Fuller & Wagie	Section 5	2	H	N	N	N	N	N	
250	Fullerton Coal Co.	Burdette	Section 8	6	L	L	L	L	L	L	
G											
251	G. E. Coal Co.	G. E. Coal Co.	Section 8	6	L	L	L	L	L	L	
252	Gabriel Coal Co. (L. R. Gabriel)	Gabriel	Section 10	5	L	L	L	L	L	L	
253	Gallagher, Ralph	Gallagher Coal Co.	Section 6	7	L	L	L	L	L	L	
254	George Bros. Coal Co.	George Bros.	Section 7	7	L	L	L	L	L	L	
255	Gibson	Gibson	Section 7	7	L	L	L	L	L	L	
256	Gill Coal Corporation	Gill	Belleville	6	L	L	L	L	L	L	
257	Gillespie Coal Co.	Gillespie	Central	6	L	L	L	L	L	L	
258	Glasford Coal Co.	Glasford	Section 4	5	L	N	N	N	N	N	
259	Glen Carbon Coal Co.	Glen Carbon	Section 4	6	L	N	N	N	N	N	
260	Glore Coal Co.	Glore Coal Co.	Section 8	1	H	L	L	L	L	L	
261	Goacher, Everett	Goacher	Section 4	6	L	L	L	L	L	L	
262	Gobin & Sons, William	Gobin	Section 10	5	L	G	N	N	N	N	
263	Goebelt, J. M.	Community Coal	Section 5	2	L	G	N	N	N	N	
264	Golden Rule Coal Co. (Lenzburg)	Golden Rule	Belleville	6	L	N	N	N	N	N	
265	Golden Rule Coal Co. (Middle Grove)	Golden Rule	Fulton	5	L	N	N	N	N	N	
266	Goodman, Fred	White City Coal Co.	Section 7	6	E	N	N	N	N	N	
267	Gorsuch, Otis	Gorsuch's Coal Co.	Section 5	2	E	N	N	N	N	N	
268	Gravitt, Lawrence	Etherly Coal Co.	Section 3	6	N	N	N	N	N	N	
269	Greenview Mining Co.	Greenview	Section 6	5	L	L	L	L	L	L	
270	Greenwalt Coal Co.	Greenwalt	Section 7	2	N	L	N	N	N	N	
271	Grey's Mine, The (Earl Grey)	Grey's	Section 5	6	L	N	N	N	N	N	
272	Griffith, H. L.	Sunmeret Coal Mines	Section 10	5	G	L	L	L	L	L	
273	Groom Coal Co.	Richland	Belleville	6	L	L	L	L	L	L	
274	Grossman, Wilbert	Grossman	Section 8	6	L	L	L	L	L	L	
275	Gruber, Gruber & Henry	Gruber Bros.	Section 4	5	L	L	L	L	L	L	
276	Guest Coal Co.	Oak Hill	Section 8	6	L	L	L	L	L	L	
277	Gundlach Coal Co.	Gundlach	Belleville	6	L	L	L	L	L	L	
278	Guthrie Coal Mine (John M. Guthrie)	Guthrie	Section 3	1	H	L	L	L	L	L	
279	Guyan & Liptak (Leo L. Liptak)	Guyan	Section 1	5	G	L	L	L	L	L	
H											
280	Hamilton, Lloyd	Little Gem	Section 4	6	N	L	N	N	N	N	
281	Hanson, Ed	Merrel Farm	Section 9	5	L	N	N	N	N	N	
282	Hannigan Coal Co. (Herbert Hannigan)	Hannigan	Section 4	6	L	N	N	N	N	N	
283	Happy Hollow Coal Co. (Frank L. Miller)	Happy Hollow	Section 6	5	L	L	L	L	L	L	
284	Harbaugh, Hector	Hector Harbaugh	Section 5	2	N	L	L	L	L	L	
285	Harper Coal Co.	Harper Coal Co.	Section 7	5	L	L	L	L	L	L	
286	Hausman & Leuder	Red Devil	Section 10	5	L	L	L	L	L	L	
287	Hawk Valley Coal Co. (Barney Ruggieri)	Hawk Valley	Section 4	5	N	N	N	N	N	N	
288	Heato Coal Co.	Heato	Section 10	5	G	G	L	L	L	L	
289	Helm, R. E.	Helm #3	Section 10	5	N	N	N	N	N	N	
290	Hendon Bros. Coal Co. (Howard Hendes)	Hendee Bros.	Section 4	5	N	N	N	N	N	N	
291	Hendley & Son, M. L.	Hendley & Son	Section 5	2	N	N	N	N	N	N	
292	Hendricks, F. E.	F. E. Hendrick #1	Section 5	2	N	N	N	N	N	N	
293	Hepworth, Josh	Josh Hepworth	Section 5	2	N	N	N	N	N	N	
294	Herrin, W. H.	Cedar Hill Coal Co.	Section 10	3	N	N	N	N	N	N	

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

Table with columns: No., Code member, Mine name, Subdistrict, Seam, Price classifications and size group Nos. (1-5), and Price classifications and size group Nos. (7-11, 12-26). Rows are organized by code member groups K, L, and M.

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

No.	Code member	Mine name	Subdistrict	Seam	Price classifications and size group Nos.					Price classifications and size group Nos.	
					1	2	3	4	5		
457	Moore Coal Co. (Silas Moore)	Moore #4	Section 10	5	G	G	G	G	G	7 11 15 19	
458	Moore & Son Coal Company	Moore & Son C. Co.	Section 10	6	G	G	G	G	G	8 12 16 20 23	
459	Moran Coal Company, James	James Moran C. Co.	Section 2	6	G	G	G	G	G	9 13 17 21 24	
460	Moran Coal Company	Moran Coal Co.	Section 10	6	G	G	G	G	G	10 14 18 22 25	26
461	Morley, Thomas (Thievaght Coal Co.)	Thievaght Coal Co.	Section 6	2	N	N	N	N	N		
462	Morgan, Jess	Morgan	Section 9	6	G	G	G	G	G		
463	Morgan, Ray (F. C. Morgan Coal Co.)	Morgan	Belleville	6	G	L	L	L	L		
464	Morgan, Ray (F. C. Morgan Coal Co.)	Old Vermillion	Central	7	L	L	L	L	L		
465	Moro Coal Company (Wm. H. Wilkens)	Moro Coal Co.	Section 8	6	L	L	L	L	L		
466	Morris Coal & Mining Co.	Morroco	Section 1	2	G	N	N	N	N		
467	Morse, Homer	Dehm	Section 3	5	N	N	N	N	N		
468	Morse, Ray	Morse	Section 3	6	N	N	N	N	N		
469	Moss, O. R.	Hoosier	Section 9	6	L	L	L	L	L		
470	Mount Olive Coal Company	Hoosier #2	Central	6	L	L	L	L	L		
471	Mount Olive & Staunton Coal Co.	Mt. Olive & Staunton Coal Co.	Belleville	6	L	L	L	L	L		
472	Mulberry Hill Coal Co.	Mulberry Hill	Section 3	6	L	L	L	L	L		
473	Murphy, Charley	Murphy	Section 3	6	L	L	L	L	L		
		N									
474	Nelson & Company, O.	Nelson & Company, O.	Section 5	2	N	L	H	H	H		
475	Newirth Coal Co. (Erwin Jung)	O. Nelson	Section 8	6	L	L	L	L	L		
476	Never Seen Coal Company (James O'Rourke)	Newirth	Section 3	1	H	H	H	H	H		
477	New Athens Coal & Mining Co. (Ed Gentry)	New Athens	Section 8	6	L	L	L	L	L		
478	New Black Diamond Coal Co. (Ed Gentry)	Black Diamond #4	Section 10	5	L	L	L	L	L		
479	New Galum Coal Corporation (Holly Landfried, Secy.)	New Galum	Belleville	6	L	L	L	L	L		
480	New Midway Coal Co. (John Wither)	New Midway	Section 4	6	N	N	N	N	N		
481	New Muddy Valley Coal Co. (J. W. Smith)	No. 2	Section 10	6	G	G	G	G	G		
482	New National Coal & Mining Co.	New National	Section 8	6	L	L	L	L	L		
483	New North East Coal Company	New North East	Section 3	6	L	L	L	L	L		
484	New St. Clair Coal Company	New St. Clair	Section 8	6	L	L	L	L	L		
485	New Square Deal Coal Company (Ed Julius Meleen)	New Square Deal Coal Company	Section 3	6	L	L	L	L	L		
486	Newton, Harold H.	Newton	Section 3	5	N	L	L	L	L		
487	Nixon, D. E.	D. E. Nixon	Section 7	7	L	L	L	L	L		
488	Nokomis Coal Company	Reliance	Central	6	L	L	L	L	L		
489	Northern Illinois Coal Corp.	Wilmington #10	Northern	2	L	L	L	L	L		
490	No. 5 Pinkneyville Mining Co.	No. 5	Belleville	6	J	J	J	J	J		
491	Number Twelve Coal Company	Number Twelve	Section 6	5	L	L	L	L	L		
492	Oakwood Coal Company	Oakwood	Section 7	7	L	L	L	L	L		
493	Odin Coal Company B. E. Martin, Receiver	Odin	Central	6	L	L	L	L	L		
494	Ogden, Lester	Purity	Section 10	5	G	G	G	G	G		
495	Ogmore Coal Company (W. E. Elkins)	Ogmore	Section 10	5	G	G	G	G	G		
496	Ohman, G. A.	G. A. Ohman	Section 3	5	N	N	N	N	N		
497	Old Ben Coal Corporation	No. 8	Southern	6	A	A	A	A	A		
498	Old Ben Coal Corporation	No. 11	Southern	6	A	A	A	A	A		
499	Old Ben Coal Corporation	No. 14	Southern	6	A	A	A	A	A		
500	Old Ben Coal Corporation	No. 15	Southern	6	A	A	A	A	A		
501	Old Hickory Co-operative Coal Co. (J. B. Dutton)	Old Hickory	Section 3	6	N	N	N	N	N		
502	Old Salem Coal Co.	Old Salem	Section 6	5	L	L	L	L	L		
503	Oltman & Sons, Charles	Tip Top	Section 3	1	H	H	H	H	H		
504	Ossage Coal Co.	Ossage	Northern	2	G	G	G	G	G		

* Groups 7-14; data not available; will propose prices later.

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

Table with columns: No., Code member, Mine name, Subdistrict, Seam, Price classifications and size group Nos. (1-5), Price classifications and size group Nos. (7-10), and Price classifications and size group Nos. (11-15). Rows include entries for Pollock, Gilbert; Porter, Fentem & McCoughly; Poston, Maverick W.; Prairie Coal Co.; Prairie Creek Coal Co.; Presswood Coal Co.; Pryce Coal Mine; Purity; Purviance; Raker, Charles; Raker, Mrs. Della; Ramsey & Bracewell; Randall, Don; Rawliff & Fricke; Reeder Bros.; Reel & Wilkinson; Reinheimer Slope Mine; Renaldo-Matthew; Replogle & Son; Rice Lake Coal Co.; Richardson, Ethel; Rink Bros.; Ripka, Bates & Wetzel; Ritter Coal Co.; Riverside Coal Co.; Roanoke Coal & Tile Co.; Robert's Coal Co.; Roberts, William; Rock Creek Coal Company; Rock River Coal Company; Rogers & Stover; Roloff, Fred; Root Brothers; Root, J. G.; Rowland & Son; Rudloff Brothers; Rushing Coal Company; Ryan & Jones.

* Data not available; will propose prices later.

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

No.	Code member	Mine name	Subdistrict	Seam	Price classifications and size group Nos.						
					1	2	3	4	5	6	
					7	11	15	19	23	26	
671	Spring Creek Coal Company (Swanson & Burnette)	Spring Creek Coal Co.	Section 3	5	N	N	N	N	N	N	F
672	Springfield & Salsbury Coal Co.	Springfield & Salsbury Coal Co.	Section 6	5	L	L	L	L	L	L	F
673	Springhart Coal Company	Springhart Coal Co.	Section 10	5	G	N	G	N	G	N	D
674	Spring Hill Coal Company (Wm. Cheesman & R. Rendall)	Spring Hill Coal Co.	Section 4	5	G	N	G	N	G	N	F
675	Spring Valley Coal Mfg. Co. (The)	#3	Northern	2	G	J	N	N	G	J	F
676	Square Deal Coal Company	Semman	Section 9	5	J	N	N	N	N	N	F
677	Stambaugh, George H.	Star	Section 4	5	N	N	N	N	N	N	F
678	Star Coal Co. (Emil Lingwall)	Star	Section 3	5	N	N	N	N	N	N	F
679	Stear, James Lester	Frederic H. Steckel	Section 5	2	G	N	G	N	G	N	F
680	Steel Triple Coal Co. (Claude Angel)	Steel Triple	Section 10	6	N	N	N	N	N	N	D
681	Stegall, Leonard	Leonard Stegall	Section 3	6	N	N	N	N	N	N	F
682	Stenström Coal Co., E. H.	Stenström	Section 4	7	L	H	N	N	N	N	F
683	Sternet, Clarence	Sternet	Section 6	5	L	H	N	N	N	N	F
684	Stevenson Brothers	Stevenson Bros.	Section 4	1	H	N	N	N	N	N	F
685	Stever, S. R.	Stever	Section 4	5	N	N	N	N	N	N	F
686	Stockham, Donald	Donald Stockham	Section 4	1	H	N	N	N	N	N	F
687	Stone Bros. (Ike Stone)	Blue Eagle #2	Section 3	2	H	N	N	N	N	N	F
688	Stone Bros.	Stone Bros.	Section 5	2	N	N	N	N	N	N	F
689	Stonking, Earnest C.	Earnest Stonking	Section 2	2	N	N	N	N	N	N	F
690	Stonking, Orl	Stonking & Reberman	Section 5	2	N	N	N	N	N	N	F
691	Stonking, Orl	Stonking & Reberman	Section 5	2	N	N	N	N	N	N	F
692	Stonking, Orl	Stonking & Reberman	Section 5	2	N	N	N	N	N	N	F
693	Streator Union Coal Co.	Streator Union	Section 2	6	N	N	N	N	N	N	F
694	Street, George	Street Coal Co.—Fairview	Section 4	5	N	N	N	N	N	N	F
695	Stretch, B. F.	Stretch	Section 6	7	L	N	G	N	G	N	F
696	Strickland, David	Thurman	Section 3	5	N	N	N	N	N	N	F
697	Strobel, A. O.	A. O. Strobel	Section 10	5	L	N	G	N	G	N	F
698	Strode, John L.	Strode Coal	Section 4	5	N	N	N	N	N	N	F
699	Stroud, W. N.	Stroud Coal Co.	Section 10	5	N	N	N	N	N	N	F
700	Stroup, James	Stroups	Section 5	2	N	N	N	N	N	N	F
701	Stinson, Jess F.	Sroggins	Section 10	2	N	N	N	N	N	N	F
702	Sugar Creek Coal Corp.	Sugar Creek	Section 8	6	L	L	L	L	L	L	F
703	Sugar Loaf Coal Corp.	Sugar Loaf Coal Corp.	Section 8	6	L	L	L	L	L	L	F
704	Sugarville Coal Company	Sugarville Coal Co.	Section 4	5	L	L	L	L	L	L	F
705	Summit Coal & Mining Co.	Summit Coal & Mng Co.	Section 8	5	L	L	L	L	L	L	F
706	Sunny Brook Coal Co.	Sunny Brook	Section 10	5	G	N	N	G	N	N	D
707	Sunnyside Coal Company	Sunnyside Coal Co.	Section 4	5	N	N	N	N	N	N	F
708	Sunrise Coal Company (Not Inc.)	Sunrise Coal Co.	Section 8	6	L	L	L	L	L	L	F
709	Sunset Hill Coal Company	Sunset Hill Coal Co.	Section 8	6	L	L	L	L	L	L	F
710	Superior Coal Company	#1	Central	6	L	L	L	L	L	L	F
711	Superior Coal Company	#2	Central	6	L	L	L	L	L	L	F
712	Superior Coal Company	#3	Central	6	L	L	L	L	L	L	F
713	Superior Coal Company	#4	Central	6	L	L	L	L	L	L	F
714	Superior Coal Co. (Kenneth R. Asher)	Superior #1	Section 10	6	L	L	L	L	L	L	F
715	Superior Mng. Co. (Andrew Sepest)	Superior Mng. Co.	Section 4	5	N	N	N	N	N	N	F
716	Sutton, C. A.	Conway	Section 10	5	G	G	G	G	G	G	F
717	Sutton, W. G.	Minonk	Northern	5	G	G	G	G	G	G	F
718	Swanson, Sture E.	Sture E. Swanson	Section 5	2	N	N	N	N	N	N	F
719	Swofford Coal Co. (J. C. Swofford)	Swofford No. 1 or "A"	Section 9	5	G	G	G	G	G	G	F
720	Swofford Coal Co. (J. C. Swofford)	Swofford No. 2 or "B"	Section 9	5	G	G	G	G	G	G	F
721	Tallman, Arch	Arch Tallman	Section 6	7	L	L	L	L	L	L	F
722	Tannenbaum, William	Turkey Hill	Section 8	6	L	L	L	L	L	L	F
723	Taylor Coal Co., Richard W.	Richard W. Taylor	Section 7	7	L	L	L	L	L	L	F
724	Tebruge Brothers	Tebruge Bros.	Section 6	5	L	N	L	N	L	N	F
725	Teel, George E.	George Teel	Section 5	5	L	N	L	N	L	N	F

* Data not available; will propose prices later.

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

Prices for Shipment Into All Market Areas (Except for Railroad Locomotive Fuel) Reflecting Delivered Differentials Assuming a Zero Freight Rate [See Price Instructions and Exceptions. Prices in Cents Per Net Ton of 2,000 Pounds, Size Group Numbers, and Differentials]

Table with 15 columns representing stove sizes (1-15) and 14 rows representing classification groups (A-N). Includes sub-sections for 'Over 2' top size and stove 2' to 3/4'' and '2' and under washed or air cleaned, except stove 2' to 3/4''.

Table with 15 columns representing stove sizes (15-26) and 26 rows representing classification groups (A-N). Includes sub-sections for '2' and under raw, except stove 2' to 3/4'' and 'Over 2' top size and stove 2' to 3/4''.

Column (a) shows the relative percentage values applicable to Size Group 2 as the base for Size Groups 1 to 6 inclusive. Column (b) shows the relative percentage values applicable to Size Group 12 as the base for Size Groups 7 to 14, inclusive. Column (c) shows the relative percentage values applicable to Size Group 24 as the base for Size Groups 15 to 25, inclusive.

Geographical Description of Consuming Market Area to Which Prices Apply Destinations in the following States:

- Arkansas. Illinois. Indiana. Iowa. Kansas. Kentucky. Louisiana. Michigan. Minnesota. Mississippi. Missouri. Nebraska. North Dakota. Ohio. South Dakota. Tennessee. Texas. Wisconsin. MINIMUM PRICE AREA No. 2—DISTRICT BOARD No. 10 PROPOSED MARKETING RULES AND REGULATIONS The marketing rules and regulations proposed to the Commission by District

Alphabetical List of Code Members Showing Price Classifications by Sizes for All Uses Except as Separately Shown—Continued

Large table listing code members (e.g., Walton & Mendenhall, Wanless Coal Co., Warner Coal Company) with columns for Mine name, Subdistrict, Seam, and Price classifications and size group Nos. (1-6).

Board 10 pursuant to Order No. 250, were introduced into evidence as Exhibit No. 675. A witness for District Board No. 10, properly qualified as an expert in the marketing of coal in that district, testified that in his opinion the rules introduced into evidence by the witness for the Marketing Division and contained in Exhibit No. 825 were reasonable and desirable for District No. 10 with certain exceptions.

The first exception to which the witness testified relates to rule 5 under the caption *General* of Section XI of Exhibit No. 825. This rule requires that all coal shall be sold and invoiced on a price per ton basis and that all coal must be sold and invoiced under the size, price classification and other designation shown therefor in the price schedule published by the Coal Commission. In objecting to this rule, the witness stated that he had in mind the custom in the state in some instances to sell coal by the bushel, there being 80 pounds to the bushel and 25 bushels to the ton. The witness further stated that there would be no objection to requiring bushels to be measured as a part of a ton but that he did not think it desirable that anything less than a ton should be barred as a unit for sale. The rule as contained in Exhibit No. 825 does not prohibit the sale of coal by the bushel and there is nothing in the rule which would prohibit the measuring of bushels as a part of a ton. Accordingly, we are of the opinion that the witness's objection to this rule is not well taken.

The second exception taken by the witness to the rules contained in Exhibit No. 825 relates to the definition of a "sales agent" contained in paragraph 2 of Section I. The witness stated that in his opinion the following definition of a "sales agent," proposed by District No. 10 in paragraph 2 of Section I of Exhibit No. 675, if legal, is to be preferred over the definition contained in Exhibit No. 825:

A "Sales Agent" is (a) a person who as agent, in law or in fact, sells for or on behalf of a code member the entire output of coal (excepting local coal) from one or more of the mines of such code member; or (b) a person, who as the sole agent of a code member in a territory covering not less than one-third of the counties in any State, in which the code member shall not have or maintain any other direct sales representation, sells coal for or on behalf of that code member in that territory, the mine or mines to be thus covered by the contract of agency filed with the National Bituminous Coal Commission, as required by Section II.

We construe the purpose of definitions to be to define terms used in the marketing rules and regulations. The witness stated on cross-examination that the purpose of the definition of a sales agent proposed by District Board No. 10

is to deny to code members the right to appoint persons as sales agents who do not come within the terms of the definition. No rule was proposed by District Board No. 10 which affirmatively prohibits a code member from appointing as a "sales agent" a person who does not come within the terms of the definition. In any event we are of the opinion that any rule effectuating the purpose of the definition of a sales agent as proposed by District Board No. 10 is beyond the jurisdiction of this Commission to establish. While this Commission has jurisdiction in certain instances to prohibit payment of compensation to sales agents where such payment will result in violation of the minimum prices or unfair methods of competition established by the Act, it has no jurisdiction to prescribe the territory in which such agents may sell coal. The proposal of District Board No. 10 that Code Members are to be denied the right to appoint sales agents unless the person appointed is authorized to sell the entire output of a mine of the code member or unless such person is the sole agent of the code member in a territory covering at least one-third of the counties of the State is a drastic curtailment of the right to contract which in our opinion is not justified to prevent evasion of minimum prices or the Unfair Methods of Competition established by the Act.

We find upon the basis of the testimony of the witness for the Marketing Division and upon the basis of the fact that the witnesses for all the District Boards, except District Board No. 10, agreed with such testimony, that to require the appointment of an ordinary salesman to be evidenced by a written contract would be unduly burdensome upon the industry and would serve no useful purpose and that, accordingly, the definition of a "sales agent" should specifically exclude an ordinary salesman. Upon the basis of such testimony we further find that the definition of a "sales agent" contained in paragraph 2 of Section I of Exhibit No. 825, excluding an ordinary salesman, is reasonable and therefore we approve such definition for District No. 10 for the purpose of coordination.

The next exception taken by the witness to the rules contained in Exhibit No. 825 relates to Rule V of Section 8 of that exhibit. The rule proposed by District Board No. 10 relating to premium and penalty assessments is contained in Paragraph 5 of Section 8 of Exhibit No. 675, which rule provides in part that no payment at less than the established minimum prices shall be accepted on coal shipped under contracts containing a premium and penalty clause, after established minimum prices are effective. Rule 5 of Exhibit No. 825 prohibits the making or the performance of any agreement made upon a penalty or a premium and penalty basis which will permit the sale of coal at an aggregate contract

price below the applicable minimum price established by the Coal Commission for the coal sold and delivered under such an agreement subsequent to the effective date of the rules and regulations. The witness stated that it was his opinion that a code member should not be permitted to accept any payment at less than a minimum price.

We are of the opinion that if the aggregate price under a premium and penalty contract is not less than the applicable minimum price established for the coal sold and delivered, there is no violation of the minimum prices. Accordingly, we find that Rule V, Section 8 of Exhibit No. 825 should be approved for District Board No. 10 as a basis for coordination.

The next exception that the witness for District Board No. 10 took to the rules contained in Exhibit No. 825 relates to the subject of advertising. The rules proposed by District No. 10 on this subject are contained in the first and second paragraphs, Section XI of Exhibit No. 675. These rules read as follows:

"1. No deduction or allowance shall be granted from invoice prices by any code member or sales agent, distributor or farmers' cooperative organization to any purchaser for advertising. Code members, either individually or collectively, with or without financial participation by retailers, distributors or farmers' cooperative organizations, may conduct advertising campaigns seeking to increase the use of coal, payments for such advertising to be made (a) direct to persons or companies operating newspapers, magazines or other publications or (b) to advertising agencies handling such advertising campaigns for code members.

"2. The price and fair trade practice provisions of the Act shall not be evaded by any payment or allowance by a code member to any purchaser or purchaser's representative covering advertising and the amount of expenditures for advertising shall be subject to review by the Coal Commission as to the good faith of the transaction."

Since these rules specifically provide that the price and fair trade provisions of the Act shall not be evaded by any payment or allowance by a code member to any purchaser for advertising, we see no necessity for providing that payments must be made (a) direct to persons or companies operating newspapers, magazines, or other publications, or (b) to advertising agencies handling such advertising campaigns for code members. Accordingly, we find that Rules 1 and 2 of Section XI of the rules proposed by District Board No. 10 should be modified to read as follows:

"1. No deduction or allowance from invoice prices shall be granted by any code member or his sales agent to any purchaser for advertising.

"2. Code members (or their agents or representatives) either individually or collectively, with or without financial participation by retailers of coal, may conduct advertising campaigns seeking to increase the use of coal. The amount of expenditures incurred by a code member, his agent or representative, for advertising, shall be subject to review by the Coal Commission as to the good faith of the transaction."

The witness was of the opinion that a provision that the Commission should publish the names of the individuals reported to it pursuant to rule 5 (A) and (B) of Section II of Exhibit No. 825 was desirable. For the purpose of coordination, we approve the following provision to be inserted in rule 5 of Exhibit No. 825:

A list showing the names and addresses of the persons reported to the Coal Commission pursuant to the preceding rules 5 (A) and 5 (B) and of the Code Members for whom said persons act, shall be published monthly by the Coal Commission.

On the basis of the testimony, we find that rules 1 and 8 of Section IX of Exhibit No. 675 of the rules proposed by District Board No. 10 should be approved as a basis for coordination.

The witness further took exception to the rule relating to coal confiscated or lost in transit contained in Section XI of Exhibit No. 825. This rule provides that all coal confiscated or lost in transit shall be invoiced to the carrier at not less than the established minimum price therefor. The rule proposed by District No. 10 in paragraph 7 of Section XI of Exhibit No. 675 provides that—

All coal confiscated by transportation companies shall be invoiced at not less than the minimum prices established for such coal for shipment to buyers other than railroads. All coal lost by transportation companies shall be invoiced at not less than the minimum prices established for such coal for locomotive use.

Neither the rule contained in Exhibit No. 825 nor the rule proposed by District Board No. 10 states whether the established minimum price to be charged for confiscated or lost coal is the price for the coal for shipment to the destination and use to which the coal was sold or the established price for sale to the carrier at the place of confiscation or loss. We are of the opinion that whichever of these two established prices is the higher should be charged by the Code Member. The Code Member in any event is entitled to the minimum price for the coal for shipment to the destination and use to which the coal was sold. However, if the established minimum price for sale to the carrier is higher than such price, it is necessary to provide that the price for sale to a carrier

must be charged for the reason that otherwise evasion would be made possible by means of confiscation. Accordingly, we modify rule 7 of Section XI of Exhibit No. 675 to read as follows:

All coal confiscated or lost in transit shall be invoiced to the carrier at not less than the minimum price established for such coal for shipment to the destination and use to which the coal was sold or the established price for sale to the carrier at the place of confiscation or loss, whichever may be the higher.

Upon the basis of all the testimony in the record relating to that portion of rule 6 of Section IX of the rules proposed by District Board No. 10, which provides that a 2% earned discount may be allowed to retail dealers on domestic sizes on coal shipped to and handled through retail yards, if payment is made within ten (10) days immediately following the date of shipment, we find that this rule should not be approved as a basis for coordination.

District Board No. 10, in paragraph 7 of Section I of Exhibit No. 675, proposed the following definition of a retail dealer:

A "Retail Dealer" shall mean a person regularly engaged in the retail solid fuel industry who maintains properly equipped unloading, storage and service facilities reasonably commensurate with the nature of the business; equipped with and using wagon or truck scale of sufficient sizes and capacity and maintained in condition to accurately weight the maximum gross load for which it is utilized (unless local ordinance requires otherwise); maintaining an office accessible to the public with a competent person on duty; and who carries a sufficient stock of solid fuel at all times for the purpose of retailing and not for his own consumption to supply the general requirements of the community; provided, however, that in any retail trade area where docks or regularly established wholesale yards are located so as to assure a continuous supply, a member of the industry dependent upon and using such storage facilities shall be included in this definition if his service facilities otherwise comply with the above requirements.

The purpose of the definitions is to define terms which are used in the rules and regulations. If a term appears only in a rule which has been disapproved, a definition of such term is superfluous. The term "retail dealer" does not appear in Exhibit No. 825 but does appear in the rules proposed by District Board No. 10, in rule 5 of Section V and in rule 6 of Section IX. Rule 5 of Section V of the rules proposed by District Board No. 10 does not appear in Exhibit No. 825 and the witness for District Board No. 10 did not take exception to Exhibit No. 825 for that reason. Accordingly, in light

of the witness's general statement that he agreed to the rules contained in Exhibit 825 with the exceptions he noted, we conclude that the witness was of the opinion that this rule should be deleted from the rules proposed to the Commission. That portion of rule 6 of Section IX, which contains the term "retail dealer" has been disapproved. The term "retailer" appears in paragraphs 11 and 12 of Section IV, Part II (i) of the Act, containing the Unfair Methods of Competition which should be promulgated as part of the Marketing Rules and Regulations. We are of the opinion that the term "retailer", appearing in paragraphs 11 and 12 of Section 4 II (i) of the Act means a person who purchases coal for resale and sells such coal in lots or upon conditions other than those which would entitle him to a discount under rules and regulations promulgated by the Coal Commission pursuant to Section 4 II (h) of the Act. This definition of a "retailer", in our opinion, more clearly expresses the intention of Congress when it used the term in paragraphs 11 and 12 of Section 4 II (i) of the Act than does the definition proposed by District Board No. 10. Accordingly, we approve the following definition of a "retailer":

A "retailer" is a person who buys coal for resale and sells such coal in lots or upon conditions other than those which would entitle him to a discount under rules and regulations promulgated by the Coal Commission pursuant to Section 4 II (h) of the Act.

Rule 1 (I) of Section VII of Exhibit No. 825 does not provide whether the current rate of interest to be charged is the rate of interest in the locality to which the coal is shipped to the vendee, or the rate in the locality in which the Code Member is located. We are of the opinion that, for the purpose of clarification and competitive uniformity, this rule should provide that the current market rate of interest which must be charged is the current rate in the locality to which the coal is shipped to the vendee.

Upon the basis of the testimony of the witness for District Board No. 10 that he adopted the testimony of the witness for the Marketing Division as to rules contained in Exhibit No. 825, except as he specifically testified to the contrary, we find that the rules proposed by District Board No. 10 in Exhibit No. 675 should be modified to conform to the rules contained in Exhibit No. 825 except as we have already stated otherwise.

Accordingly, we find that the following rules and regulations incidental to the sale and distribution of coal by Code Members in District No. 10, reflecting all deletions, additions, modifications and clarifications are reasonable, not inconsistent with the requirements of Section 4 of the Act and conform to the

standards of fair competition established in the Act:

MARKETING RULES AND REGULATIONS INCIDENTAL TO THE SALE AND DISTRIBUTION OF COAL BY CODE MEMBERS WITHIN DISTRICT NO. 10 AS PROPOSED BY DISTRICT BOARD NO. 10 AND AS APPROVED, DISAPPROVED, OR MODIFIED FOR THE PURPOSE OF COORDINATION

Section I—Definitions

1. The term "person" as used herein, includes individuals, firms, associations, partnerships, corporations, trusts, trustees, cooperatives, receivers and trustees in bankruptcy and in other legal proceedings, and any other recognized forms of business organizations.

2. A "sales agent" is a person who, as agent of a code member (and therefore without purchasing the coal), sells coal produced by such code member for him or on his behalf: Provided, that "sales agent" shall not include an individual (herein referred to as a "salesman") regularly and continuously employed by a code member, whose sole compensation is a stated salary per week, per month, or per year, and who regularly devotes the major portion of his time to the solicitation of purchases of coal produced by his code member employer.

3. A "commission" is the total of all compensations and allowances received by a sales agent from a code member for services rendered in the sale of coal.

4. A "registered distributor" is a person who has been duly registered by the Coal Commission pursuant to the rules and regulations prescribed by the Commission for the administration of Section 4 II (h) of the Act.

5. A "spot order" is a legal obligation for the sale and purchase of coal, the delivery of which is stipulated to be made within not more than thirty (30) days from the effective date of the order, such effective date to be not more than fifteen (15) days from the date upon which the order was accepted.

6. A "contract" is a legal obligation for the sale and purchase of coal, the deliveries of which are stipulated to be made during a period longer than the maximum period specified for a spot order.

7. A "quotation" is an offer to sell coal which the offerer may withdraw prior to its being acted upon by the offeree.

8. An "option" is an offer to sell coal acceptable within a time certain, during which time the offerer may not withdraw the offer without the consent of the offeree.

9. A "commitment" is the status of a contract between the time a quotation is accepted or an option is exercised and the time the contract is formally reduced to writing.

10. "Coal Commission" as used herein, shall mean the National Bituminous Coal Commission established under the provisions of the Bituminous Coal Act of 1937.

11. "Act" as used herein shall mean the Bituminous Coal Act of 1937.

12. A "retailer" is a person who buys coal for Resale and sells such coal in lots or upon conditions other than those which would entitle him to a discount under rules and regulations promulgated by the Coal Commission pursuant to Section 4 II (h) of the Act.

13. "District Board" as used herein, shall mean any District Board established under the provisions of Section 4, Part I (a) of the Act.

14. "Statistical Bureau" shall mean, unless otherwise specifically stated, the Statistical Bureau of the Commission for the District in which the coal involved in any transaction is produced, or the District in which is located a mine of a code member affected by any order or regulation.

15. "Minimum Price" shall mean a minimum price established and made effective by the Coal Commission.

16. "Maximum Price" shall mean a maximum price established and made effective by the Coal Commission.

17. The term "producer" includes all individuals, firms, associations, corporations, trustees, and receivers engaged in the business of mining coal.

18. The terms "reconsignment" and "diversion" as used herein shall mean the change in the original consignee or in the destination or route.

19. The term "transportation facilities" means railroad cars, ships, barges, trucks, or any other facilities used or useful in the transportation of coal.

20. A "code member" means a producer who has accepted and holds membership in the Bituminous Coal Code promulgated under the Bituminous Coal Act of 1937.

21. The term "domestic market" shall include all points within the continental United States and Canada, and car-ferry shipments to the Island of Cuba. Bunker coal delivered to steamships for consumption thereon shall be regarded as shipped within the domestic market.

22. "Cargo shipment" is a quantity of coal loaded in a vessel, boat or barge for transportation via water.

23. "Bunker coal" or "vessel fuel" is that coal used aboard a boat or vessel for consumption thereon.

24. "Coal" as used herein shall mean bituminous coal.

25. The term "bituminous coal" includes all bituminous, semi-bituminous and sub-bituminous coal and shall exclude lignite, which is defined as a lignitic coal having calorific value in British thermal units of less than seven thousand six hundred per pound and having a natural moisture content in place in the mine of 30 per centum or more.

26. The term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

Section II—Sales Agents

1. All appointments of Sales Agents by Code Members or their agents or authorized representatives shall be subject to the Marketing Rules and Regulations from time to time established by the Coal Commission.

2. Each Code Member shall be responsible for the compliance by all his Sales Agents and agents and employees of Sales Agents and agents with the provisions of the Bituminous Coal Code and of all rules and regulations, promulgations and determinations of the Coal Commission.

3. Each Code Member shall require all his sales agents clearly to set forth upon any offer, contract, spot order, invoice, and statement of account covering coal sold or to be sold, the name of such Code Member principal, and the name of the mine or mines from which shipment was made or is to be made. If the name of the sales agent also appears in the transaction, then the above mentioned forms shall also disclose the fact of agency relationship with the Code Member principal.

4. (A) Every contract for the appointment of a sales agent by Code Members or by agents or authorized representatives of Code Members, or any modification thereof, shall be in writing, and shall fully set forth therein all the terms and conditions of such contract, including the amount or basis of the sales agent's commission. Certified copies of all such agency contracts entered into on or prior to the effective date of the establishment of these rules and regulations and in effect on such date, shall be filed by the Code Member with the Statistical Bureau, or Bureaus, within twenty (20) business days after such date.

(B) Certified copies of all contracts appointing sales agents or of agreements modifying any sales agency contract, entered into subsequent to the effective date of these rules and regulations, shall be similarly filed by the Code Member within ten (10) business days after the date upon which such contracts or agreements have been entered into.

(C) Upon the expiration, termination, or rescission of any sales agency contract, the Code Member principal shall make a report thereof to the Statistical Bureau, or Bureaus, within ten (10) business days after the date of such expiration, termination, or rescission.

5. (A) As to all coal sold by a Code Member otherwise than through a sales agent or through an employee regularly employed as a salesman by the Code Member at his principal place of business or at a regularly established sales office, such Code Member shall, not later than the fifteenth day of each month, file with the Statistical Bureau, or Bureaus, a list of all persons through whom, directly or indirectly, any such coal was sold during the preceding calendar month, with a statement of the duration and character of their employment, the tonnage sold by, and the rate and amount of compensation paid to, each of them.

(B) Not later than the fifteenth day of each month, each Code Member shall also file with the Statistical Bureau, or Bureaus, similar information obtained from his sales agents concerning sales of coal made during the preceding calendar month, by the sales agents' representatives and employees other than salesmen employed at the principal place of business or a regularly established sales office of the sales agent.

(C) A list showing the names and addresses of the persons reported to the Coal Commission pursuant to the preceding Rules 5 (A) and 5 (B), and of the code members for whom such persons act, shall be published monthly by the Coal Commission.

(D) Not later than the fifteenth day of each month, each Code Member shall also file with the Statistical Bureau or Bureaus, a statement showing the names and addresses of distributors to whom the Code Member or his sales agents sold coal during the preceding calendar month, the tonnage sold, and the amount of discount allowed to each such distributor.

6. Within twenty (20) business days after the effective date of these rules and regulations, each Code Member shall file with the Coal Commission a list showing the names and addresses of all his sales agents. Upon any change in said list, the Code Member shall notify the Coal Commission within ten (10) business days after such change takes place.

7. A list showing the names and addresses of sales agents and the Code Members for whom such agents act shall be published monthly by the Coal Commission.

8. All agency contracts and other information filed by Code Members in conformity with the foregoing regulations, other than the names and addresses of sales agents, shall be held by the Coal Commission as the confidential records of said parties and shall not be made public without the consent of the Code Member from whom the same shall have been obtained, except where such disclosure is required in any proceeding before the Coal Commission by way of enforcement of the Act or upon the order of any court of competent jurisdiction.

9. From and after twenty (20) business days following the effective date of these Marketing Rules and Regulations no Code Member or sales agent of a Code Member shall allow or pay, directly or indirectly, any commission or compensation to any sales agent.

(a) Unless the contract of agency shall have been filed with the Coal Commission, as hereinbefore required, and

(b) Unless the sales agent shall have agreed, in writing, with the Code Member to conform to and observe the minimum and maximum prices and Marketing Rules and Regulations established by the Coal Commission and the Fair Trade Practice Provisions of the Act, as well as all proper orders of the Commission, and

(c) Unless the sales agent shall have in good faith complied with the agreement as in paragraph (b) above provided.

10. No commission shall be paid to a sales agent by a Code Member where the coal is delivered or sold to any person who owns such sales agent or who financially or otherwise controls such agent.

11. When any commissions are paid to a sales agent on a tonnage basis, the Code Member shall not include in the computation of such commissions any part of the tonnage of coal sold by him to the sales agent, whether for consumption or resale.

12. No Code Member shall employ any person or appoint any sales agent at a compensation obviously disproportionate to the ordinary value of the service or services rendered and whose employment or appointment is made with the primary intention and purpose of securing a preferment with a purchaser or purchasers of coal.

13. Subject to further order of the Coal Commission, the amount of commission to be paid by a Code Member to his sales agent shall be fixed by agreement of the parties, subject, however, that upon complaint of violation of the unfair methods of competition, as provided in the Act, the amount of such commission shall be subject to review by the Coal Commission.

Section III—Discounts

1. No Code Member or sales agent of a Code Member shall pay or allow any discount from minimum prices to any person unless such person has been registered by the Coal Commission as authorized to receive such discount at the time of the sale.

2. Code Members or their sales agents may allow discount from minimum prices or sales of coal to registered distributors, not in excess of the maximum discount or price allowance prescribed by the Coal Commission upon such sales. Only one such discount may be allowed on any such sale.

3. Except as expressly authorized in rules and regulations or orders promulgated by the Coal Commission, no Code Member or sales agent may grant or allow any discount or reduction, including any allowance for shipping on a Government Bill of Lading, from the applicable minimum prices upon the sale of coal to any person, including agencies of the Federal Government or agencies of state or local governments.

4. Every sale of coal to a distributor upon which a discount is allowed shall be made subject to the express condition that the distributor is authorized to receive the discount.

Section IV—Limitation of Orders, Agreements, Options and Quotations

1. Subject to further order of the Coal Commission no Code Member or sales agent of the Code Member shall enter

into any agreement or order for the sale of coal providing for delivery for a period in excess of that authorized for a spot order, and no prices shall be less than the applicable minimum prices in effect at the time of the making of the agreement or order: *Provided, however,* That contracts for periods not exceeding one (1) year may be made with agencies of the Federal Government or with agencies of State or local governments, where the contract is entered into through competitive bidding, at the following applicable minimum prices:

(a) For deliveries during the first thirty (30) days of the contract, at not less than the applicable minimum prices in effect at the time of the making of the agreement;

(b) For deliveries thereafter, at not less than the applicable minimum prices in effect at the time of delivery.

Provided, further, That contracts for periods not exceeding one (1) year at prices not less than the said applicable minimum prices may be made with agencies of the Federal Government or with such agencies of the State or local governments, in the absence of competitive bidding, where by virtue of an express exemption in the state or ordinance such agencies may enter into contracts for the purchase of coal without regard to competitive bidding.

2. While the preceding rule is in effect, no option may be given by a Code Member or sales agent for the purchase of coal. When the above rule is suspended or revoked by the Coal Commission, options for the sale of coal may be given for a period not exceeding fourteen (14) days. No options may be given at a price less than the applicable minimum price in effect at the time of the giving of the option. If the applicable minimum price is increased beyond the quoted price within such fourteen (14) days and the option shall not have been exercised at that time, the option thereupon shall become null and void: *Provided, however,* That in connection with offers to sell to the United States Government, or States or political subdivisions thereof, options may be given for a period not exceeding forty-five (45) days from the date of the offer or from the final date for the filing of offers.

3. Quotations may also be given for a period of not exceeding fourteen (14) days. If the applicable minimum price is increased beyond the quoted price within such fourteen (14) days and the quotation shall not have been accepted at that time, the quotation thereupon shall become null and void.

4. Every quotation and option shall provide that it is made subject to the provisions of the Marketing Rules and Regulations of the Coal Commission.

5. All quotations and options must be made or confirmed in writing. Every Code Member, or his sales agent, shall require of his offeree that the acceptance

of a quotation or the exercise of an option be in writing.

Section V—Spot Orders

1. A spot order shall be in writing or confirmed in writing within five (5) business days from the date of the making thereof.

2. Each spot order shall be subject to the following conditions which shall either be endorsed upon the form of the order or upon the written confirmation thereof by the Code Member or his sales agent, the meaning and effect of which shall not be changed or altered by any other provision of the order:

“(a) No shipment consigned to any destination may be reconsigned or diverted without the consent of the seller to be confirmed in writing. In case of any reconsignment or diversion, the seller shall charge and the buyer shall pay not less than the applicable minimum price for such coal at the time of the reconsignment or diversion for delivery to the destination to which such shipment is actually delivered and for the use to which it is actually applied.”

“(d) The coal shipped pursuant to this order is sold and purchased upon the following conditions:

“(1) If the coal is sold for consumption, it shall be used in the plant or plants named herein and for the use stated herein;

“(2) In case of diversion by the buyer to a use other than that stated herein, the buyer shall notify the seller in writing and the seller shall charge and the buyer shall pay not less than the applicable minimum price for such coal at the time of diversion for the use to which it is actually applied.”

“(c) If shipments called for by this order are not completed within thirty (30) days from the effective date of this order, the unfilled portion of the order shall not be delivered.”

3. In any case where a sale is made by a sales agent of a Code Member, such sales agent shall not exercise the rights of the seller as defined in Item 2 (a) of this section without first securing the consent of his Code Member principal to be confirmed in writing.

4. All the terms and conditions of a sale of coal must be fully and expressly set forth either in the order or in the written confirmation thereon and such order or written confirmation thereof shall specifically contain all the terms required by Rule 1 of Section VI of these Marketing Rules and Regulations. Within ten (10) business days after the date of the making of the spot order or date of the written confirmation thereof, the Code Member or his sales agent shall file with the Statistical Bureau or Bureaus a copy of such spot order or confirmation. Any modification of a spot order must also be made in writing and filed with the Statistical Bureau or Bureaus in the same manner.

5. All spot orders for the sale of coal, the minimum price of which is subject to seasonal increase, shall provide that the price payable thereunder shall not be less than the price to be in effect at time of delivery as established at the time of the making of the spot order.

Section VI—Contracts

Upon the revocation or suspension of rule 1 of Section IV of these Marketing Rules and Regulations, Code Members or sales agents of Code Members may thereafter enter into contracts for the sale and delivery of coal upon the following terms and conditions:

1. Every contract shall be in writing and shall express the entire agreement between the parties. The contract shall clearly state the date of execution, the effective date, the expiration date, the price agreed upon, the terms of payment, the size and grade of coal, the number of cars or tonnage to be shipped, the name of the Code Member and the name of the originating mine, and, where the coal is purchased for consumption, the use to which the coal is to be applied. Contracts may also be made either (a) calling for a buyer's entire requirements or a stated percentage of his requirements, showing the maximum tonnage to be shipped thereunder, or (b) covering a buyer's requirements and stating the estimated tonnage to be shipped with an allowable overshipment of not exceeding ten (10) per cent of such estimated tonnage.

The provisions of the rule stated in the foregoing paragraph relating to quantity shall not apply to contracts made with agencies of the Federal, State or local governments in case the terms required to be submitted in a bid or offer for such contract are in conflict with such provisions.

2. No contract for the sale of coal shall provide for deliveries to commence at a date later than ninety (90) days from the date upon which such contract is entered into.

3. No contract shall be made at a price below the applicable minimum price as established by the Coal Commission at the time of the making of the contract for the coal to be sold thereunder, and no coal may be delivered upon a contract at a price below such applicable minimum price.

4. All contracts for the sale of coal the minimum price of which is subject to seasonal increase, shall provide that the price payable thereunder shall not be less than the price to be in effect at the time of delivery as established at the time of the making of the contract.

5. No contract shall provide for delivery over a period in excess of twelve (12) months except by special permission and approval of the Coal Commission, upon a showing of the necessity of meeting the long term contract competition of oil, gas, or other fuels or forms of

power, or for such other reasons as the Commission may deem appropriate in order to further the effectual administration of the Act.

6. Any change in the terms of a contract, not in violation of these Rules and Regulations, shall be evidenced by a written agreement and shall conform to all the requirements set forth in these Rules and Regulations.

7. A report of every commitment shall be filed by the Code Member or his sales agent with the Statistical Bureau or Bureaus, within fifteen (15) business days from the date of the making of the agreement. Such report shall set forth all the terms and conditions of the commitment. A true copy of every contract and of any agreement for modification thereof shall be filed with the Statistical Bureau within fifteen (15) business days from the date of execution of such contract or agreement for modification: Provided, however that a report of the commitment need not be filed if a copy of the contract is filed within fifteen (15) business days.

8. Each contract shall contain the following provisions, the meaning and effect of which shall not be changed or altered by any other provision of the contract:

“(a) This contract and the performance of all provisions thereof are expressly subject to the Bituminous Coal Act of 1937 and the proper orders and regulations issued thereunder by the National Bituminous Coal Commission.

“(b) No shipment consigned to any destination point may be reconsigned or diverted without the consent of the seller to be confirmed in writing. In case of any reconsignment or diversion, the seller shall charge and the buyer shall pay not less than the applicable minimum price for such coal at the time of the reconsignment or diversion for delivery to the destination to which such shipment is actually delivered and for the use to which it is actually applied.

“(c) The coal shipped pursuant to this contract is sold and purchased upon the following conditions:

“(1) If the coal is sold for consumption, it shall be used in the plant or plants named herein and for the use stated herein;

“(a) In case of diversion by the buyer to a use other than that stated herein, the buyer shall notify the seller in writing and the seller shall charge and the buyer shall pay not less than the applicable minimum price for such coal at the time of diversion for the use to which it is actually applied.”

9. In any case where a contract is made by a sales agent of a Code Member, such sales agent shall not exercise the rights of the seller as defined in item 8 (b) of this section without first securing the consent of the Code Member producing such coal to be confirmed in writing.

10. The making of a contract for the sale of coal at a price below the minimum or above the maximum therefor established by the Commission at the time of the making of the contract shall constitute a violation of the code and such contract shall be invalid and unenforceable.

11. No contract shall be made for the sale of coal for delivery after the expiration date of the Act at a price below the minimum or above the maximum therefor established by the Coal Commission and in effect at the time of making the contract.

Section VII—Terms of Payment

1. The price and fair trade practice provisions of the Act shall not be evaded or violated by a Code Member, or his sales agent, through the use of terms of payment, and in no instance shall terms of payment be more favorable than the following:

(A) Except as provided in paragraphs (B), (C), and (D), the date of payment of invoices for coal sold shall be on or before the 20th day of the month following the month in which shipment was made.

(B) On tidewater cargo shipments the date of payment shall be not more than thirty (30) days from date of vessel bill of lading, and where coal is sold f. o. b. mines for tidewater cargo shipment, on or before the twentieth day of the month following the month in which the coal is dumped.

(C) Payment for all tidewater Bunker coal supplied for foreign vessels shall be by cash on delivery or by master's draft on owners in United States currency at not exceeding fifteen (15) days' sight at supplier's option. When drafts are accepted in payment, all bank charges for collection, exchange, etc., shall be for owner's account. Payment for tidewater bunker coal supplied for American vessels shall be made on or before the twentieth day of the month following delivery.

Payment for coal shipped for vessel fuel, and delivered into vessels at ports on the Great Lakes or tributary waters thereof, shall be made on or before the twentieth (20th) day of the month following such delivery.

(D) On all coal sold to railroads, the date of payment shall be on or before the twenty-fifth (25th) day of the month following the date of shipment.

(E) Invoices shall be paid in full in United States currency, or funds equivalent thereto, not later than the due date.

(F) No portion of the sale price may be withheld by agreement between the buyer and the seller based upon any unadjusted claim of the buyer.

(G) No sale, delivery, or offer for sale of coal shall be made upon any condition, express or implied, that any portion of the sale price may be withheld by the buyer, or deposited in escrow,

pending or based upon a determination of the constitutionality of any provision of the Act, of the jurisdiction of the Coal Commission, or the validity or applicability of any order of the Coal Commission.

(H) Where payment is made by note, trade acceptance or other form of indebtedness, or where payment is made under any circumstances after the due date of the account, the seller shall charge and the buyer shall pay interest from and after the due date of the account at the current rate in the locality which the coal is shipped to the vendee.

(I) Transportation charges shall not be paid by a code member, his sales agent or a Registered Distributor or Registered Farmers' Cooperative Organization, except to railroad prepay stations as published in current railway tariffs or to the United States Government, States or political subdivisions thereof. Where transportation charges are thus prepaid, the amount thereof shall immediately upon receipt of bill therefore be invoiced to the buyer for immediate payment.

(J) No Code Member shall accept as payment in full for any account for the sale of coal any amount which is less than the applicable minimum price for the quantity of coal involved. Provided, however, that a Code Member may enter into a bona fide general creditors' composition with other creditors of a defaulting purchaser. A copy of such creditor's composition shall be filed with the Statistical Bureau within ten (10) business days from the date of making such composition.

(K) The agreement by a Code Member, expressed or implied, to extend the credit for a period longer than that authorized by these rules and regulations, with the effect of violating the price provisions or the unfair methods of competition of the Act, shall constitute a violation of the Code.

Section VIII—Use of Coal Analyses

1. Analyses of coal shall not be utilized by a Code Member, or his sales agent, in selling or offering for sale any coal produced by the Code Member, whether or not the analysis is a term in the offer or sale, unless such Code Member shall have filed with the Statistical Bureau and the District Board for the District in which the coal is produced, a report of the analysis or analyses as used or proposed to be used by him. Such report shall show the following:

(a) The name of the Code Member Producer.

(b) The name of the mine.

(c) The name or geological number of the seam or seams from which the coal is produced.

(d) The name of the size, and, if screened, the dimension or dimensions of the screen or screens over and/or through which the coal is prepared.

(e) Whether the analysis is representative of the entire production of such size of coal, or whether it represents only a portion of such production segregated by selective mining, selective preparation, actual analyses made at the mine, or in any other manner.

(f) That such analysis is representative of the grade and size of the coal as regularly produced by the Code Member and as loaded directly into transportation facilities for shipment in market and that the Code Member is prepared to make deliveries of coal of substantially the quality and character as shown by the analysis.

(g) That each such analysis is not less than a proximate analysis showing moisture content, ash, volatile matter, fixed carbon, sulphur and British thermal units and ash softening temperature.

2. Every analysis used in selling, or offering for sale, any particular kind, quality, or size of coal shall be accompanied by a statement to the effect that a copy of such analysis has been properly filed with the Statistical Bureau, the Coal Commission and the District Board.

3. All reports of analyses so filed shall be subject to inspection at the office of the Statistical Bureau at any time during office hours by any interested person, and may be considered by the District Board and the Coal Commission in determining from time to time proper classifications of the coals produced by the Code Member.

4. A copy of any analysis of the coal of a Code Member made by or on behalf of a consumer and accepted by the Code Member as the basis for an adjustment of price under any contract or spot order shall be filed by the Code Member with the Statistical Bureau, the Coal Commission and the District Board, within five (5) business days after such adjustment is made.

5. From and after the effective date of these Rules and Regulations, no Code Member shall enter into or perform any agreement made upon a penalty or a premium and penalty basis which will permit the sale of coal at an aggregate contract price below the applicable minimum price established by the Coal Commission for the coal sold and delivered upon such agreement subsequent to said effective date: *Provided*, That where a Code Member has entered into an agreement made upon a penalty or a premium and penalty basis, this rule shall not be considered as affecting any claim that the buyer might otherwise have had for sub-standard preparation or quality under Section X of these Marketing Rules and Regulations.

Section IX—Resale of Coal Refused in Transit or at Destination

1. Where coal is refused by a consignee in transit or at destination, the Code Member may sell the same at the best obtainable price, provided that in each case the Code Member shall file

with the Statistical Bureau, and the District Board for the district in which the coal was produced, within five (5) business days from the date of such resale, a statement giving the following information:

- (a) Name of consignee.
- (b) Address of the consignee.
- (c) Original destination of the coal.
- (d) Name of Code Member.
- (e) Originating mine.
- (f) The grade and size of coal shipped.
- (g) Price at which coal sold.
- (h) Reasons for the refusal
- (i) Facts resulting from the investigation of the complaint
- (j) Name of ultimate purchaser upon resale
- (k) Address of purchaser upon resale
- (l) Ultimate destination of the coal
- (m) Price received by the seller upon resale
- (n) Amount of commission, if any, paid upon the resale.
- (o) A copy of the carrier's notice of refusal or a notice of reconsignment and such other pertinent information and facts as may be offered in proof of the necessity for such resale
- (p) A signed and verified statement that the provisions of the Code and the Marketing Rules and Regulations of the Coal Commission other than as to price have not been violated or evaded.

2. All Code Members shall properly furnish to the District Board and to the Statistical Bureau of the Coal Commission for the District in which the coal originated, full reports of all reconsignments, and shall authorize the carrier making such reconsignments to furnish complete information thereon to such Statistical Bureau.

Section X—Substandard Preparation or Quality

1. Where any claim of allowance or counterclaim is requested by a buyer for any delivery of coal claimed to be substandard in preparation or quality, or where it is claimed by the buyer that due to an error on the part of the shipper the buyer has incurred additional and extraordinary expense in accepting the shipment, the Code Member or his sales agent may, within a reasonable time after delivery of the coal, make settlement and agree with the buyer upon an amount reasonably to be deducted for such inferior coal or on account of such error, and may accept payment therefor at less than the applicable minimum price: Provided, that in each such case the Code Member shall within five (5) business days after granting such allowance file with the District Board and the Statistical Bureau of the Coal Commission a verified statement giving the following information:

- (a) The name and address of the consignee and the reason for the request for the allowance.

(b) The price at which the coal was sold, the tonnage delivered, the name of the mine, the Code Member, the date of shipment, the grade and size of coal, the destination, and the amount of allowance or adjustment made.

(c) Such other pertinent information and facts as may be offered in proof of the necessity for such reduction or allowance.

(d) A statement that the adjustment has not been made with the purpose or intent of evading the price provisions of the Act.

The Code Member shall also file, together with the statement, a written claim duly executed by or on behalf of the buyer and verified by affidavit, setting forth the amount claimed by way of deduction and the reasons for the complaint.

2. All such adjustments and allowances shall be subject to review by the Coal Commission.

Section XI—Miscellaneous

General

1. The minimum prices established by the Commission shall not apply to coal sold and shipped outside the domestic market as defined in the Act and in these Marketing Rules and Regulations.

2. Maximum prices established by the Commission shall not apply to coal sold and shipped outside the continental United States.

3. No coal shall be sold or delivered or offered for sale at a price below the minimum or above the maximum therefor established by the Commission, and the sale or delivery or offer for sale of coal at a price below such minimum or above such maximum shall constitute a violation of the Code: Provided, that the provisions of this paragraph shall not apply to a lawful and bona fide written contract entered into prior to June 16, 1933, which has been filed with the Coal Commission.

4. If, in converting a net or gross ton price, freight rate or freight rate differential, the calculation extends to more than 3 decimals, and the 4th decimal is .0005 or more, it shall be added as .001, and if under .0005 it shall be eliminated.

5. All coal shall be sold and invoiced on a price per ton basis, and all coal must be sold and invoiced under the size, price classification and other designation therefor in the price schedule published by the Coal Commission.

6. Failure to file information required by these Marketing Rules and Regulations or the filing of false information, wilfully made, will subject the party failing to file the information required, or the party so filing, to the penalties of the Act and other penalties imposed by law.

Advertising

1. No deduction or allowance from invoice prices shall be granted by any Code

Member or his sales agent to any purchaser for advertising.

2. Code Members (or their agents or representatives) either individually or collectively, with or without financial participation by retailers of coal, may conduct advertising campaigns seeking to increase the use of coal. The amount of expenditures incurred by a Code Member, his agent or representative for advertising shall be subject to review by the Coal Commission as to the good faith of the transaction.

Screening for Buyer's Account

1. The screening of mine run or re-screening of other grades of coal, sold and billed as such, for the buyer's account for the purpose of keeping the resultant products separate in the shipment thereof is prohibited.

Coal Confiscated or Lost in Transit

1. All coal confiscated or lost in transit shall be invoiced to the carrier at not less than the minimum price established for such coal for shipment to the destination and use to which the coal was sold or the established price for sale to the carrier at the place of confiscation or loss, whichever may be the higher.

Revision of Marketing Rules and Regulations

1. These Marketing Rules and Regulations are subject to revision and amendment by further order of the Coal Commission.

Unfair Methods of Competition

In accordance with the provisions of Section 4 II (i) of the Act, the following practices with respect to coal are unfair methods of competition and shall constitute violations of the Code:

1. The consignment of unordered coal, or the forwarding of coal which has not actually been sold, consigned to the producer or his agent: Provided, however, that coal which has not actually been sold may be forwarded, consigned to the producer or his agent at rail or track yards, tidewater ports, river ports, or lake ports, or docks beyond such ports, when for application to any of the following classes: Bunker coal, coal applicable against existing contracts, coal for storage (other than in railroad cars) by the producer or his agent in rail or track yards or on docks, wharves, or other yards for resale by the producer or his agent.

2. The adjustment of claims with purchasers of coal in such manner as to grant secret allowances, secret rebates, or secret concessions, or other price discrimination.

3. The prepayment of freight charges with intent to or having the effect of granting a discriminatory credit allowance.

4. The granting in any form of adjustments, allowances, discounts, credits, or refunds to purchasers or sellers of coal, for the purposes or with the effect of altering retroactively a price previously agreed upon, in such manner as to create price discrimination.

5. The predating or postdating of any invoice or contract for the purchase or sale of coal, except to conform to a bona-fide agreement for the purchase or sale entered into on the predate.

6. The payment or allowance in any form or by any device of rebates, refunds, credits, or unearned discounts, or the extension to certain purchasers of services or privileges not extended to all purchasers under like terms and conditions, or under similar circumstances.

7. The attempt to purchase business, or to obtain information concerning a competitor's business by concession, gifts, or bribes.

8. The intentional misrepresentation of any analysis or of analyses, or of sizes, or the intentional making, causing, or permitting to be made, or publishing, of any false, untrue, misleading, or deceptive statement by way of advertising, invoicing, or otherwise concerning the size, quality, character, nature, preparation, or origin of any coal bought, sold, or consigned.

9. The unauthorized use, whether in written or oral form, of trade-marks, trade names, slogans, or advertising matter already adopted by a competitor, or any deceptive approximation thereof.

10. Inducing or attempting to induce, by any means or device whatsoever, a breach of contract between a competitor and his customer during the term of such contract.

11. Splitting or dividing commissions, brokers' fees, or brokerage discounts, or otherwise in any manner directly or indirectly using brokerage commissions or jobbers' arrangements or sales agencies for making discounts, allowances, or rebates, or prices other than those determined under this Act, to any industrial consumer or to any retailers, or to others, whether of a like or different class.

12. Selling to, or through, any broker, jobber, commission account, or sales agency, which is in fact or in effect an agency or an instrumentality of a retailer or an industrial consumer or of an organization of retailers or industrial consumers, whereby they are¹ any of them secure either directly or indirectly a discount, dividend, allowance, or rebates, or a price other than that determined in the manner prescribed by this Act.

13. Employing any person or appointing any sales agent, at a compensation obviously disproportionate to the ordi-

¹ So in original.

nary value of the service or services rendered, and whose employment or appointment is made with the primary intention and purpose of securing preferment with a purchaser or purchasers of coal.

Penalties

Section 5 (b) of Bituminous Coal Act:

The membership of any such coal producer in such code and his right to an exemption from the taxes imposed by section 3 (b) of this Act, may be revoked by the Commission upon written complaint by any code member or district board, or any State or political subdivision of a State, or the consumers' counsel, after a hearing, with thirty days' written notice to the member, upon proof that such member has wilfully violated any provision of the code or any regulation made thereunder; and in such a hearing any code member or district board, or any State or political subdivision of a State, or the consumers' counsel, or any consumer or employee, and the Commissioner of Internal Revenue, shall be entitled to present evidence and be heard: Provided, that the Commission, in its discretion, may in such case make an order directing the code member to cease and desist from violations of the code and regulations made thereunder and upon failure of the code member to comply with such order the Commission may apply to a circuit court of appeals to enforce such order in accordance with the provisions of subsection (c) of section 6 or may reopen the case upon ten days' notice to the code member affected and proceed in the hearing thereof as above provided.

Section 5 (c) of Bituminous Coal Act:

Any producer whose membership in the code and whose right to an exemption from the tax imposed by section 3 (b) of this Act shall have been revoked and canceled may apply to the Commission and shall have the right to have his membership in the code restored upon payment by him to the United States of double the amount of the tax provided in Section 3 (b) upon the sales price at the mine, or the market value at the mine if disposed of otherwise than by sale at the mine, or if sold otherwise than through an arms' length transaction, of the coal sold or disposed of by the code member in violation of the code or regulations thereunder (but in no case shall such sales price or market value be taken to be less than the minimum price established by the Commission for such coal and in effect at the time of such sale or other disposal), as found by the Commission under subsection (b) hereof. The Commission shall thereupon certify to the Commissioner of Internal Revenue and to the collector of internal revenue for the internal revenue collection district in which the producer resides the amount of the required payment as found under clause (5) of subsection (b), and upon payment of such amount to the Commissioner or the collector such officer shall notify the Commission thereof.

Section 10 (c) of Bituminous Coal Act:

If any producer required by this Act or the code or regulation made thereunder to file a report shall fail to do so within the time fixed for filing the same, and such failure shall continue for fifteen days after notice of such default, the producer shall forfeit to the United States the sum of \$50 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States,

brought in the district where the producer has his principal office or in any district in which he shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of forfeiture.

Section 35 of the Criminal Code as amended by the Act of June 18, 1934, c. 587, 48 Stat. 996 (U. S. C., Title 18, sec. 80):

Whoever shall make or cause to be made or present or cause to be presented, for payment or approval, to or by any person or officer in the civil, military, or naval service of the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, any claim upon or against the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, knowing such claim to be false, fictitious, or fraudulent; or whoever shall knowingly and wilfully falsify or conceal or cover up by any trick, scheme, or device a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used any false bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition, knowing the same to contain any fraudulent or fictitious statement or entry, in any matter within the jurisdiction of any department or agency of the United States or of any corporation in which the United States of America is a stockholder shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

Section 37 of the Criminal Code (U. S. C. 88):

If two or more persons conspire either to commit any offense against the United States, or to defraud the United States in any manner or for any purpose, and one or more of such parties do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be fined not more than \$10,000, or imprisoned not more than two years, or both. (R. S. Sec. 5440; May 17, 1879, c. 8, 21 Stat. 4; Mar. 4, 1909, c. 321, sec. 37, 35 Stat. 1086.)

Conclusion

It is the conclusion of the Commission that the schedules of proposed minimum prices and marketing rules and regulations submitted to the Commission by the District Board for District 10, as amended, corrected, modified or revised, conform to the requirements of Section 4 II (a) of the Act and that same, as amended, corrected, modified or revised, may properly be transmitted to the respective District Boards within Minimum Price Area 2 to serve as a basis for the coordination as provided in Section 4 II (b) of the Act.

By the Commission.

[SEAL]

PERCY TETLOW,
Chairman.

Dated this 20th day of February 1939.

Attest:

F. W. McCULLOUGH,
Secretary.

[F. R. Doc 39-623; Filed, February 23, 1939; 12:54 p. m.]

[Order No. 266]

AN ORDER DIRECTING THE DISTRICT BOARDS FOR DISTRICTS NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 AND 22 TO COORDINATE MINIMUM PRICES AND MARKETING RULES AND REGULATIONS NOT HERETOFORE DIRECTED TO BE COORDINATED

DIRECTING SAID DISTRICT BOARDS TO SUBMIT TO THE COMMISSION SUCH COORDINATED PRICES AND RULES AND REGULATIONS TOGETHER WITH THE DATA UPON WHICH THE ARE PREDICATED; AND ESTABLISHING AND PROMULGATING RULES AND REGULATIONS UNDER WHICH SUCH COORDINATION SHALL BE ACCOMPLISHED

Pursuant to act of Congress entitled "An Act to regulate interstate commerce in bituminous coal, and for other purposes" (Public, No. 48, 75th Cong., 1st Sess.),¹ known as the Bituminous Coal Act of 1937, the National Bituminous Coal Commission hereby orders and directs:

1. That Orders Nos. 253, 254, 255, 256, 259, 260, 261 and 264,² heretofore issued by the Commission, be and the same are hereby supplemented to provide for the coordination in common consuming market areas upon a fair competitive basis of the minimum prices and rules and regulations not heretofore directed by the Commission to be coordinated.

2. That the District Board for each of Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 22, shall, as hereinafter provided, proceed to coordinate the minimum prices and rules and regulations incidental to the sale and distribution of coal, approved by the Commission to serve as the basis for coordination for the respective districts, with each other of the aforesaid districts with which it may compete in any common consuming market area, to the end that the minimum prices and marketing rules and regulations heretofore approved by the Commission for each of the several districts created by the Act shall be completely coordinated in all common consuming market areas as provided by Section 4, II, (b) of the Act.

3. That each of the District Boards for the several districts shall forthwith, by appropriate resolution, designate and appoint one or more persons with power of delegation and substitution to represent said District Boards in the work of coordination as herein provided, and fully empower such person or persons to act for said District Board in a meeting or meetings with other such representatives from the other District Boards named in this Order, as hereinafter provided, unless by prior resolu-

tion such designation shall have been made.

4. That the representatives of District Boards Nos. 8 and 13 shall meet for the aforesaid purposes in the Offices of the Commission, Washington, D. C. commencing at 10:00 a. m. on the 27th day of February, 1939.

5. That the representatives of District Boards Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 shall meet for the aforesaid purposes in the Offices of the Commission, Washington, D. C. commencing at 10:00 a. m. on the 1st day of March, 1939.

6. That the representatives of District Boards Nos. 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 22 shall meet for the aforesaid purposes in the Offices of the Commission, Washington, D. C. commencing at 10:00 a. m. on the 6th day of March, 1939.

7. That the provisions of Orders Nos. 253, 254, 255, 256, 259, 260, 261 and 264, and the rules and regulations therein established for the coordination of minimum prices and for the coordination of the rules and regulations incidental to the sale and distribution of coal be and the same are hereby incorporated herein, to the end that all of the provisions of said Orders shall be and the same are hereby declared to be applicable to that part of the work of coordination not heretofore directed to be performed, provided, however, that the time in which the representatives of the several District Boards have been directed to complete the work of coordination as provided by Rule II of Section 4 of Order No. 253 and of Order No. 259 as amended by Order No. 261, be and the same is hereby extended to the 15th day of March, 1939; and, provided further, that the said representatives be and they are hereby directed to make their final reports to their respective District Boards and to the Commission, as provided by Rule IV of Section 4 of Order No. 253, of Order No. 259 as amended by Order No. 261, and of Order No. 264, not later than the 17th day of March, 1939.

8. The Secretary of the Commission is hereby directed to cause a copy of this Order to be published forthwith in the FEDERAL REGISTER, and shall cause copies hereof to be mailed to each code member, to the Consumers' Counsel, and to the Secretary of each District Board, and shall cause copies hereof to be made available for inspection by interested parties in each of the Statistical Bureaus of the Commission.

By order of the Commission.

Dated at Denver, Colorado, this 24th day of February, 1939.

[SEAL] F. WITCHER McCULLOUGH,
Secretary.

[F. R. Doc. 39-685; Filed, February 27, 1939; 11:40 a. m.]

TITLE 35—PANAMA CANAL

AMENDMENT OF REGULATIONS

PART 10—CARRYING AND KEEPING OF ARMS, AND HUNTING†

Part 10, Title 35, Code of Federal Regulations, has been amended to read as follows:

SEC. 10.1 *Carrying and keeping of arms; possessing and exhibiting permit.* With the exceptions stated in section 872 of title 5 of the Canal Zone Code, no one may have or carry arms in the Canal Zone; and anyone to whom a permit to have or carry arms is issued must keep the permit in his possession and exhibit it, on demand, to any officer of the Canal Zone police.† (Sec. 3, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 873)

SEC. 10.2 *Forms for application for permit to have or carry firearms.* Blank forms for application for permit to have or carry firearms may be secured from the office of the Police and Fire Division, Balboa Heights, or from any Canal Zone police station.† (Sec. 3, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 873)

SEC. 10.3 *Fee for hunting permit.* Each application for a hunting permit must be accompanied, on submission, by the prescribed fee of \$1. If the application is not approved the fee will be returned to the applicant.† (Sec. 3, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 873)

SEC. 10.4 *Applications for permit to keep arms in place of business or to carry arms to or from target range.* The application of an employee in an office, store, plantation, or other business place, for permission to keep arms in such place of business must be endorsed by the head of the applicant's department, in the case of a Government employee, or by the responsible official in charge of the business, in the case of an employee of an individual or company. The application of a member of a gun or pistol club for permit to carry firearms to and from the target range must be certified by the secretary or president of the club.† (Sec. 3, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 873)

SEC. 10.5 *Issuance and form of permits.* Upon approval by the Governor of an application for a permit the permit will be issued by the chief of the police and fire division. Such permit will be issued in the form of a small card and for each class of permit the cards will be of a distinctive color and numbered serially.† (Sec. 3, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 873)

SEC. 10.6 *Term and removal of permits.* All permits issued under the provisions of these regulations shall be

† In sections 10.1 to 10.11, the numbers to the right of the decimal point correspond to the respective section numbers in Governor's Regulations October 1, 1938.

¹ 50 Stat. 72; 15 U. S. C. Supp. IV, Chap. 17.
² 3 F. R. 2998, 3059, 3127, 3128 DI; 4 F. R. 261, 262, 945, 1010 DI.

valid only during the fiscal year in which issued, but a permit may be renewed, in the absence of objections thereto, upon its return to the chief of the police and fire division with a written request for its renewal for the succeeding fiscal year. A charge of \$1 will be made for renewal of a hunting permit, and this sum must accompany the application for renewal.† (Sec. 3, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 873)

SEC. 10.7 *Renewal of lost or destroyed permits.* A permit which has been lost or destroyed may be renewed for the remainder of the fiscal year upon affidavit of such loss or destruction. In case of a hunting permit the payment of a fee of \$1 shall also be required.† (Sec. 3, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 873)

SEC. 10.8 *Kind of arms allowed under hunting permits.* Hunting permits shall allow the carrying of rifles and shotguns but not of revolvers or pistols.† (Sec. 4, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 875)

SEC. 10.9 *Areas wherein hunting or use of firearms is prohibited.* Hunting is not allowed within any townsite or within 100 yards of the limits of a townsite; nor within 100 yards of a railroad, or metalled road, or the nearest prism line of the Canal channel, or any part of Gatun, Pedro Miguel, and Miraflores Dams; nor on any watershed directly tributary to a reservoir or the intake to a reservoir used for the water supply of any community; nor on any area specifically posted, by proper authority, against trespassing, such as cattle pastures, military reservations, Barro Colorado Island, watersheds, land licensed to settlers, etc. The use of firearms in areas designated as playgrounds, such as Farfan Beach, is prohibited.† (Sec. 4, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 875)

SEC. 10.10 *Areas wherein hunting is permitted, with shotguns; with rifles.* Hunting with shotguns is allowed in any part of the Canal Zone outside of the areas of restriction, as defined in the preceding section 9, but hunting with rifles is further restricted and is allowed only on the west side of the Canal from the north bank of the Carabali River to the Atlantic Ocean, exclusive of the area which is within one mile of any part of Gatun Dam.† (Sec. 4, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 875)

SEC. 10.11 *Carelessness in handling of firearms as ground for revocation of permit.* Persons carrying firearms are required to exercise caution in handling and discharging them, and carelessness in this respect may be the cause of revocation of permit to carry arms and the occasion for criminal prosecution.† (Sec. 4, 47 Stat. 573; 48 Stat. 1122; 5 C. Z. Code 875)

PART 20A—FISHING IN CANAL ZONE WATERS*†

Title 35, Code of Federal Regulations, has been amended by the addition of a part numbered 20A and reading as follows:

SEC. 20A.1 *Fishing with explosives not permitted.* Fishing by means of any kind of explosive is not permitted in the Canal Zone.*†

SEC. 20A.2 *Fishing at and below Gatun Spillway permitted conditionally.* Fishing at the Gatun Spillway and in the Chagres River within 500 yards below the spillway apron, or from the walls or banks thereof, will be permitted only when the following regulations are complied with:

(a) Fishing without pass is prohibited.

(b) Fishing will be permitted only with a rod and reel. The use of hand lines, spears, nets, seines, explosives, or other means is prohibited, excepting that nets and seines may be used for the purpose of obtaining bait only.

(c) Fishing above the railway bridge, from the walls or apron of the spillway, is prohibited.

(d) Fishing from the wall of the spillway below the railway bridge is prohibited, except from behind rail fence.

(e) Two or more adults, who are capable swimmers, will be permitted to fish from the spillway apron, or off shore when standing in the waters of the Chagres River, only when wearing cleated fishing shoes, shorts, and a life preserver, either ring or vest type.

(f) Fishing alone from the spillway apron, or off shore when standing in the waters of the Chagres River is prohibited.*†

SEC. 20A.3 *Fishing from Madden Dam and appurtenances, prohibited.* Fishing is prohibited from any part of Madden Dam and appurtenances.*†

SEC. 20A.4 *Bathing forbidden in above-described areas.* Bathing is forbidden in the areas covered by sections 2 and 3 hereof.*†

SEC. 20A.5 *Children not permitted in said areas unless accompanied.* Children will not be permitted within the areas covered by sections 2 and 3 hereof, unless closely guarded by a capable swimmer.*†

SEC. 20A.6 *Passes for fishing at or below Gatun Spillway.* Passes may be obtained from the Superintendent, Gatun Locks, by persons who can meet the requirements and agree to abide by the conditions set forth in section 2

*Sections 20A.1 to 20A.8 issued under authority contained in sections 4 and 7, 37 Stat. 561, 564; section 1, 47 Stat. 814; 48 Stat. 1122; 2 C. Z. Code 5 and 7.

†In sections 20A.1 to 20A.8, the numbers to the right of the decimal points correspond to the respective section numbers in Governor's Regulations October 1, 1938.

hereof. Persons not known to him will be required to present a written statement, signed by a Canal Zone police officer, the secretary of the Gatun Tarpon Club, or a commanding officer of the United States Army or Navy, stationed on the Isthmus, to the effect that the applicant is a capable swimmer and in possession of the required equipment.*†

SEC. 20A.7 *Revocation of pass for violation of conditions.* Violation of any of the conditions will result in the revocation of the pass.*†

SEC. 20A.8 *Certain navigation rules affecting fishing, quoted.* Persons fishing in any part of the Canal Zone will be governed by the applicable portions of the following rules quoted from Executive Order, No. 4314, September 25, 1925, Governing Navigation of the Panama Canal and Adjacent Waters:

(a) Fishing boats shall not anchor nor draw nets nor trawls in the Canal prism, nor elsewhere in the navigable waters of the Canal Zone, unless authorized by the Governor. (Rule 48).

(b) *Lights for fishing vessels.* When under way fishing vessels shall carry the lights prescribed by the preceding rules for vessels of their class; and when drifting with fishing lines out, or when drawing nets or trawls when under way, shall carry in some part of the vessel where they can best be seen, a red and a white light, each of such power and so placed as to be visible all around the horizon for a distance of at least one mile. The red light shall be above the white light and at a vertical distance of between six and twelve feet from it; and the horizontal distance between them, if any, shall not exceed ten feet. (Rule 70.)

(c) *Nets and other obstructions.* No fishing nets or other obstructions shall be placed in any of the navigable waters of the Canal Zone. (Rule 180.)

(d) *Lights for rowboats, etc.* Rowboats and cayucos, whether under oars or sail, shall carry a white light of such power and so placed as to be visible all around the horizon at a distance of at least one mile. (Rule 71.)*†

PART 48—PROTECTION OF BIRDS AND THEIR NESTS*†

Part 48, Title 35, Code of Federal Regulations, has been amended to read as follows:

SEC. 48.1 *Hunting, capture, or disturbing of birds prohibited generally.* Sections 291 to 293 of title 2 of the Canal Zone Code, hereinbefore quoted, embrace within their protection all

*Sections 48.1 to 48.7 issued under the authority contained in 47 Stat. 576; 48 Stat. 1122; 2 C. Z. Code 291-293.

†In sections 48.1 to 48.7, the numbers to the right of the decimal point correspond to the respective section numbers in Governor's Regulations October 1, 1938.

birds of any kind, and they may not be hunted, trapped, captured, willfully disturbed, killed, or held except as specifically allowed by regulations issued by the Governor of The Panama Canal.*†

SEC. 48.2 *Cage birds as domestic pets.* Cage birds of the following species may be held in captivity as domestic pets, and may be pursued for recapture if they escape: Canaries, macaws, parrots, parrakeets, and skylarks; but such birds may not otherwise be hunted, trapped, captured, willfully disturbed, killed, or held in the Canal Zone.*†

SEC. 48.3 *Birds of prey.* Birds of prey in pursuit of their quarry may be disturbed or killed.*†

SEC. 48.4 *Open seasons for game birds.* The following game birds may be hunted and killed, by persons holding Canal Zone hunting permit, only during the seasons indicated and subject to established bag limits:

(a) From December 1 to June 30 following, both dates inclusive, the various species of native wild ducks (including guichiche and muscovy), pigeons, doves, and native game birds belonging to the families known as quail, currasows, and guans.

(b) From October 1 to February 28 following, both dates inclusive, the migratory ducks known as blue-winged teal, broadbill, mallard, pintail, and shoveler; and snipe, curlew, plover, and yellow legs; and the migratory shore birds known as Wilson's or jack-snipe, and those known as yellow legs.*†

SEC. 48.5. *Bag limits for game birds.* The bag limit on ducks, native or migratory, is 25 per person per day, of which not more than 5 may be muscovy or pato real; and on all of the other game birds is 15 of each kind per person per day.*†

SEC. 48.6 *Possession of bird, nest, or egg as evidence of violation.* Possession of bird, or any part thereof, plumage, nest, or egg shall be prima facie evidence of the violation of these regulations upon the part of the person having it in possession, except as such possession is covered by permit.*†

SEC. 48.7 *Taking of birds for scientific purposes.* The taking of birds, their nests and eggs, for purely scientific purposes may be authorized by the Governor of the Panama Canal, provided that any such person desiring such authority shall first submit in writing satisfactory evidence of his or her object which shall be endorsed by some known ornithologist, or the head of a scientific institution of good standing.*†

H. A. A. SMITH,
Chief of Office.

FEBRUARY 25, 1939.

[F. R. Doc. 39-678; Filed, February 27, 1939; 10:53 a. m.]

TITLE 46—SHIPPING

BUREAU OF MARINE INSPECTION AND NAVIGATION

SECTION 138.11 ISSUANCE OF DUPLICATE CONTINUOUS DISCHARGE BOOKS, DUPLICATE CERTIFICATES OF IDENTIFICATION, AND DUPLICATE CERTIFICATES OF DISCHARGE

SEC. 138.11 is hereby amended to read as follows:

When a seaman loses his Continuous Discharge Book, Certificate of Identification, or Certificate of Discharge otherwise than by shipwreck, or other casualty, he will be required to pay for a duplicate an amount equal to the cost of such book or certificate to the Government, which for the current supply will be as follows:

Duplicate Continuous Discharge Book	\$1.00
Duplicate Certificate of Identification	.75
Duplicate Certificate of Discharge	.35
Each additional Duplicate Certificate of Discharge issued to the same man at the same time	.05

Other than as above stated, on additional amount shall be charged or received in connection with the issuance of such duplicates.

The phrase "or other casualty" as used in this section is interpreted to mean any damage to a ship caused by collision, explosion, tornado, wreck or flooding of the ship, such as a tidal wave or a grounding of the ship on a sandbar, or a beaching of the ship on a shore or by fire or other causes in a category with these mentioned.

If a continuous discharge book, certificate of identification or certificate of discharge is lost by shipwreck or other casualty as defined herein, there will be no charge for a duplicate thereof.

When payment is made to a Collector or Deputy Collector of Customs, a receipt will be issued on Cat. 1008 and the payments will be scheduled on Standard Form 1044, Schedule of Collections, as "Reimbursement for Loss of Continuous Discharge Books, etc., Bureau of Marine Inspection and Navigation," symbol number 134236. These collections are to be listed on a separate schedule from Navigation Fees, and are also to be listed as a separate item on the Account Current with the title and symbol number as given above.

When the money is collected by a Shipping Commissioner or Local Inspector, he will issue to the seaman a receipt, stating thereon the number of the document issued and the amount collected. The Shipping Commissioner or Local Inspector will pay over to the Collector of Customs of his port all moneys received from this source, such payment to be made at as early a day as practicable. The Collector will issue a receipt to the Shipping Commissioner or Local Inspector on Cat. 1008 for the moneys so

paid, and the Collector will follow the procedure outlined in the above paragraph in accounting for the moneys so transferred to him.

The seaman will be required to make affidavit in duplicate as to the loss of his Continuous Discharge Book, Certificate of Identification, or Certificate of Discharge on Form 719-e, which affidavit is to be executed before a Shipping Commissioner, Collector or Deputy Collector of Customs, or United States Local Inspector. The original copy will be forwarded to the Bureau of Marine Inspection and Navigation at Washington and the Director of the Bureau will cause to be prepared a duplicate of the lost document which will be sent to the proper office for completion and delivery to the seaman. The seaman shall be required to pay for the duplicate document at the time he makes the affidavit and in the event the lost document is found he shall be required to surrender same to a U. S. Shipping Commissioner, Collector of Customs, or U. S. Board of Local Inspectors. If the loss is occasioned by shipwreck or other casualty, the seaman shall so state in his affidavit. In such cases, he shall not be required to pay for the duplicate document. If the seaman requests a certificate of identification in lieu of a lost book or a continuous discharge book in lieu of a lost permanent certificate of identification, he shall be required to pay for the duplicate of the lost document at the time he makes affidavit. When the duplicate document is issued to him he may then exchange same in accordance with the regular procedure. (Secs. 7, 49 Stat. 1936, 46 U. S. C. Sup. III 689; and Sec. 1 (j), 50 Stat. 49, 46 U. S. C. Sup. III, 643 (j))

[SEAL] J. M. JOHNSON,
Acting Secretary of Commerce.

FEBRUARY 23, 1939.

[F. R. Doc. 39-658; Filed, February 25, 1939; 9:24 a. m.]

UNITED STATES MARITIME COMMISSION

RULES AND REGULATIONS UNDER TITLE XI, MERCHANT MARINE ACT, 1936, AS AMENDED

FEDERAL SHIP MORTGAGE INSURANCE

The following rules and regulations are hereby adopted pursuant to the authority vested in the United States Maritime Commission (hereinafter referred to as the Commission) under Title XI of the Merchant Marine Act, 1936, as amended (hereinafter referred to as the Act).

ARTICLE I—APPLICATION

1. Any mortgagee meeting the eligibility requirements of the Act may submit an application for a commitment to insure, or for a contract of insurance of, a preferred ship mortgage.

2. The application must be substantially in the form prescribed by the Commission.

3. The application must be accompanied by the mortgagee's check in the amount of \$50 or ½ of 1 per centum of the amount of insurance applied for, whichever is the lesser sum.

4. Upon approval of an application, and upon payment of any fee charged by the Commission in accordance with Section 1104 (d) of the Act, acceptance of the mortgage, or proposed mortgage, for insurance will be evidenced by a commitment to insure, or by a contract of insurance as the case may be.

ARTICLE II—ELIGIBILITY REQUIREMENTS

1. Citizenship of both the mortgagor and the mortgagee must be determined in accordance with the provisions of existing law. All requirements of the General Counsel of the Commission as to the evidence necessary to establish citizenship must be met.

2. Prior to the approval of any application the Commission may cause a hearing to be held upon such notice as the Commission may consider reasonable under the circumstances, but not less than fifteen (15) days nor more than (30) days, for the purpose of receiving evidence as to the economic soundness of the property or project, and the competitive effect of its maintenance and operation.

3. The Commission may insure a mortgage securing an obligation having a maturity date not to exceed twenty (20) years from the date of its execution. In no event will a contract of insurance be executed for a term longer than the economic life of the mortgaged property, as determined by the Commission. Ordinarily the economic life of a vessel will be determined as running not more than twenty (20) years from the date of completion of the original construction of a vessel and not from the date of completion of any reconstruction or reconditioning thereof.

4. A mortgage to be eligible for insurance must secure an obligation in a principal amount which does not exceed 75 per centum of the cost (as estimated by the Commission) of the construction, reconstruction, or reconditioning financed by the loan or advance, but in no event to exceed 75 per centum of the amount which the Commission estimates will be the value of the property when the construction, reconstruction, or reconditioning is completed. In the case of loans or advances made under the authority of Section 1106, the amount of the indebtedness secured by any prior mortgage being refinanced must be added to the amount of the loan or advance for reconstruction or reconditioning in order to determine the amount of the new mortgage obligation; and, if the aggregate amount of the obligation secured by the new mortgage, so com-

puted, exceeds 75 per centum of either such cost or such value, the new mortgage will not be eligible for insurance.

ARTICLE III—MORTGAGE AND DEFAULTS

1. The mortgage shall be a preferred ship mortgage on the vessel or vessels whose construction, reconstruction or reconditioning is being financed under the Act and, except as otherwise prescribed by the Commission, shall be a first and prior lien on said vessel or vessels. The mortgage shall be in form approved by the General Counsel of the Commission and its status as a preferred mortgage, and such priority over other liens, both maritime and non-maritime, shall be established to his satisfaction.

2. A preferred mortgage may be given on any vessel of the United States, i. e., a vessel that is registered, enrolled, or licensed under the laws of the United States, other than a towboat (or tug), barge, scow, lighter, car float, canal boat, or tank vessel, of less than 200 tons gross. No vessel of less than 5 tons net may be registered, enrolled or licensed under the laws of the United States. The vessel, as far as may be practical, should be built to classification requirements of the American Bureau of Shipping for the service in which it is to be operated.

3. In the event of any default by the mortgagor under the mortgage, the mortgagee shall, after knowledge thereof, promptly, but in any event within fifteen (15) days, report the facts and nature of such default to the Commission, and at the same time shall notify the mortgagor that the default has been so reported. The mortgagee shall thereafter report promptly to the Commission what, if any, assurances, representations, or additional security the mortgagor offers to give to the mortgagee as consideration for the curing of said default.

The mortgagee shall not permit defaults under the mortgage to be cured except with the prior written approval of the Commission, and upon such terms, if any, as the Commission may impose.

4. The mortgage shall contain such provisions as the Commission may deem advisable to assure the continuation of the use of a mortgaged vessel in a trade or project approved by the Commission.

5. When the mortgaged property consists of two or more vessels, the mortgage and/or contract of insurance shall contain provisions, to be prescribed by the Commission, setting forth the extent to which the insurance shall be effective, the amount of debentures to be issued and other related matters, in the event that one or more (but less than all) of said vessels shall have, during the period of the contract of insurance, (a) become the subject of actual or constructive total loss, or (b) been sold or otherwise disposed of with the approval of the Commission.

ARTICLE IV—PROCEDURE UPON DEFAULT

1. At any time within ninety (90) days after the date of default, unless the contract of insurance shall provide for a shorter period, the mortgagee at his election shall, either:

(a) With the consent of the Commission, acquire possession of and title to the property covered by the insured mortgage (hereinafter called the mortgaged property) by means other than foreclosure under the provisions of the Ship Mortgage Act, 1920, as amended; or

(b) Commence foreclosure proceedings under said Act.

2. If foreclosure proceedings as provided in 1 (b) above, are prevented by any court of competent jurisdiction, without the consent or acquiescence of the mortgagee, the mortgagee shall, promptly, and in any event within sixty (60) days after any such prevention shall have ceased to exist, commence such foreclosure proceedings, or acquire title and possession as set forth in 1 (a) above.

3. The mortgagee shall promptly give notice in writing to the Commission of the institution of foreclosure proceedings, or of any court action preventing such proceedings, and shall exercise reasonable diligence in prosecuting such proceedings to completion.

4. Nothing contained in this Article shall be construed to prevent the mortgagee, with the written consent of the Commission, from taking action at a later date than herein prescribed.

ARTICLE V—PROCEDURE AFTER ACQUISITION OF MORTGAGED PROPERTY

1. Within sixty (60) days after title to and possession of the mortgaged property have been acquired by the mortgagee in accordance with Article IV, the mortgagee shall transfer title and possession thereof to the Commission; Provided, however, that for good cause shown, the Commission may extend such time for an additional period. The title to be transferred to the Commission hereunder shall be evidenced by a bill of sale in form satisfactory to the General Counsel of the Commission and shall convey full ownership of the mortgaged property, free and clear of all liens and encumbrances whatsoever, except that the Commission may accept title subject to liens adequately covered by insurance and, if the mortgagee agrees that there be a corresponding reduction in the amount of the debentures to be issued, subject to other liens not exceeding an amount equal to 5 per centum of the debentures to which the mortgagee would otherwise be entitled.

2. Vessels are to be delivered into the possession of the Commission at the home ports thereof unless the Commission consents to take delivery elsewhere. Immediately after transfer of title and

possession the mortgagee shall assign to the Commission all its right, title, and interest in and to any claims which the mortgagee has against the mortgagor or others arising out of the mortgage transaction or foreclosure proceedings, except such claims as may have been released by the mortgagee with the consent of the Commission. Any claim which the mortgagee may have against any sums paid by it into the court having jurisdiction of the foreclosure, in fulfillment of its bid or bids for the mortgaged property, shall not be deemed to be such a claim as is required to be assigned to the Commission hereunder.

3. The mortgaged property shall be delivered in as good condition, working order, and repair as of the date of recordation of the mortgage, ordinary wear and tear excepted; Provided, however, that the property may be accepted in damaged condition if there be transferred to the Commission insurance claims covering such damages in an amount estimated by the Commission to be sufficient to effect the repairs.

4. The Commission may require the mortgagee to reduce all or any part of any claim which may be required to be assigned to it to cash and to deliver the proceeds to the Commission after deducting the reasonable expenses incurred.

ARTICLE VI—PREMIUMS

1. Premiums for Federal Ship Mortgage Insurance shall be payable at the rate set forth in the contract of insurance, but within the maximum and minimum rates prescribed by the Act. Such premiums shall be paid annually in advance, the first such premium to be paid at the time of issuance of the contract of insurance and each subsequent premium to be paid not later than thirty (30) days after the anniversary date of the contract. The premium for the first and each subsequent annual period shall be computed on the basis of the average balance of the principal of the loan to be outstanding during the annual period with respect to which such premium is paid. Such average balance shall be computed on the basis of the fixed payments required under the mortgage, but without regard to delinquent payments or prepayments. Any premium so paid shall be subject to adjustment by way of credit, upon the next premium when due, for extraordinary payments required under the mortgage and not constituting prepayments (such as proceeds of insurance upon total loss applied in reduction of principal, additional payments contingent on net earnings, etc.).

2. If the contract of insurance terminates by expiration of the term stated therein, or by reason of the acquisition by the Commission of title to and possession of the mortgaged property, any further obligation of the mortgagee for premiums shall cease and the mortgagee shall be entitled to a pro rata refund of the unearned portion of any premiums

paid in advance. If the contract of insurance terminates by reason of payment in full of the principal obligation prior to maturity, or by mutual agreement of the mortgagor and mortgagee upon not less than ten (10) days prior notice in writing to the Commission, or is otherwise terminated by, or with the consent of, the Commission, the mortgagee shall pay an adjusted premium charge as set forth in the contract of insurance, but not in excess of the maximum prescribed by the Act in the case of termination by reason of prepayment in full.

ARTICLE VII—FEES AND CHARGES

1. The amount paid under paragraph 3 of Article I, and all other fees and charges which the mortgagee is required to pay under the provisions of Sec. 1104 (d), may be collected by him from the mortgagor. The mortgagee shall not receive or accept any other consideration for the making of the mortgage, or the obtaining of insurance thereon, or for any service rendered in connection therewith, except amounts approved by the Commission as fair and reasonable.

2. The mortgagee shall submit to the Commission from time to time such reports as may be required in the contract of insurance.

3. No commission, fee, bonus or other remuneration may be paid, either by the mortgagor or mortgagee, directly or indirectly to any person for obtaining a commitment to insure, or a contract of insurance, or for services rendered in connection therewith, except amounts approved by the Commission as fair and reasonable for services of accountants, attorneys, architects, engineers, appraisers, or other experts performing services deemed by the Commission to be essential in connection with the preparation and presentation of the application. Bona fide brokerage commissions for services rendered in negotiating a loan between a borrower and lender may be paid provided that full and complete disclosure thereof is made in the application and the amount appears reasonable to the Commission.

ARTICLE VIII—DEBENTURES

1. The debentures to be issued to the mortgagee shall be in the form prescribed by the Commission and approved by the Secretary of the Treasury.

2. The rate of interest will be determined in accordance with the provisions of Sec. 1105 (c). The time the mortgage is offered for insurance shall be deemed to be the date of execution of the commitment to insure or, if there is no prior commitment, the date of execution of the contract of insurance.

3. Transactions and operations in the debentures are to be governed by regulations to be prescribed by the Commission with the approval of the Secretary of the Treasury.

ARTICLE IX—APPLICABILITY OF REGULATIONS

1. These regulations shall be a part of all commitments to insure, and all

contracts of insurance without a prior commitment, issued on or after February 23, 1939 to the same extent as if expressly set out therein.

2. These regulations may be amended by the Commission at any time. No such amendment shall affect any commitment to insure or contract of insurance theretofore issued, but all such amendments shall be effective as to any commitment to insure or contract of insurance issued after the adoption thereof.

[SEAL]

W. C. PEET, Jr.
Secretary.

FEBRUARY 23, 1939.

[F. R. Doc. 39-691; Filed, February 27, 1939; 12:30 p. m.]

Notices

DEPARTMENT OF AGRICULTURE.

Food and Drug Administration.

IN THE MATTER OF PUBLIC HEARING FOR PURPOSE OF RECEIVING EVIDENCE UPON BASIS OF WHICH REGULATIONS MAY BE PROMULGATED (A) FIXING AND ESTABLISHING A REASONABLE DEFINITION AND STANDARD OF IDENTITY, STANDARD OF QUALITY, AND STANDARD OF FILL OF CONTAINER, FOR CANNED TOMATOES; AND (B) SPECIFYING THE FORM AND MANNER OF LABEL STATEMENTS FOR SUCH CANNED TOMATOES WHICH FALL BELOW SUCH STANDARD OF QUALITY, AND SUCH STANDARD OF FILL OF CONTAINER

Notice is hereby given to all interested parties whose appearances have been entered as a matter of record that on Tuesday, February 28, 1939, there will be certified to and filed with the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, South Building, Independence Avenue, between 12th and 14th Streets, S. W., Washington, D. C., the Transcripts of Evidence in the Public Hearings held for the purpose of receiving evidence upon the basis of which a regulation may be promulgated (a) fixing and establishing a reasonable definition and standard of identity, standard of quality, and standard of fill of container, for canned tomatoes; and (b) specifying the form and manner of label statements for such canned tomatoes which fall below such standard of quality, and such standard of fill of container.

Pursuant to the announcement made by the Presiding Officer at each of said Hearings, written arguments, proposed findings of fact, or both, together with suggestions and conclusions, based solely on the evidence, may be filed with said Hearing Clerk not later than March 10, 1939.

[SEAL]

JOHN MCDILL FOX,
Presiding Officer.

[F. R. Doc. 39-652; Filed, February 24, 1939; 1:52 p. m.]

IN THE MATTER OF PUBLIC HEARING FOR PURPOSE OF RECEIVING EVIDENCE UPON BASIS OF WHICH A REGULATION MAY BE PROMULGATED FIXING AND ESTABLISHING A DEFINITION AND STANDARD OF IDENTITY FOR EACH OF THE FOLLOWING FOODS: EGGS, LIQUID WHOLE EGGS, LIQUID MIXED EGGS, FROZEN WHOLE EGGS, DRIED WHOLE EGGS, EGG YOLK, FROZEN EGG YOLK, DRIED EGG YOLK

FEBRUARY 24, 1939.

Notice is hereby given to all interested parties whose appearances have been entered as a matter of record that on Friday, March 3, 1939, there will be certified to and filed with the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, South Building, Independence Avenue, between 12th and 14th Streets, S. W., Washington, D. C., the Transcripts of Evidence in the Public Hearings¹ held for the purpose of receiving evidence upon the basis of which a regulation may be promulgated, fixing and establishing a reasonable definition and standard of identity for each of the following foods commonly known as liquid whole eggs, liquid mixed eggs, frozen whole eggs, dried whole eggs, egg yolk, frozen egg yolk, dried egg yolk.

Pursuant to the announcement made by the Presiding Officer at each of said Hearings, written arguments, proposed findings of fact, or both, together with suggestions and conclusions, based solely on the evidence, may be filed with said Hearing Clerk not later than March 13, 1939.

[SEAL] JOHN McDILL FOX,
Presiding Officer.

[F. R. Doc. 39-693; Filed, February 27, 1939; 12:37 p. m.]

DEPARTMENT OF LABOR.

Wage and Hour Division.

NOTICE OF HEARING ON PROPOSED AMENDMENT OF SECTION 536.2 (AREA OF PRODUCTION) OF REGULATIONS ISSUED UNDER THE FAIR LABOR STANDARDS ACT OF 1938

Whereas, Section 13 (a) of the Fair Labor Standards Act of 1938 provides that the wages and hours provisions contained in Sections 6 and 7 of said Act shall not apply with respect

(10) to any individual employed within the area of production (as defined by the Administrator), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products.

and

Whereas, pursuant to the authority contained in said Section, the Administrator of the Wage and Hour Division has issued the following regulations, as amended:

¹ 3 F. R. 3011 DI.

"SECTION 536.2 'Area of production' as used in Section 13 (a) (10) of the Fair Labor Standards Act. An individual shall be regarded as employed in the 'area of production' within the meaning of Section 13 (a) (10), in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products

"(a) if he is engaged in such work on a farm and on agricultural or horticultural commodities produced exclusively on such farm, or

"(b) if the agricultural or horticultural commodities are obtained by the establishment where he is employed from farms in the immediate locality and the number of employees in such establishment does not exceed seven, or

"(c) with respect to dry edible beans, if he is so engaged in an establishment which is a first concentration point for the processing of such beans into standard commercial grades for marketing in their raw or natural state. As used in this subsection (c), 'first concentration point' means a place where such beans are first assembled from nearby farms for such processing but shall not include any establishment normally receiving a portion of the beans assembled from other first concentration points.

"(d) with respect to Puerto Rican leaf tobacco, if he is engaged in handling, packing, storing, and drying such tobacco for market in an establishment which is a first concentration point for such tobacco. As used in this subsection (d), 'first concentration point' means a place where such tobacco is first assembled from nearby farms for such preparation for market but shall not include any establishment normally receiving a portion of the tobacco assembled from other concentration points, nor any establishment operated by a manufacturer for the preparation of tobacco for his own use in manufacturing.

"SECTION 536.3 *Petition for amendment of regulations.* Any interested persons or association wishing a revision of the foregoing regulations may make application to the Administrator in writing to amend Sections 536.1 and 536.2. If upon inspection of the petition the Administrator believes that reasonable cause for amendment of the regulations is set forth, the Administrator will either schedule a hearing with due notice to interested parties or will make other provision for affording interested parties an opportunity to present their views either in support of or in opposition to the proposed changes."

and

Whereas, the Association of Sugar Producers of Puerto Rico has filed a petition with the Administrator to amend said Section 536.2 of said regulations by adding thereunto a new sub-

paragraph to be numbered (e) reading in substance as follows:

"(e) With respect to sugar cane and its products if he is engaged in the processing of sugar cane into raw sugar (but not refined sugar), sugar syrup, or molasses, from sugar cane produced on nearby farms or in transportation, handling or storage in connection with such processing."

Now, therefore, notice is hereby given of a public hearing to commence on March 23, 1939, at 10 o'clock A. M. in Room 3229, U. S. Department of Labor Building, Washington, D. C., before a presiding officer to be hereinafter designated, at which interested parties will be heard on the following question:

What, if any, amendment should be made of Section 536.2¹ of the regulations issued under the Fair Labor Standards Act of 1938 with respect to the processing of sugar cane into sugar (but not the refining of sugar), or into syrup, or into molasses.

Said petition may be examined at Room 5413, U. S. Department of Labor, Washington, D. C.

Signed at Washington, D. C., this 25th day of February, 1939.

ELMER F. ANDREWS,
Administrator.

[F. R. Doc. 39-679; Filed, February 27, 1939; 10:54 a. m.]

CIVIL AERONAUTICS AUTHORITY.

[Docket No. 38-401 (E)-1]

PAN AMERICAN-GRACE AIRWAYS, INC.

Application for a permanent certificate of public convenience and necessity under section 401 (e) (1) of the Civil Aeronautics Act of 1938, to engage in scheduled air transportation in the carriage of passengers, property and mail over the route between Cristobal (Canal Zone) and Buenos Aires (Argentina), with intermediate stops in Colombia, Ecuador and Peru and thence (a) with intermediate stops in Chile and Argentina with connecting service between Chile and Bolivia and (b) with intermediate stops in Bolivia (or in Chile and Bolivia) and Argentina.

NOTICE OF POSTPONEMENT OF HEARING
FEBRUARY 24, 1939.

Public hearing in the above-entitled proceeding now assigned on March 6, 1939,² is hereby postponed to April 17, 1939, to 10 o'clock a. m. (Eastern Standard Time) at the offices of the Civil Aeronautics Authority (Room 5042) in Washington, D. C., before Examiner F. A. Law.

F. A. LAW,
Examiner.

[F. R. Doc. 39-669; Filed, February 25, 1939; 12:19 p. m.]

¹ 3 F. R. 3072 DI, 4 F. R. 1009 DI.

² 4 F. R. 465 DI.

RURAL ELECTRIFICATION ADMINISTRATION.

[Administrative Order No. 321]

ALLOCATION OF FUNDS FOR LOANS

FEBRUARY 20, 1939.

By virtue of the authority vested in me by the provisions of Section 4 of the Rural Electrification Act of 1936, as amended, I hereby allocate, from the sums authorized by said Act, funds for loans for the projects and in the amounts as set forth in the following schedule:

Project Designation	Amount
Alabama R9009C2 Clarke-Washington	\$3,200
Arkansas R9010B1 Pulaski	78,000
Arkansas R9023A1 Mississippi	200,000
Georgia R9081A2 Towns	8,000
Illinois R9029B1 Shelby	248,000
Illinois R9039A1 Fulton	440,000
Illinois R9034A1 Jackson	424,000
Indiana R9016D1 Henry	87,000
Indiana R9033C1 Hendricks	200,000
Indiana R9037C1 Jay	165,000
Louisiana R9013A1 East Baton Rouge	309,000
Maryland R9004C2 St. Marys	19,500
Minnesota R9074A1 Norman	270,000
Minnesota R9075A1 Red Lake	243,000
Minnesota R9079A1 Big Stone	201,000
Mississippi R9021D1 Coahoma	77,000
Mississippi R9038A2 Warren	21,000
Missouri R9042A1 Caldwell	505,000
Missouri R9044A1 Grundy	367,000
Nebraska R9063A1 Stanton	155,000
North Carolina R9025E1 Rutherford	76,000
Oklahoma R9015C1 Tillman	89,000
Oklahoma R9022A1 Cotton	230,000
Oklahoma R9025A1 Rogers	193,000
Tennessee R9001B2 Meigs	11,000
Texas R9091A1 San Patricio	195,000
Texas R9093A1 DeWitt	172,000
Texas R9096A1 Victoria	140,000
Virginia R9031C1 Mecklenburg	120,000
Washington R9008C1 Benton	25,000
Wisconsin R9021B1 Taylor	81,000

JOHN M. CARMODY,
Administrator.

[F. R. Doc. 39-663; Filed, February 25, 1939; 10:11 a. m.]

[Administrative Order No. 322]

ALLOCATION OF FUNDS FOR LOANS

FEBRUARY 20, 1939.

By virtue of the authority vested in me by the provisions of Section 5 of the Rural Electrification Act of 1936, as amended, I hereby allocate, from the sums authorized by said Act, funds for loans for the projects and in the amounts as set forth in the following schedule:

Project Designation	Amount
Iowa R9016W1 Monona	\$5,000
Iowa R9055W1 O'Brien	10,000
Kentucky R9026W2 Todd	10,000
Michigan R9005W1 Lenawee	5,000
Mississippi R9040W1 Smith	20,000
Nebraska R9059W1 Butler	15,000
Nebraska R 9060W1 Hamilton	7,500
New Mexico R9004W2 Eddy	25,000
North Dakota R9011W3 Cass	10,000
Ohio R9033W2 Auglaize	5,000
Ohio R9039W3 Paulding	10,000
Texas R9023W1 McCulloch	5,000
Texas R9059W1 Lamb	10,500
Texas R9061W1 Coleman	5,000
Texas R9077W1 Johnson	5,000
Wisconsin R9053W1 Eau Claire	5,000

JOHN M. CARMODY,
Administrator.

[F. R. Doc. 39-664; Filed, February 25, 1939; 10:11 a. m.]

[Administrative Order No. 323]

AMENDMENT OF PRIOR ALLOCATIONS OF FUNDS FOR LOANS

FEBRUARY 25, 1939

I hereby amend Administrative Order No. 136, dated September 9, 1937, by rescinding the \$33,000 allocated to Arizona 8009 Maricopa.

I hereby amend Administrative Order No. 269, dated July 7, 1938, by rescinding the \$30,000 allocated to Florida 9017G1 Jackson.

I hereby amend Administrative Order No. 279, dated August 18, 1938, by rescinding the \$37,400 allocated to Georgia 9088A1 Telfair.

I hereby amend Administrative Order No. 232, dated April 1, 1938, by rescinding the \$5,000 allocated to Kansas 8015W1 Dickinson.

I hereby amend Administrative Order No. 4, dated July 28, 1936, by rescinding the \$75,000 allocated to Nebraska 5 Adams.

I hereby amend Administrative Order No. 274, dated July 25, 1938, by rescinding the \$30,000 allocated to North Dakota 9013G1 Foster.

I hereby amend Administrative Order No. 74, dated March 19, 1937, by rescinding the \$40,000 allocated to Texas 49 Denton.

I hereby amend Administrative Order No. 156, dated October 29, 1937, by rescinding the \$55,000 allocated to Texas 7067 Rains-Rockwell.

I hereby amend Administrative Order No. 105, dated June 7, 1937, by rescinding the \$45,000 allocated to West Virginia 8G Hardy.

I hereby amend Administrative Order No. 69, dated March 9, 1937, by rescinding the \$15,000 allocated to Wisconsin 16W Douglas.

I hereby amend Administrative Order No. 183, dated January 31, 1938, by rescinding the \$5,000 allocated to Wisconsin 8027W1 Buffalo.

JOHN M. CARMODY,
Administrator.

[F. R. Doc. 39-676; Filed, February 27, 1939; 10:53 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 24th day of February, A. D. 1939.

[File No. 2-3188]

IN THE MATTER OF SWEET'S STEEL COMPANY

STOP ORDER

This matter coming on to be heard by the Commission on the registration statement of Sweet's Steel Company, a Pennsylvania corporation, and the proposed amendments filed March 29, June 3, June

17, December 10 and December 20, 1938, to said registration statement, after confirmed telegraphic notice by the Commission to said registrant that it appears that said registration statement includes untrue statements of material facts and omits to state material facts required to be stated therein and omits to state material facts necessary to make the statements therein not misleading; and

Evidence having been received upon the allegations made in the notice of hearing duly served by the Commission on said registrant, and the registrant having consented to the entry of an order; and

The Commission having duly considered the matter, and finding that said registration statement includes untrue statements of material facts and omits to state material facts required to be stated therein and material facts necessary to make the statements therein not misleading in Items 5, 10, 22, 23, 24, 26, 33, 34, Exhibit F, and the prospectus; and

It not appearing to the Commission that the aforesaid amendments, on their face, are not incomplete or inaccurate in any material respect, all as more fully set forth in the Commission's Findings of Fact and Opinion this day issued; and

The Commission being now fully advised in the premises;

It is ordered, Pursuant to Section 8 (d) of the Securities Act of 1933, that the effectiveness of the registration statement filed by Sweet's Steel Company be and the same hereby is suspended.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-667; Filed, February 25, 1939; 12:12 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 24th day of February, A. D. 1939.

[File No. 2-3598]

IN THE MATTER OF OKLAHOMA HOTEL BUILDING COMPANY

STOP ORDER

This matter coming on to be heard before the Commission on the registration statement of Oklahoma Hotel Building Company, a Delaware corporation, after confirmed telegraphic notice by the Commission to said registrant that it appears that said registration statement includes untrue statements of material facts and omits to state material facts required to be stated therein and omits to state material facts necessary to make the statements therein not misleading, and upon evidence received upon the allegations made in the notice of hearing duly served by the Commission on said registrant; and

The Commission having duly considered the matter, and finding that said registration statement includes untrue statements of material facts and omits to state material facts required to be stated therein and material facts necessary to make the statements therein not misleading in items 19, 45, 54, 55, the accountant's certificate, and the prospectus, all as more fully set forth in the Commission's Findings of Fact and Opinion this day issued; and

The Commission being now fully advised in the premises;

It is ordered, Pursuant to Section 8 (d) of the Securities Act of 1933, as amended, that the effectiveness of the registration statement filed by Oklahoma Hotel Building Company, a Delaware corporation, be and the same hereby is suspended.

By direction of the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-666; Filed, February 25, 1939;
11:20 a. m.]

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 27th day of February, A. D. 1939.

[File No. 55-53]

IN THE MATTER OF MELVIN M. HAWLEY

NOTICE OF AND ORDER FOR HEARING

An application pursuant to sections 11 (f) and 20 (a) of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party;

It is ordered, That a hearing on such matter be held on March 16, 1939, at ten o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That James G. Ewell or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such manner. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice to continue or postpone said hearing from time to time.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any

person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before March 11, 1939.

The matter concerned herewith is in regard to the application of Melvin M. Hawley, pursuant to Rule U-11F-2 promulgated under Section 11 (f) of the Public Utility Holding Company Act of 1935, and Section 20 (a) of said Act, for approval of the maximum amount which may be granted him as an additional interim allowance for legal services to the Trustee of Utilities Power & Light Corporation, which company is now in reorganization in the District Court of the United States for the Northern District of Illinois, Eastern Division. The additional maximum interim allowance for which approval is asked is \$25,000 for the period beginning November 3, 1937 and ending December 31, 1938.

The applicant also requests an exemption from the requirement of filing future applications with regard to future interim allowances commencing with the month of January 1939 to the extent of \$5,000 per month.

The applicant states that he has been acting for the Trustee of Utilities Power & Light Corporation since November 3, 1937.

It further appears that the applicant has heretofore received \$52,500 as interim allowances for the period commencing November 3, 1937 and ending December 31, 1938. It further appears that this Commission, by its order of May 23, 1938, fixed the maximum interim allowance which the applicant might receive without future applications to this Commission at \$3,000 per month.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-686; Filed, February 27, 1939;
11:43 a. m.]

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 27th day of February, A. D. 1939.

[File No. 32-131]

IN THE MATTER OF ALLENTOWN-BETHLEHEM GAS COMPANY

NOTICE OF AND ORDER FOR HEARING

An application pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party;

It is ordered, That a hearing on such matter be held on March 8, 1939, at 10 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as

to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That Charles S. Lobingier or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice to continue or postpone said hearing from time to time.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before March 6, 1939.

The matter concerned herewith is in regard to an application by Allentown-Bethlehem Gas Company pursuant to Section 6 (b) requesting an exemption from Section 6 (a) with respect to the issue and sale by the applicant of First Mortgage Bonds, 3¾% Series due 1965, in the principal amount of \$240,000; the bonds are to be sold privately to The Penn Mutual Life Insurance Company at 104% of their principal amount plus accrued interest to the date of delivery; \$245,000 of the total proceeds of \$249,600 will be used to repay bank loans, and the balance will be used to reimburse the treasury and pay the expenses of this issue.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-687; Filed, February 27, 1939;
11:43 a. m.]

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 27th day of February, A. D. 1939.

[File No. 43-183]

IN THE MATTER OF SOUTHWESTERN GAS AND ELECTRIC COMPANY

NOTICE OF AND ORDER FOR HEARING

A declaration pursuant to section 7 of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party;

It is ordered, That a hearing on such matter be held on March 16, 1939, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as to the room where such hearing will be

held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered. That Willis E. Monty or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice to continue or postpone said hearing from time to time.

Notice of such hearing is hereby given to such declarant or applicant and to

any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before March 10th, 1939.

The matter concerned herewith is in regard to the proposed issuance and sale by declarant, for cash at par, of an aggregate of \$2,250,000 in principal amount of 2 $\frac{7}{8}$ % unsecured notes, due in five equal annual installments commencing November 1, 1941. Three banks are to purchase the notes in the following respective amounts: The First Na-

tional Bank of Chicago, \$1,275,000; Harris Trust and Savings Bank (Chicago), \$900,000; and American National Bank and Trust Company of Chicago, \$75,000.

Declarant states that the proceeds of such sale will be used to refund and discharge \$2,250,000 in principal amount of its outstanding 4% Serial Debentures, Series A, due serially November 1, 1941 to November 1, 1945, at par plus premiums aggregating \$36,000.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-688; Filed, February 27, 1939;
11:43 a. m.]